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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

SENATE—*Wednesday, July 31, 1974*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Lord of our lives and God of our salvation, deliver us and all the people of this land from the sins which are a reproach to any people and lead us in that righteousness which exalts a nation. Overrule our human frailties by imparting Thy higher grace and wisdom. Hear our prayers for the President, the Congress, the judiciary, and for all in the service of the Nation that we may witness our love to Thee by keeping Thy commandments.

We pray in His name who, without blemish, did the Father's will even on a cross. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 30, 1974, be dispensed with.

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

SUBSTITUTION OF A CONFEREE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senator STEVENS be named to replace Senator FONG as a conferee on H.R. 14715, White House employment, and S. 628, surviving spouse annuities.

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

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 993, 994, and 996.

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

EQUITABLE TREATMENT FOR RANCHERS AND FARMERS

The Senate proceeded to consider the bill (S. 3056) to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers, which had been reported from the Committee on Agriculture and Forestry with amendments:

On page 2, in line 12, strike out "1970" and insert in lieu thereof "1969".

On page 2, in line 12, strike out "1974" and insert in lieu thereof "1972".

so as to make the bill read:

S. 3056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order that the amount of such payments may, in the case of any rancher or farmer, be computed on the basis of (1) the net sales proceeds received, or (2) in the case of any rancher or farmer who failed to realize the amount provided for in the sales document, the lesser of the following: (A) the net sales proceeds based on the price the rancher or farmer would have received had there been no default of payment under such document, or (B) the fair market value of the commodity concerned at the time of sale.

SEC. 2. The Secretary of Agriculture is further authorized to reconsider any application filed for the payment of price support under the National Wool Act of 1954 with respect to any commodity marketed during the four marketing years 1969 through 1972 and to make such payment adjustments as he determines fair and equitable on the basis of any amendment to regulations made under authority of the first section of this Act.

The amendment was agreed to.

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

AMENDMENT OF THE PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

The bill (H.R. 13264) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities, was considered, ordered to a third reading, read the third time, and passed.

SAFETY STANDARDS FOR BOILERS AND PRESSURE VESSELS

The bill (H.R. 10309) to amend the act of June 13, 1933 (Public Law 73–40), concerning safety standards for boilers and pressure vessels, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

A LAW FOR EVERYTHING?

Mr. HUGH SCOTT. Mr. President, by now, I would have thought that we would have a law for everything. Evidently, we have not.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized for not to exceed 15 minutes.

(The remarks Senator BUCKLEY made at this point on the introduction of S. 3640, dealing with vehicle safety standards, and the ensuing discussion are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

THE PRESIDENT FAILED TO COMPLY WITH THE WAR POWERS LAW ON THE CYPRUS EVACUATION

Mr. EAGLETON. Mr. President, on July 21, 1974, the American Ambassador to Cyprus cabled the State Department requesting a military evacuation of American citizens caught in hostilities on that island. Upon approval by the Secretary of Defense—and presumably the President—the Chairman of the Joint Chiefs of Staff ordered naval task force 61–62, comprised of five vessels of the U.S. Navy, to a point 20 miles south of Cyprus.

On July 22 at 11:15 a.m.—eastern daylight time—American military personnel began the evacuation of American citizens from the hostile zone. During that day 22 helicopter sorties were made from the U.S.S. *Inchon* to Dhekelia, Cyprus, and 384 Americans and 82 foreign nationals were evacuated to the U.S.S. *Coronado*. The operation was concluded that same day at 4:30 p.m. EDT.

On July 23, 135 Americans and foreign nationals were evacuated by helicopter from the northern Cyprus city of Kyrenia in a joint British-American operation. They were moved to the U.S.S. *Trenton* on the Cyprus south coast.

The Cyprus evacuation was an efficient, well-run operation. Hundreds of

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

innocent victims who had found themselves in the midst of a revolution and a subsequent invasion by Turkey were rescued. A cease-fire arrangement was agreed to the next day, brought about mainly by the outstanding work of American diplomats.

We can be proud of American military and diplomatic personnel for their accomplishments during the Cyprus situation. They saved American lives and they worked tirelessly to bring about a cease-fire in a situation that threatened the stability of one of the world's most strategically important areas.

But a glaring and serious omission of law detracts from the otherwise commendable action taken by the administration last week. On July 24, the President of the United States was to have submitted a written report to the Speaker of the House of Representatives and the President pro tempore of the Senate, who now occupies the chair, advising Congress that American forces had been introduced into a hostile area. That report, required under the war powers resolution, Public Law 93-148, was never submitted.

In rescuing American citizens the President fulfilled a traditional responsibility of the Commander in Chief—a responsibility which has been recognized as legitimate in case law. It is a use of the Armed Forces which has always received the post facto support of Congress. Indeed, in two succeeding years, 1972 and 1973, the Senate passed war powers legislation which would have formally delegated to the President the right under certain conditions to rescue Americans in emergency situations.

But the issue here is not whether the President had the authority to evacuate 384 Americans caught in a hostile zone. It is instead the failure of the President to report his action under section 4(a)(1) of the war powers resolution within 48 hours, setting forth in writing:

(A) the circumstances necessitating the introduction of United States Armed Forces; (B) the constitutional and legislative authority under which such introduction took place; and (C) the . . . scope and duration of the . . . involvement.

Mr. President, we should not underestimate the potential danger of a rescue operation of this type. If one of those 22 helicopters had been shot down, additional forces may have been necessary to protect the survivors. While it appears that there was no objective other than saving Americans on July 22, past rescue operations—the most classical example of which was the everlasting rescue operation in the Dominican Republic in 1965, under President Johnson. Such operations in the past have evolved into serious involvements by the United States. This is exactly why we have a requirement in law today that all such operations be reported to Congress—the branch of Government which possesses the sole responsibility for authorizing war.

There is no doubt in my mind that there is unanimous approval within Congress for the Cyprus rescue operation. But that is exactly what concerns me about the President's failure to report it.

If this very popular introduction of the Armed Forces goes unreported, can we assume that less popular, more dangerous uses of force will be faithfully reported? If, for example, U.S. paratroopers had been clandestinely dropped into the Nicosia airport to assist U.N. forces there, would the President have been more or less inclined to fulfill his legal obligation?

The war powers resolution was the focus of a good deal of public attention last year. Some said that its enactment would enable Congress to recapture its power to authorize war. Others, myself included, called it a dangerous law—a law which formally gave away the sole constitutional prerogative of Congress to decide in advance whether the United States should go to war.

President Richard Nixon also felt that the war powers resolution was a bad law, but for other reasons. He said it would tie his hands—that the necessity to report to Congress would restrict his actions as Commander in Chief. And when the bill was enacted, it was done over the President's strenuous objection and his veto.

Mr. President, Cyprus was the first test case for the war powers resolution. We should be grateful that our involvement there was limited to the evacuation of American citizens. Nonetheless, President Nixon failed this first major test.

Whether the President has committed an error of omission or commission, I cannot in all honesty say that I am surprised by his failure. In a letter of April 24 to the Secretary of State I asked what measures had been taken within the executive branch to implement the reporting and consultation sections of the war powers resolution. In a response from the Department, dated May 10, 1974, I was told:

With respect to the 48-hour notification requirement, it is our view that no particular new procedural measures within the Executive Branch are necessary . . . The particular nature and content of any such notice would of course have to await an actual event covered by the legislation, given the possible variety of actions covered.

Mr. President, the event to which the State Department referred has come and gone. Whether I, or President Nixon or any other American disagrees with the effectiveness, or even the constitutionality of that law, it must be obeyed.

Whether or not the war powers resolution was an appropriate mechanism for recapturing Congress power to authorize war, it was intended by well-meaning Members of this body to accomplish that end. It was motivated out of a desire to avoid the precipitous involvement of the United States in war. The omission of President Nixon should not be taken lightly by those who had hoped that the requirement to report the introduction of U.S. forces into hostilities would put a halt to unilateral Presidential warmaking.

Mr. President, I have today written to the Speaker of the House and the President pro tempore of the Senate asking that they advise the President that he has failed to comply with Public Law 93-148, and that he be asked to submit a report to the Congress in accordance with section 4 of that law at the earliest possible time. I ask unanimous consent it be included in the RECORD at this point.

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

TEXT OF LETTER TO SPEAKER ALBERT AND SENATOR EASTLAND

On July 22, 1974, the United States introduced armed forces into the nation of Cyprus for the purpose of rescuing American citizens. On that day Cyprus was in the midst of open hostilities, the result of a coup d'etat and a subsequent invasion by Turkish forces.

As you know, the War Powers Resolution, Public Law 93-148, requires the President to notify you in writing within 48 hours of any introduction of U.S. forces into a hostile situation and to set forth: (A) the circumstances necessitating the introduction of United States Armed Forces; (B) the constitutional and legislative authority under which such introduction took place; and (C) the estimated scope and duration of the hostilities or involvement (since in this case the involvement apparently ended prior to 48 hours, a report of the exact duration of involvement would be appropriate).

The Cyprus evacuation is the first test case for the War Powers Resolution. The rescue operation of course has the unanimous approval of Congress. But the popularity of this action should cause even more concern. We can only assume the worst—that more controversial uses of force will also go unreported.

We are fortunate, I feel, to have a test case which did not evolve into a more serious commitment of American forces into battle. Accordingly, Congress should, in my opinion, press now to protect its legal prerogatives before dangerous precedents of omission are established in the implementation of P.L. 93-148.

I, therefore, respectfully request that you advise the President that he has failed to comply with Section 4 of the War Powers Resolution and that he submit the required report at the earliest possible time.

Sincerely,

THOMAS F. EAGLETON,
U.S. Senator.

Mr. EAGLETON. Finally, Mr. President, I would like to make one additional comment with regard to the landing of American helicopters at Dhekelia. I understand that the State Department may argue that the British sovereign base area at Dhekelia, where our forces landed, was not part of the hostile zone. I disagree with that assessment. It seems obvious that the executive branch is attempting to split hairs on what should be a routine requirement of the law. I would add that if the British sovereign base was not part of a hostile zone, it would not have been on full-scale military alert, and, Mr. President, that British base was on full-scale military alert.

It would seem that a much more healthy reaction to my remarks here today would be that an omission has been made and that a report, as required by law, will be promptly forthcoming.

Finally, Mr. President, I ask unanimous consent that two Defense Department factsheets, dated July 23 and July 24, respectively, be entered in the RECORD at this point.

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

JULY 23, 1974.

DHEKELIA EVACUATION FACT SHEET

Through the Department of State the American Ambassador in Nicosia, Rodger P.

Davies, requested evacuation at 7:30 a.m. EDT, July 21. Upon approval of Secretary Schlesinger, the Chairman of the Joint Chiefs of Staff ordered Task Force 61–62, headed by the USS Inchon, to proceed with the evacuation. That Task Group included, in addition to the Inchon, the following ships: USS Coronado (LPD–11), USS Trenton (LPD–14), USS Spiegel Grove (LSD–32) and USS Saginaw (LST–1188).

The Task Group moved to an area 20 miles south of Dhekelia, the British Sovereign Base Area, from which the evacuation off Cyprus commenced at 11:15 a.m. EDT, July 22. A total of 384 U.S. citizens and 82 persons of other nationalities, who had moved by auto convoy from Nicosia to Dhekelia, were lifted by Marine helicopter from Inchon to Coronado. That operation was completed at 4:30 p.m., EDT, July 22. Coronado then proceeded to Beirut, Lebanon, where it arrived at 3:40 a.m. EDT, July 23.

Included among the evacuees on to Coronado were two NBC and three CBS newsmen.

Evacuees included, in addition to American citizens, the following nationalities: three British, 21 Lebanese, four Cypriot, 11 Egyptian, two Kuwaiti, one Swedish, nine Greek, one German, one Canadian, four Indonesian, 14 Iraqi, six Jordanian, one Saudi Arabian, one Australian, one Israeli, and two Swiss.

Evacuation onto Coronado required 22 helicopter sorties, using CH–46s and CH–53s.

JULY 24, 1974.

FOR CORRESPONDENTS

The following was released by EUCOM at 0600 EDT 24 July 1974:

"An additional contingent of Americans are presently being evacuated from Cyprus in a joint United States-United Kingdom effort.

"Some 60 Americans who made their way by convoy to the Cyprus South coast British Sovereign Base at Dhekelia yesterday will be flown by British aircraft to London today.

"One hundred and thirty-five Americans and foreign nationals were evacuated to HMS HERMES from the north Cyprus city of Kyrenia yesterday. They are being moved to USS Trenton at Akrotiri Bay on the Cyprus south coast for further transfer to an undetermined location. The 135 were part of approximately 2,000 evacuees taken to HERMES from Kyrenia yesterday.

"Although 6th Fleet units will continue to stand by for further evacuation if required, today's actions complete removal of all known concentrations of Americans from the Mediterranean Island."

Mr. EAGLETON. In addition, Mr. President, I ask unanimous consent that my letter of April 24, 1974, to the State Department and the response of May 10, 1974, be inserted in the RECORD.

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

APRIL 24, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I wrote you on November 9, 1973 requesting your Department's legal evaluation of the effect of the war powers legislation enacted by Congress. In addition, I asked to be informed as to the measures taken by the Executive Branch to implement the law.

Assistant Secretary Marshall Wright responded to my letter on your behalf on November 30, 1973. In that letter, he stated that the Department was "currently reviewing with other appropriate Executive Branch agencies the implications of the resolution," and that I would be informed "as soon as possible" of any decision that might be made in changing Department procedures.

I, therefore, request a summary of the actions taken within the Executive Branch to implement the provisions of Public Law 93–148. If no action has thus far been taken, I would appreciate being so advised.

Thank you very much for your assistance. It would be extremely helpful if you could provide an expeditious reply.

Sincerely,

THOMAS F. EAGLETON,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C., May 10, 1974.

Hon. THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: Secretary Kissinger has asked me to reply to your letter of April 24 concerning the War Powers Resolution.

In response to your inquiry of November 9, 1973 on this subject we advised you that the Department was reviewing with other appropriate agencies whether any changes in Executive Branch procedures might be required by that legislation. I wish now to supplement the comments made in the Department's letter to you of November 30 and I hope that this delay has caused no inconvenience.

With respect to the 48-hour notification requirement, it is our view that no particular new procedural measures within the Executive Branch are necessary. The notification requirement is well known in all the relevant Government agencies and there would appear to be no particular advantage either to the effective application of the legislation or to the efficiency of the Executive Branch in adopting procedures in addition to those regularly followed in responding to Congressional notification requirements. The particular nature and content of any such notice would of course have to await an actual event covered by the legislation, given the possible variety of actions covered.

The effect of the War Powers Resolution on the President's ability to deploy U.S. forces is similarly definable in a meaningful way only in the context of an actual set of facts against which the requirements of the Joint Resolution will have to be measured. To speculate about hypothetical situations might be possible but would not seem useful or helpful in any way.

I hope that these observations more fully answer the queries you put forward in your letter referred to above.

Sincerely,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

The PRESIDENT pro tempore. The Senator's time has expired.

ORDER OF BUSINESS

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

Mr. MANSFIELD. Mr. President, at the request of the Senator from West Virginia I yield back his time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. 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.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PROPOSED AMENDMENT TO THE BUDGET, 1975, FOR THE DEPARTMENT OF THE INTERIOR (S. DOC. NO. 93–99)

A communication from the President of the United States transmitting a proposed amendment for appropriations transmitted in the budget for the fiscal year 1975 in the amount of $4,310,000 for the Department of the Interior (with accompanying papers). Referred to the Commitee on Appropriations, and ordered to be printed.

PROPOSED AMENDMENT TO THE BUDGET, 1975, FOR THE INTERSTATE COMMERCE COMMISSION (S. DOC. NO. 93–100)

A communication from the President of the United States transmitting a proposed amendment for appropriations transmitted in the budget for the fiscal year 1975 in the amount of $345,000 for the Interstate Commerce Commission (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

TEST DATE ON CERTAIN AIRCRAFT

A confidential document from the Assistant Secretary of Defense relating to test date on A–10 Aircraft and AIM7F Sparrowe. Referred to the Committee on Armed Services.

CHIPPEWA CREE TRIBE OF THE ROCKY BOY'S RESERVATION, MONTANA, ET AL., V. THE UNITED STATES OF AMERICA

A letter from the Chairman, Indian Claims Commission, transmitting, pursuant to law, its report of its final determinations with respect to Docket No. 221–B, Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana, Joe Corcoran, on behalf of the Chippewa Cree Tribe, Blanche Patenaude, Joseph Richard, Joseph Gooselain, John B. Slayter, Wm. John Delorme, William Trottier, on behalf of the Little Shell Band of Indians and the Chippewa Cree Tribe, plaintiffs, v. The United States of America, defendant (with accompanying papers). Referred to the Committee on Appropriations.

REPORT OF NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of May 1974 on the average number of passengers per day and the on-time performance of each train operated (with accompanying papers). Referred to the Committee on Commerce.

A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of June 1974 on the average number of passengers per day and the on-time performance of each train operated (with accompanying papers). Referred to the Committee on Commerce.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Modernization of

1872 Mining Law Needed to Encourage Domestic Mineral Production, Protect the Environment, and Improve Public Land Management" (with an accompanying report). Referred to the Committee on Government Operations.

URBAN MASS TRANSPORTATION NEEDS AND FINANCING

A letter from the Secretary of Transportation transmitting, pursuant to law, a study of urban mass transportation needs and financing (with accompanying report). Referred to the Committee on Public Works.

THE COST OF CLEAN AIR 1974

A letter from the Administrator of the United States Environmental Protection Agency transmitting, pursuant to law, a report entitled "The Cost of Clean Air, 1974" (with accompanying report). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAVEL, from the Committee on Public Works, without amendment:

S. 3537. A bill to modify section 204 of the Flood Control Act of 1965 (79 Stat. 1085) (Rept. No. 93-1044).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 3578. A bill for the relief of Anita Tomasi (Rept. No. 93-1045).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, without amendment:

S. 2189. A bill to amend section 602 of the Agricultural Act of 1954 (Rept. No. 93-1046).

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, without amendment:

S. Res. 351. A resolution relating to an investigation of price spreads and margins for livestock, dairy products, poultry, and eggs (Rept. No. 93-1047).

By Mr. ROBERT C. BYRD, from the Committee on Appropriations, with amendments:

H.R. 15405. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1048).

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

S. Res. 374. An original resolution relating to the purchase of calendars for 1975 (Rept. No. 93-1049).

S. Res. 375. An original authorizing supplemental expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations during the period March 1, 1973, through February 28, 1974 (Rept. No. 93-1052).

S. Res. 376. An original resolution to pay a gratuity to Rosalie S. Lewis; and

S. Res. 377. An original resolution authorizing the printing of the Seventy-sixth Annual Report of the National Society of the Daughters of the American Revolution as a Senate document (Rept. No. 93-1053).

S. Con. Res. 106. An original concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Public Financing of Federal Elections." (Rept. No. 93-1050).

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

S. 857. A bill to authorize the Smithsonian Institution to plan museum support facilities (Rept. No. 93-1051).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. RANDOLPH, from the Committee on Public Works:

Brig. Gen. Wayne S. Nichols, U.S. Army, to be a member of the Mississippi River Commission.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

JOINT REFERRAL OF EXECUTIVE NOMINATION

Mr. MANSFIELD. Mr. President, as in executive session I ask unanimous consent that the nomination of Lynn Adams Greenwalt, of Maryland, to be Director of U.S. Fish and Wildlife Service be jointly referred to the Committees on Commerce and Insular Affairs. The nomination of Mr. Greenwalt, which was received on July 29, was referred solely to the Committee on Interior and Insular Affairs.

The joint referral is appropriate as both Committees share jurisdiction over the activities of the U.S. Fish and Wildlife Services.

This matter has been cleared on both sides.

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

ORDER FOR STAR PRINT OF CHILD AND FAMILY SERVICES ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I have been asked by the Senator from Minnesota (Mr. MONDALE) to make the following request and I read the following statement by the Senator from Minnesota:

Mr. President, on July 11, 1974, I introduced along with Senator JAVITS and 22 other cosponsors the Child and Family Services Act of 1974.

I have now had a chance to examine the bill after we received it from the printers, and there are several clerical and technical errors in it. I ask unanimous consent that a star print be made correcting these errors.

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

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. BUCKLEY (for himself, Mr. EAGLETON, Mr. DOMINICK, Mr. DOMENICI, and Mr. INOUYE):

S. 3840. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 with respect to certain seatbelt standards under such act. Referred to the Committee on Commerce.

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

S. 3841. A bill to amend sections 555 and 556 of title 37, United States Code, relating to members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

By Mr. CURTIS:

S. 3842. A bill for the relief of Dr. Carlos E. Nossa-Rodrigues. Referred to the Committee on the Judiciary.

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

S. 3843. A bill to designate certain lands in the Sequoia and King's Canyon National Parks, California, as wilderness;

S. 3844. A bill to designate certain lands in the Pinnacles National Monument, California, as wilderness;

S. 3845. A bill to designate certain lands in the Havasu National Wildlife Refuge, San Bernardino County, California, as wilderness;

S. 3846. A bill to designate all of the Semidi National Wildlife Refuge, Third Judicial Division, Alaska, as wilderness;

S. 3847. A bill to designate certain lands in the Crab Orchard National Wildlife Refuge, Jackson, Union and Williamson Counties, Illinois, as wilderness;

S. 3848. A bill to designate certain lands in the Hawaiian Islands National Refuge, city and county of Honolulu, Hawaii, as wilderness;

S. 3849. A bill to designate certain lands in the Red Rock Lakes National Wildlife Refuge, Beaverhead County, Montana, as wilderness;

S. 3850. A bill to designate certain lands in the Missisquoi National Wildlife Refuge, Franklin County, Vermont, as wilderness;

S. 3851. A bill to designate certain lands in the Aleutian Islands National Wildlife Refuge, Third Judicial Division, Alaska, as wilderness;

S. 3852. A bill to designate certain lands in the Rice Lake National Wildlife Refuge, Minnesota, and the entire Mille Lacs National Wildlife Refuge, Minnesota, as wilderness;

S. 3853. A bill to designate certain lands in the Tamarac National Wildlife Refuge, Becker County, Minnesota, as wilderness;

S. 3854. A bill to designate certain lands in the Rocky Mountain National Park, Colorado, as wilderness;

S. 3855. A bill to designate certain lands in the Glacier National Park, Montana, as wilderness;

S. 3856. A bill to designate certain lands in the Katmai National Monument, Alaska, as wilderness;

S. 3857. A bill to designate certain lands in the Zion National Park as wilderness;

S. 3858. A bill to designate certain lands in the Crater Lake National Park, Oregon, as wilderness; and

S. 3859. A bill to designate certain lands in the Olympic National Park, Washington, as wilderness. Referred to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY:

S. 3860. A bill to study and control the disclosure of voter registration lists for nonelection purposes. Referred to the Committee on Rules and Administration.

By Mr. COOK:

S. 3861. A bill to amend the Natural Gas Act in order to give the Federal Power Commission certain authority to regulate synthetic natural gas. Referred to the Committee on Commerce.

By Mr. THURMOND (for himself, Mr. HELMS, Mr. DOLE, Mr. CURTIS, Mr. GURNEY, and Mr. SPARKMAN):

S. 3862. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes. Referred to the Committee on Armed Services.

By Mr. PERCY (for himself, Mr. GOLDWATER, and Mr. HRUSKA):

S. 3863. A bill to name the synthetic gas pilot plant located in Rapid City, South Dakota, the "Karl E. Mundt Gasification Pilot

Plant." Referred to the Committee on Commerce.

By Mr. McGOVERN (for himself, Mr. SCHWEIKER, Mr. CASE, Mr. KENNEDY, Mr. MONDALE, Mr. HART, Mr. ABOUREZK, Mr. CRANSTON, and Mr. PERCY):

S. 3864. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to nutrition education and nutrition-related problems. Referred to the Committee on Labor and Public Welfare.

By Mr. NELSON:

S. 3865. A bill to amend the Land and Water Conservation Fund Act of 1965; and

S. 3866. A bill to amend the Land and Water Conservation Fund Act of 1965. Referred to the Committee on Interior and Insular Affairs.

S. 3867. A bill to amend the Federal Food, Drug and Cosmetic Act to promote honesty and fair dealing in the interest of consumers with respect to the labeling and advertising of special dietary foods, such as vitamins and minerals, etc. Referred to the Committee on Labor and Public Welfare.

By Mr. EAGLETON (for himself and Mr. SYMINGTON):

S. 3868. A bill for the relief of Chae Won Yang, Myung Jae Yang, Yoo Jung Yang, Jee Sun Yang, Yoo Sun Yang, and Hong Suk Yang, Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3869. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes. Referred to the Committee on Post Office and Civil Service.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUCKLEY (for himself, Mr. EAGLETON, Mr. DOMINICK, Mr. DOMENICI, and Mr. INOUYE):

S. 3840. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 with respect to certain seatbelt standards under such act. Referred to the Committee on Commerce.

Mr. BUCKLEY. Mr. President, today the Senator from Missouri (Mr. EAGLETON) and I, are introducing a measure aimed at amending motor vehicle safety standards in an attempt to lift from the shoulders of the American citizen the very real constraints of the interlock system as well as that of the sequential warning device or buzzer. I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. BUCKLEY. Mr. President, the proposed legislation is cosponsored by Mr. DOMENICI, Mr. DOMINICK, and Mr. INOUYE, who likewise share our desire to amend section 103(a) of the National Traffic and Motor Vehicle Safety Act of 1966 by directing the Secretary of Transportation to prescribe regulations—within 60 days of enactment of this legislation—which would make optional to the consumer, rather than mandatory, the inclusion of any starter interlock system, or sequential warning device—buzzers, lights—associated with seatbelts or upper torso restraints, or any other similar system requiring the use of such belts or restraints in order to start or operate the vehicle or producing a buzzing, light, or other warning signal if such belts or restraints are not used.

Mr. President, my first order of business this legislative session was to introduce in January, legislation which would make optional the inclusion of any starter interlock system associated with seatbelts or upper torso restraints on any motor vehicle. This was my first step in my campaign to remove the grasping hand of big brother government from the lives of American citizens. This campaign was prompted by hundreds of thousands of letters from constituents in New York State and from people all across the country. The theme underlying this correspondence was that there exists a virtual state of war—a war being waged by the American citizen against the excesses, the follies, and the dangers of the Federal Government's increasing—and frightening—big brother-like intervention in their lives. I thus learned of the American citizen's outrage with the documented failures of the philosophy "Washington knows best."

Pursuant to the introduction of my optional ignition interlock bill, which received overwhelming support all across the country, I have since learned that the mandated buzzer warning devices are likewise very strongly detested—the tone of these devices probably ranks with that of a piece of chalk squeaking across a blackboard. Because of the strong criticism of the buzzer warning system, I am today extending the scope of my original legislation by likewise attempting to offer to the consumer the opportunity of purchasing a vehicle equipped with or without the ignition interlock, the sequential warning device or both or neither.

Mr. President, I have already presented my arguments against the ignition interlock in the RECORD of January 21, 1974, and I therefore ask unanimous consent that my remarks of that date be printed at the conclusion of this text.

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

(See exhibit 2.)

Mr. BUCKLEY. Mr. President, I would now like to briefly summarize the role that the Federal Government has played in motor vehicle safety.

The second session of the 89th Congress passed the National Traffic and Motor Vehicle Safety Act of 1966—Public Law 89-563—which authorized the establishment of Federal safety standards for motor vehicles and their component parts. This legislation greatly accelerated the Federal Government's activities concerning automotive safety resulting in the Department of Transportation administratively determining specific safety standards rather than Congress legislating such standards.

Apparently, most would agree that such standards are appropriately matters for regulatory action by the Department of Transportation—rather than legislative action—and such resultants automotive safety standards may be all well and good. However, it is one thing to deal administratively with product safety but quite another with regard to personal safety. I argue that Federal motor vehicle safety standards tend to confuse personal safety with product safety.

Such is the case of Federal Motor Vehicle Standard No. 208 which currently requires motor vehicle manufacturers to provide a seat belt ignition interlock system in all cars manufactured after August 15, 1973—a device that prevents the engine from being started until both the driver's and front passenger's seat-belts and shoulder belts are fastened. I might add parenthetically, that because of the inevitable mechanical failures in these systems, often the driver has strapped himself in and still cannot start his engine. I know of no single intervention by government into the lives of its citizens that is more universally resented than this current requirement for 1974 model cars that dictates that we shall not start our engines until we strap ourselves in.

Apparently, most would tend to agree that the Federal Government has an appropriate role in insuring the manufacture of automobiles that are safe, however, Federal coercion is pushed too far in both cases where the ignition interlock and the sequential warning device are mandated as standard equipment on a car. These safety standards are devised to impact on the individual's behavior even though the consequences of that behavior affect only that individual and not the safety or health of the general public.

I would like to emphatically state that I have no intention of minimizing the importance of safety, nor the importance of seatbelts and torso restraints, but neither do I believe that we have to go so far as to eliminate all freedom of choice in this area.

My legislation would rightfully restore to the consumer the freedom of choice in purchasing a vehicle with or without the ignition interlock or the sequential warning device or both. I recommend the use of seatbelts but I strongly condemn the administrative mandate of an interlock which forces us to use them. I view such coercive measures as the interlock as an intolerable usurpation by Government of an individual's rights under the guise of self-protection. Forced self-protection moreover does not limit the extensions of statutes that could be devised to protect people from themselves.

At this point, I would like to interject a quote by Mr. Eric Sevareid which very succinctly expresses my views on this matter. Mr. Sevareid has stated that—

> The special nature of liberties is that they can be defended only as long as we still have them. So the very first signs of their erosion must be resisted . . . It is an eternal error to believe that a cause considered righteous sanctifies unrighteous methods . . .

With these thoughts in mind I would like to add that those struggling to make our automobiles and highways safer should not stop with seatbelts along with their mandated ignition interlock and buzzers, as a means to curing the problems of automotive-highway safety. The vehicle itself is only one of three elements that are involved in determining highway traffic safety—the other two being the highway and the driver.

Cars still require the responsibility and the good judgment of the driver to make highways safe and therefore the drivers should be educated rather than coerced by the interlock to use safety restraints. In addition, the field of highway safety technology should be further researched. Such funds as have been requested by DOT for its incentive program for the purpose of giving States grants equal to as much as 25 percent of their apportionment of Federal highway safety funds for those States that adopt mandated safety belt use laws may better be utilized if such funds—$141 million for fiscal year 1973—were to be applied toward pursuing improved highway safety technology.

In closing, I would like to give a word of advice to those owners of 1974 automobiles equipped with the ignition interlock. A sense of compassion compels me to advise such owners that, according to DOT:

The Interlock system that has been installed in 1974 vehicles pursuant to one of the occupant restraint options in Federal Motor Vehicle Safety Standard No. 208 . . . Applies to new vehicles only. Once a new vehicle has been sold for purposes other than resale and the buyer has taken delivery, the vehicle becomes a used one under the act.

This means that such vehicles are subject to adjustment at the will of the owner unless otherwise sanctioned by State legislation.

Mr. President, I do urge our colleagues to respond to the overwhelming demand of the people of this country to be given choice in this matter.

I urge the relevant committees to act on this legislation, and I also advise my colleagues that Senator EAGLETON and I intend to offer this legislation as an amendment to appropriate legislation that may come before us.

EXHIBIT 1

S. 3840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(a) of the National Traffic and Motor Vehicle Safety Act of 1966 is amended by inserting "(1)" after "Sec. 103.(a)" and by adding at the end thereof the following new paragraph:

"(2) Nothing in this Act, or regulations pursuant thereto, shall require any motor vehicle to be equipped with any starter interlock system, or any buzzer, light, or other warning system, associated with seatbelts or upper torso restraints, or any similar system requiring the use of such belts or restraints in order to start or operate the vehicle or producing a buzzing, light, or other warning signal if such belts or restraints are not used, but standards shall be promulgated by the Secretary within sixty (60) days of enactment of this Act to require that such a starter interlock system, and such a warning system, be made available with any new motor vehicle at the option of the purchaser."

EXHIBIT 2

[From the CONGRESSIONAL RECORD, Jan. 21, 1974]

By Mr. BUCKLEY (for himself, Mr. WILLIAM L. SCOTT, and Mr. EASTLAND):

S. 2863. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 in order to provide that certain seatbelt standards shall not be required under such act. Referred to the Committee on Commerce.

IGNITION INTERLOCK BILL

Mr. BUCKLEY. Mr. President, during the 3 years I have been a U.S. Senator, I have received hundreds of thousands of letters from constituents in New York State and from people all across the country. It would be impossible to list their varied and complex concerns under any one label, but it seems to me that no matter how many different individual problems I have learned of through these letters, there is an underlying theme to almost all of them: Citizens of New York and throughout the other 49 States are virtually in a state of war against the excesses, the follies, and the dangers of Federal Government's increasing—and frightening—big brother-like intervention in their lives. The American citizen is exasperated to the point of outrage with the documented failures of the philosophy of Washington knows best.

I want to emphasize that I chose the term "citizen" deliberately. I dislike the condescending term "average American" and "silent majority" does not get to the heart of the matter. I find that Americans are proud to see themselves as citizens, as free and responsible members of the body politic. The American citizen does not see himself as "the little guy" or "the forgotten American" of political folklore. He may be ignored but thank God he cares enough about his country to make his voice heard so that he will not be forgotten. The main trouble of our political system is that many in Washington have tried to ignore or forget the wishes of the American citizen.

The dictionary defines "citizen" as:

"A member of a state or nation . . . owing allegiance to its government and entitled to its protection."

The American citizen I speak of does have allegiance to the Government of the United States and a deep abiding love of this country. But more and more, he sees the Federal Government becoming what John Courtney Murray once described as the worst kind of government: one that is everywhere intrusive and evermore impotent.

The recent report of the Senate Subcommitte on Intergovernmental Relations entitled "Confidence and Concern: Citizens View American Government" demonstrates beyond any doubt that the American citizen is now beyond the point of debating whether or not big government is worth the cost in loss of freedom and privacy. The report states:

"There is little doubt that the actions of the federal government are regarded as making the greatest impact on people's lives."

Anger over high taxes is not, surprisingly, the most deeply felt concern. The report further goes on to state:

"The public underscores its belief in shared governmental responsibilities with an overwhelming endorsement of two policy propositions:

"(1) State and local governments should be strengthened; and

"(2) The federal government should have power taken away from it.

"Public support (61%) for reinforcing the structure and authority of local government almost precisely matches the percentage (59%) by which it advocates strengthening state government. In contrast, only 32% of the public feel the federal government needs added power, while 42% recommend diminishing its clout."

Mr. President, I want to state today, at the beginning of this new legislative session that it is time that the complaints of the American citizen are not only listened to but acted upon in the Congress. We have to not only pay lip service to but actually put into practice the virtue of economy in government. And we have to work to get the grasping hand of big-brother government out of the lives of American citizens.

As my first contribution to this task this year, I introduce today legislation amending section 103(a) of the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to prescribe regulations—within 60 days of the date of enactment of this legislation—which would make optional the inclusion of any starter interlock system associated with seatbelts or upper torso restraints on any motor vehicle. I know of no single intervention by Government into the lives of its citizens that is more universally resented than the current requirement for 1974 model cars that dictates that we shall not start our engines until we strap ourselves in. This resentment is typified by the following excerpt from a recent column by Carl Rowan:

"But the tendency to push governmental coercion too far is perfectly illustrated in the 1974 models. Government has forced car makers to rig cars so that they cannot be started until the belt-harness is fastened while the motorist's weight is on the seat.

"If government wants to make rules that prevent me from killing other people with my car, wonderful! But government has no business telling me that I can't bust my own head against the windshield, if I want to be that stupid.

"Imagine the nuisance effect and the lost man-hours that these '74 models bring to parking lot attendants!"

The National Traffic and Motor Vehicle Safety Act of 1966 authorized the establishment of Federal safety standards for motor vehicles and their component parts. Federal motor vehicle safety standard No. 208 currently requires motor vehicle manufacturers to provide a seat belt interlock system in cars manufactured after August 15, 1973—a device that prevents the engine from being started until both the driver's and front passenger's seat belts and shoulder belts are fastened.

It is currently a violation of Federal law for car dealers to deactivate the system and State laws are being planned to prevent others from tampering with it.

There are three basic reasons for opposing the mandatory requirement for seatbelt-ignition interlock systems: first, infringement of the individual's rights; second, safety and third, cost.

It is wrong for the Federal Government to require an individual to conform with an arbitrary standard of conduct that is unrelated to the public safety. It may well be that any driver who fails to put on a safety harness is an idiot. But freedom implies the freedom to be an idiot so long as one does not endanger others. The interlock requirement is not only an arrogant invasion of privacy, it is a blatant example of bureaucratic idiocy. Even a cursory examination of the current standards shows them to be manifestly unreasonable. Let me give you two examples:

Any item more than 47.3 pounds must be buckled up. I can see a generation of American shoppers learning how to buckle up the family groceries or limiting purchases to 47.1 pounds.

If the sequence of "sit down, fasten seatbelts, start car" is broken—for example, at gas stations where the driver would remain seated but would unbuckle to reach his wallet—it is necessary for all belts to be released and rebuckled before the car can be started. I have personally been told of a case when a handicapped person who is an experienced driver cannot buy a 1974 model car because of his inability to strap himself in.

Then, of course, there is the matter of safety:

A person under 4 feet 7 inches cannot safely use the torso belt, a point that mothers across the country are now discovering.

The current system adds greatly to the complexity of auto electrical systems and would become increasingly susceptible to malfunction as cars age.

I am told engineers estimate at least a 3-percent failure rate in 1974. Using a production figure of 10 million cars produced in 1974, this means that some 300,000 car owners will be subjected to ignition malfunction this year alone, not to mention the resultant cost of repair.

Finally, consumers are required to pay around $50 per car for this device whether they want it or not.

Mr. President, this kind of naked, Federal coercion is the wrong approach to auto safety. Unlike the the prohibiting of driving under the influence of intoxicating beverages, the implementation of the interlock system has no effect on the lives of those in cars not using the system.

The American citizen deserves and demands the right to live his own life free of the constraints of the Federal Mrs. Grundys whose lust to interfere in the private lives of others knows no bounds. I think it will be a salutary and highly symbolic gesture if we can tell the American citizen we are in favor of lifting all such constraints by taking from his shoulders the very real constraint of the interlock sysem. I, for one, believe that the American citizens love their own lives and the lives of others enough to take good care of them voluntarily without Big Brother tinkering with auto ignition systems.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Hawaii (Mr. INOUYE) be added as a cosponsor to the Buckley-Eagleton bill.

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

Mr. EAGLETON. Mr. President, I am today joining with the distinguished junior Senator from New York (Mr. BUCKLEY) in introducing a bill to revoke the Department of Transportation regulation requiring installation in new cars of an interlock seat belt device and the seat belt buzzer warning system.

I am for safety in the design of new automobiles. Who is not? Consistently, I have voted for auto safety acts and the adequate funding of such programs.

But I think there is a significant difference—and I draw the line—between making personal safety equipment available to consumers at their option and the kind of "no choice" regulation promulgated by the Department of Transportation which presumes to protect the individual against himself.

Mr. President, every week I receive hundreds of letters from my constituents on a variety of Federal programs. I know of none that creates more resentment and hostility than this act of big brotherism on the part of the Department of Transportation.

It is one thing to protect society against the imprudent or criminal acts of an individual. But it is quite another to attempt to protect the individual against himself. Carried to its extreme, that principle could justify Federal intervention in such personal affairs of citizens as their diet, their recreational activities or lack thereof, and even the movies they watch. All of these things by one theory or another could be judged to have some impact on the overall national welfare.

If freedom is to have any meaning in this country, it certainly must encompass the right of an individual to lead his life as he sees fit so long as it does not interfere directly with the similar pursuit by others.

I happen to believe that every individual should use seatbelts. I believe it is in his best interest. But I do not believe that I have a right either as an individual or as a Member of the U.S. Senate to order an individual to do what I think is in his best interest. That is for him to decide and the legislation I am cosponsoring today with the distinguished Senator from New York (Mr. BUCKLEY) would make it possible in this small area for him to regain that right of individual choice.

Mr. President, so that it will be clear what is involved here, I should note that the mandatory buzzer and interlock seatbelt systems were required by virtue of the general standard setting authority given to the Department of Transportation under the National Traffic and Motor Vehicle Safety Act of 1966.

That act in itself does not require any such seatbelt systems but it does authorize the Secretary of Transportation to promulgate regulations one of which was the Federal Motor Vehicle Safety Standard No. 208 requiring motor vehicle manufacturers to install seatbelt interlock systems in all cars manufactured after August 15, 1973.

Mr. President, I could cite many practical and economic reasons why this seatbelt system should not be required but I will rest my case on the simple ground that it is a serious infringement on the right of the individual to a free choice in matters that concern only himself. I would therefore urge my colleagues to vote for this legislation which would require manufacturers to continue to offer as an option an interlock or seatbelt buzzer system but which eliminates the requirement that the individual buying that automobile purchase such a system.

Finally, on this same subject, Mr. President, I do not recall, quite frankly, how the Senator from New York voted on the bill that was before us a few weeks ago on compulsory FM radio.

The bill, which as I recall it was reported by the Commerce Committee, said that henceforth any radio made in this country over a value of $15 would have to have an FM component in it.

Mr. President, I voted against that bill. It was a very close vote as I recall. The reason I voted against that bill was the same as that I have expressed today with respect to seatbelt interlocks.

Why should we, 100 U.S. Senators and 435 House Members, mandate as a matter of Federal law that every blessed radio in excess of $15 in value has to have an FM component?

Why should it not be up to the consumer to decide what kind of radio he wants? If he wants an AM radio, fine. If he wants an AM-FM radio, fine. Why should he not make that choice? Why do we cram it down his throat that he has got to have FM, and point out he is going to have FM regardless of whether or not he wants it? That is big brotherism. I think that is the same point I tried to make with respect to the seat belt situation.

Why does he have a buzzer in his ear? Why does he have to have an interlock? If he wants it, fine, but why does he have to have it?

I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I thank the Senator from Missouri for joining with me in what I believe to be a very important and needed assertion of individual rights.

We are now engaged in a very important debate on consumer legislation, and I believe it is time to point out that consumerism can be carried a step too far, when we have people in the Federal Government dictating to the consumer what is in his or her best interest, never mind what that consumer chooses for himself.

I am delighted that the Senator from Missouri has reminded us of that legislation, which I am sorry to say I have read this morning the House committee has reported out favorably. I refer to that requirement that any individual wanting to buy a quality radio henceforth must have an FM band as well as an AM band, irrespective of the additional cost to the consumer, and irrespective of whether or not that individual chooses to have the broader receptivity.

I know that in my own insstance, I have bought radios that are exclusively FM. I am located in an area where there is a wide choice of music offered by FM, and I thus satisfy my needs.

I also have a country home in an area where FM cannot be received, and therefore satisfy myself with records and AM radio. But I think this is a very fine example of what can only be described, in the one case of the interlock systems, as bureaucratic arrogance, and in the case of this FM band requirement as legislative arrogance: Talking down to the consumer, saying, "You are not wise enough, old enough, or prudent enough to look after your own safety, your own interests, and your own needs."

I thank the Senator for yielding.

Mr. EAGLETON. I thank the Senator from New York, and certainly subscribe to his remarks concerning not only AM-FM radio, but also the seat belt controversy.

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

S. 3841. A bill to amend sections 555 and 556 of title 37, United States Code, relating to members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

RIGHTS OF MIA'S AND THEIR FAMILIES

Mr. DOLE. Mr. President, I am offering today a bill to insure that the rights of our American servicemen who are missing in action, and the rights of their families, are not obscured or dissipated by military status reviews which are now underway. This measure will further provide for consistent review procedures among all military branches, and will insure that MIA families are given access to information upon which the status reviews are based.

The need for such assurances has resulted from recent actions on the part of the military branches to alter the statuses of American MIA's still unaccounted for in Southeast Asia. Earlier this year, the Army, Air Force, and Navy Secretaries initiated a methodical and, to some extent, arbitrary review of the cases of those missing servicemen to determine whether or not any "reasonable" basis existed for assuming that these individuals might still be living. If the respective service Secretary determined that no such basis existed for a particular MIA, then a "presumptive finding of death"—PFOD—was issued. During the first months of operation, this status-review process resulted in 69 PFOD's, in 88 cases which were considered. In several instances, the absence of any recent information about a missing serviceman was, itself, presented as "new" information reflecting doubt upon the serviceman's probability of survival.

Just 6 months ago, a panel of judges reviewing the court case of *McDonald* v. *McLucas* (73 Civ. 3190) held that a "minimum" of procedural standards must be followed in all such military status reviews in order to protect the rights of MIA family members. Although this ruling called for reclassification hearings open to MIA next of kin and provided them with an opportunity to present testimony of their own, it failed to establish any guarantees that family input would have an effective bearing upon the reclassification decision of the military service—even in those instances where no concrete evidence exists that an MIA is deceased. Subsequently, within a matter of several weeks, 69 American veterans of the Vietnam war were eliminated from the lists of the missing by the military services, and added to the rolls of the victims of that conflict.

Mr. President, Congress will be remiss if it permits such death determinations to continue at an accelerating pace during the coming months, with no more substantive basis for that decision than a "presumptive" finding drawn from lack of evidence to the contrary. Surely it is premature to arrive at such a negative conclusion on a man's fate when the North Vietnamese Government has not fully complied with the provisions of the Paris Peace Treaty of 1973 regarding an accounting for missing American personnel in Southeast Asia. Surely it is both insensitive and unjust to fail to reserve certain rights to these families and the MIA's they represent.

The measure I am introducing today will help to prevent declarations of death based on purely arbitrary deductions and decisions by the Secretaries of the military service in those cases where such a decision would run counter to the wishes of the family. It will preclude a change in the status of any MIA by the military services solely on the basis of the passage of time or the absence of additional information on that serviceman if the next of kin objects to such change.

It does not obstruct in any way the normal reclassification procedures prompted by new and substantive evidence which may become available on our MIA's from time to time; nor does it deny the previously existing rights of the next of kin to request or consent to reclassification procedures by the military. But it does maintain that all such procedures shall follow uniform and consistent guidelines; it does prescribe that recent court rulings be given statutory expression; and it does insure that the rights of those individuals whose lives are directly affected will not be forsaken.

As one who has been closely involved in the efforts to secure the release of our POW's and to obtain information on the status of our MIA's, I certainly believe that such endeavors by our Government should continue at an optimum level until the Communists comply fully with the provisions of the Paris Peace Agreement which entitle the United States to conduct a full search and accounting for our MIA's. In the meantime, let us not permit arbitrary and presumptive determinations to rule over the objections of family members. Let us demonstrate to all concerned that justice and sensitivity still prevail with respect to our missing servicemen and their families.

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

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

S. 3841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 555(a) of title 37, United States Code, is amended by striking out the period at the end of clause (2) and inserting in lieu thereof a comma and the following: "subject to the provisions of section 556 (i)."

(b) Section 555 of such title is further amended by adding at the end thereof a new subsection as follows:

"(e) The Secretary of Defense shall prescribe regulations for procedures and actions under this section and such regulations shall be applicable to all uniformed services."

SEC. 2. Section 556 of title 37, United States Code, is amended by adding at the end thereof the following new subsections:

"(i) Before the status of any member of a uniformed service who is in a missing status may be changed under the provisions of section 555(a) or under this section, the Secretary concerned must first notify the next of kin of such proposed change and hold a hearing on such proposed change. The next of kin shall be afforded a reasonable opportunity to (1) attend such hearing, (2) be represented at such hearing by private counsel, (3) examine all information upon which the proposed change of status is to be based, and (4) present any evidence or information relevant to the hearing.

"(j) The Secretary of Defense shall prescribe regulations for procedures and action under this section and such regulations shal be applicable to all uniformed services."

SEC. 3. Notwithstanding any other provision of law, in any case in which the status of any member of the uniformed service who is in a missing status is reviewed under section 555 or 556 of title 37, United States Code, on or after the date of enactment of this Act, no change in the status of such member may be made by the Secretary concerned solely on the basis of the passage of time or the absence of any additional information pertaining to the member if the next of kin of such member objects to such change. Any objection by the next of kin to a change in the status of any member of the uniformed services who is in a missing status on the date of enactment of this Act shall prevail until such time as the provisions of the Paris Peace Accord of January 27, 1973, relating to the accounting of missing personnel, have been complied with. As used in this section, the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning applicable to such terms in chapter 10 of title 37, United States Code.

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

S. 3843. A bill to designate certain lands in the Sequoia and King's Canyon National Parks, Calif., as wilderness;

S. 3844. A bill to designate certain lands in the Pinnacles National Monument, Calif., as wilderness;

S. 3845. A bill to designate certain lands in the Havasu National Wildlife Refuge, San Bernardino County, Calif., as wilderness;

S. 3846. A bill to designate all of the Semidi National Wildlife Refuge, Third Judicial Division, Alaska, as wilderness;

S. 3847. A bill to designate certain lands in the Crab Orchard National Wildlife Refuge, Jackson, Union, and Williamson Counties, Ill., as wilderness;

S. 3848. A bill to designate certain lands in the Hawaiian Islands National Wildlife Refuge, city and county of Honolulu, Hawaii, as wilderness;

S. 3849. A bill to designate certain lands in the Red Rock Lakes National Wildlife Refuge, Beaverhead County, Mont., as wilderness;

S. 3850. A bill to designate certain lands in the Missisquoi National Wildlife Refuge, Franklin County, Vt., as wilderness;

S. 3851. A bill to designate certain lands in the Aleutian Islands National Wildlife Refuge, Third Judicial Division, Alaska, as wilderness;

S. 3852. A bill to designate certain lands in the Rice Lake National Wildlife Refuge, Minn., and the entire Mille Lacs National Wildlife Refuge, Minn., as wilderness;

S. 3853. A bill to designate certain lands in the Tamarac National Wildlife

Refuge, Becker County, Minn. as wilderness;

S. 3854. A bill to designate certain lands in the Rocky Mountain National Park, Colo., as wilderness;

S. 3855. A bill to designate certain lands in the Glacier National Park, Mont., as wilderness;

S. 3856. A bill to designate certain lands in the Katmai National Monument, Alaska, as wilderness;

S. 3857. A bill to designate certain lands in the Zion National Park as wilderness;

S. 3858. A bill to designate certain lands in the Crater Lake National Park, Oreg., as wilderness; and

S. 3859. A bill to designate certain lands in the Olympic National Park, Wash., as wilderness. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, on behalf of myself and the ranking minority member of the Committee on Interior and Insular Affairs (Mr. FANNIN), I send to the desk by request, 17 bills to provide for the addition of certain lands to the National Wilderness Preservation System pursuant to the Wilderness Act of 1964.

Two of those proposals include wilderness areas previously introduced, however, their acreage has been increased sufficiently to warrant their resubmission. The proposed acreage of Sequoia-Kings Canyon Wilderness is being increased from about 721,970 to about 790,770 acres and Pinnacles Wilderness is being increased from about 5,330 to about 11,300 acres.

Mr. President, this draft legislation was recommended by the President of the United States in his message to the Congress dated June 13, 1974, and later submitted by the Department of the Interior. I ask unanimous consent that a list of the 15 new wilderness proposals to the System be printed at this point in the RECORD.

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

(1) The Havasu Wilderness, composed of 2,510 acres within the Havasu National Wildlife Refuge, California.

(2) The Semidi Wilderness, composed of 256,000 acres within the Semidi National Wildlife Refuge, Alaska.

(3) The Crab Orchard Wilderness, composed of 4,050 acres within the Crab Orchard National Wildlife Refuge, Illinois.

(4) The Hawaiian Islands Wilderness, composed of 1,742 acres within the Hawaiian Islands National Wildlife Refuge, Hawaii.

(5) The Red Rock Lakes Wilderness, composed of 32,350 acres within the Red Rock Lakes Wilderness National Wildlife Refuge, Montana.

(6) The Missisquoi Wilderness, composed of 620 acres within the Missisquoi National Wildlife Refuge, Vermont.

(7) The Unimak Wilderness, composed of 973,000 acres within the Aleutian Islands National Wildlife Refuge, Alaska.

(8) The Mille Lacs and Rice Lake Wilderness, composed of 1,407 acres in the Rice Lake National Wildlife Refuge, Minnesota, and the entire Mille Lacs National Wildlife Refuge, Minnesota.

(9) The Tamarac Wilderness, composed of 2,138 acres within the Tamarac National Wildlife Refuge, Minnesota.

(10) The Rocky Mountain Wilderness, composed of 239,835 acres within the Rocky Mountain National Park, Colorado.

(11) The Glacier Wilderness, composed of 927,550 acres within Glacier National Park, Montana.

(12) The Katmai Wilderness, composed of 2,603,547 acres within the Katmai National Monument, Alaska.

(13) The Zion Wilderness, composed of 120,620 acres within Zion National Park, Utah.

(14) The Crater Lake Wilderness, composed of 122,400 acres within Crater Lake National Park, Oregon.

(15) The Olympic Wilderness, composed of 862,139 acres within the Olympic National Park, Washington.

By Mr. KENNEDY:

S. 3860. A bill to study and control the disclosure of voter registration lists for nonelection purposes. Referred to the Committee on Rules and Administration.

Mr. KENNEDY. Mr. President, I send to the desk a bill to study and control the use of voter registration lists, and I ask that it be appropriately referred.

The purpose of the bill is to encourage voter registration by prohibiting election officials from disclosing Federal registration lists for commercial and other nongovernmental purposes, and to require the Office of Federal Elections in the General Accounting Office to conduct a study of the effect caused on voter registration by the current widespread practice of using registration lists for jury selection.

In essence, the bill would ban one of the principal current nonelection uses of voter registration lists, by prohibiting the sale or distribution of such lists to firms and individuals for purposes of commercial solicitation through the mails. Violation of this provision would carry criminal sanctions, with the maximum penalty set at a fine of $1,000, or imprisonment for 6 months, or both.

It is difficult to overestimate the serious problem of voter nonparticipation confronting the Nation in 1974.

In the 1972 Presidential election, out of an eligible 139 million voters, only 77 million individuals actually went to the polls. Obviously, when half the voters stay home on election day, when only 55 percent of the country's eligible voters choose to exercise democracy's fundamental right, the right to vote, then democracy itself is in trouble, and remedies must be found.

In voter turnout, as is well known, the United States falls behind virtually every major democracy in the Western World. To name but one dramatic example, in spite of the violence and destruction and bloodshed in strife-torn Northern Ireland in recent years, fully 76 percent of the eligible voters went to the polls last February 28 to cast their votes for their representatives in Parliament in the British general elections—a voter turnout that was more than 20 percentage points higher than in the United States in the 1972 election.

To a significant extent, the problem of low voter turnout in America has its roots in the substantial barriers presented by voter registration. Too often, requirements of registration create obstacles to voting that are insurmountable for many citizens.

In recent years Congress has tried to deal with some aspects of the registration problem, by requiring such innovations as post card registration and by offering federal financial assistance to encourage hard-pressed States and local jurisdictions to upgrade their registration methods and their election administration procedures.

So far, however, the focus of attention on the registration problem has been almost solely on the so-called "physical" barriers to registration—the obstacles to registration presented by such practices as inaccessible registration offices and inadequate opportunities for registration. Too little attention has been paid to what are now emerging as serious "psychological" barriers to registration.

In recent years, there has been an increasing number of protests, first made by a few perceptive individual election officials around the country, that a significant number of potential voters are discouraged from registering because of certain side effects of adding their names to the registration lists. In the experience of these officials, the two most significant side-effects are the use of registration data as a source of names for citizens to be called for jury duty, and the sale of registration lists to commercial firms for business solicitation and other purposes.

For years, many election boards have traditionally made available their registration lists for use in jury selection as the most convenient source of names for jury duty.

In the Jury Selection and Service Act, the omnibus Federal jury reform bill signed into law by President Johnson in 1968, Congress ratified this use of registration lists by requiring Federal district courts to use voter registration lists or lists of actual voters as the primary source of names for jury selection, in order to achieve the goal of truly representative juries by requiring the selection of potential jurors to be made from a fair cross section of the community.

In addition, as a result of the pressure of computer technology, election boards in many jurisdictions are also engaging in the newer but increasingly more widespread practice of selling or giving away their voter registration lists to commercial organizations, bill collection agencies, and private citizens for a variety of nongovernmental and nonelection purposes.

As objections mount, it is now becoming clear that these nonelection uses of registration lists are highly detrimental to the goal of increased voter registration and increased voter turnout in elections. Many eligible voters simply refuse to register, preferring not to vote, rather than run the risk of being solicited by commercial agencies or bill collectors, or being selected for jury duty, or being subjected to a variety of

other approaches for purposes having nothing whatever to do with the conduct of elections.

Clearly, the practice of supplying registration lists for nonelection purposes is widely prevalent. For example, according to a recent survey conducted for the General Accounting Office by Analytic Systems, Inc., based on responses from 2,800 election boards across the country: 95 percent of the jurisdictions provide copies of voter registration lists at cost to political parties; 71 percent provide copies to other governmental offices; 57 percent provide copies to private citizens; and 34 percent make copies available to commercial firms.

In a similar recent survey of 18 representative States, counties, cities, or towns, conducted for GAO by E. G. Shelley, Inc., the following results were obtained:

Ten of the eighteen jurisdictions—South Carolina, Maryland, Alaska, Virginia, Montgomery County in Maryland, Lackawanna County in Pennsylvania, Miller County in Arkansas, Bowie County in Texas, Philadelphia, and Washington, D.C.—or approximately 56 percent of the jurisdictions in the survey—said that they give or sell their lists to groups or individuals for nonpolitical purposes.

Six of the eighteen jurisdictions, or one-third of those studied, permit the use of their registration lists by police, private charitable organizations, or any registered voter willing to pay the fee.

All 18 of the jurisdictions provide voter registration lists for jury selection.

And, all 18 of the jurisdictions sell or give the lists to political parties and candidates.

The Shelley study also contained some of the first substantial evidence that the dissemination of registration lists for nonelection purposes operates to discourage voter registration. In the 18 jurisdictions surveyed, the officials voiced their belief that from 2 to 5 percent of the eligible voters in the jurisdiction decline to register in order to avoid jury duty. If the estimates are accurate, then some 3 to 7 million Americans are sacrificing their right to vote because of their desire to escape jury duty.

Obviously, the same psychological pressures against voter registration exist when potential voters realize that by placing their names on the voter registration lists, they are making themselves susceptible to commercial solicitations, bill collectors, or other undesired nonelection influences.

At the same time, I do not oppose the distribution of voter lists to political parties and candidates. Such distribution is an essential part of the election process. Perhaps some citizens are discouraged from registering by awareness that their names will be available for election canvasses. On the other hand, political parties and candidates use such lists effectively in election campaigns, by encouraging citizens to register who have not yet registered or who have been purged from the lists.

On balance, there is reason to believe that the dissemination of registration lists for election purposes may augment, rather than decrease, the number of potential voters who register. Therefore, the legislation I am introducing does not affect the practice of making such lists available for legitimate election purposes.

But there is no justification for the distribution of voter registration lists for commercial purposes, when the danger is substantial that the distribution intimidates citizens and discourages them from registering.

When such danger is present, Congress has the obligation to act. Voting in local, State, and Federal elections is a constitutional right guaranteed to every American citizen over the age of 18. Democracy works best when the maximum number of citizens take advantage of their right to vote; only in this way can democracy reach its fullest potential for the benefit of all its people.

Therefore, it is of great importance that Congress not only guarantee the right to vote, but take every appropriate step to insure that unreasonable barriers and disincentives to registration and voting are removed, so that all eligible citizens may receive the maximum practicable encouragement to register and vote. To this end, voting should be a separate and distinct American freedom, as unrelated as possible to any other factor—commercial, governmental, or otherwise.

Therefore, section 1 of the bill I am introducing proposes a total prohibition on the distribution of registration lists for any nongovernmental purpose.

In the area of jury selection, however, Congress should go slow, because there are countervailing considerations, based on the needs of the jury system and the clear policy recently enunciated by Congress in the Jury Selection and Service Act of 1968.

It is extremely important that the sanctity and fairness of the jury process be maintained. Clearly, Congress should take no step whose long run effect would seriously impair the jury system or impose substantial new costs on Federal, State, or local officials in developing alternate sources of jury lists. For this reason, the bill I am introducing proposes only a study by the Office of Federal Elections in the General Accounting Office to consider all aspects of the problem in detail and submit recommendations to Congress.

As the preliminary evidence suggests, however, the fairness of jury selection is itself being jeopardized by the actions of citizens who refuse to enter the jury system through the door of voter registration.

In addition, it is not completely clear that registration lists continue to offer the best source of names for jury duty. As the result of improved technology, it may be possible for jury rolls to be compiled from sources other than voter registration rolls, and without substantial additional expense. For example, as the Shelley study recommended, jury lists might be compiled from a combination of other available records, such as: First, Bureau of Motor Vehicles data on driver registration and noncommercial vehicle licenses; second, State unemployment insurance wage-benefit records; third, State and local property tax rolls; fourth, income and other personal tax rolls; and, fifth, utility company files.

Even aside from the desired effect upon voter registration, jury selection from a combination of these and other sources might well offer a more nearly universal population of individuals available to serve on juries. Thus, elimination of voter registration lists as a source of jury selection may well serve the long-run interests of both the jury system and the voter registration system, not only by expanding the jury rolls but also by encouraging voters to register.

In sum, the bill I am proposing is simple in concept and modest in scope. Yet, it holds out the prospect of making a significant contribution to the political process in America by increasing voter turnout. I hope that it will be considered favorably by the Senate and enacted into law.

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

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

S. 3860

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

SECTION 1. (a) No list of individuals registered to vote in any Federal election, which has been compiled by the Federal Government, any State or political subdivision, or agency of such state or subdivision, may be made available to or received by any person for any non-governmental purpose, whether or not such person is employed by such Government, State, or political subdivision compiling that list, except that such list may be—

(1) made available to, or received by, a candidate for conducting a campaign for public office or an organization conducting a voter registration campaign; and

(2) made available to persons conducting such campaign, if that list is used solely for such campaign.

(b) A violation of this section is punishable by a fine of not to exceed $1,000, imprisonment not to exceed 6 months, or both.

SEC. 2. The Office of Federal Elections in the General Accounting Office shall conduct a study of the effects on voter registration of the use of voter registration lists or lists of actual voters for jury selection, and shall submit a report to Congress, including recommendations for legislation, on or before January 31, 1978.

By Mr. COOK:

S. 3861. A bill to amend the Natural Gas Act in order to give the Federal Power Commission certain authority to regulate synthetic natural gas. Referred to the Committee on Commerce.

Mr. COOK. Mr. President, over the past months, much has been said and written concerning the shortage of natural gas. The Federal Government has acted to relieve this shortage by a mani-

fold increase in the research and development funding for pilot and demonstration programs for the production of synthetic natural gas. Certainly, synthetic production of gas, particularly from our coal, will provide a partial answer to our problem, and we should move ahead with urgency.

Industry has exhibited its willingness to enter into joint ventures with the Federal Government to share in the financing of the early stages of the development of this new industry, and I would encourage this participation as it is a very healthy and vigorous approach. However, the question arises as to how synthetic natural gas will be marketed when it is produced in commercial quantity. Specifically, there is the question of the Federal Power Commission's authority to regulate this product when it is placed in pipelines for transportation and sale in interstate commerce.

In discussing this problem with the Chairman of the FPC, I am informed that he does not interpret the Natural Gas Act to grant authority to the Commission to regulate synthetic natural gas in the same manner it now regulates natural gas. He also stated that he would favor an amendment to the Natural Gas Act which would place synthetic natural gas within the jurisdiction of the FPC. Industry is understandably concerned that it may not be authorized to recover its cost of production of synthetic gas in the same manner it exercises recovery of costs related to the production of natural gas and thus could not finance the construction of the facility. I do not believe that the Congress intends to retard production by permitting this unfair practice to exist. I am convinced that if the FPC does not authorize a plant to produce synthetic natural gas this gas may never be produced.

I submit that there is a distinct parallel between the cost of drilling, finishing, and operating a well to produce natural gas and the construction and operation of a plant to produce synthetic natural gas. Unless we permit the producer to recover these costs, our efforts to solve our energy problems will be severely hampered, if not brought to a halt.

Mr. President, this is a very simple issue. I do not wish to obfuscate this problem by discussing recent efforts to deregulate natural gas and other problems related to the Federal Power Commission.

I do believe that any plant constructed and operated for the purpose of manufacturing synthetic natural gas for sale in interstate commerce must be subject to the same jurisdiction of the FPC as exercised by the Commission under the Natural Gas Act with respect to any natural gas company. Having said that, I also would qualify this authority by excluding from this jurisdiction the authority to regulate feedstocks of such associated plants. I do not believe that it would be sound policy to cause coal to be regulated just because it is used as a feedstock to manufacture synthetic natural gas. Once the FPC authorizes any company to produce or to acquire from a subsidiary such synthetic natural gas, that company must be permitted to include in its cost of service a reasonable return on funds expended in connection therewith during the construction period of such plant.

Our ultimate goal in this program is, of course, commercial production. We don't know exactly when we will achieve this goal, but I have every confidence that we will see commercial production in the early 1980 timeframe.

Industry must be assured that once commercial production has been achieved the synthetic gas so produced in interstate commerce shall be priced on a cost-of-service basis including a reasonable return on the facility investment.

As I stated earlier, we have been encouraging joint ventures to accelerate the attainment of our goal. Such joint ventures include local, State, and Federal participation, and of course no return should be allowed to industry for any funds invested in such ventures by these participants.

Mr. President, I ask unanimous consent that the bill I introduce today to amend the Natural Gas Act in order to give the Federal Power Commission certain authority to regulate synthetic natural gas be printed in the RECORD at this point.

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

S. 3861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. The Natural Gas Act is amended as follows:

Strike SEC. 2(5) and substitute the following:

SEC. 2(5). "Natural gas" means either natural gas unmixed, synthetic natural gas, or any mixture of natural and artificial gas.

Redesignate SEC. 2(6) as SEC. 2(7) by inserting before such subsection a new subsection as follows:

SEC. 2 (6). "Synthetic natural gas" means gas produced from fossil fuel or any derivative thereof.

Redesignate SEC. 23 as SEC. 24 by inserting before such subsection a new section as follows: "Synthetic natural gas".

SEC. 23. Any plant constructed and operated for the purpose of manufacturing synthetic natural gas for sale in interstate commerce shall be subject to the same jurisdiction of the Federal Power Commission as exercised by that Commission under the Natural Gas Act with respect to any natural gas company and to the provisions of this section. Such jurisdiction shall not extend to the feedstock of such plant or facilities associated with this feedstock. Any natural gas company receiving Federal Power Commission authorization to produce, or to acquire from a subsidiary, such synthetic natural gas, may include in its cost of service a reasonable return on funds expended in connection therewith during the construction period of such plant. After commercial production has been achieved, the sale or transportation of such gas in interstate commerce shall be priced on a cost of service basis, including a reasonable return on the facility investment. No return shall be allowed a natural gas company for any funds invested in such plant by either state, local, or Federal governments.

By Mr. THURMOND (for himself, Mr. HELMS, Mr. DOLE, Mr. CURTIS, Mr. GURNEY, and Mr. SPARKMAN):

S. 3862. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, on June 20, 1974, I expressed my concern to my distinguished colleagues in this Chamber about the tragic missing-in-action issue. At that time, I expressed grave doubts about our Government pursuing the procedure to change the status of the missing-in-action to "killed-in-action."

Mr. President, I stated at that time that the United States probably should not take such action. Since then, I have conducted a more comprehensive review of the military departments' procedures to reach these presumptive findings by implementing the provisions of the law contained in sections 555 and 556 of title 37. I concluded after this review, that these two sections of the law require further study by the Congress insofar as they pertain to Southeast Asia.

Since this study by the Congress will require considerable time, I am introducing legislation which will temporarily prohibit the military departments from issuing a finding of "killed-in-action" or "presumed killed-in-action," as far as missing-in-action and prisoners of war in Southeast Asia are concerned. The legislative measure will require the Senate and House Armed Services Committees to conduct a study of this problem and report results to the Congress not later than 180 days after the date of enactment of this act.

Meanwhile, the measure will also urge the administration to continue relentless efforts to convince the Democratic Republic of Vietnam—North Vietnam—and the Provisional Revolutionary Government of South Vietnam—Viet Cong—to comply with the provisions of article 8(b) of the Paris peace accord of January 27, 1973. When the President of the United States determines that all reasonable actions have been taken to account for such members, the President must report such determination in writing to the Congress. Mr. President, I fully realize that the Defense Department probably will not recommend approval of this legislative measure. As a matter of fact, in the course of my review, I requested the views of the Defense Department on this proposed measure which were not favorable. One of the objections has been removed in that this measure will apply only to MIAs and POWs in Southeast Asia and not those in a missing status unrelated to the Southeast Asia conflict.

Nevertheless, as a result of my recent review, I was very much impressed by the relentless efforts of the Defense Depart-

ment and the U.S. Government to account for the MIA's and POW's in Southeast Asia. It should be obvious to the world that the obstreperous attitude of North Vietnam and other Communists is the sole cause for this tragic problem to be unresolved and not the U.S. Government. This intransigence of the Communists was vividly reemphasized recently when Col. William W. Tombaugh, U.S. Army, Chief of U.S. delegation, Four Party Joint Military Team issued his reports after a year of attempting to negotiate with the Communists on the POW and MIA issues. His current report is very pertinent to this legislation which I *am proposing*. Consequently, I ask unanimous consent for these reports to be inserted at this point in my remarks.

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

PRESS BRIEFING BY THE CHIEF, U.S. DELEGATION FOUR PARTY JOINT MILITARY TEAM

Ladies and Gentlemen, I would like to say just a few words to more or less put you into the picture, because I think some of the details regarding the U.S. Delegation to the Four Party Joint Military Team are often forgotten. You will recall that the FPJMT actually is a follow-on to the Four Party Joint Military Commission, which terminated on 31 March 1973 after a 60-day operational period. The FPJMT became operational on 2 April 1973, and since that period of time has participated in 105 formal plenary sessions. I think the authority for the FPJMT has been pointed out in the background paper, and is Article 10(a) of the Protocol, Paris Agreement, which states, "the FPJMT shall ensure joint action by the parties in implementing Article 8(b) of the Agreement. When the FPJMT has ended its activity, a Four Party Joint Military Team will be maintained to carry on its tasks." Now, our mission in the FPJMT reflects the clearly stipulated tasks set forth in Article 8(b). Since it is only a few lines, I would like to read it again, because it is sometimes complicated by the other side—when it shouldn't be—I quote:

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

It is a very simple straightforward task. This mission is restated almost verbatim in Article 8(e) of the Joint Communique signed on the 13th of January 1973. Since its inception, the Four Party Joint Military Team, U.S. Delegation, has fully recognized the unequivocal legal obligations which are incumbent on us under Article 8(b). We have also recognized a strong moral obligation which devolves upon the FPJMT as a humanitarian body. This is a non-political body. The U.S. has attempted to key all its actions toward the assistance of all parties. And please underline that, *all parties*, who have unrecovered dead and missing in this war, and we try to do this, in the spirit of Article 2 of the Protocol, which reads, for your information:

"All captured civilians who are nationals of the United States or of any other foreign countries mentioned in Article 3(a) of the Agreement shall be returned to United States authority. All other captured foreign civilians shall be returned to the authorities of their country of nationality by any one of the parties *willing and able to do so*."

And we key on this last statement, because in this spirit, the US Delegation has been—without qualification—*willing*, and within our qualifications, *able to do so*. Since I have been Chief of the US Delegation—and I am sure my predecessor felt the same way—all our actions have been keyed to pursue these non-political and humanitarian objectives. To illustrate, I would like to itemize just a few of the things we have tried to do to meet these obligations.

In May of 1973, of course, we provided the DRV and PRG complete lists of all the US dead and missing, and all the third country personnel along with as much information as we had: date, time of mission, last known location, etc. At the present time, these lists are being updated, in conjunction with BG Ulatoski's organization—One point.

The second point—We have provided detailed data in both English and Vietnamese, with extra copies of this data, to include photos and all the rest, to the DRV and PRG on those individuals about whom *we know* they have information, either through photographs (some of the photographs appeared in *Paris Match* as you may well recall), newspaper articles, interviews, foreign broadcasts, observed captures; any other information that we have. To date, we have passed about eighty of these documents to the PRG and the DRV. We have others in preparation for about 25–30 more individuals about whom we have real firm information.

Another point that we have done in close coordination with the RVN Delegation, we have researched and provided—without any condition—information on PRG dead and missing. Currently, we are up to around 100 names of the PRG dead. I think it very important for us to remember that the RVN Delegation has without exception, without any qualification, been totally cooperative with the US Delegation effort. They have offered—repeatedly—visits to the DRV and the PRG to the graves of PRG dead who have been killed here in the South, buried, and their graves maintained by the RVN Government. On behalf of BG Ulatoski's Joint Casualty Resolution Center, we have requested that JCRC teams be permitted to visit crash sites in the areas of control of the PRG and within North Vietnam itself. We have indicated that—and BG Ulatoski has said this many times—we will go under *any conditions* they impose and follow their rules completely—anything, just allow us to search for our dead and missing.

To date, we have requested about 15 of these crash site investigations, both in PRG controlled areas here in South Vietnam and also in North Vietnam, and we have more under preparation. Now, it is an important thing to note here again, ladies and gentlemen, the RVN have been petitioned to give similar support to the U.S. Delegation and to the JCRC, and again, without any equivocation, without any conditions, they have provided this support without question.

They have provided this support to the point where ARVN soldiers have been killed and men wounded trying to support the U.S. effort to find out what has happened to our dead and missing. To date, we have conducted in excess of 20 of these crash site investigations in South Vietnam which have been fully supported by the RVN Delegation.

Now, another point, and something that I think is perhaps not so well known, the U.S. has also responded to the requests of third countries, concerning their dead and missing in this war. To date, we have received requests for help to locate and to obtain information about the dead and missing of Great Britain, the Philippines, Australia, Korea, the Federal Republic of Germany, and Japan.

We've tried to explain to the PRG and the DRV Delegations that, many names of third country nationals appeared on the PRG lists which were given to all Delegations in Paris. We have pointed out that the majority of these missing were engaged in humanitarian work. They were not actually parties allied in the conflict, and most of them were not signatories to the Paris Agreement. We have stressed that the FPJMT is the logical avenue of inquiry to find about these third country nationals. Since many of these third country nations do not have diplomatic relations with the PRG, the FPJMT is the logical channel by which they can find out about their own dead and missing. I won't go into any details, but we have been totally and abjectly rebuffed by the PRG.

Now, something that I think may be very interesting to you, gentlemen, because it may hit home: We have also made similar overtures to attempt to determine the fate of 17 newsmen from seven different countries. It is my understanding that this total of 17 now is up to around 20 newsmen, your colleagues.

We have inquired not only about those who were lost in South Vietnam, but we have also requested the Communist delegations to use their good offices to try and determine the fate of newsmen in Laos and Cambodia. We have met with a complete and total rebuff.

Along with these various initiatives, the US delegation has tried to facilitate and to support the work of the FPJMT and the Communist Delegations. We have provided a Saigon/Hanoi liaison flight on a weekly basis as a gesture of good will, although the US specifically is not tasked to provide this flight.

To date, we have made some 51 flights from Saigon to Hanoi and return, primarily to assist the DRV Government in coordinating with their Government concerning, hopefully, the provision of information about the dead and missing. In fact, we have even gone so far as to provide the use of automobiles for the Communist Delegations to travel to and from the conference site and to effect their coordination with the ICCS personnel.

Now, results: With the exception of the repatriation of 23 US DIC's from Hanoi in March, the US Delegation has been faced with a complete and a total DRV and a PRG refusal to meet any of their obligations with regard to Article 8(b). At the same time, they loudly proclaim their "scrupulous implementation of Article 8(b) responsibilities." There has been in the one year that I have been here, a continued introduction by the Communist Delegations of a panoply of issues and problems that are totally unrelated to these specific humanitarian tasks of Article 8(b).

We have sat for a period of, in my own case, over one year, listening to the delivery of protracted propaganda statements by the PRG and the DRV on every item, with the exception of the implementation of Article 8(b). They have punctuated this with five walkouts, and with five boycotts. They have totally failed to respond to any of the inquiries of the US or the RVN concerning requests for information on the dead and missing, which is the key functional part of article 8(b). I might point out again on the same line, they have totally and completely failed to respond to any other inquiries we have made on third country nationals that were not directly involved with the war. I also add, gentlemen, that we have had, as I mentioned before, a complete reluctance to say anything about your colleagues.

Now, a prognosis: I think I would be less than truthful if I did not tell you that the prospects for tangible 8(b) results are at this time not hopeful, perhaps even a little bleak. And the obstreperous attitude of the Communists over this past year has been certainly nothing short of frustrating. But I speak for the US Delegation, and my country that, with the mutual assistance of the RVN Delegation, we will continue to exploit every conceivable avenue in an effort to either encourage or to force the DRV and the PRG to meet these clearly stipulated, humanitarian tasks.

We are not going to cease our efforts to achieve the goal of accounting for all US dead and missing, if there is every any conceivable way we can do it. We are not, because of the suspension of these operations, going to abrogate our responsibilities for the implementation of Article 8(b).

DEPARTURE PRESS CONFERENCE BY COL. WILLIAM W. TOMBAUGH

"Ladies and Gentlemen: As some of you may know, I have been the Chief of the US Delegation to the Four Party Joint Military Team for over thirteen months. I am thus due for reassignment and will be leaving within the next few days. Before I depart, I feel it is my duty to clarify the present status of negotiations within the FPJMT.

You are all aware of the successful Casualty Resolution operation that was completed in Danang on 28 June through the combined efforts of private citizens and the Armed Forces of the Republic of Vietnam. As the Chief of the US Delegation/Four Party Joint Team, I received, on behalf of the United States Government, remains recovered during this operation which we believe to be those of an American MIA. They have been entrusted to the JCRC for identification, verification and processing.

I sincerely believe that this event underscores the basic dichotomy of philosophy that exists between Hanoi's delegations and the delegations of the US and RVN to the Four Party Joint Military Team. I do not have to tell you that the DRV/PRG delegations have continued to boycott plenary sessions of the Four Party Joint Military Team, ostensibly in protest of violations of their "privileges and immunities."

As you know, the FPJMT was embroiled in controversy about privileges and immunities from mid-April throughout May of this year. On 30 May, the other side walked out of the conference and byocotted the sessions scheduled for 4 and 6 June, in protest over the alleged denial of their privileges and immunities. This was the situation that existed when last I spoke to you.

I would like to review with you the history of this issue: privileges and immunities were addressed by the Paris Agreement, specifically Articles 16 and 17 of the Protocol on the ceasefire in South Vietnam and the Joint military commissions.

Detailed procedural aspects of these privileges and immunities were discussed at the Sub-Commission level of the Four Party Joint Military Commission, and later agreed to by the chiefs of all delegations to the FPJMT. In turn, the FPJMT formally adopted these eleven points on privileges and immunities in a written Minute of Agreement on 3 May 1973.

For the next eleven months, all delegations operated with these privileges and immunities. In addition, the RVN unilaterally granted several privileges never formally discussed or agreed upon. Chief among these were the weekly press conferences of the "PRG" and access to the common user telephone system of the Saigon/Gia Dinh area.

In mid April, RVN cancelled the "PRG" press conferences, because they were only a forum for propaganda, contributed nothing to the implementation of Article 8(b), and were never properly a part of the privileges and immunities. RVN also desired to substitute direct telephone service to the ICCS, FPJMT and TPJMC delegations for both the DRV and "PRG" delegations.

RVN also suspended the Saigon/Loc Ninh liaison flight in an effort to obtain a written guarantee of safety, similar to those given by the DRV delegation for the US-sponsored Hanoi liaison flights. This guarantee of safety by the "PRG" was considered necessary after an RVN crew member was killed by ground fire while participating in flights in support of the RVN and "PRG."

This brings us to the 30 May walkout and subsequent boycotts by the DRV/"PRG" delegations. What has happened since?

On 7 June, the RVN notified the DRV/"PRG" delegations that the issue of privileges and immunities would revert to the situation as it existed prior to 16 April 1974, the date the difficulties allegedly began. RVN, to carry out its commitment, provided the aircraft for a liaison flight to Loc Ninh for the "PRG" delegation on 10 June.

The "PRG" refused to use this flight, despite the fact it was one of its original demands. On 11 June, both the DRV and "PRG" delegations again refused to attend the FPJMT plenary sessions, also despite the RVN action of 7 June.

At the next session, on 13 June, the DRV/"PRG" demanded discussion of a written agreement which would vastly extend the previously agreed upon privileges and immunities. The US and RVN suggestion of discussions of this problem at the secretary or deputy level, following earlier FPJMC and FPJMT precedent, while the chiefs of delegations concentrated on immediate and concrete implementation of Article 8(b) was categorically rejected.

At this juncture, the DRV/"PRG", at the 18 June plenary session, raised the ante and demanded US/RVN accession to their demands without discussion. When the US and RVN would not capitulate, the "PRG", as host, unilaterally declared the session adjourned and in company with the DRV immediately walked out of the conference room. On 22 and 23 June, DRV/"PRG" participation in future FPJMT plenary sessions was cancelled by the Hanoi authorities until their demands were met. Since their declaration, they have boycotted four plenary sessions, and the promise of similar conduct in the future remains a cloud over the work of the FPJMT.

I point out that the US and RVN delegations continue to meet at the conference site in the hope the DRV and "PRG" will reconsider their position, recognize their responsibilities and attend the meetings.

As my tour of duty as the Chief of the US Delegation to the FPJMT comes to a close, I can truthfully say that this action by the DRV and "PRG" delegations—with all its attendant denunciations, threats and demands—does not surprise me. On the contrary, I think it is but another manifestation of the lengths to which Hanoi is willing to go in order to avoid meeting its responsibilities regarding the resolution of the problem of the dead and missing in Vietnam.

I hope you will take note of the fact that I refer to the dead and missing issue and not solely to the US dead and missing in South Vietnam. I make this distinction because the FPJMT was created to resolve the dead and missing problem for all parties associated with this war—to include dead and missing nationals of countries not directly involved in the war.

During my last opportunity to speak to the press on 4 June 1974, I gave you a short resume of what the US Delegation had attempted to do over this past year in an effort to solicit positive responses from the DRV/"PRG" delegations. I am not going to go into a recitation of those facts again at this time. I will however, reiterate in the strongest possible terms, that—in accordance with the President's pledge—we have exerted every effort and explored every channel open to us in the attempt to influence the DRV and "PRG" to meet their clearly stipulated obligations with regard to the dead and missing.

In the course, of this effort, we have at no time—nor has the RVN delegation—imposed any conditions on their execution of this responsibility. Despite these efforts and the continued reiterations by the other side of its "scrupulous implementation of Article 8(b)," its delegations have persisted in complicating and politicizing the achievement of these humanitarian tasks. Not only does Hanoi still not show a sincere desire to resolve problems of US and RVN dead and missing, but tragically, it demonstrates that the DRV and "PRG" have absolutely no interest in determining the fates of their young men who were lost during the course of this war. Based upon its performance over this past year, I was not surprised at this latest DRV/"PRG" delaying tactic. On the other hand, I believe that the DRV/"PRG" continue to be surprised and amazed that the US and the RVN Delegations persevere in their efforts to account for the dead and missing regardless of the artificial obstacles placed in their path.

The "PRG" and DRV have clearly underestimated our determination to resolve our dead and missing cases. This fact was underscored very recently when the chief of the "PRG" delegation expressed the "PRG" belief to visiting Congressman Montgomery that the MIA problem is a "minor issue." This miscalculation is costing the communists dearly—as pointed out by Congressman Montgomery—in that Congress will consider no program of postwar reconstruction aid for Hanoi until cooperation on the MIA question begins. Meanwhile, our efforts in Saigon will continue.

This then, is but a brief summary of the present status of negotiations in the FPJMT. The US and RVN Delegations are firmly committed to concrete implementation of Article 8(b), not to achieve political or military or economic gains, but rather to carry out the humanitarian mission entrusted to the FPJMT. Thank you.

Mr. THURMOND. Mr. President, it is clear that our Government is fully and unequivocally convinced that the Communists could provide considerable information about Americans who are missing or prisoners. These missing also include as many as 20 newsmen from seven different countries. Our Government and the world know that the Communists have information about our men, as stated in official reports, either through photographs, newspaper articles, interviews, foreign broadcasts, observed captures and other sources.

Consequently, it is very difficult for MIA/POW wives and families and many faithful Americans to accept the current procedures to declare some of our brave men as presumed dead when there is definitely encouraging hope. However, it is also realized, according to my understanding of Defense procedures, that a presumptive finding to change the status will not be issued when there is hopeful information available. Nevertheless, I believe our Government is premature in implementing sections 555 and 556 of title 37, as pertains to Southeast Asia, in such great haste.

Mr. President, my bill may not be the best solution to this tragic issue. However, I am convinced that the Congress must devote greater and more serious attention to this law, as it applies to Southeast Asia, and revise it accordingly. At the fifth annual meeting of the National League of Families in Omaha, Nebr., according to Mr. E. C. Mills, executive director, the members voted overwhelmingly to stop all status changes by way of presumptive findings of death. Many MIA families have contacted me. They have urged that status changes be stopped until accounting procedures have been proven to be exhausted and a

satisfactory new law which will completely protect the rights and individual liberties of each POW and MIA has been enacted to replace or modify sections 555 and 556, chapter 10, title 37 of the United States Code.

Mr. President, this is the objective to my bill. I sincerely urge my distinguished colleagues to give this bill serious and favorable attention.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

S. 3862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of sections 555 and 556 of title 37, United States Code, no change in the status of any member of the uniformed services who, on the date of enactment of this Act, is in a missing status as a result of his performance of service in Southeast Asia may be made by the Secretary concerned until—

(1) the Democratic Republic of Vietnam (North Vietnam) and the Provisional Revolutionary Government of South Vietnam have fully complied with the provisions of Article 8(b) of the Paris Peace Accord of January 27, 1973, or

(2) the President of the United States (A) has determined that all reasonable actions have been taken to account for such members, and (B) has reported such determination to the Congress in writing.

(b) As used in subsection (a), the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning ascribed to such terms in chapter 10, of title 37, United States Code.

SEC. 2. The Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives shall each conduct a study of sections 555 and 556 of title 37, United States Code, with a view to determining whether such sections should be amended or repealed. Each such committee shall report the results of its study to the appropriate House of Congress not later than 180 days after the date of enactment of this Act together with such recommendations for legislation as such committee deems appropriate.

By Mr. PERCY (for himself, Mr. GOLDWATER, and Mr. HRUSKA):

S. 3863. A bill to name the synthetic gas pilot plant located in Rapid City, S. Dak., the "Karl E. Mundt Gasification Pilot Plant." Referred to the Committee on Commerce.

Mr. PERCY. Mr. President, on June 3, 1975, former U.S. Senator Karl E. Mundt will observe his 75th birthday. Senator Mundt's long and distinguished career started in 1939 as a Member of the House of Representatives in the 76th Congress. After four terms in the House he was elected to the U.S. Senate where he served for four consecutive terms—the 81st Congress through the 92d. The number of committees and subcommittees on which he served is long and varied and in every assignment his wisdom and counsel was exerted. His influence on constructive legislation was great and his contributions to his country were outstanding.

In the late 1960's Senator Mundt, serving as ranking Republican member of the Interior Appropriations Subcommittee realized our Nation was headed for an energy crisis of enormous magnitude unless the Congress faced up to the problem and attempted to discover new sources of energy. This vital problem disturbed him. He was convinced that the millions of tons of lignite buried in the soil of the Dakotas, Montana, and Wyoming could, after extensive research, produce gas.

Convinced that the coal gasification process developed by the Consolidation Coal Co. was a significant technological advance in solids-to-gas conversion, Senator Mundt was successful in securing the necessary appropriation to construct the CO_2 acceptor pilot plant in Rapid City, S. Dak., at a construction cost of $9.3 million. The sponsor of the plant is the Department of Interior, Office of Coal Research and the operating cosponsor is the American Gas Association which supplied one-third of the funds for construction.

The plant is located on a 10-acre site on South Dakota's highway 79, 2 miles south of Rapid City, S. Dak. The land was contributed by the Western South Dakota Development Corp.

Senator Mundt, with the assistance of the Department of Interior and especially the Office of Coal Research, and the American Gas Association, made this pilot plant possible. I am today introducing a bill to acknowledge this splendid accomplishment, led by Senator Mundt, by having the OCR Lignite Gasification Pilot Plant, Rapid City, S. Dak., named and dedicated as the "Karl E. Mundt Gasification Pilot Plant."

By Mr. McGOVERN (for himself, Mr. SCHWEIKER, Mr. CASE, Mr. KENNEDY, Mr. MONDALE, Mr. HART, Mr. ABOUREZK, Mr. CRANSTON, and Mr. PERCY):

S. 3864. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs, with respect to nutrition education and nutrition-related problems. Referred to the Committee on Labor and Public Welfare.

NATIONAL NUTRITION EDUCATION ACT

Mr. McGOVERN. Mr. President, today I am introducing the National Nutrition Education Act of 1974.

Mr. President, this bill marks the culmination of many hours of investigations into the area of nutrition education. As chairman of the Senate Select Committee on Nutrition and Human Needs, I have had the opportunity in recent years to listen to many eminent persons testify as to the need for a comprehensive nutrition education program in the Nation's elementary and high schools. It is time, I think, to take advantage of the expertise that has come before congressional hearings and turn it into positive legislation for the Nation's schoolchildren.

This committee has heard testimony from experts in the field of nutrition education that the potential costs, potential health costs of nutritional ignorance may be amounting to billions of dollars. These experts have emphasized to the committee the critical role that proper nutrition education can—and must—play as part of a total national preventive health policy. They have further emphasized the responsibilities that Government, schools and private industry must play in both developing and implementing this policy.

I do not think anyone could argue with the desire for a good education on behalf of all Americans. It is my contention and belief that no better dollar can be spent than one which gives the American citizen a practical education, a day-to-day tool which will enhance the quality of his life and maximize his purchasing dollar. I believe nutrition education does just that.

The fact is, Mr. President, that at the present time there is no comprehensive legislation which allows for the teaching of nutrition education in the Nation's schools. We feed 25 million children a day under the National School Lunch Act, which I think is something we can all take great pride in, but we do not take advantage of that opportunity by educating them at the same time as to food choices, dietary habits, and nutrient content.

I think it is very important to point out that such an education will work a direct benefit upon the schoolchildren, both while they are children and later on when they are adults. It is important to keep in mind certain facts about the current health status of Americans. We know, for example, that diet is one of a number of important factors related to the general health of the American people today. Diseases or health problems such as dental decay, heart disease, diabetes, obesity, and anemia, are all problems which sap billions of dollars from the American taxpayer each year, and which are related, by scientific evidence, to diet.

The entire thrust of this legislation is one of preventive, as opposed to crisis, medicine. There has to be an adjustment in our concepts, our food industries, our advertising agencies, our educators, and our legislatures. We must not take food for granted. As a guarantee of human dignity, it is time that we acknowledge and reappraise for our populace the value of each element of diet: fats, carbohydrates and protein. We have to get away from crisis care of our population and develop maintenance of health as a lifetime attention. Food is one aspect of lifetime care.

Dr. George Briggs, Chairman of the Nutrition Education Panel of the White House Conference on Food, Nutrition, and Health, estimated before our committee that the annual cost of the abovementioned diseases to the American public is approximately $30 billion. The No. 1 recommendation of his panel, in 1969, was that we begin a comprehensive nutrition education program in the Nation's schools. I believe this bill is a late but necessary recognition of that recommendation.

This bill also represents the first legislative action taken directly from the recommendations of the national nutri-

tion policy hearing held this June by the Nutrition Committee. Several of the panels made it clear that the No. 1 need in their area was the need for nutrition education.

We heard over and over again this refrain "you must feed people, but food alone is meaningless without nutrition education."

Dr. Briggs, Dr. Jean Mayer, the Chairman of the White House Conference on Food, Nutrition, and Health, and others, have pointed out before the committee that malnutrition involves more than just hunger. It takes many forms. One form can be obesity, another tooth decay, another anemia. While we have continually stressed, and I think correctly so, the inability of low-income persons to purchase an adequate diet, it is equally well known that Americans of all income levels are making poor food choices and hurting their health. You cannot blame someone for making a poor choice if you have not given them the proper educational tools with which to learn. What I am saying, Mr. President, is that misuse or overuse of fats, sugars, alcohol, and other foods can be as dangerous to one's health as a lack of these things.

The facts are that in 1950 Americans spent $12 billion for health care and $75 billion for the same care in 1972, but have experienced no increase in the life expectancy rate.

We also know that Americans are suffering from a glut of information about food. There are food faddists, recommending radical consumption patterns of different foods, based on everything from religious beliefs to quasi-scientific findings. The fact is that fad diets are sweeping the Nation. And people, in good faith, are taking the words of so-called experts without having a background or backlog of information themselves of how to make good food choices.

Food advertising, which sometimes contains only limited information or half-truths, presents a great deal of misinformation to the consumer each year. The amount of money spent on food advertising each year literally runs into the billions of dollars.

The average supermarkets have 18,000 different articles on its shelves. This is increased by hundreds of items every month. There are approximately $130 billion worth of retail food sales each year in this country, so we can see the amount of food being purchased by the American consumer, and the vast array of choices the American consumer, young and old, is being asked to make.

This bill says:

Mr. and Mrs. Consumer, we know that you need food to live; we know that you are going to buy many dollars worth of food each year, and we believe that the tax dollar which gives you sound scientific advice on what to purchase is a tax dollar well spent for your future and your health.

Mr. President, what we need to do is spend more for prevention now and less for health care later.

Now that we are seeing more and more the connection between poor nutrition habits and disease, we can begin to relay some of that information to Americans so that they can put it to use in their daily lives.

Now that we have a massive feeding program in the Nation's schools, we have a great opportunity to implement a sound nutrition education program. I think using the school lunch room as a laboratory for nutrition education is an idea that makes eminent commonsense.

Mr. President, over the years we have had many model nutrition education curriculums given to the Senate Select Committee on Nutrition and Human Needs, as examples of the kinds of things that States are doing on a very small scale in this area. I believe from the hearings that we have held it is clear that expertise, energy, and desire exist now to launch this program in the Nation's schools.

No other topic gets raised continually to me with such urgency and fervor from nutritionists, dietitians, and health professionals, than the one of the importance of nutrition education.

The penalties of faulty nutrition are paid at all levels of society—rich, poor and in-between. Malnutrition in the midst of plenty is real and has become a national concern.

We know the American consumer is getting massive doses of sketchy and nonscientific nutrition information from advertising. I think we have an obligation to make those facts that are known about sound nutrition habits available to American children so they can protect their health and grow up to be intelligent consumers. After all, they are our finest resource.

Mr. President, I ask unanimous consent that this bill, the National Nutrition Education Act of 1974, along with a short explanation, be printed in full in the RECORD at this point.

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

S. 3864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Nutrition Education Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) nutrition education in the schools has the potential for improving substantially the health and well-being of students and of significantly reducing many health problems which adversely affect the learning processes of students;

(2) the provision of a comprehensive program with respect to nutrition education for the children and youth of the Nation should be given high priority; and

(3) most children and youth of the Nation are given little or no instruction regarding nutrition or the importance of a nutritionally balanced diet to mental and physical well-being; and

(4) most teachers are not trained in the fundamentals of nutrition; nor do any of the states require even a single course in nutrition for licensure or certification of teachers;

(5) there is no fully comprehensive program in existence within the Federal Government which has responsibility for furthering nutrition education for all the nation's schoolchildren;

(b) It is the purpose of this Act to encourage the provision of nutrition education programs in the classroom and lunchrooms of elementary and secondary schools by establishing a system of grants for teacher training, pilot and demonstration projects, and the development of comprehensive nutrition education programs. Such nutrition education programs shall fully utilize as a learning laboratory existing child nutrition programs, including, but not limited to, the school lunch program.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "Commissioner" means Commissioner of Education;

(2) the term "nutrition education program" means a multi-disciplinary program by which scientifically sound information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices, both in the school lunchroom and in the community-at-large, consistent with optimum health. Nutrition education program shall include, but not be limited to, the development and carrying out of institutional models, support programs, classroom materials, and curricula.

(3) the term "state coordinator" means that person within the state educational agency responsible for formulating and implementing the State plan of nutrition education as outlined in Section 9 of this Act.

(4) except as provided by section 6(b), the term "State" means the several States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

TEACHER TRAINING

SEC. 4. (a) The Commissioner shall make grants to State educational agencies and institutions of higher education for teacher training with respect to the provision of nutrition education programs in schools. Such grants may be used by such agencies and institutions to develop and conduct training programs for early childhood, elementary and secondary teachers with respect to the science of nutrition, methods and techniques, information, and current issues relating to nutrition education and food related problems.

(b) The Commissioner shall distribute grants under this section in a manner which insures the most effective and equitable distribution of such grants and which seeks to achieve a reasonable geographical distribution. The Commissioner shall, not later than thirty days before he distributes grants under this section, transmit a report to the Committee on Labor and Public Welfare of the Senate and to the Committee on Education and Labor of the House of Representatives. Such report shall contain a detailed statement of criteria which the Commissioner proposes to use in distributing grants under this section.

(c) There is authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $12,500,000 for the fiscal year ending June 30, 1976, and $15,000,000 for the fiscal year ending June 30, 1977, to carry out this section.

PILOT AND DEMONSTRATION PROJECTS

SEC. 5. (a) The Commission may make grants to State and local educational agencies, institutions of higher education, and other public or private nonprofit education or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education and nutrition related problems.

(b) Grants under this section shall be available for—

(1) projects for the development of cur-

ricula in nutrition education programs including the evaluation of exemplary existing materials and the preparation of new and improved curricula materials for use in early childhood, elementary and secondary education programs;

(2) projects for demonstration, testing, and evaluation of the effectiveness of such curricula (whether such curricula are developed with assistance under this Act or otherwise); and

(3) in the case of applicants who have conducted projects under paragraph (2), projects for the dissemination of curricular materials and other information with respect to nutrition education programs.

(c) There is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1975, $17,500,000 for the fiscal year ending June 30, 1976, and $20,000,000 for the fiscal year ending June 30, 1977, to carry out this section.

NUTRITION EDUCATION PROGRAMS

SEC. 6. (a) The Commissioner may make grants to State education agencies to pay the Federal share of the cost of developing and carrying out nutrition education programs in elementary and secondary schools within each State. Such grants shall be available to State educational agencies for the development of such programs and for assistance to local educational agencies in the implementation of such programs.

(b) From the sums appropriated for carrying out this section for each fiscal year, the Commissioner shall reserve such amount, but not in excess of 5 per centum of such sums, as he may determine and shall apportion such amount among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this section. The Commissioner shall apportion the remainder of such funds as follows:

(1) He shall apportion 40 per centum of such remainder among the States in equal amounts; and

(2) He shall apportion to each State an amount which bears the same ratio to 60 per centum of such remainder as the number of children in average daily attendance in the public elementary and secondary schools bears to the number of public schoolchildren in all the States, as determined by the Commissioner on the basis of the most recent satisfactory data available to him. For purposes of this subsection, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(c) The amount apportioned to any State under subsection (b) for any fiscal year which the Commissioner determines will not be utilized for such year shall be available for reapportionment from time to time, on such States during such year as the Commissioner may fix, to other States in proportion to the amounts originally apportioned among those States under subsection (b) for such year, except that the proportionate amount for any of the other States shall be reduced to the extent it exceeds the sum the Commissioner estimates the local educational agencies of such State need and will be able to use for such year. The total of such reductions shall be similarly reapportioned among the States whose proportionate amounts were not so reduced.

(d)(1) Any State educational agency receiving a grant under this section shall, to the extent consistent with the number of children in the State involved who are enrolled in private elementary and secondary schools, make provision for including special educational services and arrangements (including dual enrollment, educational radio and television, and mobile educational service and equipment) in which such children may participate.

(2) If the Commissioner determines that a State education agency is unable or unwilling to comply with paragraph (1), he may make special arrangements with other public or nonprofit private agencies to carry out paragraph (1). For such purpose the Commissioner may set aside on an equitable basis and use all or part of the maximum total of grants available to the State involved.

(e) There is authorized to be appropriated $50,000,000 for the fiscal year June 30, 1975, and for each of the two succeeding fiscal years, to carry out the provisions of this section.

(f) Funds made available under this section shall be used to increase the level of funds that would, in the absence of federally-funded pilot and demonstration projects approved under section 5 of this Act, be used by the State agency to carry out the purposes of this section, and in no case supplant such funds.

APPLICATIONS

SEC. 7. (a) Grants under this Act may be made only upon application at such time or times, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Each such application shall

(1) provide that the activities and services for which assistance is sought be administered by the State educational agency;

(2) provide that the State educational agency shall establish, consistent with the provisions of section 9 of this Act, an Office of State Coordinator of nutrition education;

(3) provide assurances that the State educational agency will through the State coordinator of Nutrition Education develop a State plan for nutrition education programs, as required under section 9 of this Act;

(4) describe the nutrition education programs in elementary and high schools for which assistance is sought under this part and procedures for giving priority to nutrition education programs which are already receiving Federal financial assistance and show reasonable promise of achieving success;

(5) set forth procedures for the submission of applications by local educational agencies within that State, including procedures for an adequate description of the nutrition education programs for which assistance is sought under this part;

(6) set forth criteria for achieving an equitable distribution of funds under this Act which are made available to local educational agencies pursuant to this Act, which criteria shall—

(A) take into account the size of the population to be served, beginning with preschool, the relative needs of pupils in different population groups within the State for the program authorized by this title, and the financial ability of the local educational agency serving such pupils,

(B) assure an equitable distribution of funds among urban and rural areas;

(7) set forth criteria for the selection or designation and training of personnel (such as nutrition specialists and administrators of nutrition programs in elementary and high school programs assisted under this part, including training for private elementary school personnel, which shall include qualifications acceptable for such personnel;

(8) provide for technical assistance and support services for local educational agencies participating in the program;

(9) provide that not more than 20 per centum of the amount alloted to the State under section 6 for any fiscal year may be retained by the State educational agency for purposes of administering the agreement;

(10) set forth policies and procedures which assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement, and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant to carry out the purpose of this Act, and in no case supplant such funds; and

(1) provide for making such reports, in such form and containing such information, as the Commissioner may reasonably require, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to insure the correctness and verification of such reports.

(b)(1) The Commissioner shall approve any application which meets the requirements of subsection (a), and shall not disapprove any such application without first affording the state education agency notice and opportunity for a hearing.

TECHNICAL ASSISTANCE

SEC. 8. The Commisioner shall, when requested, render technical assistance to local education agencies, through qualified staff members having expertise in nutrition, health education, school food services, home economics, dietetics, and physical education, to public and private nonprofit organizations, and institutions of higher education for the development and implementation of education programs with respect to nutrition education and nutrition related problems. Such technical assistance may, among other activities, include making available to such agencies or institutions information regarding effective methods of carrying out such programs, disseminating to such agencies or institutions information obtained through programs established by this Act, and making available to such agencies or institutions personnel of the Departments of Health, Education, and Welfare, and Agriculture or other persons qualified to advise and assist in carrying out such programs.

STATE COORDINATORS FOR NUTRITION AND STATE PLAN

SEC. 9. (a) In order to be eligible for assistance under this Act a State shall appoint pursuant to section 6(a)(2) a State Coordinator for Nutrition Education (hereinafter referred to as "State Coordinator"). It shall be the responsibility of the State Coordinator for each State to prepare a State plan as provided in subsection (b) of this section.

(b) Within one year after his appointment, the State Coordinator for each State shall develop, prepare, and furnish to the Commissioner a comprehensive plan for nutrition education within that State. Each such plan shall—

(1) provide for coordinating the nutrition education program carried out with funds made available under this Act with any existing related programs being carried out within the State, including, but not limited to, such programs administered by the Department of Agriculture and health education and nutrition education programs carried out with State funds;

(2) provide for the establishment of a State Advisory Council to assist and advise the State Coordinator regarding the development of nutrition education curricula and programs for the State, and shall provide that the members of such council, which shall be appointed by the State Coordinator, shall include interested teachers, professionals, paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents and other individuals from private life.

(3) include a program for the systematic training in nutrition education of teachers at both the inservice and undergraduate levels;

(4) include an outline of the State's program for implementing and coordinating programs carried out with grants made under sections 4 and 5 of this Act;

(5) provide, whenever practicable, for the inclusion of appropriate nutrition educa-

tion information in social study courses, science courses, economics courses, anthropology courses, home economic courses, health education and drug abuse courses, physical education courses, and all other related areas of the curriculum.

(6) provide, in carrying out the State plan, for the utilization and involvement of individuals not professionally trained in nutrition, including counselors, coaches, school nurses, school lunch supervisors, interested neighborhood individuals, and students.

NATIONAL NUTRITION EDUCATION RESOURCE CENTER

SEC. 10. (a) There is established within the Office of Education of the Department of Health, Education, and Welfare, a National Nutrition Education Resource Center. The Center shall be located in an area of the United States selected by the Commissioner, and may in part be located within the framework of existing backup facilities in the area of nutrition education—

(1) provide original and ongoing training for the State Coordinator and for interdisciplinary personnel designated by the State Coordinators who may be in need of special training relating to nutrition education and nutrition related problems. Such personnel shall include, but not be limited to, nutritionists, dietitians, home economists, business managers, teachers, administrators and school food service personnel;

(2) collect and create curriculum materials relevant to nutrition education, including, but not limited to, the integration of nutrition education materials into all subject matter at the elementary and secondary education levels;

(3) collect information and materials relating to nutrition education and maintain such information and materials in a library for the use of State Coordinators and other interested persons; and

(4) evaluate on a continuing basis the objectives and effectiveness of the nutrition education programs of the States and their results.

(c) The National Nutrition Education Resource Center is authorized to enter into contracts with other Federal agencies, State and local agencies, institutions of higher education, and with private nonprofit organizations experienced in nutrition education and related fields for the purpose of carrying out any function of the Center under this section.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section but not in excess of $2,000,000 in any fiscal year.

PAYMENTS

SEC. 11. (a) From the amount allotted to each State under section 6 of this Act the Commissioner shall pay to that State an amount equal to the Federal share of the cost of carrying out the application of that State approved under such section 6. The Federal share of the cost of carrying out a State application shall for each fiscal year be 75 per centum. In determining the cost of carrying out the application of a State, the Commissioner shall exclude any cost with respect to which payments will be received by that State under any Federal program.

(b) Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

ADMINISTRATION

SEC. 12. In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or private nonprofit 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.

SHORT EXPLANATION OF NATIONAL NUTRITION EDUCATION ACT OF 1974

A. This bill is a three-year pilot effort in nutrition education. The goal is to make available federal funds (with a small state matching share) to introduce, for the first time, a comprehensive nutrition education program into the curriculum of the nation's schools.

B. The legislation stresses technical assistance, teacher training (in-service and undergraduate), planning and organization, both at the state and federal office, and curriculum development. The idea is to start at the beginning, by teaching the teachers and developing materials. The program will be administered by the States' Educational Agency.

C. Each state will have a Nutrition Education Coordinator, who will be responsible for developing and enacting a State Plan for Nutrition Education.

That person shall be advised by a state Advisory Council for Nutrition Education comprised of teachers, parents, school officials, students, school food service personnel and others.

D. The State Plan will coordinate the existing nutrition education efforts within the state and new approaches developed by the Department of Education, combining them into one plan in one office. The plan will include ways to incorporate Nutrition Education into all subjects being taught, using both professional and community resources.

E. A national Nutrition Education Center for training persons in nutrition education, compiling latest materials, developing curricula, and evaluating nutrition education efforts under this Act will be established, using and expanding existing facilities in HEW and USDA.

F. The funding level for the first year will be approximately $25 million. The bulk of the money ($50,000,000) is scheduled for the third year, after state plans have been developed, teachers trained, and some pilot projects completed. There is a requirement that states contribute 25% of the total monies they receive under this Act.

G. This bill was drafted in consultation with officers of the Society for Nutrition Education, the American School Food Service Association, the National Dairy Council, and representatives of various federal agencies and state departments of education. The states will receive 40% of the funds equally, with 60% of the funds going to states based on student enrollment.

Mr. SCHWEIKER. Mr. President, I am pleased to join with Senator MCGOVERN today in introducing the National Nutrition Education Act of 1974 (S. 3864). I feel this is a very important step since its implementation will make great strides toward improving the nutritional health of our Nation in years to come. This act authorizes a 3-year, nationwide effort to provide a comprehensive nutritional education program in elementary and secondary schools. Primary emphasis is given to technical assistance; teacher training, both inservice and undergraduate; planning and organization, both on the Federal and State level; and curriculum development.

Mr. President, the United States historically has been extremely negligent of its nutritional health. Dr. George M. Briggs, chairman of the nutritional sciences department, University of California at Berkeley, testified before hearings conducted by the Senate Select Committee on Nutrition and Human Needs, which I chaired, that malnutrition costs Americans $30 billion a year in poor health, mental problems, obesity, physical deficiencies, and increased susceptibility to other health problems. This is an enormous cost, particularly when you consider nutritional deficiencies affect not only our Nation's poor, but also middle-income and wealthy families.

The nutritional health of each of us is first determined by our mother's own nutritional well-being. And the nutritional health of the fetus and young child from conception to age five largely determines not only the individual's long-term physical well-being but also his mental development. The Congress has finally recognized this situation and wisely enacted programs, such as the women, infant, and children supplemental feeding program—WIC—to assure that pregnant women and their young children obtain necessary nourishment. It is unfortunate, however, that the executive branch has chosen to impede development of these programs.

Mr. President, during the past two Congresses, I have introduced legislation to provide for nutritional education in our Nation's medical and dental schools. Testimony, again before the Select Committee on Nutrition and Human Needs, has pointed out the dire neglect by medical and dental schools in not teaching basic, applied nutrition principles which can be used in the daily practice of medicine and dentistry.

And so we come to the question, where do we begin a nutritional education program to effectively reach the largest number of Americans? To reach the most people, at the lowest cost to the taxpayer, I feel implementation and expansion of nutritional education in the elementary and secondary school systems is the answer. I chaired Nutrition Committee hearings in Pittsburgh last year and heard testimony from a 12-year-old girl who had planned the meals for an entire school district for 1 week. Unfortunately, this is a rare instance. Most schoolchildren do not have the opportunity to take basic nutrition courses. However, from evidence I have seen, teaching the basics of good nutrition can be very successful within the school system.

The National Nutrition Education Act is a 3-year proposal. The first 2 years are structured primarily to initiate nutritional education courses both on the undergraduate level and for working teachers. It also provides for some pilot demonstration projects within the school system. In addition, a State must appoint a State coordinator for nutrition education in order to be eligible for grants under this act. It is the responsibility of the State coordinator to formulate comprehensive plans for nutritional education within the State.

The bulk of the funds authorized under this act are withheld until the third year after State plans have been developed, teachers trained, and some pilot projects completed. These third-year funds are to be used for the main thrust of this act—implementation of the nutritional education programs within the school systems.

And lastly, this act establishes a National Nutrition Education Backup Cen-

ter within the Office of Education to provide original and ongoing training for the State coordinators and for interdisciplinary personnel designed by the State coordinators who may be in need of special training relating to nutrition education and nutrition related problems.

Mr. President, I want to offer my thanks to the chairman of the Senate Select Committee on Nutrition and Human Needs, Senator McGovern, and his staff for their tireless efforts which have gone into the development of this act.

By Mr. NELSON:

S. 3865. A bill to amend the Land and Water Conservation Fund Act of 1965; and

S. 3866. A bill to amend the Land and Water Conservation Fund Act of 1965. Referred to the Committee on Interior and Insular Affairs.

Mr. NELSON. Mr. President, I introduce two bills, each of which would amend the Land and Water Conservation Fund Act of 1965, and I ask unanimous consent that the text of both bills be printed in the Record at this point.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 3865

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 "Land and Water Conservation Fund Amendments Act of 1974".

Sec. 2. The Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–4 to 4601–11) is further amended as follows:

(1) In section 2(c)(1), strike "$200,000,000" and the remainder of the sentence and insert in lieu thereof "$1,000,000,000 for each fiscal year through June 30, 1989."

(2) In section 2(c)(2), strike "$200,000,000 or $300,000,000" and insert in lieu thereof "$1,000,000,000".

(3) The first sentence of section 6(c) is amended to read as follows: "Payments to any State shall cover not more than 50 per centum of the cost of planning or development projects, and not more than 75 per centum of the cost of acquisition projects, that are undertaken by the State."

S. 3866

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 "Land and Water Conservation Fund Amendments Act of 1974".

Sec. 2. The Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–4 to 4601–11) is further amended as follows:

(1) In section 2(c)(1), strike "$200,000,000" and the remainder of the sentence and insert in lieu thereof "$1,000,000,000 for each fiscal year through June 30, 1989."

(2) In section 2(c)(2), strike "$200,000,000 or $300,000,000" and insert in lieu thereof "$1,000,000,000".

By Mr. NELSON:

S. 3867. A bill to amend the Federal Food, Drug and Cosmetic Act to promote honesty and fair dealing in the interest of consumers with respect to the labeling and advertising of special dietary foods, such as vitamins and minerals, et cetera. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, the issue of vitamin regulation by the Food and Drug Administration had aroused enormous interest and concern, stemming from the fact that the FDA's regulations, proposed March 14, 1973, and effective January 1, 1975, are far-reaching and their full implications are not entirely clear.

Basically, these regulations would require all vitamin and mineral products containing more than the FDA-established limit of U.S Recommended Daily Allowance—U.S. RDA—nutrients to be classified as over-the-counter or prescription drugs.

This is a departure from the current situation, in which vitamins and minerals are regulated primarily as foods, and are allowed to be marketed in unlimited nutrient amounts per capsule.

The FDA began a study of the vitamin-mineral situation some 10 years ago.

The ultimate intent of the FDA's regulations is laudable and important: to prohibit the marketing of products with misleading claims, fraudulent labels, and safety hazards resulting from too great an intake of certain vitamins known to be toxic in large amounts, such as vitamines A and D.

To accomplish these goals, a bill I am introducting today would strengthen the FDA's authority to regulate advertising and label statements for vitamin and mineral products and special dietary foods. A product, making a therapeutic claim, would be subjected to the same requirements of safety and efficacy that drugs are, under the Food, Drug, and Cosmetic Act. All labels of nutrient products would be required to be accurate and not misleading. Nutrients which make therapeutic claims would be subjected to the same FDA regulatory review as drugs.

The bill allows the FDA to establish recommended daily allowance levels, but it does not limit the quantity of RDA allowed in nutrient products that are safe in unlimited dosage levels.

If there is any evidence of lack of safety in any dosages, the FDA would, of course, have the same authority that it now has to regulate such substances.

The primary reason for taking this legislative approach lies in the fact that the FDA regulations may be unnecessary in many respects; and may actually work against the goal of protecting the consumer.

To seek clarification of many apparent inconsistencies and problems with the regulations, I and other Members of Congress wrote the FDA on May 7, 1973, and received a detailed response on July 9, 1973, which correspondence was printed in full in the Congressional Record July 12, 1973. However, many of the answers provided by the FDA did not appear to reflect what the regulations would actually do. Therefore, Representative David Obey and I addressed further questions to the FDA in a letter dated July 10, 1974, which was printed in the Congressional Record July 16, 1974, page 23506.

The questions raised in those letters outline the problems with the regulations, as follows:

Products that do not now make drug claims, such as certain vitamins, minerals, and food supplements, would be forced by the regulations to make drug claims, if they contained more than 150 percent of the RDA, as set by the FDA.

Certain products, such as inosotol, bioflavinoids, and rutin, which the FDA has declared to be useless for nutrition, could be sold in unlimited quantities, while vitamins and minerals, which everyone, including the FDA, agrees to be essential, will be available for sale in limited amounts or under strict legal restrictions.

The regulations also inadvertently could create certain potential safety problems which they are intended to overcome. The regulations prohibit the variation of amounts of vitamin-mineral substances above 100 percent of the RDA, which are allowed in combinations.

Separate regulations also set maximum limits of allowable safe levels of vitamins A and D, based on scientific evidence that higher dosages are unsafe.

It is possible that someone seeking to increase the dosage of one vitamin substance might inadvertently and/or unknowingly consume unsafe amounts of vitamins A and D by increasing the intake of combination products, perhaps on a regular basis, thus seriously endangering one's health.

As regards FDA's established RDA limits, there is a scientific view that RDA levels vary with individuals and cannot be arbitrarily established as a common norm. The National Academy of Sciences/National Research Council's "Recommended Dietary Allowances" handbook, eighth edition, 1974, warns that:

RDA should not be used as a justification for reducing habitual intakes of nutrients. (page 13).

While a diet made up of ordinary foods meeting the RDA standard should maintain health, we are well aware that present knowledge of nutritional needs is incomplete. Requirements of man for many nutrients have not been established. (page 2).

RDA are appropriate standards for all of these purposes (food fortification, nutritional labeling), but their limitations should be recognized. It is important to re-emphasize that RDA have been established for only about one-third of the essential nutrients; that foods are ordinarily analyzed for only a small number of nutrients; and that interactions of various types between nutrients and food constituents may reduce the availability of some nutrients and, hence, the accuracy of information about food composition. (page 19).

The proposed vitamin regulations seem to be inconsistent with this view of the NAS/NRC Committee on Recommended Dietary Allowances, because the regulations set arbitrary limits for nonprescription essential vitamin-mineral nutrients.

This bill would allow the marketing of combination vitamins with various dosage levels, but would require that they be labeled with information about what the FDA considers to be the recommended daily allowance, and what the vitamin contains. Consumers could thus be consistently and repeatedly warned that taking more than one capsule might be harmful.

During hearings on food additives Sep-

tember 19, 20, and 21, 1972, before the Senate Select Committee on Nutrition and Human Needs, Assistant Secretary of HEW for Health and Scientific Affairs, Dr. Charles Edwards, then FDA Commissioner, testified:

It is our position that the consumer has the right to purchase and use "unnecessary" foods if he so desires provided, of course, these items are safe and properly labeled. For example, there are many nonessential, highly purified foods, such as the bioflavnoids, which certain individuals believe beneficial but which are of no proven nutritional significance in our diet. Another category of "unnecessary" foods is the so-called delicacies. Some may find chocolate covered ants a great treat, but it is highly unlikely they will ever become a dietary staple. And we should not overlook certain snack foods. Many of these add calories and little else to the diet. I would oppose banning these "unnecessary" foods. The proper function of the FDA is to make certain they are not adulterated or misbranded.

. . . Requiring the FDA to make value judgments in this area would only lead to extended controversy and adjudication in areas where health and safety are not involved. We agree with the declared intent of the Congress in passing the Food Additives Amendment (in 1958), that these value judgments should be decided in the market place. People should be free to choose whatever safe food they want. (Page 1229, Part 4B, Food Additives, September 20, 1972, Senate Select Committee on Nutrition and Human Needs.)

How does the FDA justify the demand that vitamins and food supplements, or essential nutrients, be shown to be "necessary," while at the same time rejecting the concept of necessity for nonessential food additives?

The goal of protecting the public health by prohibiting the marketing of products with misleading claims, fraudulent labels, or potential safety hazards can best be accomplished by strengthening the FDA's authority to regulate labeling and advertising of these products, and by requiring that all therapeutic claims be substantiated with scientific data supporting safety and efficacy whenever such claims are made.

WHAT THE BILL DOES

Amends section 401—Definitions—of the Food, Drug, and Cosmetic Act—which allows regulation of vitamin and mineral products—to allow the manufacture and marketing of foods for special dietary uses, such as vitamins and minerals, which do not meet standards, only if they are so labeled and clearly distinguished as not conforming to the standards. If a vitamin contained more than the RDA, for example, it would have to be so labeled.

Amends section 403(j) of Food, Drug, and Cosmetic Act—Misbranded Food for Special Dietary Uses—by requiring that:

The labels of foods represented for special dietary uses, such as vitamins and minerals, include at least: First, the name and address of the place of business of the manufacturer; second, the common or usual names of each ingredient present in the product listed in descending order of predominance; third, a declaration of the percentage of any ingredient of such product if it is an integral part of the product and the Secretary considers it useful for consumers to know about the ingredient; fourth, and a clear statement of applicable U.S. recommended daily allowances—U.S. RDA's.

Any therapeutic claims made for a product be substantiated with scientific data supporting safety and efficacy, as required for drugs under the act; if producers making such therapeutic claims cannot substantiate the claims, their products are deemed to be misbranded. The FDA is prevented from requiring that every product containing more than a set limit of the RDA become classified as a drug.

Advertising for such products not be misleading or false.

Advertising be regulated and that advertising, both printed and visual or oral, contain, to the extent practical, the same information contained on labels, presented in a manner understood by ordinary individuals.

Labeling contain no untrue nutrition, health, or other statement; full ingredient labeling would not be construed to be misleading.

Mr. President, I ask unanimous consent that the text of the bill be printed following these remarks.

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

S. 3867

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

DEFINITIONS AND STANDARDS

SEC. 401 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 321(f)) is amended by adding after the word "container" the first time it appears and after the semicolon the following:

"*Provided,* That such definitions and standards do not preclude the manufacture of properly labeled and clearly distinguished special dietary food products which do not conform to the standard, and, further,"

MISBRANDED FOOD

SEC. 403(j) is amended by changing the comma after the word "uses" to a colon and inserting a number (1), by changing the period at the end of the paragraph to a comma, and by adding the following at the end of the paragraph:

"Including but not liimted to (A) the name and address of the place of business of the manufacturer, (B) the common or usual names of each ingredient present in the product listed in descending order of predominance, (C) a declaration of the percentage of any ingredient of such product if the ingredient is an integral part of such product and is significant with respect to value, quality, nutrition, or acceptability of such product, or the ingredient is required to be so listed by the Secretary by regulation upon a finding that such information would be useful to consumers, (D) a clear statement of applicable U.S. Recommended Daily Allowances in the form established by the Secretary;

(2) and unless the Secretary finds, after giving due notice and an opportunity to the manufacturer, packer, distributor or other interested parties, for a public hearing, that a therapeutic or preventive claim made for such food product is not supported by substantial evidence that the food product will have the therapeutic effect it is purported or represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof, *Provided,* that no such product shall be considered a drug unless a therapeutic or preventive claim for such product appears as part of its label, labeling, or advertising;

(3) and unless advertising for the product is not false or misleading in any particular;

(4) and unless all advertising for such product contains (A) if printed, the same information required on the label or labeling by subsection (j) of this section; (B) if not printed (television, radio or other) the name and address of the place of business, where the information required in subsection (j) of this section can be obtained, *Provided,* that such information must be presented in such terms as to render it likely to be read in the case of visual ads and heard in the case of ads with oral content, and understood by the ordinary individual;

(5) and unless the label, labeling or advertising contains no untrue nutritional, health, or other statement, *Provided,* that the required listing of ingredients in accordance with this subsection shall not be construed to be false or misleading statements prohibited by subsection (a) of this section.

EFFECTIVE DATE

SEC. The amendments made by this title shall take effect upon enactment, except that the effective date for any regulations promulgated pursuant to this title shall be no earlier than the first day of the sixth month beginning after the date regulations are published as a final order in the Federal Register with respect to all new or changed labels printed thereafter, and the first day of the eighteenth month beginning after the date the regulations are published as a final order in the Federal Register with respect to all other labels.

By Mr. HARTKE:

S. 3869. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. HARTKE. Mr. President, I am introducing today a bill that I introduced in the 92d Congress, to require the respective executive agencies and departments to provide advance notice to the Congress of certain planned organizational and other changes which would affect Federal civilian employees. This legislation is particularly relevant in light of the discussion now circulating on controlling the Federal budgeting process, and the overall impact on the Nation's economy of Federal expenditures.

This legislation is designed to protect and require fair notice opportunities for Federal civilian employees. The experiences of past reductions, and the anticipated gains and reductions in future executive actions have but one victim—the employee who suddenly is without employment through no action on his part, and which leaves little or no recourse for the individual. At the present time, Federal employees are subject to dismissal or relocation without sufficient notice. In order to protect these employees, my bill provides that when an agency or executive policy necessitates the dismissal or relocation of civilian employees, the head of the executive agency shall inform the Post Office and Civil Service Committees of the Senate and House of Representatives, and the respective employee organizations at

least 120 days before any such action is taken.

In some cases, the severe hardship employees economically find themselves subjected to are unnecessary, and could be prevented with adequate notice, planning, and preparation. The Federal Government must take the first step and provide the employees with appropriate notice of contemplated actions.

While my bill will not find new employment for the thousands who must search for new employment, and sometimes relocate, it will provide the employee ample opportunity to go into the employment marketplace and search for existing possibilities.

Fairness to the Federal worker demands fairness by the Federal employer. Decisions on transfers, discontinuations of programs, or reductions in force are not decisions that should be made without consideration by the employer of the consequences to the employee. It is only fair that the decisions made by the employer be passed along to the employee in a timely matter with fair notice under our civil service system.

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

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

S. 3869

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

That (a) subchapter II of chapter 29 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 2955. Advance notice to Congress of certain proposed actions of executive agencies affecting Federal civilian employment

"Whenever it is determined by appropriate authority that any administrative action, order, or policy, or series of administrative actions, orders, or policies, shall be taken, issued, or adopted, by or within any executive agency, which will effectuate the closing, disposal, relocation, dispersal, or reduction of the plant and other structural facilities of any installation, base, plant, or other physical unit or entity of that executive agency and which—

"(1) will necessitate, to any appreciable extent, a reduction in the number of civilian employees engaged in the activities performed in and through those facilities of that agency, in order to provide those employees with reasonable opportunity for further civilian employment with the Government outside the same commuting area; or

"(2) will necessitate, to any appreciable extent, the transfer or relocation of civilian employees engaged in the activities performed in and through those facilities of that agency, in order to provide those employees with reasonable opportunity for further civilian employment with the Government outside the same commuting area; or

"(3) both;

the head of that executive agency shall transmit to the respective Committees on Post Office and Civil Service of the Senate and House of Representatives and to employee organizations having exclusive recognition, at least one hundred and twenty days before any such action, order, or policy is initiated, written notice that such action, order or policy will be taken, issued, or adopted, together with such written statement, discussion, and other information in explanation thereof as such agency head considers necessary to provide complete information to the Congress with respect to that action, order, or policy. In addition, the agency head shall provide to such committees such additional pertinent information as those committees, or either of them, may request."

(b) The table of sections of subchapter II of chapter 29 of title 5, United States Code, is amended by adding at the end thereof—

"2955. Advance notice to Congress of certain proposed actions of executive agencies affecting Federal civilian employment.".

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 754

Mr. ERVIN. Mr. President, I ask unanimous consent of the Senate that the following Senators be added to S. 754, the speedy trial bill to give effect to the sixth amendment right to a speedy trial for persons charged with criminal offenses and to reduce the danger of recidivism by strengthening the supervision over persons released pending trial, and for other purposes. The Senators include Mr. ABOUREZK of South Dakota, Mr. GRAVEL of Alaska, and Mr. HASKELL of Colorado.

These gentlemen were inadvertently left off the bill before it was passed unanimously by the Senate and was printed.

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

S. 2022

At the request of Mr. TUNNEY, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor to S. 2022, the Flexible Hours Employment Act.

S. 3305

At the request of Mr. CLARK, the Senator from Minnesota (Mr. MONDALE), the Senator from Ohio (Mr. TAFT), and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 3305, the National Huntington's Disease Control Act.

S. 3451

At the request of Mr. MCCLURE, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 3451 to exempt range sheep industry mobile housing regulations affecting permanent housing for agricultural workers.

S. 3648

At the request of Mr. TUNNEY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 3648 to amend the Urban Mass Transportation Act of 1964 to insure that transportation facilities built and rolling stock purchased with Federal funds are designed and constructed to be accessible to the physically handicapped and the elderly.

S. 3649

At the request of Mr. PELL, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 3649, the Social Security Recipients Fairness Act.

S. 3753

At the request of Mr. MCCLURE, the Senator from Utah (Mr. BENNETT), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Dakota (Mr. YOUNG), the Senator from Maryland (Mr. MATHIAS), and the Senator from Idaho (Mr. CHURCH) were added as cosponsors of S. 3753 to provide memorial transportation and living expense benefits to the families of deceased servicemen classified as POW's or as MIA's.

S. 3782

At the request of Mr. JAVITS, the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Mexico (Mr. MONTOYA) were added as cosponsors of S. 3782, the Emergency Health Professions Educational Assistance Loan Act.

SENATE JOINT RESOLUTION 189

At the request of Mr. HARRY F. BYRD, JR., the Senator from Georgia (Mr. NUNN) was added as a cosponsor of Senate Joint Resolution 189, to restore posthumously full rights of citizenship to Gen. Robert E. Lee.

SENATE JOINT RESOLUTION 224

At the request of Mr. MONTOYA, the Senator from Iowa (Mr. HUGHES) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of Senate Joint Resolution 224, to authorize and request the President to issue annually a proclamation designating January of each year as "March of Dimes Birth Defects Prevention Month."

SENATE CONCURRENT RESOLUTION 105—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE RETURN OF SMOKEY BEAR TO CAPITAN, N. MEX.

(Referred to the Committee on Agriculture and Forestry.)

Mr. MONTOYA. Mr. President, 24 years ago, a small black bear cub was found by forest fighters clinging tenaciously to a charred tree trunk in the Capitan Mountains of New Mexico. The young cub was named Smokey Bear. Since that time, Smokey has become America's most well loved spokesman for forest fire prevention.

As Smokey enters the autumn years of his life, the people of New Mexico have expressed their wish that Smokey's body be returned from the National Zoo in Washington to the Capitan Mountains to be laid to final rest.

Today, I submit the following concurrent resolution to implement this request of the New Mexican people. I ask unanimous consent that its text be printed in the CONGRESSIONAL RECORD at this point:

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

S. CON. RES. 105

Whereas a black bear cub was found by forest fire fighters nearly twenty-four years ago in the Capitan Mountains of New Mexico and this cub was placed in the National Zoo in Washington, District of Columbia, and named Smokey Bear and became world famous as the living symbol of forest fire prevention; and

Whereas the people of Capitan, New Mexico, have expressed a strong desire for the return of the body of Smokey to Capitan upon his death: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that upon his death the body of Smokey Bear may be returned to Capitan, New Mexico, for proper disposition and a permanent memorial in or near Capitan.

SENATE CONCURRENT RECOLUTION 106—AN ORIGINAL CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF "PUBLIC FINANCING OF FEDERAL ELECTIONS" (REPT. NO. 93–1050)

(Placed on calendar.)

Mr. CANNON, from the Committee on Rules and Administration reported the following concurrent resolution:

S. Con. Res. 106. A concurrent resolution authorizing the printing of additional copies of Senate hearings entitled "Public Financing of Federal Elections."

S. CON. RES. 106

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Rules and Administration one thousand additional copies of its hearings of the first session of the Ninety-third Congress entitled "Public Financing of Federal Elections".

SENATE RESOLUTION 372—SUBMISSION OF A RESOLUTION TO URGE THE IMMEDIATE RELEASE OF CRITERIA GUIDELINES AND REGULATIONS TO IMPLEMENT THE DISASTER RELIEF ACT OF 1974

(Referred to the Committee on Public Works).

Mr. HUDDLESTON. Mr. President, in a few days we will mark the 4-month passing since tornadoes struck Kentucky and a number of other Southeastern and Midwestern States, inflicting devastating damage to life and property. In a few hours, over 100 tornadoes caused 322 deaths, millions of dollars of property damage and altered the lives of thousands. Some of the cruelest blows dealt by the massive storm fell on Kentucky which bore the grimmest toll of 71 deaths and 693 injured with an estimated $150 million in property damages.

The Congress acted quickly in passing the Disaster Relief Act of 1974 and on May 21, over 2 months ago, President Nixon signed it into law. And, I must say, the immediate response from the Federal Government was swift and excellent. However, while the immediate emergency is behind us, the intermediate and long term rehabilitation still lies ahead.

Yet this work is being impeded because guidelines and regulations have not been announced by the Federal Disaster Assistance Administration. I feel it is imperative that the momentum begun in the early stages of recovery be continued without interruption and delay, and that individuals, businesses and farmers and communities be advised of the assistance available to them in order that they might proceed with this rehabilitation.

The assistance provided under the Disaster Relief Act is desperately needed and the delay of this assistance causes undue hardship on victims attempting to reorient, adjust, rehabilitate and recover. For example, hundreds of individuals and families in Kentucky and elsewhere need the assistance provided by section 408 of the act and many communities burdened with sudden, extraordinary expenses need the assistance loans provided under section 414.

In addition, communities are hampered in developing plans to replace public facilities until Federal guidelines and regulations are released.

The burden of recovery is compounded by inflation throughout the economy including very necessary and essential building materials. Each day of delay impedes recovery and escalates the cost of rehabilitation.

Since Kentucky was designated a disaster area, 21 other States have received Presidential declarations of major disaster areas. I know that the disasters in these States have added to the urgency to complete and disseminate regulations and guidelines. It is my understanding that the Federal Disaster Assistance Administration has been working on the criteria, standards, and procedures for some time—predating enactment of Public Law 93–288 by a number of weeks. I have been in frequent contact with Secretary Lynn and Administrator Dunn to inquire when these regulations will be issued, and have received for 2 months now the same assurances—"any day."

Once again, I would commend the Federal Government for its immediate response. But that initial response has not been followed up by the bureaucracy charged with implementing the new Federal disaster law.

It is sad indeed that the benefits of a worthy program are denied its rightful recipients because of dilatory action by a government bureaucracy.

If it takes this long to write regulations, I shudder to think how long it might take to actually deliver the aid promised.

I am afraid that many disaster victims are beginning to feel that they have the best wishes of their Government for a speedy recovery and little else.

Mr. President, I am sure that Members of Congress appreciate the urgency of this matter and trust they will join me in approving a resolution calling for the immediate dissemination and implementation of the criteria, standards, and procedures for assistance under the Disaster Relief Act of 1974.

The resolution reads as follows:

S. RES. 372

Resolution to urge the immediate release of criteria, guidelines and regulations to implement the Disaster Relief Act of 1974

Whereas on May 21, 1974, the Disaster Relief Act of 1974 was signed into law; and

Whereas the Senate and House Public Works Committees acted with extraordinary speed in developing new legislation and in securing passage by the Congress so that relief could be provided as soon as possible; and

Whereas the only remaining delay in implementing the new law is the release of administrative regulations and guidelines; and

Whereas there have been assurances from the Housing and Urban Development Department for weeks that administrative regulations had been substantially completed and would be released any day; and

Whereas delayed assistance causes undue hardship on victims attempting to reorient, adjust, rehabilitate, and recover; and

Whereas daily rising costs in building materials and other essential supplies further escalates cost of recovery; and

Whereas many communities burdened with extraordinary expenses need assistance loans and replacement of public facilities; and

Whereas individuals, businesses, farmers and communities cannot proceed with intermediate and long-term rehabilitation: Now, therefore, be it

Resolved, That it is the sense of the Senate that criteria, standards and procedures for assistance under the Disaster Relief Act of 1974 be disseminated and implemented immediately.

SENATE RESOLUTION 373—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING AS A SENATE DOCUMENT A STUDY ENTITLED "NATIONAL GROWTH POLICY"

(Referred to the Committee on Rules and Administration.)

Mr. HARTKE. Mr. President, once the future of this Nation knew no bounds. We talked of growth as if it were both inevitable and desirable, but we did not reckon with the consequences of growth. Now we have crowded cities and deserted rural areas, air and water pollution, and shortages of major commodities.

Our country must grow in order to prosper, and we have the capacity to continue to grow—but our expansion must be neither boundless nor irrational. We must plan for the future of this Nation at all levels of government so that we can anticipate future needs and avoid crises.

That is the essence of my National Growth Policy Planning Act—S. 1286—to provide both an incentive and a mechanism for us to plan for the future of this country.

Late last year, I asked the Congressional Research Service to undertake a study of the need for a national growth policy. The results of that study have now been compiled in an excellent report, which I believe should be made available to the public.

I am therefore submitting a resolution today calling for the printing of this study entitled "National Growth Policy" as a Senate document.

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

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

S. RES. 373

Resolved, that the study entitled "National Growth Policy", prepared by the Congressional Research Service, Library of Congress, be printed as a Senate document; and that there be printed one thousand thirty additional copies of such document for the use of the Senate.

SENATE RESOLUTION 374—ORIGINAL RESOLUTION REPORTED RELATING TO THE PURCHASE OF CALENDARS FOR 1975 (REPT. NO. 93–1049)

(Placed on calendar.)

Mr. CANNON, from the Committee on Rules and Administration reported the following resolution:

S. Res. 374. An original resolution relating to the purchase of calendars for 1975.

S. RES. 374

Resolved, That the Committee on Rules and Administration is authorized to expend from the contingent fund of the Senate

$905, in addition to the amount specified in S. Res. 299, Ninety-third Congress, agreed to March 26, 1974, to pay for the increased cost of calendars authorized to be purchased under that resolution and to purchase two hundred and fifty additional calendars.

SENATE RESOLUTION 375—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS (REPT. NO. 93-1052)

(Placed on calendar.)

Mr. CANNON, from the Committee on Rules and Administration reported the following resolution:

S. Res. 375. An original resolution authorizing supplemental expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations during the period March 1, 1973, through February 28, 1974.

S. RES. 375

Resolved, That section 2 of Senate Resolution 33, Ninety-third Congress, agreed to February 22, 1973, is amended by striking out "$475,000" and inserting in lieu thereof "$478,200".

SENATE RESOLUTION 376—AN ORIGINAL RESOLUTION TO PAY A GRATUITY TO ROSALIE S. LEWIS

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. Res. 376. A resolution to pay a gratuity to Rosalie S. Lewis.

S. RES. 376

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Rosalie S. Lewis, widow of Willie L. Lewis, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 377—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE PRINTING OF THE 76TH ANNUAL REPORT OF THE NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION AS A SENATE DOCUMENT (REPT. NO. 93-1053)

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following resolution:

S. RES. 377

Resolved, That the Seventy-sixth Annual Report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1973, be printed with an illustration, as a Senate document.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 352

At the request of Mr. Moss, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of Senate Resolution 352, to amend certain standing rules of the Senate with respect to jurisdiction over energy research and development matters.

AMENDMENT OF THE ATOMIC ENERGY ACT—AMENDMENT

AMENDMENT NO. 1760

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

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of nuclear incident, and for other purposes.

AMENDMENT NO. 1762

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

Mr. NELSON (for himself and Mr. MONDALE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 15323), supra.

DEVELOPMENT OF A FAIR WORLD ECONOMIC SYSTEM—AMENDMENT

AMENDMENT NO. 1761

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

OIL IMPORTS BY U.S. FLAG VESSELS—AMENDMENT

AMENDMENT NO. 1763

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

Mr. HATFIELD. Mr. President, I send to the desk an amendment to H.R. 8193, the Energy Transportation Security Act. H.R. 8193, as reported by the Senate Committee on Commerce, states in section 4 that the provisions of the act would not apply to any refiner whose total capacity does not exceed 30,000 barrels per day. I propose that section 4 be amended so that the act will not apply to any refiner whose capacity does not exceed 175,000 barrels per day or whose total refinery capacity is located within Foreign Trade Zones.

The 30,000 barrel-per-day criterion for the exemption may be based on SBA guidelines, 121.3-8, "Definition of small business for Government Procurement" paragraph (g), "refined petroleum products," item (ii). This small refiner definition as applied by DOD establishes certain preferential DFSC bidding rights to companies controlling 30,000 barrels per day or less crude oil or bona fide feedstock refinery capacity. The SBA criterion was established many years ago before such small refineries were considered economically obsolete by the U.S. oil industry and before complex fuels desulferization became a prerequisite of domestic refining facilities.

The 30,000 barrels per day "small" definition was made obsolete by Congress in Public Law 93-159, the Emergency Petroleum Allocation Act of 1973. Therein Congress defined a small refiner as—

A refiner whose total refinery capacity . . . does not exceed 175,000 barrels per day.

This has proven to be a workable "small refinery" size definition for the allocation of deficient U.S. crude oil supplies among refiners under the FEA Petroleum Allocation and Pricing Regulation, paragraph 211.63 "Definitions" (chapter II of title 10 of the Code of Federal Regulations, parts 211 and 212).

Page 17 of the conference report (House Report 93-628) on the emergency petroleum allocation bill addressed the reasons for selecting the 175,000 barrel-per-day capacity limit for small refiners—

In singling out small refiners for certain purposes under this Bill, the Conference Committee intends to offer a mantle of protection to those refiners who by reason of their relatively small size may be disadvantaged in competing with larger refiners in bidding for and obtaining adequate crude supplies.

My amendment, therefore, brings the small refiner exemption in the Energy Transportation Security Act into line with the workable and accepted definition of small refiner that Congress established in the Emergency Petroleum Allocation Act.

Regarding the additional exemption of refiners located in Foreign Trade Zones, I do not believe it is the intention of the committee to apply the restrictions of this bill to Foreign Trade Zone operations—rather, I believe it is an oversight, as there is only one such refinery in the country, in Hawaii. Such refineries are required under Public Law 73-397, as amended (Public Law 81-566), "to expedite and encourage foreign commerce." Therefore, they would normally process 100 percent foreign crude oil and market a significant portion of their zone refined products to foreign countries. To remain competitive in these markets, this special class of U.S. based international refiner must be allowed 100 percent crude import carriage in foreign bottoms if it is to equitably compete under U.S. law with foreign based operations.

Unless Foreign Trade Zone refiners are exempted, this bill will unfairly discriminate against existing and future zone refiners by requiring a significant portion of its zone-entered crude oil to be transported on higher priced American flag tankers, probably preventing the economic growth of such zone-based but foreign market-oriented operations.

I have prepared more specific arguments supportive of my amendment, and I ask unanimous consent that they appear in the RECORD following my remarks, together with the text of the amendment.

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

SUPPORTIVE ARGUMENTS

My amendment No. 1763 to exclude small refinery companies (175,000 bpd or less capacity) as well as U.S. Foreign Trade Zone-based refinery operations will prevent disincentives to the independent segment of the refining industry in the following ways:

1. It will allow those small refiners (total refinery capacity of less than 175,000 bpd) who do not enjoy the economic benefits of super-tanker cargo movements (which are

only practical for the very large refiners) to remain competitive by the exclusive use of lower cost foreign bottoms until such time as U.S. flag charters are economically competitive.

2. It will assure the desired growth of the U.S. merchant fleet without seriously diminishing (less than 18%) the total import tonnage that would otherwise be carried under U.S. flag.

3. According to FEA comments (39 FR 8635), "most small refiners (up to 175,000 bpd) above that level (75,000 bpd) have coastal locations and are able to seek out and handle imported crude. Many of those below that level (75,000 bpd) are inland refineries less well situated and not as experienced in importing crude oil. FEO is aware that both the Small Business Administration and the Oil Import Program have used 30,000 barrels a day as a benchmark for determining small refiners. But the legislative admonition to protect a larger class of smaller refiners and the fact that a Congressional Committee declined to set a 30,000 barrel capacity limit in the Bill warrants establishing a higher figure." As a result, the FEO regulations required only refinery companies with more than 175,000 bpd capacity to share their allowable crude oil supplied with refiners having less than 175,000 bpd total capacity.

Because many refineries below 75,000 bpd are inland and thus totally reliant for logistic reasons on domestic crude, exempting that segment from the Bill will have no effect whatsoever on U.S. flag carriage.

4. Further, the Federal Energy Office reported that on January 25, 1974, the gross operating U.S. refining capacity (ex Puerto Rico, Virgin Islands and Guam) and the number of separate refining companies in each relative size capacity bracket was as follows:

Adjusted daily refinery capacity, Jan. 25, 1974	Number of companies	Percent of total U.S. refining capacity	Represents U.S.-based refining capacity, barrels per day
175,001 barrels per day and above	18	82	12,983,955
175,000 barrels per day and below	109	18	2,857,308
Total	127	100	15,841,263

The eighteen major companies in the first category are all involved in international petroleum activity and are integrated operations (crude production/transportation/refining/distribution/retail marketing). But the "international" and "integrated" classifications do not likewise apply to most of the independent "175,000 bpd or less" small U.S. refiners.

Those 18 majors actually represent 110 geographically separate refinery locations, accounting for 82% of the U.S. statewide refining capacity. Further, they control directly or through parent or foreign affiliates a much more significant percentage of foreign crude oil production, transportation, and importation into the U.S. either for their own refineries' account or for resale to the smaller refining companies. Including the crude oil imports of these 18 majors but exempting the 108 smaller U.S. domestic companies (175,000 bpd capacity or less) will assure that at least 82% and probably a much larger portion of U.S. imported crude oil carriage will be covered by the Bill.

5. The House Permanent Select Committee on Small Business, Ninety-Third Congress, concluded in its July 1973 committee report titled "Energy Crisis and Small Business," that,

"1. The eight largest majors have effectively controlled the output of many of the independent crude producers.

2. A high degree of control over crude is matched by relatively few crude exchanges with independents, an exclusionary practice which denies a high degree of flexibility to the independent sector while reserving it to the majors.

3. Independent refiners are largely dependent on the majors for their crude supply, but independents sell very little of their gasoline output back to major oil companies. Independent refiners sell the largest amount of their output to independent gasoline marketers and to their own stations. Thus, the welfare of the independent marketing sector is largely dependent on the well-being of independent refiners.

4. The continued existence and viability of the independent refiner is necessary for the survival of the independent markets. This is especially true since the eight largest majors rarely sell gasoline to the independent marketers.

5. The major oil companies in general and the eight largest majors in particular have engaged in conduct which exemplifies their market power and has served to squeeze independents at both the refining and marketing levels. Such conduct and associated market power has its origin in the structural peculiarities of the petroleum industry and has limited the independents' share of the market to approximately one-quarter of the total, especially in Districts 1 and 3, resulting in a threat to the continued viability of the independent sector in this market."

The foregoing indicates that a year ago the House committee concluded the independent or small refiner group was in difficulty but that their continuing viability was necessary to the independent marketer. In the interim, with the great cash requirements imposed by higher crude oil cost, the formerly competitive small refiner has become even more borderline or is slowly meeting his demise. The small or independent segment of the petroleum market has actually decreased 25–40% in the last decade, depending upon whose figures one uses.

Amending the Bill to cover 82% or more of U.S. imported crude (supplies to refiners with refinery capacity in excess of 175,000 bpd) is a fair compromise between the small refining and U.S. shipping industries. If so amended, the Bill would support competition within the U.S. petroleum and American maritime industries alike without bleeding the hardpressed independent group of oil refiners which is undergoing survival pains imposed by immediate-past, current and projected international energy trends preferentially favoring the large international oil companies.

CONCLUSION

1. There is no apparent justification for including foreign crude carriage to foreign-trade zone refinery capacity if such operations are to remain competitively viable in the world market.

2. Further burdening the smaller segment of the petroleum industry with higher comparative imported raw material transportation costs at a time of ever greater dependence on foreign source crudes is unjustifiable.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1449

At the request of Mr. TUNNEY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of amendment No. 1449, intended to be proposed by him, to S. 3035 to amend title 23, United States Code, the Federal Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes.

AMENDMENT NO. 1541

At the request of Mr. COOK, the Senator from Ohio (Mr. TAFT), the Senator from Texas (Mr. TOWER), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of amendment No. 1541 intended to be proposed to S. 2744, the Energy Research and Development Agency Act.

AMENDMENT NO. 1648

At the request of Mr. TAFT, the Senator from New York (Mr. BUCKLEY), the Senator from North Carolina (Mr. ERVIN) and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of amendment No. 1648, intended to be proposed by him, to S. 707, the Agency for Consumer Advocacy Act.

ANNOUNCEMENT OF HEARING ON NOMINATION OF JACK W. CARLSON TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR ENERGY AND MINERALS

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested parties that the Committee on Interior and Insular Affairs has scheduled an open hearing for Monday, August 5, 1974, at 10 a.m. on the nomination by the President of Jack W. Carlson to be Assistant Secretary of the Interior for Energy and Minerals. The hearing will be held in the Interior Committee room 3110, Dirksen Senate Office Building, and those wishing to present testimony or submit statements for the record should so advise the committee staff.

Mr. President, I ask unanimous consent that a brief biographical sketch of Mr. Carlson be printed in the RECORD at this point in my remarks.

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

JACK W. CARLSON

Currently, Assistant to the Director of the Office of Management and Budget (Economic Policy), Executive Office of the President; Director of the Economic Policy Division and responsible for Troika and Quadriad activities, and for coordinating changes in credit, tax, and regulatory policies; Member of the Cabinet Committee on Economic Policy; Director of the Federal Study of Commodities in Short Supply (mineral, agricultural, and processed); Deputy Member of the Cost of Living Council, which was established to help stabilize wages and prices; Chairman of the United Nations Senior Economic Advisers to the governments of the Economic Commission for Europe.

Formerly, Assistant Director of the U.S. Bureau of the Budget (1968–1970) and responsible for the Federal Planning-Programming-Budgeting System; Senior Staff Economist with the President's Council of Economic Advisers (1966–1968); Assistant to the Secretaries of the Air Force and Defense 1964–1966); served in the U.S. Air Force and resigned as a Major; served as Professor of Economics or Management at several universities at various times.

B.S. and M.B.A. (Business Administration) degrees from the University of Utah (1957) and M.P.A. (Public Administration) and Ph.D. (Economics) degrees from Harvard University (1963); Fellow of the School of Public Administration at Harvard University (1968); public writings have been published in Government publications (e.g., "Evaluation of Public Expenditures"), professional journals (e.g., "American Economic Review"), public magazines (e.g., "The Washington Monthly"), and newspapers (e.g., "The New York Times"); congressional testimony has been given before the Joint Economic Senate Aeronautical and Space Sciences, Senate

Public Works, House Ways and Means, House Science and Astronautics, and House Armed Services committees.

Born in Salt Lake City, Utah, in 1933 and lived in Utah, Idaho, and Colorado. Married to the former Renee Pyott in 1954. The Carlson's have seven children, ages 4–18. Office telephone: 202-395-3423. Home telephone: 301-299-8565.

NOTICE OF HEARING BY THE SUBCOMMITTEE ON PARKS AND RECREATION

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the subcommittee on parks and recreation on August 2, 1974, at 10 a.m. in room 3110 Dirksen Senate Office Building on the following bills:

S. 3413, to amend the Land and Water Conservation Fund Act of 1965, as amended.

S. 3806, to amend the Historic Preservation Act of 1966 (a bill to increase the authorizations of grants for the preservation of historic properties under the act of 1966).

NOTICE OF HEARING ON H.R. 15791, HOME RULE ACT AMENDMENTS

Mr. EAGLETON. Mr. President, on July 29, 1974, the House of Representatives passed a bill (H.R. 15791), to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes. This bill has been referred to the Senate Committee on the District of Columbia. Anyone wishing to inform that committee of their views on those parts of H.R. 15791 dealing with the election of new members to the School Board when vacancies occur, and with granting authority to the City Council to regulate the conversion of rental property to condominiums should submit their statement to the Committee on the District of Columbia, room 6222, Dirksen Senate Office Building, by 12 noon on Tuesday, August 13, 1974.

ANNOUNCEMENT OF HEARINGS ON THE GROWING FINANCIAL PROBLEMS OF THE NATION'S ELECTRIC UTILITIES

Mr. JACKSON. Mr. President, I wish to announce that the Senate Interior Committee will hold hearings on August 7 and 8 on the growing financial problems of the Nation's electric utilities. The hearings will begin each day at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Mr. President, at a time when growing peak load demand, skyrocketing fuel and construction costs and other factors have pushed utilities' capital needs to unprecedented levels, the market for utility bonds is in a state of disarray and the market for utility stocks is almost nonexistent. As a result of these financial conditions, utilities across the country are slashing construction budgets and canceling or postponing major projects. These actions have raised serious questions about the adequacy and reliability of future electricity supplies which the committee wants to explore.

We need to know whether this widespread retrenchment is an appropriate response to high costs of construction, money and fuel, consistent with a declining future growth rate for consumption, or whether it is laying the groundwork for an electricity crisis of the future. We also need to know whether the utilities' problems can be resolved by State public utility commissioners or whether some Federal role is called for, either to reduce the rate of growth in electrical demand, or assist the utilities in raising capital, or both.

These are fact-finding hearings, but we also hope to recommend positive actions that assure consumers of adequate power supplies in the future.

Mr. President, I ask unanimous consent that lists of witnesses and questions and policy issues for these hearings be included in the RECORD at this point.

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

HEARING ON FINANCIAL PROBLEMS OF THE ELECTRIC UTILITY INDUSTRY

WITNESS LIST

August 7, 1974—10:00 a.m.

Dr. Irwin M. Stelzer, President, National Economic Research Associates.

Jack K. Busby, President, Pennsylvania Power and Light Company.

Don C. Frisbee, Chairman of Board and Chief Executive Officer, Pacific Power and Light Company.

Andrew H. Hines, Jr., President, Florida Power Corporation.

Charles R. Pierce, Senior Vice President for Sales and Public Relations, Long Island Lighting Company.

John G. Quale, President, Wisconsin Electrice Power Company.

Ralph Sargeant, Jr., Vice President, Public Service Company of Colorado.

Lelan S. Sillin, Jr., President and Chairman of the Board Northeast Utilities Service Company.

Dr. Murray L. Weidenbaum, Professor of Economics, Washington University.

August 8, 1974—10:00 a.m.

Dr. Alfred Kahn, Chairman, New York Public Service Commission.

Mr. William Rosenberg, Chairman, Michigan Public Service Commission.

Mr. Vernon Sturgeon, Chairman, California Public Service Commission.

FINANCIAL PROBLEMS OF THE ELECTRIC UTILITY INDUSTRY—QUESTIONS AND POLICY ISSUES FOR INVITED WITNESSES AND FOR STATEMENTS FOR THE HEARING RECORD

INTRODUCTION

Beginning in the late 1960s, the electric utility industry in the United States has faced a remarkable series of hardships in meeting the projected demand for electric power. Prominent among them are the following:

(1) Utilities are having to bear a high proportion of the additional costs required nationally to maintain and improve air and water quality.

(2) The high capital intensity of the industry has made it particularly vulnerable to the accelerating inflation of construction costs.

(3) The industry's high capital intensity has also magnified the effect upon its cost and financial requirements of high interest rates.

(4) The last year has seen absolute shortages of some fuels, and an increase in the prices for fuel oil and low sulfur coal of three to five times.

(5) The newest and largest generating plants have almost all been plagued by unanticipated siting, engineering, delivery, construction or startup delays, and by unreliability of equipment.

The impact of these cost-inflating factors upon the ability of electrical utilities to serve future demand has been magnified by a body of regulatory institutions, rules, procedures and accounting practices which seem to be ill-adapted to conditions of rapid change and rapid inflation.

Governmental responsibility over the finances and operation of electric utilities is fragmented among four dozen state utility commissions, the Federal Power Commission, a host of other regulatory bodies (the Environmental Protection Administration, Securities and Exchange Commission, etc.), and various federal, state and local enterprises. No single agency has even the clear responsibility for analytical oversight of the industry, much less the authority to coordinate policy to resolve its problems.

The results have included a growing inability of electric utilities to market either bonds or shares to finance new capacity, and in a few cases difficulty in obtaining working capital to maintain existing levels of service. At least one major utility appears to be on the brink of insolvency. Its failure might be as serious for its service area, and as difficult to reverse, as the collapse of the Penn Central Railroad has been.

The cost squeeze upon the utilities and their difficulties in raising new capital are easy to demonstrate. It is not obvious, however, whether the resulting retrenchment of construction plans should be regarded as

(1) an appropriate response to high costs of construction, money and fuel, and to increasing environmental stress, consistent with a declining future growth rate for electricity consumption;

(2) a situation properly resolved by state public utility commissions, by setting rates consonant with the incremental cost of electricity and by allowing utility earnings consistent with the current cost of capital; or

(3) an imminent national crisis that calls for active intervention by the federal government either to reduce the growth of electrical demand or to assist or even subsidize the utilities in raising capital (or both).

The hearings scheduled for August 7 and 8 by the Committee on Interior and Insular Affairs are part of the National Fuels and Energy Policy Study, which consists of the Committee plus ex-officio members from seven other committees. The purpose of the hearings is an overview of the financial problems of the electric utilities and to consider the range of federal initiatives, if any, which ought to be taken to deal with their problems.

At the hearings the Committee hopes to examine the problems of electricity supply and utility financing in the broad perspective of national energy policy and national economic policy. The following list summarizes the questions and policy issues the Committee wishes to answer. It is not necessarily intended as a strict outline for testimony of invited witnesses or for prepared statements by others for the hearing record. The Committee does request, however, that witnesses and others address themselves, as much as practical within their respective competence (or that of their organizations) and the time or space available, to the range of issues on this list and to the interrelations among them.

QUESTIONS AND POLICY ISSUES CONCERNING THE FINANCIAL PROBLEMS OF THE ELECTRIC UTILITY INDUSTRY

1. Is the United States likely to be faced with an inadequate supply of reliable electric power in the early and mid-1980's?

This question has two parts—

(a) To what extent have the events of the last year changed the outlook for growth of electricity consumption over the next decade? What are the implications of this change for total generating capacity, new construction and financial capital required by the electrical utility industry?

Response to this sub-question might begin with electricity demand projections made in early 1973 (or before) with their salient assumptions, and then deal (separately, if possible) with the impact on demand growth, indicated or anticipated, from

(1) higher rates resulting from increases in the cost of fuel, construction, capital and other inputs;

(2) price rises for competing fuels even more rapid than for electricity (because of rolled-in pricing, the influence of low embedded costs on electric rates, and changed perceptions regarding the reliability of competing fuels);

(3) depressed real growth rates for the economy as a whole;

(4) development of a "conservation ethic" and promotion of energy conservation by government (including regulatory commissions); and

(5) other economic or public policy developments.

(b) What is happening to utility construction programs?

Responses to this sub-question should deal with cancellations and postponements, and with changes in types of plants to be built both with respect to size and type of fuel. They might start with capacity, construction and financial need projections made early in 1973 (or before) with their salient assumptions, and then survey the extent to which utilities are reducing or postponing their construction plans. To what extent are these reductions the result of

(1) reductions in the expected growth rate of electricity consumption;

(2) financial circumstances leading to a deliberate reduction in planned reserves and reliability standards;

(3) other factors such as an aggravation of siting and other environmental constraints, engineering and construction delays, startup and plant reliability problems?

2. What would be the actual costs and consequences of a substantial decline in reserve generating capacity and system reliability; what measures are being taken or can be taken to reduce adverse impacts?

Aspects of this issue include the following:

(a) What would be the impact upon the economy, upon public health, safety and welfare, and upon lifestyles, if no measures were taken to anticipate and adapt to diminished reliability?

(b) What measures, either of an emergency or a routine character, such as central station load-shedding devices, could (or would as a matter of course) be taken by utilities, by government, by industry and by households, to cope with and adapt to diminished reliability? Could further use be made of interruptible contracts?

(c) What would be the effectiveness and costs of feasible measures to adapt to diminished reliability? How would those costs compare with the costs of expanding generating and distribution capacity to meet anticipated demand at traditionally acceptable reliability levels?

(d) What measures are actually being taken?

(e) To what extent have utilities prepared contingency plans—such as those required by the Federal Power Commission—to handle loss of load, and exposed them to public scrutiny?

3. Is the electric utility industry in a genuine financial crisis?

This question has several parts, among them:

(a) Why are utilities currently having difficulty raising either debt or equity capital to finance construction programs?

(b) How general are these difficulties; are they confined to only a few (if important and well publicized utilities with the majority in a relatively good financial position? Or, are the agonies of Consolidated Edison only an extreme instance of problems that face the industry generally?

(c) Are the utilities current financial difficulties transitory, or can they be expected to persist or worsen?

(d) If the outlook for the electric utilities is an inevitable slide, piece by piece, into insolvency and *de facto* nationalization, should Congress begin to examine options for general restructuring of the industry, including complete *de jure* nationalization?

4. What role is there, if any, for the federal government in preventing Consolidated Edison and other distressed utilities from collapsing like Penn Central, or in relieving such a crisis if it should occur?

(a) Should there be a contingency plan and a federal institutional framework for sustaining and reorganizing insolvent utilities?

(b) What is likely to happen if there is no such plan? What will be the effect on financial institutions and on the ability of other utilities to raise capital, if a major utility fails? What will be the *ad hoc* demands on the federal government, and what will the policy options be at that time?

(c) What will be the impact upon the incentives of utility management and regulatory commissions to act responsibly if the failure of a major utility establishes a federal rescue precedent? What is the cumulative impact upon the efficiency and integrity of the free enterprise system from the recent and prospective federal rescue of insolvent firms in various sectors?

5. How do the utilities themselves, the state commissions, the Federal Power Commission and other authorities (such as the SEC, Anti-Trust Division, FEA) view the plight of and outlook for the utilities? What is the response of consumers, including large customers and consumer advocacy groups? What policy changes and other actions are being taken and with what indicated and expected results?

(a) In addition to cutting back construction programs, how are utilities adapting to financial stringency? For example, by tending toward less capital intensive facilities (gas turbines rather than nuclear plants), by leasing and other off-balance sheet financing devices by changes in marketing strategy (promotion of conservation, redesign of rate structures, etc.). What are the long term implications of these moves?

(b) Have the actions of regulatory bodies been adequately responsive to the current situation? To what extent have they

(1) Accelerated their decisions in order to reflect rapidly changing conditions;

(2) Allowed higher rates of return on equity;

(3) Adapted accounting practices (flow-through vs. normalization; treatment of AFDC, etc.) to allow higher effective rates of return;

(4) Encouraged or required conservation measures and redesign of rate structures; and

(5) Encouraged or required improved operational efficiency?

(c) In which cases, if any, have measures of this sort been adequate, and what has been the public reaction?

6. What should be the general objectives of public policy toward the electric utilities, and how do these objectives trade off against other important policy objectives?

This question has many dimensions, for example—

(a) Is a period like the present (of high capital costs, unprecedented inflation and capacity bottlenecks throughout the economy) an appropriate time to initiate or sustain large capital-intensive construction projects? To what extent does this consideration dictate—

(1) reduction or postponement of construction plans, particularly for nuclear power;

(2) a deliberate effort to reduce or halt the growth of electric demand (by higher rates, excise taxes, end-use controls, or simply as a result of declining reliability); and

(3) preference in new construction for less capital-intensive facilities (such as oil-fired turbines)?

(b) Which is the greater impetus to inflation and drag on real economic growth:

(1) Restriction on the growth of electrical consumption (through higher rates, taxes, end-use controls, or a decline in reliability) or

(2) the construction program and demand for financial capital necessary to meet all projected demand for electric power?

(c) To what extent should the goal of national self-sufficiency in fuels override other considerations, for example, inflationary impact of construction programs for capital-intensive domestic supply, environmental quality, or safety in determining the volume and character of new electric generating capacity?

(d) To what extent would the objective of increasing utility interconnection conflict with anti-trust and Public Utility Holding Company Act policies?

7. What role, if any, should the federal government play in facilitating the utilities' access to capital through special tax treatment, Treasury credits, federal loan guarantees or intermediation of credits from oil producing countries?

This question has two major aspects—

(a) Is it proper, economically efficient and desirable for the federal government to subsidize electricity production directly or indirectly (and hence consumption) in order to relieve consumers of the need to finance construction through higher rates?

(b) What would be the likely real effect of each proposed kind of federal financial aid upon the availability and cost of capital? What rate increases would be necessary and sufficient to have an equivalent impact?

8. Should the Federal Power Commission and/or the Federal Energy Administration take an activist role, directly and by assisting and persuading state commissions in measures (a) to reduce the necessary additions to generating capacity (particularly peaking capacity), (b) to reduce the cost of new electric supply (c) to assist utilities in raising capital for new construction programs, and (d) to devise acceptable and economically sound means of central station load-shedding?

Measures that might be considered include—

(a) Redesign of utility rate structures in the interest of economic efficiency, including (1) energy conservation and (2) increasing of load factors, by revision of declining block rates, peak load responsibility pricing, etc. (Consideration should be given to the need for coordination to prevent "whipsawing" of states by large industrial customers with respect to rate structures.)

(b) Introduction of peak management systems, including selective load-shedding devices operable from central stations;

(c) Further interconnection of individual utility systems;

(d) Reduction of construction costs by standardization of plant design;

(e) Allowance of economically realistic rates of return on utility investments; (what is a currently appropriate rate of return?)

(f) Revision and standardization of accounting practices to permit a higher effective rate of return on investment (without necessarily increasing the nominal rate of return);

(g) Investigation of the extraordinary inflation of construction costs and the causes of

lower reliability of newer generating units; and

(h) establishment of a Federal entity to (1) monitor the efficiency of utility management, and the consistency of expansion plans and rate actions with national energy objectives, and (2) to intervene on these matters with state commissions and federal regulatory agencies.

9. Are there other measures that could or should be taken by the federal government to reduce electricity demand, reduce costs, assist utility financing or reduce utility dependence upon insecure imported fuels?

Issues that might be considered here include:

(a) Whether the Administration had done everything reasonably within its power to restrain or roll back prices of OPEC oil;

(b) Whether new federally sponsored financing arrangements (other than direct or indirect subsidies or guarantees) are desirable to reduce the cost of capital to the industries, or cope with financial crises in individual utilities. For example, would it make sense to organize (1) a utility funded FDIC-like institution to bolster the credit ratings of the companies, or (2) a utility-funded lender of last resort? (Either institution would establish surveillance over the management and investment decisions of the companies as a condition of continued insurance or borrowing rights.)

(c) What, if any, effect would an increase of the investment tax credit for utilities from 4 percent to the 7 percent available to other companies, have upon their ability to raise capital? Since the utilities with the most serious problems have little if any federal income tax obligations, would this measure aid them significantly? To what extent would increased investment tax credits have to be passed on to rate payers under present regulatory standards?

(d) To what extent does meeting the growth of utility demands for coal pose problems of equipment supply, financing, transportation or organization beyond the ability of the utilities themselves, the coal industry and responsible federal agencies (within their existing authority) to resolve? For example, to what extent does delivery of adequate quantities of western coal to midwestern and eastern utilities require a rehabilitation of the U.S. rail system that is not now in prospect?

10. To what extent are the problems of the electric utilities identified here common with those of other classes of public utilities (gas transmission and distribution, telecommunications, transportation) or of larger sectors of the economy?

The assumption of this question is that some problems of the electric utilities should be viewed in a broader economic context. Legislation, or administrative or regulatory actions, directed on an *ad-hoc* basis to this industry alone might not be appropriate if they address problems which the electric utilities face in common with other industries. These instances should be identified and policy proposals should be directed at the more general issue.

ADDITIONAL STATEMENTS

CONSUMER PROTECTION AGENCY

Mr. CURTIS. Mr. President, as we move ahead in debate on whether to establish an additional and unnecessary bureaucratic instrument, the Consumer Protection Agency, I want to call to the attention of my colleagues an editorial which appeared today in the Philadelphia Inquirer.

I ask unanimous consent that it be printed in the RECORD.

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

[From the Philadelphia Inquirer, July 31, 1974]

UNITED STATES DOES NOT NEED A NEW WATCHDOG

(By Smith Hempstone)

WASHINGTON.—The White House can hardly make a move these days without getting "impeachment politics" thrown at it. So it is not unusual that some backers of legislation to create a Consumers Protection Agency would be running around town claiming that President Nixon's threat to veto this new superagency is impeachment politics—that he is bowing to conservatives who oppose the bill in order to win their support in his fight against impeachment.

But that is just a smokescreen to hide the real arguments against what could turn into a giant boondoggle in the name of consumerism.

Opponents of the bill are hard at work in the Senate trying to head off creation of CPA. They contend, and with considerable justification, that it would be just another expensive government agency, staffed by dozens or perhaps hundreds of high-paid lawyers and countless other researchers, typists and paper-shufflers, whose principal function would be to harass other government agencies and private businesses—all with dubious benefit to consumers.

It is a strange concept that holds that government agencies created to look after the public interest must in turn be watched over by still more government agencies. But that's the way it is in Washington: Bureaucracy feeds on bureaucracy.

CPA would be able to stick its finger into just about every other governmental operation around—any that "may substantially affect the interest of consumers." Since almost everything is related in some way to consumers, that is a pretty broad mandate.

With few exceptions, CPA would be able to swing high, wide and handsome. It would have the right to sit in on decision-making and then appeal agency decisions it didn't like to the courts.

The way one supporter described its relationship with other agencies: "With an independent CPA looking over his shoulder, the product-safety agency won't be so quick to tell a manufacturer his lead-based Christmas tinsel won't be banned until after he has unloaded this year's supply on the market. The transportation-safety people will think twice before taking an auto maker's word that a defect in his vehicles isn't anything to be concerned with."

That sounds like putting the watchdog out to guard the watchdog. The product-safety and transportation-safety agencies presumably were established to look after consumer interests.

The President is threatening to veto the legislation unless some changes are made to tie a few strings on the proposed agency. Rather than tinkering with it, Congress probably would be better off just to forget about it entirely.

What the consumers need more than anything are congressmen and administration officials who will do the job they're supposed to do, which is to watch after the public's (the consumers') interests. If congressmen aren't up to the job, maybe what the consumers ought to do is vote in some new watchdogs.

THE ALTERNATIVE TO DÉTENTE

Mr. PELL. Mr. President, the alternative to détente is a return to the cold war and its inevitable result—hot or nuclear war. So, there must be no turning away from the policy of détente with the Soviet Union. However, as we pursue this policy, we must bear in mind that détente looks very different to the more than 100 million human beings in Eastern Europe between the Baltic and Black Seas. These Eastern European countries ranging from Poland in the north to Bulgaria in the south have tasted freedom in the past and have had big mouthfuls of democracy and an open society. For them to be popped back under a despotic rule and to be told that they must turn their trade and cultural leanings from the west to the east is a very real hardship.

Ever since there has been an Iron Curtain, I have made a practice of trying to visit behind it on an average of once a year, and I can assure my colleagues that while physical conditions and the chance of being beaten up or imprisoned are less than they once were in Eastern Europe, the climate there is still dull and gray. There is an air of hopelessness and a resignation to an indefinite absence of freedom as we know it.

From their viewpoint, détente seems to insure that this condition will continue. All that we can assure these peoples is to say that détente is the best we can do at this time and that it is preferable to the alternatives—cold war and hot war.

In this regard, I ask unanimous consent to have printed in the RECORD, following my remarks, an excellent article concerning "Eastern Europe, Ignored by Détente" by Ambassador Jacob D. Beam which appeared in the Wall Street Journal on July 24, 1974.

Mr. Beam is a very able career diplomat and a member of a diplomatic family. A remarkable linguist and specialist on Eastern Europe, he has served as Ambassador to Poland, Czechoslovakia, and the Soviet Union. His views are worth taking seriously and his views are of the soundest.

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

EASTERN EUROPE, IGNORED BY DÉTENTE

(By Jacob D. Beam)

While few people would like to see the recent improvement in U.S.-Soviet relations reversed, some of the implications which flow from the concept of detente are coming under increasingly close scrutiny.

One area that invites attention is the effect of dentente on the condition and future of the capitive peoples in Europe.

From a moral point of view, the fate of Eastern Europe, taken together with that of the overrun Baltic states, remains World War II's most monstrous legacy. Soviet rule in the region affronts the historic cultures of its peoples, while holding them to levels of economic stagnation not far different from those which prevail in Russia itself.

This injustice is of longer duration, more deeply frustrating and larger in scope than any witnessed in modern times. The Arab and African worlds have waged successful struggles for indepenence, and our country has thought enough of the principle of freedom of choice in Korea and Vietnam to try to uphold it in two costly endeavors. Such opportunities have been denied the Eastern Europeans whose captivity is already at the point of transcending one generation. Their ultimate yoke could endure as long as the Tatar and Turkish conquests which for centuries laid a dead hand over the respective civilizations of Eurasia and the Mediterranean.

The satellites seem condemned to be the victims of non-win situations. When the

going is tough between the big powers, they get squeezed. They tend to be forgotten during those periods when the West finds the Soviets in a mood to negotiate seriously on armaments and other important matters. Even our country with its Eastern European ethnic associations is unlikely to spoil the atmosphere by championing the rights of the captive nations, at the consequent risk of being accused of reviving the Cold War.

It is not my purpose to spoil detente by issuing a rash and hypocritical call to arms to save the satellites, but rather to explain their predicament. In between unpredictable outbreaks, which incidentally have caused the Soviets to be the only nation to use arms on the European Continent since the war, the satellite cause has failed to evoke sustained world indignation. There are even some in European official circles who say that the West is well quit of Eastern Europe, including East Germany, despite its accretion to Soviet strategic power. Indeed, Frenchmen have been heard to say: "We love Germany so much, we want two of them."

It is argued that the instability of the small Central European countries contributed to the outbreak of World War II and the same result could re-occur. Such was doubtless what President Podgorny was trying to tell me when I presented my credentials to him as U.S. ambassador in April 1969. He was probably speaking sincerely when he said Soviet action in Czechoslovakia had prevented the beginning of another European war. How much more may the Soviets really believe that detente has confirmed their mission to keep the peace in Europe by despotic methods?

A DEATH KNELL

Czechoslovakia sounded the death-knell to the idea that "convergence" offered a peaceful and painless solution. That doctrine, espoused in American academic circles and also by the leading Yugoslav party theoretician Kardelj, envisaged that the course of history favored an inevitable compromise between communism on the one hand and social democracy or evolving capitalism on the other. (It is less than comforting that the advocates of convergence reassure us that the Christian-Muslim conflict worked itself out over the centuries.)

The movement of course is in the other direction. The allegiance of the Soviets (and the Chinese) to the objective of ideological struggle makes it inconceivable that they would permit a reversal of the called-for progression from socialism to communism. The Czech leaders of 1968 went down to defeat as an advance party for convergence which would have tolerated a sweeping revision of party statutes. This would have provided, among other things, for secret votes for party officials and open meetings of the Central Committee (which incidentally was the practice in Lenin's time). From the Soviet point of view, the Czech party lost control by degenerating into a mass movement for "communism with a human face." As in other countries, the issue is not whether capitalism or socialism shall prevail—there is little doubt that given a free choice some form of socialism would win out—the real issue is the degree of party and therefore Soviet control.

There have been some positive changes in Eastern Europe. Following the world outcry over the Czech invasion, the Soviets held back from using Russian forces to put down the Polish workers' riots in Stettin and Gdansk in late 1970. This does not mean that they would *not* have done so if the Polish police had *not* been up to the task, and if there had been a less satisfactory candidate than Gierek to replace the discredited Gomulka as first secretary.

There also have been practical variations from the Soviet norm. Most important is Poland's ability to safeguard private farming and a fair respect for the Church. Rumania is allowed the luxury of thumbing its nose at certain features of Soviet foreign policy, but mainly because it has no common frontier with the West and because Ceausescu runs a tight ideological ship. Hungary's economy is supposed to be a miracle by comparison with the others. American exports to state-operated industries in the satellites have increased manyfold. They have been absorbed in the pattern which promotes economic as well as ideological integration of the entire Soviet commonwealth.

Except in Poland's case, such manifestations of autonomy have not basically touched society, and could be merely transitory, depending on the local personalities involved. Human rights and freedom in the satellites have not benefitted correspondingly, and there have been recent retrogressions in Czechoslovakia and Hungary.

Moscow remains in charge. It coordinates the secret police in each country and determines party personnel policies. It can punish through the control of state investment and resource allocation. Realistically there is no foreseeable prospect of the captive nations themselves being able to cast off their yoke.

How much do the satellites benefit from Western attempts to circumvent the Soviet Union? The purpose of President Johnson's "bridge-building" exercise was too obvious and ended up a non-starter. Willy Brandt chose the alternate method of trying to get through to Eastern Europe over the bridge of a non-aggression agreement with the Russians. Even this has not been too successful, for while it has fostered detente between the Soviet Union and the West, it has as yet brought little relief to the satellites. In Soviet logic, relaxation of tension between East and West threatens to undermine the basis of Eastern control over the Western-oriented subject states.

Apart from the choice of a conscience-saving escape, leaving it to "good" historical forces to work things out, what are the possibilities of righting the injustices inflicted on the people of Eastern Europe?

Rollback: Presumably by force or pressure as proposed by the Republicans in the 1952 presidential campaign: The West will risk nothing for such a cause.

Revolt: Success possible only as a result of Soviet disintegration, or in the unlikely event an Eastern European or Baltic leader should take over the central government and party apparatus now dominated by the Russians.

Appeal to Russian better instincts: A matter for pious, prayerful hope.

Moderate evolution within the Communist movement: Encouragement of this trend is at the root of most Western policy and is deemed to be the safest, most logical way to proceed. In any event, it will be a slow, painstaking process.

LITTLE WE CAN DO

Realistically there is little we can do to alter basically the Soviet grip on its subject peoples. We hesitated to aid Hungary in 1956 in any substantial way for fear of upsetting the 1955 agreement with the Soviets establishing Austria's independence. Furthermore, the British, French and Israeli attack on Egypt at that time was a most complicating factor. President Johnson's response to the 1968 Soviet invasion of Czechoslovakia was restrained by his forlorn wish to end his administration with a summit with the Soviets and an agreement on strategic arms.

World reaction to Czechoslovakia, especially among the European Communist parties, probably did play a part, however, in bringing the Soviets around to general detente. The international meeting of Communist parties in Moscow in 1969 showed them to be faltering in their contest with the Chinese for ideological leadership. The new ingredient of improved relations with the West was added to the 24th Soviet Party Congress in March 1970. In the subsequent negotiations the Eastern European Communist leaders profited from settlements which confirmed the legality of their regimes and the national boundaries of their states. The issue of Soviet control remains, however, with its grip strengthened by the good use the Soviets make of periods of relative relaxation to consolidate their questionably acquired gains.

Considerable concern is now being expressed—and rightly—over the fate of oppressed minorities in the Soviet Union. It is hard to argue that our moral commitment to the captive peoples is any less great. The conference on European Security and Cooperation, which is reaching a crucial point in Geneva, offers us a chance to do something for them. Over and against the Soviet desire to consecrate East-West detente in a general summit meeting, we are still holding out for a freer movement of persons and ideas, of a kind which would help the isolation of Eastern Europe, and indeed, of the peoples of the Soviet Union.

There will be other occasions to show the Soviets in negotiation that a mitigation of their despotism can yield a range of subsidiary benefits and we should not shrink from utilizing them. To imply, as has been done by some of our own government spokesmen, that American concern for human rights might impede the business of preventing nuclear war, makes no sense.

CONSCIENCE

Mr. STENNIS. Mr. President, ordinarily remarks at our breakfast group meetings are entirely off the record. Recently the Senator from Alabama (Mr. ALLEN), was the leader and gave splendid remarks on conscience, a subject about which he is highly and unusually well qualified to speak.

His thoughts and observations are so worthy that I think they should share with fellow Senators and Members of the entire Congress, and with the public at large. I commend Senator ALLEN highly and ask unanimous consent that his remarks be printed in the RECORD.

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

CONSCIENCE

Since 1811 there has been a Fund on the books of the Treasury into which are paid contributions by citizens seeking to make amends for fraudulent acts committed by them against the Government in the past—a mechanic stole a screwdriver, a waiter failed to report income from tips, a civil servant took leave without being charged for the work days missed. Contributions through 1973 have amounted to $3,191,200, with the largest year being $370,285 in 1950.

And then a person receives payment of a long-forgotten debt with interest from a friend of long ago—or payment for a wrong perpetrated against him decades ago.

A person surrenders to the authorities and confesses to a crime committed years before that has been forgotten for decades.

Mass confessions of participants in recent well publicized criminal activities—aided and abetted somewhat by detection of their participation and their desire for self-preservation.

All of those people seeking to make amends, seeking to find peace of mind, seeking to atone, have been influenced to do so, in part at least by the pangs of their consciences.

What is this great force—our conscience—that we cannot see or touch but to which we can listen and whose influence we feel?

Is conscience a built-in feature or quality of every person at birth, and a mark of the difference between man and beast?

Are our consciences nurtured and made more sensitive as a result of lessons learned at our Mother's knee, and through a sense of values impressed on us by our parents and developed through our spiritual and academic eduactions?

Are our consciences further polished and refined as a result of our dealings and experiences with our fellow man?

Is conscience then part of the divine spirit or image of our Maker in whose image we were created?

Over 2000 years ago the Greek historian Polybius wrote: "There is no witness so terrible, no accuser so potent, as the conscience that dwells in every man's breast."

Shakespeare, in *Richard III*, wrote concerning conscience, "A man cannot steal, but it accuseth him; he cannot swear, but it checks him; he cannot lie with his neighbor's wife, but it detects him: 'Tis a blushing, shamefast spirit that mutinies in a man's soul."

John Goodwin, writing in *Might and Right Well Met* in 1648, said: "Freedom of conscience is a natural right, both antecedent and superior to all human laws and institutions whatever: a right which laws never take away."

Thomas Jefferson wrote: "The moral sense, or conscience, is as much a part of man as his leg or arm. It is given to all human beings in a stronger or weaker degree as force of members is given them in greater or less degree."

Abraham Lincoln, to whom we turn so often for inspiration and words of wisdom, in replying in 1864 to a committee proposing a plan of peace, said: "I desire so to conduct the affairs of this administration that if, at the end, when I come to lay down the reins of power, I have lost every other friend on earth, I shall at least have one friend left, and that friend shall be down inside me."

Congressman Railsback, member of the House Judiciary Committee, as reported in the press, expressed the same thought with references to his upcoming vote on impeachment: "I want to cast the vote that will make me feel good inside."

George Washington, in his early manhood, wrote, "Labor to keep alive in your heart that little spark of celestial fire called conscience", and I was impressed with the eloquence to his words.

In Hamlet, Polonius advises his son, Laertes—To thine own self be true—and Edgar A. Guest, the homespun poet, points out that, while we might escape the judgments of others, we must be true to and must meet the standards of the person we see in the bathroom mirror.

Alexander Bain, in the *Emotions and the Will*, wrote: "Conscience is an imitation within ourselves of the government without us."

But if our consciences bring out the best in us, might it not be possible for government to be conducted by a rule of conscience rather than by a government of laws, and I suggest this approach, only to strike it down. Interesting as this thought may be, it is hardly practical for there would still have to be laws for those who violate the rules of conscience. Then, too, a rule of conscience for one might be much more liberal than for another. A rule or law must be devised that will provide uniformity for all, rather than to depend upon varying requirements exacted by millions of consciences. For some, their consciences are dormant or are in hibernation. Then, too, many consciences are more persuasive after the fact of improper action then before. Also, there are the smug or self-satisfied or self-righteous consciences to contend with—Lord Byron, in *Don Juan*, wrote: "A quiet conscience makes one so serene! Christians have burnt each other, quite persuaded that all the Apostles would have done as they did."

But what of acts of conscience, whether acts of commission or omission? The Book of Daniel records two classic cases of acts of conscience. The first was where Shadrach, Meschach and Abednego refused to bow down to the golden image as required by King Nebuchadnezzar, even though the penalty for refusal was for them to be thrown into the fiery furnace. The furnace was so hot that the men who threw Shadrach, Meshach and Abednego into the furnace were killed by the heat. The other was the case of Daniel, who refused, as required by decree of King Darius, to make no petition or prayer to God but only to King Darius for a period of 30 days. Daniel was the King's Chief Minister and the King had been tricked into issuing the law by Daniel's enemies.

The King loved Daniel and wanted to rescind the law but there was a peculiar aspect of a law of the Medes and Persians. Once enacted, it could not be changed, giving rise to the expression "as unchangeable as the laws of the Medes and Persians."

These characters from long ago refused to obey the law as acts of conscience. While they felt that God would save them, yet they were willing to go to their deaths rather than to contravene God's laws. They were willing to pay the price for their acts of conscience.

The name of Thomas More, in England in the days of Henry VIII, comes to mind as a man willing to face death rather than to compromise with the truth as he saw the truth. He, too, was willing to pay the penalty for his act of conscience.

Dozens of other cases could be cited. Many in more recent times have performed acts of conscience but instead of paying the penalty provided for such acts, have sought to be relieved of such penalties. To my mind, this detracts from the bona fides of the acts of conscience.

I am indebted to Dr. David H. C. Read, of National Radio Pulpit, for pointing out the applicability of one of the Proverbs to a discussion of conscience and for his development of the thoughts underlying the proverb.

In the King James Version we read in Proverbs 20:27, "The spirit of man is the candle of the Lord, searching all the inward parts of the belly." The Bible, as usual, touches the spot—for isn't it right there that most of us feel our consciences at work?

Moffatt's Version renders the Proverb this way: "Man's conscience is the lamp of the Eternal, flashing into his inmost soul," and yet another version gives it thus: "The Lord gave us mind and conscience; we cannot hide from ourselves."

We cannot hide from ourselves, we cannot kill our consciences. We can, and often do, try our best. We may keep our conscience quiescent over the years by refusing to listen, but yet we continue to have this sense of right and wrong. It may be disfigured, dulled or twisted, but it cannot be completely eradicated.

We sometimes use the word "unconscionable" to describe a person, policy, or measure we dislike, but no one can be completely unconscionable, for it means without any conscience at all. No one—not even the most depraved—can ever, in the end, hide from himself. Somewhere the spirit of man shines a light into the darkest recess and that spirit is the candle of the Lord. But the candle of the Lord that shines into the inward parts is not simply a searchlight to reveal the things we are ashamed of; it is a healing and reconciling light that shows us the way home.

So let us not be afraid to follow the dictates of our consciences. They will show us the way.

MORATORIUM ON IMPEACHMENT COMMENT

Mr. BELLMON. Mr. President, with the action of the House Judiciary Committee this past week, the impeachment process has begun in earnest.

Impeachment of the President of the United States is one of the most serious matters to be considered by the Congress. Only once before in American history has this provision of the Constitution been invoked. The issue of deciding whether the President has committed such acts that he should be removed from office shakes the very foundations of our Government.

As a Member of the Senate who may ultimately sit as a juror in an impeachment proceeding against the present occupant of the Nation's highest office, I approach this matter with grave concern.

The President, as much as any other citizen of this free country, deserves a fair hearing throughout the impeachment process. The Congress has the responsibility to carry out its constitutional duty fairly and impartially. The American people are entitled to no less from their elected representatives.

Mr. President, I am a farmer, not a lawyer. I do not intend to become involved in legalistic maneuvering. I will study the evidence, try to ascertain what the facts are, evaluate them in the light of what constitutes an impeachable offense, and then make my personal decision, if the Senate is indeed called upon to sit in judgment of Richard M. Nixon.

One thing of which I am certain: I will not prejudge the case.

My past personal and professional associations with the incumbent President are not at issue here and will have no bearing on any decision I may have to make. The same applies to my past support and opposition toward administration proposals and policies.

According to established Senate procedure, precedents and practices, in the event of an impeachment trial, each Senator must take the following oath:

> I solemnly swear (or affirm, as the case may be) that in all things appertaining to the trial of the impeachment of ------ ------, now pending, I will do impartial justice according to the Constitution and laws: So help me God.

Mr. President, in order to be in a position to "do impartial justice" if later required to do so, I am today imposing upon myself a moratorium on public speculative comment on impeachment and related matters until such a time as this matter is resolved.

Under our laws, the basis for removal of a President is not to be found in news commentary or popularity ratings, but rather in the Constitution. I strongly feel that no President should be driven out of office by partisan opponents or by the shifting current of public opinion.

If President Nixon is to have his "day in court," and no fair-minded citizen would deny him that right, it is time to put aside conjecture. The Congress should perform its constitutionally prescribed role of finding the facts, conducting its business in full view of the public, and then render its decision.

Mr. President, my self-imposed moratorium on speculative comment will be difficult to achieve fully because of the wide scope of the so-called Watergate scandal. I will do my utmost to keep that commitment because of my firm desire to remain an impartial prospective juror. I strongly urge my colleagues to consider pursuing the same course.

THE URGENCY OF LAND USE PLANNING

Mr. METZENBAUM. Mr. President, the April–June issue of Historic Preservation published by the National Trust for Historic Preservation carries an extension of remarks by Congressman JOHN F. SEIBERLING, Democrat of Ohio. These remarks were made at the annual meeting of State Historic Preservation Officers, January 31, 1974, sponsored by the National Park Service.

Congressman SEIBERLING serves on the House Committee on Interior and Insular Affairs and has long been one of Ohio's leading conservationists. He has served as president of the Tri-County Regional Planning Commission, Akron, Ohio; vice president of the Stan Hywet Hall Foundation; trustee of the Cuyahoga Valley Association; and executive committee member of the Northeastern Ohio section of the Sierra Club. He introduced a bill to establish the Cuyahoga Valley National Historical Park and Recreation Area and is a leading proponent of land use legislation and a pending bill to control the surface mining of coal.

I am inserting Congressman SEIBERLING's remarks in the RECORD so my colleagues may be aware of the urgency of land use planning and may share in Congressman SEIBERLING's thoughts.

Mr. President, I ask unanimous consent to have it printed in the RECORD.

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

THE URGENCY OF LAND USE PLANNING

(By Representative JOHN F. SEIBERLING)

Thomas Jefferson wrote that the earth belongs to the living generation. He was trying to break what was called the "dead hand of the past" under which, by law, owners could entail their property so that subsequent owners were put into straitjackets: They could not sell the property, they could not develop it, they could not do anything to it.

In arguing against legal restraints that bound one generation to another, Jefferson left out one important concept. The earth is also held in trust by living generations for present and future generations. This is more than an economic or legal principle; it is an ethical responsibility. Decisions about the use of land will affect not only us, but our children and our children's children as well.

As a land-rich nation, we have for too long treated our land as if it were in unlimited supply. Today, as a result, we are are verging on a land use crisis. Our farmlands are being swallowed up by sprawling cities. Our historic and cultural landmarks are being bulldozed to make way for skyscrapers and shopping centers. Power lines and highways are cutting ugly swaths across our rural landscapes, and open space around our major metropolitan centers is being consumed by haphazard and uncontrolled development.

Land use planning is a pivotal issue. How we use or misuse the land affects our environment, our economy, our cultural physical and social well-being. It affects our transportation systems and our use and methods of obtaining energy. It affects our sense of the present and our identification with the past. It affects the historic character of the land itself, which has colored and shaped our past and will likewise color and shape our future. The values of the past were in part derived from our sense of the land and its peculiar qualities, the qualities of beauty, harshness, challenge.

Now our western lands are being threatened by the onslaught of industrialization. Up to now, much of the West has remained a symbol of the frontier, with clear skies and magnificent open spaces. Much land in the West still is sparsely populated; it is largely government owned and mainly used for agriculture and grazing. But a dark cloud hangs over the big sky country, literally as well as figuratively. Strip mining threatens hundreds of thousands of acres of near-virgin land. Because of the dry climate, it is questionable whether the areas can be revegetated. Large energy-producing complexes are being developed there. Industry has plans for some 40 or 50 coal gasification plants in the Northwest states. And precious waters are about to be diverted from agricultural uses to provide for the insatiable thirst of industrialization.

The glitter of industrialization promises economic rewards for a few, but it often proves to be only fool's gold for the many who must inhabit and contend with a degraded environment. Without intelligent planning, industrialization may well destroy our western heritage. It may literally wipe out whole landscapes, and whole life-styles as well. Our country may become one huge industrial megalopolis from sea to shining sea.

Ownership in this country has customarily implied the right of private owners to do anything they want with their land. This is not true in many other countries, particularly in Europe, where owners must consider the public interest in determining the use of their land. The scope of public interest and the mechanism for expressing and enforcing it are broad indeed. Any American who travels in England must be impressed with the way the small country villages have been preserved, free of the squalid blight that affects almost every community, large and small, in our own country. Yet the population density of England is almost 20 times that of the United States. Both countries share a common legal heritage. The difference lies in the legislation that has been enacted to cope with the land use situation.

There is a common law doctrine described in the Latin maxim *sic utere tuo ut alienum non laedas*—"so use your property that you do not injure the rights of others." I have seen land in southern Ohio that has been destroyed by strip mining without any reclamation worthy of the name, and it has been done in the name of private ownership. Yet what rights does the farmer who refused to sell out have? When the land all around him is stripped and the water table is lowered and dust and mess are all around, the very value of this land is cut to a fraction of what it was by others exercising their right to do something on their land. Our concepts of private ownership, and the rights that go with it, are going to have to change. There must be a new sense of the need to harmonize our uses of the land, balancing long-term values as well as short-term needs.

In contrast to its status in Europe, historic preservation in the United States is in its infancy. We are only now beginning to think of preservation in terms of the total environment and not merely in relation to specific people and events. But in Europe whole towns have been declared historic districts, with strict controls on any alteration, conversion or demolition of structures built before a certain specified date. Regardles of their local or national significance, these historic places reflect definitive cultures in their time and in their place.

I was in Nuremberg, Germany, in 1945 and it was a depressing sight. It was a great merchant city of the Middle Ages, in ruin. Today it is hard to believe that the beautiful inner-walled city was almost totally destroyed. The Germans carefully collected all the stones from the original buildings and reconstructed the buildings as accurately as possible. They had a sense of the importance to their culture of re-creating Nuremberg as it was.

By contrast, Americans lack a strong sense of place, just as they lack a strong sense of the continuity of history. Our history is too new. Fifty percent of us move every five years. Mobility has its economic advantages, but our roots and our identification with our ancestral heritage are lost. We are becoming a homogeneous society. As we travel this land, only the geography changes; the man-made forms remain the same. The Golden Arches are the same in Cheyenne, Wyo., as in Atlanta, Ga. Downtown Oklahoma City, Okla., looks much like downtown Akron, Ohio.

But this need not be so. Beyond the main streets, the vestiges of our varied heritage remain—the white clapboard houses of New England, the farmhouses of Indiana, the adobe haciendas of New Mexico. Each is a statement of its own time and place.

When Abraham Lincoln made his first inaugural address, in 1861, the was making a last plea to the southern states against secession. He saved the most powerful, emotional argument for last: "The mystic chords of memory, stretching from every battlefield and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature." He appealed to a sense of place. He appealed to remembrance of the battlefield and to the patriots' graves. He understood that the land itself and the places where our people sacrificed and fought and died have a tremendous impact on our thinking.

If we are to save the uniqueness of our past and make it workable for the future, historic preservation and land use planning must go hand in hand. This will not be an easy job. Land use planning in the United States is still embryonic; zoning remains the only major practiced form of land use control. But zoning only deals with type and density of development. It does not deal with the larger issues of people as individuals, of neighborhoods and cultures.

Historic preservation in America is also relatively new; it began as a fragmented effort by people who were personally attached to particular historic places. They did not view their history from the outside—they were part of it. Concerted effort at preserva-

tion on the state and federal levels has only taken place within this generation.

Major legislation has been introduced in Congress to create an integrated approach to land use planning. The Senate passed a land use planning bill in June 1973. The House Interior Committee completed work in mid-January on a similar bill, only to have it unexpectedly postponed by the House Rules Committee.

This is landmark legislation, but its effectiveness will depend largely on how well federal, state and local officials and private individuals work together.

Contrary to the views of its opponents, the Land Use Planning and Assistance Act would not create federal zoning. It would not threaten private property. It would not remove land use decisions from local government. What it would do is provide grants to States to help them prepare and implement a comprehensive land use planning process. The process would be developed by and tailored to the needs of each state. The bill sets some guidelines for preparing these plans and, once prepared, for administering them. Participation is voluntary. There are no sanctions in the bill. In order to obtain the federal grants, the states must only meet the basic requirements of the bill.

The key to the bill is the requirement that a participating state must develop a comprehensive land use planning process that takes into account all lands and all other natural resources within the state and the cost and benefit of their use and conservation. The process must include the development of an adequate data base, technical assistance and training programs for the public and for state and local agency personnel. It must coordinate land use planning activities of local, state, interstate and federal agencies. Natural and physical resources and recreational needs must be considered as well as the suitability of land for various development purposes.

The bill establishes a two-way street; it requires states to consider the impact of their actions on areas near such federally owned public lands as national parks, forests, wilderness areas and wildlife refuges. It also requires federal projects and activities affecting the use of nonfederal lands to be consistent with the state comprehensive land use planning process. The bill requires each federal public land management agency to prepare and maintain an inventory of all public lands and resources under its jurisdiction. It provides the framework for the federal government to develop land use policies and plans for these lands. These could also serve as standards for the states to consider in developing their own plans, just as the federal agencies can learn much from the work done by the states.

Under the bill, the states would also be required to designate areas of critical environmental concern and regulate their use. "Areas of critical environmental concern" include both natural and historic areas.

When my family gave the Tudor-style Stan Hywet Hull (1911–15) to the community of Akron, Ohio, some people said, "Well, of course, the house is the big thing and the grounds aren't that important; concentrate on preserving this house." But the grounds—some 70 acres of lawns and gardens—were designed by Warren H. Manning, a landscape architect who had been associated with the firm of Frederick Law Olmsted. The house without the grounds would be diminished and much less significant. That is true of many historic sites. Both the natural and manmade environment are irreplaceable, and both yield information about the past, giving us understanding of and appreciation for our physical and cultural evolution.

Linking man-made and natural resources may seem the obvious action to some, but unfortunately most people in this country do not make the connection. The industrial opportunist sees land as a commodity to exploit, and man-made objects as potential profit-makers.

I remember riding to Cleveland with a county engineer and passing a particularly beautiful tract of woodland bordering the highway. I said, "You know, it's interesting that all this area is becoming filled up with suburban sprawl yet that particular area has remained open." I was about to say that we ought to figure out some way to keep it that way when the engineer said, "Yeah we've been trying for years to figure out what we could put in that space." His idea was that unless you fill up every inch of space, you have not really used it. Well, some things are better left undeveloped.

Most people do not understand how the natural elements interact with the manmade to produce a total environment. A 1974 Sierra Club calendar has a picture of a New England scene. The caption under it contains a quotation from Thoreau: "A village is preserved not more by the people in it, than by the swamps and woods that surround it."

The practice of strip mining is a perfect example of how we destroy our historical heritage when we destroy the land. Southeastern and east-central Ohio are beautiful parts of the state. They bring to mind the Downs of southern England; there is a special mystical quality about the rolling landscape. It is a pristine landscape, except that it is rapidly being destroyed by huge earthmovers tearing it apart. Whole towns have disappeared; whole highways have been removed. Woods and fields have been turned under and replaced by heaps of rubble. This is not just destroying productive land; it is destroying our past, destroying our youth.

Not all of man's historic places are beautiful, and not all of nature is pristine. But something in all of it is worth saving if we can put it in proper perspective. And the signs of change are here. The proposed Cuyahoga Valley National Historic Park and Recreation Area between Akron and Cleveland, Ohio, would not only preserve a vast, beautiful open space but also provide attractive alternatives for outdoor recreation. It could give city people a sense of what it means to be out in open country. The Cuyahoga Valley is not pristine like Yellowstone National Park. But each has unique qualities to preserve. And in preserving such places as the Cuyahoga Valley we can insure that the wilderness of Yellowstone will be preserved for future generations.

A similar analogy holds true for historic preservation. Not every historic building needs to be a museum. Ghiradelli Square in San Francisco, Calf., and Canal Square in Washington, D.C., are examples of old structures given new life while a sense of their original integrity is maintained. Historic resources interact with the contemporary environment, giving a region its character and sense of place. Independence Square in Philadelphia, Pa., was carefully restored to its 18th century scale and appearance. However, many beautiful 19th-century structures were demolished in the process. Historic preservation should not mean freezing an area to one period of the past. We have elements from many periods of the past that should and can coexist harmoniously, to help us understand how we fit into the patterns of history.

Ours is a nation of contrast; its identity lies in the slums and ethnic ghettoes as well as in magnificent mansions and public buildings. And the worthwhile features of these contrasting places, if not identified and preserved now, may be lost forever. Some day no Americans may have to live in slums. But they will want to know what slums looked like, and it is worth preserving one to show them.

Some day we may not even need a National Register of Historic Places. Historic preservation will be a personal ethnic of each person; it will be part of our culture. How we treat the land today and, more importantly, tomorrow, will be determined by our system of values.

We will never see the land as our ancestors did. But we can understand what made it beautiful and why they lived and died to preserve it. And in preserving it for future generations we will preserve something of ourselves.

If we all have an interest in this land, then we all have a stake in its preservation. There is no more worthwhile cause.

THE INTERNATIONAL ECONOMIC SITUATION

Mr. McGEE. Mr. President, this spring, a special session of the United Nations General Assembly was convened. This in itself probably would not raise many eyebrows had it not been for the uniqueness of the issues to which the international community was addressing itself.

The focus of this session was an effort to come to grips with a deteriorating international economic situation which threatens not only the survival of the less developed nations of the world, but the industrialized nations as well.

Two major resolutions resulted from this special session. The first resolution entailed a Declaration on the Establishment of a New International Economic Order. The second outlined a proposed Program of Action on the Establishment of a New International Economic Order.

As the gap between the rich and poor nations continues to widen, I believe the Congress and the American people need to know the views of the less developed countries with regard to the future of our world, particularly since the international economic situation represents a threat to the future of us all, rich and poor alike.

I ask unanimous consent that these two resolutions be printed in the RECORD.

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

TEXT OF RESOLUTIONS ADOPTED

3200 (S–VI). CREDENTIALS OF REPRESENTATIVES TO THE SIXTH SPECIAL SESSION OF THE GENERAL ASSEMBLY

Date: 30 April 1974.
Vote: 86–26–15 (roll call).
Meeting: 2228.
Draft: A/L.726.
The General Assembly,

Having taken note of the report of the Credentials Committee,[1]

Approves the credentials of all the representatives of Member States to the sixth special session of the General Assembly except those of the representatives of South Africa.

ROLL-CALL ON RESOLUTION 3200 (S–VI)

In favour: Afghanistan, Albania, Algeria, Bahrain, Bhutan, Bulgaria, Burma, Burundi, Byelorussia, Central African Republic, Chad, Chile, China, Congo, Cuba, Czechoslovakia, Dahomey, Democratic Yemen, Egypt, Equatorial Guinea, Ethiopia, Fiji, Finland, Gabon, Gambia, German Democratic Republic,

[1] A/9555.

Ghana, Guinea, Guyana, Haiti, Hungary, India, Indonesia, Iraq, Ivory Coast, Jamaica, Jordan, Kenya, Khmer Republic, Kuwait, Laos, Lebanon, Liberia, Libya, Madagascar, Malaysia, Mali, Malta, Mauritania, Mauritius, Mongolia, Morocco, Niger, Nigeria, Oman, Pakistan, Panama, Philippines, Poland, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Sri Lanka, Sudan, Syria, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, Ukraine, USSR, United Arab Emirates, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Against: Australia, Austria, Belgium, Brazil, Canada, Costa Rica, Denmark, France, Germany (Federal Republic of), Iceland, Ireland, Israel, Italy, Luxembourg, Malawi, Mexico, Netherlands, Nicaragua, Norway, Portugal, South Africa, Spain, Sweden, United Kingdom, United States, Uruguay.

Abstaining: Argentina, Bahamas, Bolivia, Botswana, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Japan, Nepal, New Zealand, Paraguay, Peru.

Absent: Barbados, Cyprus, Iran, Lesotho, Maldives, Swaziland, Turkey.

Greece did not participate in the vote.

3201 (S-VI). DECLARATION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

Date: 1 May 1974.
Adopted without vote.
Meeting: 2229.
Report: A/9556 (Part II).
The General Assembly
Adopts the following Declaration:

DECLARATION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

We, the Members of the United Nations,

Having convened a special session of the General Assembly to study for the first time the problems of raw materials and development, devoted to the consideration of the most important economic problems facing the world community,

Bearing in mind the spirit, purposes and principles of the Charter of the United Nations to promote the economic advancement and social progress of all peoples,

Solemnly proclaim our united determination to work urgently for the Establishment of a New International Economic Order based on equity, sovereign equality, interdependence, common interest and co-operation among all States, irrespective of their economic and social systems, which shall correct inequalities and redress existing injustices, make it possible to eliminate the widening gap between the developed and the developing countries and ensure steadily accelerating economic and social development in peace and justice for present and future generations.

1. The greatest and most significant achievement during the last decades has been the independence from colonial and alien domination of a large number of peoples and nations which has enabled them to become members of the community of free peoples. Technological progress has also been made in all spheres of economic activities in the last three decades, thus providing a solid potential for improving the well-being of all peoples. However, the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, apartheid and neo-colonialism in all its forms continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved. The benefits of technological progress are not shared equitably by all members of the international community. The developing countries, which constitute 70 per cent of the world population, account for only 30 per cent of the world's income. It has proved impossible to achieve an even and balanced development of the international community under the existing international economic order. The gap between the developed and the developing countries continues to widen in a system which was established at a time when most of the developing countries did not even exist as independent States and which perpetuates inequality.

2. The present international economic order is in direct conflict with current developments in international political and economic relations. Since 1970, the world economy has experienced a series of grave crises which have had severe repercussions, especially on the developing countries because of their generally greater vulnerability to external economic impulses. The developing world has become a powerful factor that makes its influence felt in all fields of international activity. These irreversible changes in the relationship of forces in the world necessitate the active, full and equal participation of the developing countries in the formulation and application of all decisions that concern the international community.

3. All these changes have thrust into prominence the reality of interdependence of all the members of the world community. Current events have brought into sharp focus the realization that the interests of the developed countries and the interests of the developing countries can no longer be isolated from each other; that there is close interrelationship between the prosperity of the developed countries and the growth and development of the developing countries, and that the prosperity of the international community as a whole depends upon the prosperity of its constituent parts. International co-operation for development is the shared goal and common duty of all countries. Thus the political, economic and social well-being of present and future generations depends more than ever on co-operation between all members of the international community on the basis of sovereign equality and the removal of the disequilibrium that exists between them.

4. The new international economic order should be founded on full respect for the following principles:

(a) Sovereign equality of States, self-determination of all peoples, inadmissibility of the acquisition of territories by force, territorial integrity and non-interference in the internal affairs of other States;

(b) Broadest co-operation of all the member States of the international community, based on equity, whereby the prevailing disparities in the world may be banished and prosperity secured for all;

(c) Full and effective participation on the basis of equality of all countries in the solving of world economic problems in the common interest of all countries, bearing in mind the necessity to ensure the accelerated development of all the developing countries, while devoting particular attention to the adoption of special measures in favour of the least developed, land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities, without losing sight of the interests of other developing countries;

(d) Every country has the right to adopt the economic and social system that it deems to be the most appropriate for its own development and not to be subjected to discrimination of any kind as a result;

(e) Full permanent sovereignty of every State over its natural resources and all economic activities. In order to safeguard these resources, each State is entitled to exercise effective control over them and their exploitation with means suitable to its own situation, including the right to nationalization or transfer of ownership to its nationals, this right being an expression of the full permanent sovereignty of the State. No State may be subjected to economic, political or any other type of coercion to prevent the free and full exercise of this inalienable right;

(f) All States, territories and peoples under foreign occupation, alien and colonial domination or apartheid have the right to restitution and full compensation for the exploitation and depletion of, and damages to, the natural and all other resources of those States, territories and peoples;

(g) Regulation and supervision of the activities of transnational corporations by taking measures in the interest of the national economies of the countries where such transnational corporations operate on the basis of the full sovereignty of those countries;

(h) Right of the developing countries and the peoples of territories under colonial and racial domination and foreign occupation to achieve their liberation and to regain effective control over their natural resources and economic activities;

(i) Extending of assistance to developing countries, peoples and territories under colonial and alien domination, foreign occupation, racial discrimination or apartheid or which are subjected to economic, political or any other type of measures to coerce them in order to obtain from them the subordination of the exercise of their sovereign rights and to secure from them advantages of any kind, and to neo-colonialism in all its forms and which have established or are endeavouring to establish effective control over their natural resources and economic activities that have been or are still under foreign control;

(j) Just and equitable relationship between the prices of raw materials, primary products, manufactured and semi-manufactured goods exported by developing countries and the prices of raw materials, primary commodities, manufactures, capital goods and equipment imported by them with the aim of bringing about sustained improvement in their unsatisfactory terms of trade and the expansion of the world economy;

(k) Extension of active assistance to developing countries by the whole international community, free of any political or military conditions;

(l) Ensuring that one of the main aims of the reformed international monetary system shall be the promotion of the development of the developing countries and the adequate flow of real resources to them;

(m) Improving the competitiveness of natural materials facing competition from synthetic substitutes;

(n) Preferential and non-reciprocal treatment for developing countries wherever feasible, in all fields of international economic co-operation, wherever feasible;

(o) Securing favourable conditions for the transfer of financial resources to developing countries;

(p) To give to the developing countries access to the achievements of modern science and technology, to promote the transfer of technology and the creation of indigenous technology for the benefit of the developing countries in forms and in accordance with procedures which are suited to their economies;

(q) Necessity for all States to put an end to the waste of natural resources, including food products;

(r) The need for developing countries to concentrate all their resources for the cause of development;

(s) Strengthening—through individual and collective actions—of mutual economic, trade, financial and technical co-operation among the developing countries mainly on a preferential basis;

(t) Facilitating the role which producers associations may play, within the framework of international co-operation, and in

pursuance of their aims, inter alia, assisting in promotion of sustained growth of world economy and accelerating development of developing countries.

5. The unanimous adoption of the International Development Strategy for the Second Development Decade was an important step in the promotion of international economic co-operation on a just and equitable basis. The accelerated implementation of obligations and commitments assumed by the international community within the framework of the Strategy, particularly those concerning imperative development needs of developing countries, would contribute significantly to the fulfilment of the aims and objectives of the present Declaration.

6. The United Nations as a universal organization should be capable of dealing with problems of international economic co-operation in a comprehensive manner and ensuring equally the interests of all countries. It must have an even greater role in the establishment of a new international economic order. The Charter of Economic Rights and Duties of States, for the preparation of which this Declaration will provide an additional source of inspiration, will constitute a significant contribution in this respect. All the States Members of the United Nations are therefore called upon to exert maximum efforts with a view to securing the implementation of this Declaration, which is one of the principal guarantees for the creation of better conditions for all peoples to reach a life worthy of human dignity.

7. This Declaration on the Establishment of a New International Economic Order shall be one of the most important bases of economic relations between all peoples and all nations.

3202 (S-VI). PROGRAMME OF ACTION ON THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

Date: 1 May 1974.
Meeting: 2229.
Adoption without vote.
Report: A/9556 (Part II).
The General Assembly.
Adopts the following Programme of Action:

PROGRAMME OF ACTION OF THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER

In view of the continuing severe economic imbalance in the relations between developed and developing countries, and in the context of the constant and continuing aggravation of the imbalance of the economies of the developing countries and the consequent need for the mitigation of their current economic difficulties, urgent and effective measures need to be taken by the international community to assist the developing countries, while devoting particular attention to the least developed, land-locked and island developing countries and those developing countries most seriously affected by economic crises and natural calamities leading to serious retardation of development processes.

With a view to ensuring the application of the Declaration on the Establishment of a New International Economic Order it will be necessary to adopt and implement within a specified period a programme of action of unprecedented scope and to bring about maximum economic co-operation and understanding among all States, particularly between developed and developing countries based on the principles of dignity and sovereign equality.

PROGRAMME OF ACTION

I. Fundamental problems of raw materials and primary commodities as related to trade and development

1. Raw materials.

All efforts should be made:

(a) To put an end to all forms of foreign occupation, racial discrimination, *apartheid*, colonial, neo-colonial and alien domination and exploitation through the exercise of permanent sovereignty over natural resources.

(b) To take measures for the recovery, exploitation, development, marketing and distribution of natural resources, particularly of developing countries, to serve their national interests, to promote collective self-reliance among them, and to strengthen mutually beneficial international economic co-operation with a view to bringing about the accelerated development of developing countries.

(c) To facilitate the functioning, and to further the aims, of producers associations, including their joint marketing arrangements, orderly commodity trading, improvement in export income of producing developing countries and in their terms of trade, and sustained growth of world economy for the benefit of all.

(d) To evolve a just and equitable relationship between prices of raw materials, primary commodities, semi-manufactured and manufactured goods exported by developing countries and the raw materials, primary commodities, food, manufactured and semi-manufactured goods and capital equipment imported by them and to work for a link between the prices of exports of developing countries and the prices of their imports from developing countries.

(e) To take measures to reverse the continued trend of stagnation or decline in the real price of several commodities exported by developing countries, despite a general rise in commodity prices, resulting in a decline in the export earnings of these developing countries.

(f) To take measures to expand the markets for natural products in relation to synthetics, taking into account the interests of the developing countries, and to utilize fully the ecological advantages of these products.

(g) To take measures to promote the processing of raw materials in the producer developing countries.

2. Food

All efforts should be made:

(a) To take full account of specific problems of developing countries, particularly in times of food shortages, in the international efforts connected with the food problem.

(b) To take into account that, owing to lack of means, some developing countries have vast potentialities of unexploited or underexploited land which, if reclaimed and put into practical use, would contribute considerably to the solution of the food crisis.

(c) By the international community to undertake concrete and speedy measures with a view to arresting desertification, salination, and damage by locusts or any other similar phenomenon involving several developing countries, particularly in Africa, and gravely affecting the capacity of agricultural production of these countries. Furthermore, the international community should assist the developing countries affected by this phenomenon to develop the affected zones with a view to contributing to the solution of their food problems.

(d) To refrain from damaging or deteriorating natural resources and food resources, especially those derived from the sea, by preventing pollution and taking appropriate steps to protect and reconstitute those resources.

(e) By developed countries in evolving their policies relating to production, stocks, imports and exports of food to take full account of the interests of:

(i) Developing importing countries which cannot afford high prices for their imports, and

(ii) Developing exporting countries which need increased market opportunities for their exports.

(f) To ensure that developing countries can import the necessary quantity of food without undue strain on their foreign exchange resources and without unpredictable deterioration in their balance of payments. In this context, special measures should be taken in respect of the least developed, the land-locked and island developing countries as well as those developing countries most seriously affected by economic crises and natural calamities.

(g) To ensure that concrete measures to increase food production and storage facilities in developing countries should be introduced, *inter alia*, by ensuring an increase in all available essential inputs, including fertilizers, from developed countries on favourable terms.

(h) To promote exports of food products of developing countries through just and equitable arrangements, *inter alia*, by the progressive elimination of such protective and other measures as constitute unfair competition.

3. General trade

All efforts should be made:

(a) To take the following measures for the amelioration of terms of trade of developing countries and concrete steps to eliminate chronic trade deficits of developing countries:

(i) Fulfillment of relevant commitments already undertaken in the United Nations Conference on Trade and Development and in the International Development Strategy.

(ii) Improved access to markets in developed countries through the progressive removal of tariff and non-tariff barriers and of restrictive business practices.

(iii) Expeditious formulation of commodity agreements where appropriate, in order to regulate as necessary and to stabilize the world markets for raw materials and primary commodities.

(iv) Preparation of an over-all integrated programme, setting out guidelines and taking into account the current work in this field, for a comprehensive range of commodities of export interest to developing countries.

(v) Where products of developing countries compete with the domestic production in developed countries, each developed country should facilitate the expansion of imports from developing countries and provide a fair and reasonable opportunity to the developing countries to share in the growth of the market.

(vi) When the importing developed countries derive receipts from customs duties, taxes and other protective measures applied to imports of these products, consideration should be given to the claim of the developing countries that these receipts should be reimbursed in full to the exporting developing countries or devoted to providing additional resources to meet their development needs.

(vii) Developed countries should make appropriate adjustments in their economies so as to facilitate the expansion and diversification of imports from developing countries and thereby permit a rational, just and equitable international division of labour.

(viii) Setting up general principles for pricing policy for exports of commodities of developing countries, with a view to rectifying and achieving satisfactory terms of trade for them.

(ix) Until satisfactory terms of trade are achieved for all developing countries, consideration should be given to alternative means, including improved compensatory financing schemes for meeting the development needs of developing countries concerned.

(x) Implementation, improvement and enlargement of the Generalized System of Preferences for exports of agricultural primary commodities, manufactures and semi-manufactures from developing to developed

countries and consideration of its extension to commodities, including those which are processed or semiprocessed. Developing countries which are or will be sharing their existing tariff advantages in some developed countries as the result of the introduction and eventual enlargement of the Generalized System of Preferences should, as a matter of urgency, be granted new openings in the markets of other developed countries which should offer them export opportunities that at least compensate for the sharing of those advantages.

(xi) Setting up of buffer stocks within the framework of commodity arrangements and their financing by international financial institutions, wherever necessary, the developed countries and—when they are able to do—by the developing countries, the aim being to favour the producing and consuming developing countries and to contribute to the expansion of world trade as a whole.

(xii) In cases where natural materials can satisfy the requirements of the market, new investment for the expansion of capacity of production of synthetic materials and substitutes should not be made.

(b) To be guided by the principles of non-reciprocity and preferential treatment of developing countries in multilateral trade negotiations between developed and developing countries, and to seek sustained additional benefits for the international trade of developing countries, so as to achieve a substantial increase in their foreign exchange earnings, diversification of their exports and acceleration of the rate of their economic growth.

Transportation and insurance:

All efforts should be made:

(i) To promote an increasing and equitable participation of developing countries in the world shipping tonnage;

(ii) To arrest and reduce the ever-increasing freight rates in order to reduce the cost of imports to, and exports from, the developing countries;

(iii) To minimize cost of insurance and reinsurance for developing countries and to assist the growth of domestic insurance and reinsurance markets in developing countries and the establishment to this end, where appropriate, of institutions in these countries or at the regional level;

(iv) To ensure the early implementation of the code of conduct for liner conferences.

(v) To take urgent measures to increase the import and export capability of the least developed countries and to offset the disadvantages of the adverse geographic situation of land-locked countries, particularly with regard to their transportation and transit costs, as well as developing island countries in order to increase their trading ability.

(vi) By the developed countries to refrain from imposing measures or implementing policies designed to prevent the importation, at equitable prices, of commodities from the developing countries or from frustrating the implementation of legitimate measures and policies adopted by the developing countries in order to improve prices and encourage the export of such commodities.

II. International monetary system and financing of development of developing countries

All efforts should be made:

1. To reform the international monetary system with, inter alia, the following objectives:

(a) Measures to check the inflation already experienced by the developed countries, to prevent it from being transferred to developing countries and to study and devise possible arrangements within the International Monetary Fund to mitigate the effects of inflation in developed countries on the economies of developing countries;

(b) Measures to eliminate the instability of the international monetary system, in particular the uncertainty of the exchange rates especially as it affects adversely the trade in commodities;

(c) Maintenance of the real value of the currency reserves of the developing countries by preventing their erosion from inflation and exchange rate depreciation of reserve currencies;

(d) Full and effective participation of developing countries in all phases of decision-making for the formulation of an equitable and durable monetary system and adequate participation of developing countries in all bodies entrusted with this reform and, particularly, in the Board of Governors;

(e) Adequate and orderly creation of additional liquidity with particular regard to the needs of the developing countries through the additional allocation of Special Drawing Rights based on the concept of world liquidity needs to be appropriately revised in the light of the new international environment. Any creation of international liquidity should be made through international multilateral mechanisms;

(f) Early establishment of a link between Special Drawing Rights and additional development financing in the interest of developing countries, consistent with the monetary characteristics of Special Drawing Rights;

(g) The International Monetary Fund should review the relevant provisions in order to ensure effective participation by developing countries in the decision-making process;

(h) Arrangements to promote an increasing net transfer of real resources from the developed to the developing countries;

(i) Review the methods of operation of the International Monetary Fund, in particular the terms for both credit repayments and "standby" arrangements, the system of compensatory financing, and the terms of the financing of commodity buffer stocks, so as to enable the developing countries to make more effective use of them.

2. To take the following urgent measures to finance the development of developing countries and to meet the balance-of-payment crises in the developing world:

(a) Implementation at an accelerated pace by the developed countries of the time-bound programme, as already laid down in the International Development Strategy for the Second United Nations Development Decade, for the net amount of financial resource transfers to developing countries. Increase in the official component of the net amount of financial resource transfers to developing countries so as to meet and even to exceed the target of the International Development Strategy;

(b) International financing institutions to effectively play their role as development financing banks without discrimination on account of the political or economic system of any member country, assistance being untied;

(c) More effective participation by developing countries, whether recipients or contributors, in the decision-making process in the competent organs of the International Bank for Reconstruction and Development and the International Development Association through the establishment of a more equitable pattern of voting rights;

(d) Exemption, wherever possible, of the developing countries from all import and capital outflow controls imposed by the developed countries;

(e) Promotion of foreign investment both public and private from developed to developing countries in accordance with the needs and requirements in sectors of their economies as determined by the recipient countries;

(f) Appropriate urgent measures, including international action, to be taken to mitigate adverse consequences for the current and future development of developing countries arising from the burden of external debt contracted on hard terms;

(g) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium, rescheduling, or interest subsidization;

(h) International financial institutions to take into account the special situation of each developing country in reorienting their lending policies to suit these urgent needs. There is also need for improvement in practices of international financial institutions in regard to, inter alia, development financing and international monetary problems;

(i) Appropriate steps to be taken to give priority to the least developed land-locked and island developing countries and to the countries most seriously affected by economic crises and natural calamities, in the availability of loans for development purposes which should include more favourable terms and conditions.

III. Industrialization

All efforts should be made by the international community to take measures to encourage the industrialization of the developing countries. To this end:

(a) The developed countries should respond favourably, within the framework of their official aid as well as international financial institutions, to the requests of developing countries for the financing of industrial projects;

(b) The developed countries should encourage investors to finance industrial production projects, particularly export-oriented production, in developing countries, in agreement with the latter and within the context of their laws and regulations.

(c) With a view to bringing about a new international economic structure which should increase the share of the developing countries in world industrial production, the developed countries and the agencies of the United Nations system, in co-operation with the developing countries, should contribute to setting up new industrial capacities including raw material and commodity transforming facilities as a matter of priority in the developing countries that produce those raw materials and commodities.

(d) Continue and expand, with the aid of the developed countries and the international institutions, the operational and instruction-oriented technical assistance programmes including vocational training and management development of national personnel of the developing countries in the light of their special development requirements.

IV. Transfer of technology

All efforts should be made:

(a) To formulate an international code of conduct for the transfer of technology corresponding to needs and conditions prevalent in developing countries;

(b) To give access on improved terms to modern technology and the adaptation of that technology, as appropriate, to specific economic, social and ecological conditions and varying stages of development in developing countries;

(c) To expand significantly in assistance from developed to developing countries in programmes of research and development and creation of suitable indigenous technology;

(d) To adapt commercial practices governing transfer of technology to the requirements of the developing countries, and to prevent abuse of the rights of sellers;

(e) To promote international co-operation in research and development, in exploration and exploitation, conservation and legitimate

utilization of natural resources and all sources of energy;

In taking the above measures, the special needs of the least developed and land-locked countries should be borne in mind.

V. Regulation and control over the activities of transnational corporations

All efforts should be made to formulate adoption and implementation of an international code of conduct for transnational corporations in order to:

(a) Prevent interference in the internal affairs of the countries where they operate and their collaboration with racist régimes and colonial administrations;

(b) Regulate their activities in host countries, to eliminate restrictive business practices and to conform to the national development plans and objectives of developing countries, and in this context facilitate, as necessary, review and revision of previously concluded arrangements;

(c) Bring about assistance, transfer of technology and management skills to developing countries on equitable and favourable terms;

(d) Regulate the repatriation of the profits accruing from their operations, taking into account the legitimate interests of all parties concerned;

(e) Promote reinvestment of their profits in developing countries.

VI. Charter of Economic Rights and Duties of States

The Charter of Economic Rights and Duties of States, the draft of which is presently being prepared by a working group of the United Nations and which the General Assembly has already expressed the intention of adopting at its forthcoming twenty-ninth session, shall constitute an effective instrument towards the establishment of a new system of international economic relations based on equity, sovereign equality, and interdependence of the interests of developed and developing countries. It is therefore of vital importance that the charter be adopted by the General Assembly at its next regular session.

VII. Promotion of cooperation among developing countries

1. Collective self-reliance and growing co-operation among developing countries will further strengthen their role in the new international economic order. Developing countries, with a view to expanding co-operation at the regional, subregional and interregional levels, should take further steps *inter alia:*

(a) To support the establishment and/or improvement of appropriate mechanism to defend the prices of their exportable commodities and to improve access to and to stabilize markets for them. In this context the increasingly effective mobilization by the whole group of oil exporting countries of their natural resources for the benefit of their economic development is to be welcomed. At the same time there is the paramount need for co-operation among the developing countries in evolving urgently and in a spirit of solidarity all possible means to assist developing countries to cope with the immediate problems resulting from this legitimate and perfectly justified action. The measures already taken in this regard are a positive indication of the evolving co-operation between developing countries.

(b) To protect their inalienable right to permanent sovereignty over their natural resources.

(c) To promote, establish or strengthen economic integration at the regional and subregional levels.

(d) To increase considerably their imports from other developing countries.

(e) No developing country should accord to imports from developed countries more favourable treatment than that accorded to imports from developing countries. Taking into account the existing international agreements, current limitations and possibilities and also their future evolution, preferential treatment should be given to the procurement of import requirements from other developing countries. Wherever possible, preferential treatment should be given to imports from developing countries and the exports of those countries.

(f) To promote close co-operation in the fields of finance, credit relations and monetary issues, including the development of credit relations on a preferential basis and on favourable terms.

(g) To strengthen efforts which are already being made by developing countries to utilize available financial resources for financing development in the developing countries through investment, financing of export-oriented and emergency projects and other long-term assistance.

(h) To promote and establish effective instruments of co-operation in the fields of industry, science and technology, transport, shipping and mass communication media.

2. Developed countries should support initiatives in the regional, subregional and interregional co-operation of developing countries through the extension of financial and technical assistance through more effective and concrete actions, particularly in the field of commercial policy.

VIII. Assistance in the exercise of permanent sovereignty of States over natural resources

All efforts should be made:

(a) To defeat attempts to prevent the free and effective exercise of the rights of every State to full and permanent sovereignty over its natural resources.

(b) By competent agencies of the United Nations system to meet requests for assistance from developing countries in connexion with the operation of nationalized means of production.

IX. Strengthening the role of the United Nations system in the field of international economic cooperation

1. In furtherance of the objectives of the International Development Strategy and in accordance with the aims and objectives of the Declaration on the Establishment of a New International Economic Order, all Member States pledge to make full use of the United Nations system in the implementation of this Programme of Action they have jointly adopted in working for the establishment of a new international economic order and thereby strengthening the role of the United Nations in the field of world-wide co-operation for economic and social development.

2. The General Assembly of the United Nations shall conduct an over-all review of the implementation of the Programme of Action as a priority item. All the activities of the United Nations system to be undertaken under the Programme of Action as well as those already planned, such as the World Population Conference, the World Food Conference, the Second General Conference of the United Nations Industrial Development Organization and the mid-term review and appraisal of the International Development Strategy, should be so directed as to enable the special session of the General Assembly on development, called for under General Assembly resolution 3172 (XXVIII), to make its full contribution to the establishment of the new international economic order. All Member States are urged jointly and individually to direct their efforts and policies towards the success of that special session.

3. The Economic and Social Council shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing this Programme. In order to enable the Economic and Social Council to carry out its tasks effectively:

(a) All organizations, institutions and subsidiary bodies concerned within the United Nations system shall submit to the Economic and Social Council progress reports on the implementation of this Programme within their respective fields of competence as often as necessary, but not less than once a year.

(b) The Economic and Social Council shall examine the progress reports as a matter of urgency, to which end it may be convened as necessary, in special sessions or, if need be, may function continuously. It shall draw the attention of the General Assembly to the problems and difficulties arising in connection with the implementation of this Programme.

4. All organizations, institutions, subsidiary bodies and conferences of the United Nations system are entrusted with the implementation of this Programme of Action. The activities of the United Nations Conference on Trade and Development (established under General Assembly resolution 1995 (XIX)) should be strengthened for the purpose of following in collaboration with other competent organizations the development of international trade in raw materials throughout the world.

5. Urgent and effective measures should be taken to review the lending policies of international financial institutions, taking into account the special situation of each developing country, to suit urgent needs; to improve the practices of these institutions in regard to, inter alia, development financing and international monetary problems, and to ensure more effective participation by developing countries—whether recipients or contributors—in the decision-making process through appropriate revision of the pattern of voting rights.

6. The developed countries and others in a position to do so should contribute substantially to the various organizations, programmes and funds established within the United Nations system for the purpose of accelerating economic and social development in developing countries.

7. This Programme of Action complements and strengthens the goals and objectives embodied in the International Development Strategy as well as the new measures formulated by the General Assembly at its twenty-eighth session to offset the short-falls in achieving those goals and objectives.

8. The implementation of the Programme of Action should be taken into account at the time of medium-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade. New commitments, changes, additions and adaptations in the International Development Strategy should be made, as appropriate, taking into account the Declaration on the Establishment of a New International Economic Order and this Programme of Action.

X. Special programme

The General Assembly adopts the following Special Programme, including particularly emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis bearing in mind the particular problem of the least developed and land-locked countries:

The General Assembly,

Considering that:

(a) The sharp increase in the prices of their essential imports such as food, fer-

tilizers, energy products, capital goods, equipment and services, including transportation and transit costs, have gravely exacerbated the increasingly adverse terms of trade of a number of developing countries, added to the burden of their foreign debt and, cumulatively, created a situation which, if left untended, will make it impossible for them to finance their essential imports and development and result in a further deterioration in the levels and conditions of life in these countries. The present crisis is the outcome of all the problems that have accumulated over the years: in the field of trade, in monetary reform, the world-wide inflationary situation, inadequacy and delay in provision of financial assistance and many other similar problems in the economic and developmental fields. In facing the crisis, this complex situation must be borne in mind so as to ensure that the special programme adopted by the international community provides emergency relief and timely assistance to the most seriously affected countries. Simultaneously, steps are taken to resolve these outstanding problems through a fundamental restructuring of the world economic system, in order to allow these countries while solving the present difficulties to reach an acceptable level of development.

(b) The special measures adopted to assist the most seriously affected countries must encompass not only the relief which they require on an emergency basis to maintain their import requirements but also, beyond that, steps to consciously promote the capacity of these countries to produce and earn more. Unless such a comprehensive approach is adopted there is every likelihood that the difficulties of the most seriously affected countries may be perpetuated.

Nevertheless, the first and most pressing task of the international community is to enable these countries to meet the shortfall in their balance of payments positions. But this must be simultaneously supplemented by additional development assistance to maintain and thereafter accelerate their rate of economic development.

(c) The countries which have been most seriously affected are precisely those which are at the greatest disadvantage in the world economy: the least developed, the land-locked and other low-income developing countries as well as other developing countries whose economies have been seriously dislocated as a result of the present economic crisis, natural calamities, and foreign aggression and occupation. An indication of the countries thus affected, the level of the impact on their economies and the kind of relief and assistance they require can be assessed on the basis, inter alia, of the following criteria:

(i) Low per capita income as a reflection of relative poverty, low productivity, low level of technology and development.

(ii) Sharp increase in their import cost of essentials relative to export earnings.

(iii) High ratio of debt servicing to export earnings.

(iv) Insufficiency in export earnings, comparative inelasticity of export incomes and unavailability of exportable surplus.

(v) Low level of foreign exchange reserves or their inadequacy for requirements.

(vi) Adverse impact of higher transportation and transit costs.

(vii) Relative importance of foreign trade in development process.

(d) The assessment of the extent and nature of the impact on the economies of the most seriously affected countries must be made flexible keeping in mind the present uncertainty in the world economy, the adjustment policies that may be adopted by the developed countries, the flow of capital and investment. Estimates of the payments situation and needs of these countries can be assessed and projected reliably only on the basis of their average performance over a number of years. Long-term projections, at this time, cannot but be uncertain.

(e) It is important that in the special measures to mitigate the difficulties of the most seriously affected countries all the developed countries as well as developing countries should contribute according to their level of development and the capacity and strength of their economies. It is notable that some developing countries, despite their own difficulties and development needs, have shown a willingness to play a concrete and helpful role in ameliorating the difficulties faced by the poorer developing countries. The various initiatives and measures taken recently by certain developing countries with adequate resources on a bilateral and multilateral basis to contribute to alleviating the difficulties of other developing countries are a reflection of their commitment to the principle of effective economic cooperation among developing countries.

(f) The response of the developed countries which have by far the greater capacity to assist the affected countries in overcoming their present difficulties must be commensurate with their responsibilities. Their assistance should be in addition to the presently available levels of aid. They should fulfill and if possible exceed the targets of the International Development Strategy on financial assistance to the developing countries, especially that relating to official development assistance. They should also give serious consideration to the cancellation of the external debts of the most seriously affected countries. This would provide the simplest and quickest relief to the affected countries. Favourable consideration should also be given to debt moratorium and rescheduling. The current situation should not lead the industrialized countries to adopt what will ultimately prove to be a self-defeating policy aggravating the present crisis.

Recalling the constructive proposals made by His Imperial Majesty the Shahinshah of Iran and His Excellency President Boumediène of Algeria,

1. Decides to launch a Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected, as a matter of urgency, and for the period of time necessary, at least until the end of the Second United Nations Development Decade, to help them overcome their present difficulties and to achieve self-sustaining economic development;

2. Decides as a first step in the Special Programme to request the Secretary-General to launch an emergency operation to provide timely relief to the most seriously affected developing countries as defined in paragraph 3 of the preamble with the aim of maintaining unimpaired essential imports for the duration of the coming 12 months and to invite the industrialized countries and other potential contributors to announce their contributions for emergency assistance or intimate their intention to do so by 15 June 1974 to be provided through bilateral or multilateral channels, taking into account commitments and measures of assistance announced or already taken by some countries and further requests the Secretary-General to report the progress of the emergency operation to the twenty-ninth session of the General Assembly through the Economic and Social Council at its fifty-seventh session;

3. Calls upon the industrialized countries and other potential contributors to extend immediate relief and assistance to the most seriously affected countries which must be of an order of magnitude that is commensurate with the needs of these countries. Such assistance should be in addition to the existing level of aid and provided at a very early date to the maximum possible extent on grant basis and where not possible on soft terms. The disbursement and relevant operational procedures and terms must reflect this exceptional situation. The assistance could be provided either through bilateral or multilateral channels, including such new institutions and facilities that have been or are to be set up. The special measures may include the following:

(a) Special arrangements on particularly favourable terms and conditions including possible subsidies for and assured supplies of essential commodities and goods;

(b) Deferred payments for all or part of imports of essential commodities and goods;

(c) Commodity assistance, including food aid, on grant basis or deferred payments in local currencies, bearing in mind that this should not adversely affect the exports of developing countries;

(d) Long-term suppliers' credits on easy terms;

(e) Long-term financial assistance on concessionary terms;

(f) Drawings from special International Monetary Fund facilities on concessional terms;

(g) Establishment of a link between the creation of Special Drawing Rights and development assistance, taking into account the additional financial requirement of the most seriously affected countries;

(h) Subsidies, provided bilaterally or multilaterally, for interest on funds available on commercial terms borrowed by most seriously affected countries;

(i) Debt renegotiation on a case-by-case basis with a view to concluding agreements on debt cancellation, moratorium or rescheduling;

(j) Provision on more favorable terms of capital goods and technical assistance to accelerate the industrialization of the affected countries;

(k) Investment in industrial and development projects on favourable terms;

(l) Subsidizing the additional transit and transport costs, especially of the land-locked countries;

4. Appeals to the developed countries to consider favourably the cancellation, moratorium or rescheduling of the debts of the most seriously affected developing countries on their request as an important contribution to mitigating the grave and urgent difficulties of these countries;

5. Decides to establish a Special Fund under the auspices of the United Nations, through voluntary contributions from industrialized countries and other potential contributors, as a part of the Special Programme, to provide emergency relief and development assistance, which will commence its operations at the latest by 1 January 1975;

6. Establishes an Ad Hoc Committee on the Special Programme, composed of thirty-six Member States appointed by the President of the General Assembly after appropriate consultations, bearing in mind the purposes of the Special Fund and its terms of reference, to:

(a) Make recommendations on the scope, machinery, modes of operation etc. of the Special Fund, taking into account the need for:

(i) Equitable representation on its governing body;

(ii) Equitable distribution of its resources;

(iii) Full utilization of the services and facilities of existing international organizations;

(iv) The possibility of merging the United

Nations Capital Development Fund with the operations of the Special Fund;

(v) A central monitoring body to oversee the various measures being taken both bilaterally and multilaterally; and, to this end, bearing in mind the different ideas and proposals made at the sixth special session, including those contained in documents A/AC.166/L.15 and A/PV.2208 and comments thereon and the possibility of utilizing the Special Fund to provide an alternative channel for normal development assistance after the emergency period;

(b) Monitor, pending commencement of the operations of the Special Fund, the various measures being taken both bilaterally and multilaterally to assist the most seriously affected countries;

(c) Prepare, on the basis of information provided by the countries concerned and by appropriate agencies of the United Nations system, a broad assessment of:

(i) The magnitude of the difficulties facing the most seriously affected countries;

(ii) The kind and quantities of the commodities and goods essentially required by them;

(iii) Their need for financial assistance;

(iv) Their technical assistance requirements, including especially access to technology;

7. Requests the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development, the President of the International Bank for Reconstruction and Development, the Managing Director of the International Monetary Fund, the Administrator of the United Nations Development Programme and the heads of the other competent international organizations to assist the Ad Hoc Committee in performing the functions assigned to it under operative paragraph 6, and help, as appropriate, in the operations of the Special Fund;

8. Requests the International Monetary Fund to expedite decisions on:

(a) The establishment of an extended special facility with a view to enabling the most seriously affected developing countries to participate in it on favourable terms;

(b) The creation of Special Drawing Rights and the early establishment of the link between the allocation of Special Drawing Rights and development financing; and

(c) The establishment and operation of the proposed new special facility to extend credits and subsidize interest charges on commercial funds borrowed by Member States bearing in mind the interest of the developing countries and especially the additional financial requirements of the most seriously affected countries;

9. Requests the World Bank Group and the International Monetary Fund to place their managerial, financial and technical services at the disposal of Governments contributing to emergency financial relief so as to enable them to assist without delay in channelling funds to the recipients, making such institutional and procedural changes as may be required;

10. Invites the United Nations Development Programme to take the necessary steps, particularly at the country level, to respond on an emergency basis to requests for additional assistance which it may be called upon to render within the framework of the Special Programme;

11. Requests the Ad Hoc Committee to submit its report and recommendations to the Economic and Social Council at its fifty-seventh session and invites the Council, on the basis of its consideration of this report, to submit suitable recommendations to the General Assembly at its twenty-ninth session;

12. Decides to consider, within the framework of a new international economic order, as a matter of high priority at the twenty-ninth session of the General Assembly, the question of special measures for the most seriously affected countries.

NUCLEAR POWER RISKS

Mr. BAKER. Mr. President, the Senate will soon begin consideration of H.R. 15323, a bill to modify and extend the Price-Anderson Indemnity Act of 1957. That act was designed to protect the public and the nuclear industry by assuring the availability of funds for the payment of claims in the event of a catastrophic nuclear incident. Such accidents or incidents must result in damage or loss of either life or property in order for the relevant liability provisions to take effect; and the maximum amount of indemnity of the Government is fixed at $500 million while private insurance is set at $60 million.

The purpose of H.R. 15323 is to amend the act so as to improve its potential effectiveness in the event of a nuclear accident; and to extend it beyond the scheduled expiration date of 1977. I support the concept embodied in the Price-Anderson Act and feel very strongly that it should be extended. To do otherwise, in my judgment, is to create unnecessary havoc in the nuclear industry with regard to the issue of liability for nuclear power plants and facilities presently in the planning stages of their 7- to 9-year leadtime prior to their actual operation.

It has been argued that the Joint Committee on Atomic Energy, of which I am a member, should have postponed markup of H.R. 15323 until we had had an adequate opportunity to review the text and findings of the so-called Rasmussen study. That study dealt with the question of probability of a major nuclear accident and certain safety aspects associated with the construction and operation of nuclear powerplants and facilities.

Although I am deeply concerned about all health, safety, and environmental hazards associated with the peaceful use of nuclear energy, I am not persuaded by the arguments based largely upon the outcome of the Rasmussen study. In fact, Dr. Rasmussen has already testified before the Joint Committee on the findings of the study and that information is by and large part of the public domain. Thus, while I believe that the matter of nuclear safety must be addressed in its totality at some point in the near future and addressed definitively in the proper public form, I see no reason not to extend this act in the interest of continuity and in the absence of compelling information, evidence, or data to the contrary.

Therefore, Mr. President, I shall support amendment and extension of the Price-Anderson Act when it is considered on the floor of the Senate. Moreover, in light of the fact that the discussion on Price-Anderson is just the beginning of what is likely to be a protracted debate in the House and the Senate on the viability of the so-called nuclear option, I should like to call the attention of my colleagues to an excellent article on this subject. That article, entitled "Nuclear Power Risks," was written by Dr. R. Phillip Hammond and attempts, quite successfully in my view, to provide the background to the growing nuclear power debate as well as put the overall question of safety in the proper perspective.

Mr. President, I ask unanimous consent that this article 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 American Scientist, March–April 1974]

NUCLEAR POWER RISKS

(By R. Philip Hammond)

(NOTE.—R. Philip Hammond has had over 30 years' experience with radioactive materials. He has worked with nuclear weapons, reactor fuels, fission wastes, and experimental reactors. He has first-hand knowledge of what can go wrong in the nuclear field and what has to be done to clean up after a spill. Safety is thus more than an academic matter to him. Dr. Hammond is well known for his developments in seawater desalting and for his studies of the application of nuclear energy to food production and industrial output in developing countries. He is author of the article "Atomic Energy" in the Encyclopedia Britannica, has been an adjunct professor at UCLA, and is now a consultant in the energy field. Address: R & D Associates, P.O. Box 3580, Santa Monica, Calif. 90403.)

The energy crisis has come to public attention rather suddenly. The citizen who lately was urged to buy an all-electric home and to "see America first" by auto is now confronted with brownouts, reduced power voltage, and gasoline shortages. He is justified in complaining that someone should have foreseen this and have done something about it. Some did see what was happening and urged preventive action, though we know now that not enough was done. One far-reaching step was taken, however: Congress set up the Civilian Nuclear Power Program and instructed the AEC to find means of ensuring a plentiful supply of energy for the United States. The AEC fulfilled its instructions, and commercial nuclear power arrived on the scene in what seemed to be the nick of time.

But something went wrong. Instead of receiving the accolades of a grateful public, the AEC has become the target of impassioned censure for having produced a juggernaut, an inexorable monster which could potentially destroy us if we become dependent on it for our power. The resulting dilemma is one of the most important social, political, and technical questions of our time. Energy is vital to our health, wealth, and safety, and yet the end of our gas and oil resources is in sight. Coal use could be expanded, but only at a very high cost in dollars and environmental effect, while oil imports pose economic and political problems which could become disastrous. It is not surprising that nuclear power has been welcomed by the utility industry as a clean, inexpensive, convenient, and inexhaustible source of energy. The AEC has assured us that reactors are safe, reliable, and economical, but public confidence in their assurances has been seriously undermined by events suggesting attempts to cover up the true status of reactor safety and waste handling.

The public has two big questions: What happens if a reactor breaks down and the fuel escapes? What are the risks and problems of shipping and storing nuclear waste for long periods? There is a third question, equally important, which is not asked: How

do the risks for other energy sources compare with the nuclear risk? This question is not asked because most people have not realized there is a risk from using coal, oil, or gas. These questions are legitimate and urgent, and answers to them are available, but the AEC and the nuclear industry seem to increase suspicion, instead of confidence, with every reply they give.

To an observer who has worked with nuclear reactors and nuclear wastes since the early days of the atomic project, the plight of the AEC is indeed ironic. Research in safety and attention to risks have been the watchwords throughout the years; the nuclear industry is without exception the safest in the world in which to be employed, and nuclear hazards are far better understood than are those of thousands of widely used chemical and biological agents, or of common energy sources such as coal. But it is difficult to judge these accomplishments, or the relative risks of various choices, without having information on these matters in clear and simple terms.

Our greatest need is for communication, and members of the scientific community can assist greatly in the process. Radioactivity and nuclear energy are complex subjects, and questions about safety tend to be answered by the experts in their accustomed language; i.e. in technical terms which are often meaningless jargon to the questioner. The basic facts must be put into plain, nontechnical language that people can relate to their own experience. As the President has noted, nuclear power can carry a major part of the energy burden if we can build reactors fast enough. We need to turn out power plants on a production-line basis, but public understanding and acceptance of the risks are essential. This article is an attempt to aid in this important communications step and to draw upon personal, first-hand experience for graphic illustrations of what nuclear fuels and waste materials are like, what amounts would be formed, and how they can be handled. In this effort I am acting as a spokesman for no one; my opinions and comments are not those of the AEC or any other institution, but are strictly my own.

RADIATION

We live in a world which is by nature radioactive. Cosmic rays from space shower the earth steadily; all our food, every spadeful of earth in our gardens, every stone, the very rocks of the earth's crust, and the oceans all carry a small amount of radioactive material, and they always have. This background radiation we must assume is harmless to man, since the human race developed in its presence. Yet these radioactive ingredients of the rocks represent a fantastic amount of energy. A piece of New Hampshire granite contains 100 times as much energy as a piece of coal of equal weight, but in the form of uranium and thorium. Most of the earth's granite has only 10 times the energy of coal per pound, or about the same radioactive content as coal itself. The combustion energy of coal is thus greatly exceeded by the energy of the radium, thorium, and uranium it bears, which remain in the ash or go up the stack when it is burned.

Our ability to detect and measure radiation is millionsfold more sensitive than for other hazards. Present instruments can detect as little as one billionth of the amount of radiation that would be considered hazardous, while for many poisonous materials, such as mercury, our measurement ability is often not far below the threshold of noticeable injury. The great tuna-fish scare came only when new, more sensitive measurements were developed. If we are exposed to a nuclear hazard, at least we can tell it's there.

Two kinds of radiation are produced by nuclear fuels and wastes: short-range radiation and penetrating radiation. The fuel materials emit short-range radiations, called alpha particles. These particles can do severe damage to internal body tissues, but they cannot penetrate the skin or even a piece of thin paper or a coat of paint. Hence the fuel materials could be called radiopoisons because they must be actually eaten or deposited inside the body to be harmful. A famous case in point is that of the radium watch dial-painters in the 1920s, who licked their brushes to point them.

The penetrating radiations, on the other hand, resemble X-rays in that they can produce damage at a distance from their source, even though the emitting material is tightly sealed in cans that do not leak. To handle such materials safely one must work from behind a heavy shield which will absorb the radiation, such as 1,000 feet of air, 20 feet of water, 10 feet of earth or concrete, 3 feet of steel, or 1 foot of uranium metal. (These relative amounts of shielding are only approximately equivalent, but the heavier the shielding material, the less is needed.) Most substances are not affected by absorbing such radiation, but living organisms and photographic film are.

All radiation dies away with time, and it is fortunate that the penetrating radiation does so rapidly. In a mixture of reactor wastes, the intensity of radiation drops by 90% in a few hours and by another 90% in a few months. The residual level is quite low after 100 years, and, after 350 years, penetrating radiation has essentially disappeared as a major source of hazard. The radio-poisons, or short-range emitters, tend to be long-lived, however, lasting for tens of thousands of years, just as do the radium and uranium in the earth.

IDENTIFYING THE HAZARDS

Figure 1 shows a fuel element for a present-day power reactor, called a "light water" reactor, since it is cooled by ordinary water in the core. The element is an assembly of metallic tubes into which the actual fuel is sealed. The tubes permit the heat of the nuclear reaction to pass through the wall but prevent the escape of the radioactive materials. Other types of reactors have different fuel forms, but we will confine our discussion to the most common type.

The public rightly fears the escape of the reactor fuel, which is a radiopoison, and of the waste products, which emit penetrating radiation, into their living space. They also associate reactors with atom bombs and fear a nuclear explosion. Finally, they are concerned about having to store wastes in constantly increasing amounts in an uncertain and indefinite future. Let us try to deal with each of these problems in plain language.

How does a reactor differ from an atom bomb? As the scaremongers say, "A reactor contains enough fissionable material to make hundreds of atom bombs. Do you want *that* in your backyard?" From my experience at the nuclear weapons laboratory at Los Alamos, New Mexico, I can offer three reasons why a light water reactor cannot be a bomb: It has the wrong composition, the wrong surroundings, and the wrong timing. Imaginative people have done their best to think up improbable and hypothetical accident sequences that might produce a nuclear explosion, but they cannot get around the fact that the fuel contains substances which would prevent a bomb from igniting. Further, a bomb must be set off in "clean" surroundings, free from neutrons, or it will preignite and shut itself off by thermal expansion. A reactor always has neutrons present and is thus the wrong surroundings. Finally, a bomb must be fired by pushing its parts together in a few millionths of a second, and there is nothing in a reactor to give such speeds, even if other conditions were met. Each of these three reasons is sufficient alone to prevent a nuclear explosion in a reactor. Thus one fear can be dismissed: A light water reactor may represent other hazards, but it cannot be a bomb.

What *can* happen to a reactor? In recent hearings in this subject, the AEC and the reactor manufacturers tried to defend their position on nuclear safety. They seemed to the public to be saying that, since all contingencies were provided for, nothing could possibly go wrong. In their defense, they refused to discuss what *would* happen if all the layers of prevention failed and the radioactive material escaped from the reactor. By their refusal, they tacitly agreed with the assumption of the uninformed that the consequences were unthinkably catastrophic. As a result, some writers have loosed their imaginations and have conjured up visions of a deadly, invisible miasma compressed inside a reactor, which, with the slightest failure, will escape and spread over the land, creating death, destruction, and instant blight, forever forbidding man's return to the region. Some typical statements are: "a damage potential beyond any other event that I can imagine. The hazard of fission products persists for a time that is longer than any I can conceive." "Where will your children live?" "Whole states may have to be evacuated." Thus in the absence of a clear statement of what *really* happens, people imagine a situation worse than if a full-scale atom bomb were released.

First, we must ask, is it possible to build a reactor so perfect that none of its components will ever fail? No! Humans being what they are, failures will occur despite the most stringent efforts in quality control and testing. A reactor is basically quite a simple device, compared to a boiler, for instance, but we must assume there will be failures. So far there have been about 2,000 reactor-years of operating experience and many kinds of failures. The majority of these are trivial—pumps to be replaced, bearings scored, control rods warped, various small leaks. There have been a few more serious defects and accidents: fuel failures, flow blockages, broken pipes, an unfastened lid, etc. Reactor operators and manufacturers point out that rarely are any of these failures in the nuclear portion; of those that are, most are trivial mechanical replacements. Of the few more serious failures, not one has yet caused even potential injury to the public. There was a near miss, though, when a British military reactor (of a type no longer used) caught fire while open for reloading and contaminated some pasture land. The reactor had no containment shell.

There is a good case for expecting rapidly diminishing levels of probability for really severe reactor damage and failure, not so much because of man-made safeguards, but because a reactor, of its own nature, tends to shut itself off if overheated. Yes, reactors can fail in dozens of ways, and the consequences can be costly delays and replacements. Very seldom is the fuel damaged, but if it is, there are some tedious and expensive clean-up jobs. Clean-ups within the plant are done by repeated flushing with detergents or other chemicals and rinsing of any spilled materials into special holding tanks. Everything must be done with long-handled tools or by remote control. None of these failures would be detectable outside the plant, and none would affect the public.

Thus far there has never been a reactor accident that ruptured or even damaged the main tank or vessel housing the fuel. For this to happen, all the previous defenses would have to fail, and a complete loss of all coolant would have to occur so fast that all the residual heat would still be on hand. Then the damaged fuel could in principle

melt its way through the various structural levels and baffles within the reactor vessel and reach the heavy steel or concrete main vessel wall. No one really knows how likely the fuel is actually to escape in such a case. Most estimates say it would not penetrate the main vessel, but it might under some conditions. Almost any external cooling source would arrest the penetration, however. Some tests would seem to be in order, but no one has yet performed them.

Once through the main vessel, there is still another line of defense or, in some cases, two or three. All water-type power reactors except those in the USSR have a containment shell—an airtight dome or tank which is often the main visual feature of a nuclear power station. This containment shell encloses all the nuclear components—reactor, pumps, heat exchangers, coolant tanks, etc., and is intended to prevent any breakdowns or ruptures of the system from releasing anything to the outside. There is no doubt it can do this if intact, but a hot mass of fuel that has just melted its way through the thick reactor tank might be able to do the same to the containment. Some structural experts believe that the heavy concrete base of the reactor foundation, the presence of coolant that has escaped from the vessel, the diluting and cooling effect of the reactor internals, and the time delay involved in reaching the containment would essentially preclude further penetration. But until more tests are made, there remains a residual chance, however small, that the containment could be pierced.

Up to this point the interests of the public are not concerned. If the hapless reactor owner cannot prevent such serious damage to his half-billion dollar investment, that is his worry. We might reflect cynically that we will have to pay for it in higher electric bills, but there is no direct public risk. Once the containment is breached, however, the situation changes. It becomes very much our worry, and we have a right to know just what will happen. As mentioned above, the lack of official statements on this point has led to wild and imaginative speculations. The only official publication is the famous WASH 740 study (*1*), made many years ago before it was completely clear that a reactor cannot function as a bomb. The authors of WASH 740 were asked to ignore all the improbabilities and assume that a small nuclear explosion *had* taken place and dispersed some of the reactor core in a "worst case" event. This study, often quoted by nuclear detractors, has never been replaced by a more modern, realistic appraisal, until recently when a new team of experts began work, led by Dr. Norman Rasmussen of M.I.T.

ASSESSING THE RISKS

While we are watching for their results, perhaps we can find some preliminary data to estimate the general scope of what we would be faced with and what could be done about it. The first thing that is apparent is that there are some seemingly deliberate attempts to mislead the public. For example, Ralph Nader and Friends of the Earth have recently asked for the shutdown of all operating nuclear power plants. They state that "the amount of radioactivity routinely present [in one of these plants] is equivalent to ten times the amount of radioactive fallout from detonation of the largest nuclear weapon in the United States defense arsenal" (complaint filed in U.S. District Court). In a fine example of misdirection, the reader of this statement is left with the implication that a reactor is ten times worse than an H-bomb, although the statement does not say so directly. An H-bomb or an atom bomb does its damage, of course, primarily by blast, by scorching, intense heat from a fireball, and by a sudden burst of penetrating rays that are part of the fission process itself, not from the fission products or nuclear wastes. Fallout of wastes, though hazardous enough, is by comparison a trivial part of the effect of the bomb. Stating that these materials are present in a reactor, if there is no bomb to spread them over an area, is scaremongering. It is equivalent to saying the chlorine gas stored at the city waterworks and swimming pools is sufficient to poison everyone in the city 8,726 times. Some of the AEC statements have been equally misleading in the other direction.

What facts of our own can we deduce? First, we know that none of the public is near the reactor, for each plant has an exclusion area, usually thousands of acres, which can be cleared in any emergency. Second, we know that there will be plenty of time for warning, evacuation, or preventive measures. The meltdown of a reactor core can occur only if the plant has recently been operated for several weeks at high power and if several kinds of safeguards have failed to provide a way to remove the 1% or so of the heat which is evolved for some hours after shutdown and continues at a diminishing rate for weeks. The rate at which the heat is produced is well known, and it is easy to calculate the maximum rate at which the reactor vessel internals and walls could be penetrated, which may be a matter of hours. Considerable additional time would then be needed to penetrate the containment vessel, so there is time to prepare.

As noted above, the consequences of a major meltdown which might penetrate the containment shell and come out into the ground have never received intensive study, seemingly because to discuss such an event was to admit the possibility of a bureaucratic failure. But let's try to imagine a blob of white-hot fuel emerging into the earth, about 30 to 40 feet under the surface, having penetrated the concrete foundation. There is a very good chance that the public would have no measurable sign that anything had occurred. After several hours of sizzling away, all the easily vaporized materials in the fuel would necessarily have boiled out and probably would have solidified again somewhere inside the cool upper parts of the reactor containment or the concrete foundation. The emerging fuel material—heavy, white-hot, and semiliquid—is essentially inert, like so much molten steel or lava, except that it is emitting penetrating radiation and contains radio-poisons. If the containment is under pressure, the design provides either a means of venting it through a filter system which will remove radioactive particles, or else enough ice or water stored inside to keep everything condensed.

If I had to contend with such a material (and I have had some first-hand experience in cleaning up radioactive spills), I cannot think of a place where I would prefer to have it than far underground. It would be completely shielded by the overlying earth and concrete, it would be enclosed in a thick pocket of fused earth, and it would be completely dry, for it is known that heating of the earth would drive the soil moisture away for perhaps 20 feet or more. At a radius of about 20 feet or so, the heat flowing from the fuel mass would be spread out enough so that the soil could contain some water and so provide a rapid conduction of heat. Thus the system would stabilize and melt no further and would be completely safe until such time as salvage operations might begin. There would be no contamination of the water table because of the dry, heated zone. If the soil is dry, or if the foundation is rock, melting might continue somewhat further, but eventually a sufficiently large radius would be formed to carry away the heat steadily, and penetration would cease with debris encapsulated in a ball of fused earth or rock.

Where is the risk to the public in all this? If there is any, it is not from the melted fuel, but from the more easily vaporized materials driven off beforehand. If by some chance the containment cannot be vented, a blowhole might form through the soil, releasing some of the steam together with radioactive particulates. Such a release would contain only a small fraction of the fission products, but it could be a source of severe danger downwind, though far from a "catastrophe."

Hence it seems to me that all the controversy about whether or not the emergency core cooling system works is barking up the wrong tree. The owner of the reactor may very well want such a system to preserve his investment, but the safety of the public depends upon other factors, such as whether the containment vessel contains enough ice or water to assure condensation of the easily vaporized portion of the fission products, and whether there is a reliable way to vent excess pressure in the containment shell through an adequate filtering system. Such factors are much easier to determine, and the risks easier to guard against, than proving that a meltdown can never occur. If condensation can be assured, there is almost a negligible public hazard, in my opinion, from a meltthrough of the containment shell. I would be glad to tackle the job of drilling into the spilled fuel and bringing it up in small bits for recovery. This could be done safely and completely.

Some experts have worried about whether there could be a so-called steam explosion inside the main vessel, in which molten fuel would suddenly become dispersed in fine droplets in water, and thus generate a volume of steam sufficient to blow off the vessel lid, rupture the containment, and disperse the core over the surrounding area. There is indeed sufficient energy in a melted core to do this, and the consequences, although not in any way resembling the havoc of a nuclear bomb, could be injurious or fatal to persons in the vicinity. However, such an explosion is, in my opinion, incredible because the conditions required for its occurrence are incredible. Such an explosion could not happen if the reactor vessel were full of water, as it normally is, or if the vessel were empty, as it would be if ruptured. (Water stays liquid at the temperature in a reactor only because it is pressurized—if the vessel has even a small leak, all the water inside flashes to steam and escapes.) Thus it is very difficult to have it both ways—dry enough inside to permit an uncooled blob of melted fuel to form, and yet wet enough to provide a pool of water into which it could fall. The scenarios which try to arrange such conditions certainly need to be studied thoroughly, but so far these seem more remote than other kinds of hazards.

Regardless of the precautions we take and the safeguards we install, there will always be a residual hazard from a nuclear power station. The best we can ask is that such a station be at least as safe to the general public as an alternative power source. For the near future, the only practical domestic alternative to nuclear power is coal. Although the coal industry has not yet been required to produce an environmental impact statement, much very disturbing information is now available about the consequences of using coal. One careful 1964 study (2) showed that about 19,000 deaths per year in the U.S. could be attributed, directly or indirectly, to the use of coal and oil, which contain carcinogenic, radioactive, and acid-forming materials. In addition, we are paying heavy environmental cost for coal in mining areas and in continuous damages in corrosion and cleaning losses. A large nuclear

power plant could displace nearly 1% of the 1964 U.S. coal consumption and could thus be looked upon as saving 1% of 19,000, or 190 lives per year. Over the 30-year life of the plant, 5,700 lives would weigh in the balance, plus untold property damage. Even the most pessimistic estimates of nuclear plant failures predict a smaller toll than that, with a probability of occurrence not once in 30 years but once in hundreds or thousands of years. As noted above, in a total of 2,000 reactor years of experience, there has been thus far no failure which was a significant hazard to the public.

The above example does not exhaust the list of "What if?" questions about reactors. There are also other types of reactors than the water type considered here. But for all cases I have seen, similar conclusions can be drawn, and the same safety standards will have to apply, so that failures, even rare ones, could hardly be described as catastrophes. On balance, it is hard to escape the conclusion, after 25 years of experience, that reactors, failure-beset as they are, are already much safer than the alternative of using coal, and that they have indeed arrived in the nick of time. There is no doubt that they will be improved as experience is gained.

STORAGE OF WASTE

The storage of nuclear waste is the other big question that concerns the public. This is not a technical question so much as a social problem, for it involves taking on a responsibility which we cannot discharge completely ourselves but must hand on in some form or other to our successors. What is lacking in the public's concept of this problem is an appreciation of the real size, scope, and cost of the commitment and the nature of the hazard involved. People are confused by the apparently careless leakages of stored liquid wastes at the Hanford works of the AEC. The soil conditions at Hanford may be such, as the AEC claims, that no risk has resulted. But a continuing series of unintentional spills is not the way to gain the public's confidence.

First, what is the nature of the waste material? When spent nuclear fuel elements are removed from a reactor, they still look like Figure 1, and both waste products and unburned fuel are completely contained. The penetrating radiation emitted from the wastes, however, means that the elements must be transported in a thick-walled cask or shield to the reprocessing plant. At the plant, in a sealed chamber behind heavy walls, machines chop up the fuel rods and dissolve the material. Chemical treatment then separates the valuable unburned fuel, which is recovered for reuse, from the wastes, which remain in a highly purified liquid form. (There are some gaseous waste products, which must be absorbed on charcoal, pumped into storage tubes, and held for decay; but these are a relatively minor problem, since both the amount and the costs are low.)

After some intermediate storage period, the liquid waste can be boiled down in an electric pot furnace and melted to form a glassy solid. When cooled, the solid waste is a black, ceramic clinker resembling obsidian or lava. It is inert; it does not dissolve in water or react with air. The procedures for converting a batch of waste to this solid form and sealing it into a metal tube 12 inches in diameter and 10 feet long are completely worked out and the costs are known. Once sealed, the tube can be safely moved in a thick-walled shipping cask (designed to survive all conceivable shipping accidents) to a final storage place. If the contents somehow escaped, it would not be dispersed but would lie where it fell until scraped up by remote control vehicles. The public hazard from this material consists only in proximity—it must be kept behind a heavy wall or shield for about 350 years. After that, it could be given more routine storage but, since it contains traces of fuel, which is a radio-poison, it must be kept isolated from food or water, like so much pitchblende or other radioactive ore. Alternatively, further processing could remove the fuel traces.

The part of the waste problem that is hardest to grasp is the extremely small volume produced. A single aspirin tablet has the same volume as the waste produced by 7,000 kw hours, or one person's annual share of U.S. electric output. If the entire electrical capacity of the U.S. were nuclear and ran at the present rate for 350 years, the total waste produced could be stored in a single pit or vault 200 feet long by 200 feet wide and 200 feet deep. (In an engineered waste storage facility, one would allow some extra space for accessibility and cooling passages.) The oldest cans could then be removed as new ones were added, making a perpetual capacity. This volume of waste is quite small compared to the corresponding volume of ore needed, which would occupy a space about 200 feet by 200 feet by 5 miles long (assuming 0.25% ore and breeders available in 10 years or so.) This amount in turn is dwarfed by the environmental impact of producing the same energy from coal: 33 cubic miles would be needed, or the equivalent of a pit 200 feet wide and 200 feet deep extending clear around the earth! In either case, we are perforce handing over a problem to our successors. The nuclear one is much the lesser of the two.

Care in handling nuclear waste is obviously important, especially before the inert solid form is reached. Thus the public should scrutinize the safety measures at fuel-processing plants. But, compared to the large quantities of other lethal materials necessary to our society, the minuscule volume of the nuclear waste reduces the problem, since it cannot add measurably to the overall risk, and the cost of treatment, transport, and storage is only 1/1000 of the cost of electricity.

Whether we want to store the wastes in a retrievable form or effect some permanent disposal, as in an ice cap or salt mine, is a decision of little importance now. Since we have very little waste so far and we may find a use for it later, I think we should keep our options open for the present by retrievable storage, say for the next 30 years or so, until the need and best means of final disposal become apparent.

The issue of sabotage and terrorism using nuclear materials is raised by those who have imagined a deadly, compressed gas which would disperse itself over the countryside. In reality, these heavy, inert solids are less of a threat than so much dynamite. A fanatic could cause trouble with them, mostly to himself. In the long run, just as with reactors, there are going to be spills, casualties or even fatalities from nuclear waste. But it is quite clear that no new, unique avenue is offered to terrorists, nor is the total risk measurably increased. As for do-it-yourself atom bombs, we noted above that nuclear fuels have the wrong composition, so that the materials that move in industrial nuclear power channels are of little use. Whether or not a highly sophisticated, heavily financed organization could acquire the array of special talent needed to seize, separate, and purify plutonium and produce a bomb is a separate question which needs intensive study. It is also a question which does not much affect the choice of a civilian energy source, for such an organization could also intercept weapons materials or finished bombs. Internal disruption of this type is a social question the whole world must face. The terrorist has many types of threat to choose from, no matter what type of power station we have.

MAKING THE CHOICE

The existence of a constantly expanding human population on this hostile ball of clay is fraught with hazard at every turn, and there are *no* completely safe alternatives. All we can hope to do is choose wisely from the paths that are available. Daily experience shows that the public accepts risk when necessary, provided the nature of the risk and the alternatives are understood. Legitimate questions are being asked about the risks of using nuclear power, and they must be answered. The public is not served by those who exaggerate the risks or by those who claim there is no risk. Much of the outcry against nuclear energy is from those who fear it because it is new to them—forgetting that it is 25 years old and that its hazards have been studied from the first—or from those who, hearing of these hazards, have not stopped to compare the dangers of choosing another path.

What I have tried to do in this article is to dispel the vision of unthinkable catastrophe if there is an ultimate nuclear failure. The hazard is real—somewhere along the line in a nuclear economy there will be some lives lost, some injuries, and some nasty messes to clean up and decontaminate. But there will be no catastrophe, and we know from experience that radioactive spills *can* be cleaned up. It seems clear that each of the other available paths will have an even higher cost in lives, in dollars, and in damage to the environment. The *real* friends of the earth can assist the public in such balanced assessment.

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RETIREMENT OF LT. GEN. LEO E. BENADE

Mr. STENNIS. Mr. President, among the nominations reported yesterday by the Committee on Armed Services was that of Lt. Gen. Leo E. Benade, U.S. Army, to be placed on the retired list in that grade.

During his entire career as a senior officer, General Benade has devoted himself almost entirely to the most difficult issues in the Department of Defense relating to military personnel, pay, retirement and related issues; his last assignment being that of Deputy Assistant Secretary of Defense for Manpower and Reserve Affairs.

For about 20 years he has testified before the Committee on Armed Services on almost all the military pay legislation that has been considered and other important personnel items. In the 1950's as a lieutenant colonel he assisted in the first legislation authorizing the drafting of doctors during the Korean emergency. Actually, at that time he was a member of the Medical Service Corps of the Army. Later, he participated in the various pay acts beginning in 1955 and succeeding years.

General Benade mastered the most difficult task in the military as well as in other professions, that of acquiring complete, in-depth knowledge of the subject matter, together with the ability to communicate on its many problems. Along with ability, he gained the respect and

confidence of the committee members and staff with whom he dealt which is a crucial element in any important legislation.

I have found personally over the many years that military manpower and its related problems is the most difficult area in which the Congress or the Departmental officials must cope.

It is only appropriate, therefore, that we recognize the contribution and service of General Benade to the Department of Defense and his assistance to the Congress over the last two decades. I speak for our entire Armed Services Committee. I am pleased for the Army to promote him to Lieutenant General because it is deserved. I do not believe enough recognition is given to those who labor in this highly important and difficult field.

SENATOR RANDOLPH DELIVERS THOUGHTFUL AND CHALLENGING ADDRESS ON WATER RESOURCES DEVELOPMENT

Mr. GRAVEL. Mr. President, during the nearly 6 years that I have been a Member of the Senate it has been my privilege to serve as a member of the Committee on Public Works, under the very able chairmanship of Senator JENNINGS RANDOLPH.

Senator RANDOLPH is known in the Congress as an eminently fair, considerate, and cooperative chairman. In the conduct of committee business his goal is to develop workable legislation that responds to public needs. In so doing, he is always considerate of the views of Members, be they veterans or newcomers.

The knowledge and experience of Senator RANDOLPH in all aspects of public works is indeed broad. He is the Senate's knowledgeable leader on highway transportation. He was one of the first to raise the banner for environmental protection, and he has a long record of support for water resource development.

As chairman of our Subcommittee on Water Resources during the 93d Congress I have participated in this important work. It has been challenging for me personally, and my work has been greatly facilitated by the concern and guidance of our committee chairman.

Mr. President, Senator RANDOLPH's commitment to water resources development and his extensive knowledge of the subject is reflected in an address he gave at the National Conference on Flood Plain Management on July 25 here in Washington. His observations point the way for the years ahead and I ask unanimous consent that the text of Senator RANDOLPH's speech be printed in the RECORD.

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

WISE WATER RESOURCE DEVELOPMENT STRENGTHENS AMERICA

Few programs are more essential to the economic and social well-being of our people than wise and comprehensive water resources development.

In 1808 Albert Gallatin, Secretary of the Treasury under President Thomas Jefferson, enunciated for the first time the policy of our young republic regarding water resources development by declaring ". . . no other single operation, within the power of government, can more effectually tend to strengthen and perpetuate that union which secures external independence, domestic peace, and individual liberty."

A Federal program for waterway improvement was initiated with the removal of snags and sandbars from the Ohio and Mississippi Rivers on May 24, 1924.

Throughout the 19th Century, the Federal effort was devoted almost exclusively to the improvement of navigational facilities. The concept of water resources development continued to broaden through the turn of the century.

In transmitting a 1906 report to the Congress, President Theodore Roosevelt emphasized (quote): "The National Government must play the leading part in securing the largest possible use of our waterways; other agencies can assist and should assist, but the work is essentially national in its scope." This concept has guided our water resources policy, and it has enabled us, to date, to meet the demands of a constantly expanding industrial technology and a growing population. In meeting these demands, many of our public works programs have succeeded beyond our expectations.

In the past, our interest in water resources was concentrated on navigation, irrigation development of the West and reducing the impact of natural disasters. Today we see water resources as having an even larger role in our national life. They are vital ingredients in our efforts to support economic development and improve the quality of our physical environment.

Because I am particularly aware of the critical importance of water to our society, I am always bothered when this work is referred to as pork barrel. Those of us who are involved with the development and management of natural resources know this to be an untrue and unwise description of our work.

I cite one example as a demonstration of the great and lasting benefits that accrue from proper water resource development. Just over a year ago the valley of the Mississippi River was struck by unusually heavy flooding. Damage to homes, farms, and industry totaled about $500 million. This is a huge monetary loss and it was accompanied by substantial personal hardship and suffering.

For many years the Federal Government, through the Army Corps of Engineers, has been involved in a gigantic project to tame the Mississippi. Nearly $2 billion has been spent on the Mississippi River and Tributaries Project which is now half completed. The work done thus far prevented at least $7.6 billion in damage during last year's flood.

So our investment, not just expenditure, in the Mississippi Valley was returned nearly fourfold within the space of just a few months. I am sure that people who live in the flood ravaged area of the Mississippi would take a strong exception to pork barrel description of work that has saved them billions of dollars in property and crops, and preservation of life itself.

Of course, no government program can remain static in its operations. Changing conditions require constant evaluation of the way we provide the essential services that the public expects from us. This is as true of water resources development as of other government activities.

Throughout the United States, citizens are taking a new look at the way we treat the world in which we live. We know that we cannot continue to pollute our air and water and to abandon millions of tons of solid waste containing useful materials.

A growing and increasingly productive society such as ours must also give attention to how it uses the land. In recent years land use has been increasingly debated. At every level of government policies relating to transportation, housing, pollution control, and water resources are among those under discussion.

Early this year the Water Resources Act of 1974, became law. One of the most significant features of the Act was Section 73 which for the first time articulated in law the validity of nonstructural approaches in water resources activity.

The resolution of water resources projects has traditionally involved construction. Some of our most important engineering achievements, in fact, are associated with water resources management. The changed nature of our society and the rapidly escalating cost of construction, now make it mandatory that we look to other ways of achieving our goals. The 1974 Act is very specific that in planning any flood protection project "consideration shall be given to nonstructural alternatives to prevent or reduce flood damage."

To further support our belief in the nonstructural approach, the 1974 Act includes three projects of this type. One is the flood plain of the Charles River in the Boston area where the Congress authorized the expenditure of $7.3 million to acquire 8,500 acres subject to frequent flooding. By controlling this land and preventing its development we will obviate the need for expensive upstream dams. The benefit-cost ratio of this project is 6–1 making it an extremely good investment from the taxpayer point of view.

The second nonstructural project provides for total evacuation, flood proofing and land control measures in the town of Prairie du Chien, Wisconsin. This Mississippi River community also suffers severe flooding and this nonstructural answer to its problems is well conceived. It also has a 6–1 benefit-cost ratio.

In addition, we authorized the acquisition of land and development of recreational facilities on the South Platte River in Colorado just below the Chatfield Dam. Without such a procedure, extensive channel improvements would have been required in the river to accommodate water released from the dam. These will now be avoided since private development below the dam will not take place.

I have been in public life long enough to know that a large dam or other structure can be very attractive politically.

We do not properly represent our constituents, however, if we are unable to accept the best way of doing the job even if it does not require a large outlay of money and result in a structure to which local citizens can point with justification.

I fully expect that the nonstructural approach will be increasingly adopted in the years ahead. Construction may not always be the best answer to a flood problem. The proper and less costly response may well be to let the floods come but to control the flood area so that personal and property damage will not occur.

Later today the National Commission on Water Quality will meet. I sponsored the Commission in the Federal Water Pollution Amendments of 1972, as part of our cooperative work effort.

As we develop and maintain adequate water resources, part of our effort must be to provide clean and drinkable water. Congress set forth a series of far reaching requirements and goals. The Commission is to study and investigate the costs, impacts and benefits of achieving these goals and requirements.

Members of the House and Senate and the general public labor to assess the future, not the past, as we investigate this serious problem. Our membership is representative of a cross section of the Nation and the technical fields of expertise required for such a study.

The public sector is represented by Governor Nelson A. Rockefeller, our able Chairman; Raymond Kudukis, a civil engineer and director of public utilities for the city

of Cleveland; William R. Gionelli, a consulting civil engineer and former director of the California Department of Water Resources, and Edwin A. Gee, Senior Vice President of the DuPont Corporation.

Congressional members include Senator Edmund Muskie, James Buckley, Lloyd Bentsen, and Howard Baker and Representatives Robert Jones, James Wright, John Blatnik, William Harsha and James Grover.

Those who are participating in this Conference on Plain Flood Management represent organizations with a wide variety of interests. It is highly commendable that you have joined to focus your attention on this very important subject.

In ancient times the first civilizations developed in river valleys. Our great population centers continue to be constructed along waterways and there is no reason to believe that this practice will not continue in the future. Where there are rivers, there will be flooding. If our society changes, so must our methods of protecting people change. I know that by working together we can meet the challenges that lay before us; and I shall be helped in counseling with you and those persons and groups you represent.

FORT CAMPBELL, KY.

Mr. COOK. Mr. President, the people of Kentucky have always been proud of Fort Campbell, but today we take increased pleasure in that pride.

I have been notified by the Defense Department that Fort Campbell was selected a winner for the annual "Secretary of Defense Natural Resources Conservation Award" for 1973.

During my visits to Fort Campbell, I have been very impressed with the excellent relationship between the community and the post. I have been particularly pleased with the number of conservation projects cosponsored by civilian and military leaders.

Kentuckians are proud that Fort Campbell is the home of the 101st Division Airmobile, and we look forward to many years of being the host State of this prestigious division.

I ask unanimous consent to print in the RECORD a letter I received from Mr. Perry J. Fliakas, who is Acting Deputy Assistant Secretary of Defense.

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

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 26, 1974.

Hon. MARLOW W. COOK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COOK: I am pleased to advise you that Fort Campbell, Kentucky has been judged the winner of the Secretary of Defense Natural Resources Conservation Award for 1973. This award program, now in its thirteenth year, is designed to recognize the military installation which has demonstrated the greatest initiative and progress in the conservation of its natural resources during a three-year judging period. The DoD conservation program is designed to assure multiple use of military real property consistent with the military mission of the installation.

Six finalists nominated by the three Military Departments from a total of 237 installations throughout the US competed vigorously for this honor again this year. All six were inspected by a selection committee of nationally prominent civilian conservation leaders with Fort Campbell finishing in first place.

The Honorable Arthur L. Mendolia, Assistant Secretary of Defense (Installations and Logistics), will make the presentation of the award at Fort Campbell on the morning of August 13, 1974. You are cordially invited to join Mr. Mendolia at Fort Campbell on that date for the award ceremony. If you are able to attend, additional details may be obtained from Mr. F. E. Roche of this office at OX5-6744 or OX7-7227.

Sincerely yours,

PERRY J. FLIAKAS,
Acting Deputy Assistant Secretary of Defense.

RETIREMENT OF JAMES L. JOHNSON

Mr. BIBLE. Mr. President, several weeks back when James L. Johnson announced his retirement, I was unable to be present on the floor and I would be remiss without noting, I have known Jimmie since he first came to the Hill as a stenographer for the late Alben Barkley.

Jimmie worked 31 years in the Senate and came to the Hill in 1934 when I first met him. As Registration Clerk in the Office of the Secretary of the Senate and later as Assistant Legislative Clerk, Jimmie performed his duties with competence and dignity. Regardless of the issue as history unfolded through the years, Jimmie kept his delightful disposition and was always friendly and courteous.

I just wanted to add my thanks for the devoted employees of the Senate such as Jimmie, who have contributed much to the workings of this body.

I hope he will enjoy his well-earned retirement and continue his cheery outlook on life. He has always been a good friend and we shall miss him.

UNANSWERED QUESTIONS ABOUT THE USE OF UNLEADED GASOLINE

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, on July 25 I introduced Senate Concurrent Resolution 104 which would express the sense of Congress that reasonable extension of time be permitted to small independent gasoline marketers for the purpose of obtaining and installing product and equipment necessary for their stations to dispense no-lead gasoline.

The present deadline is July 1, 1974—September 1 upon application. However, my best information is that even by the end of the 1975 model year—approximately 13 months from now—only 10 percent of the automobiles on the road will be required to use no-lead gasoline. Thus, an extension of the present deadline—and the accompanying threat of up to $10,000 a day fine—for small service station owners, who despite their best efforts cannot obtain physical delivery of the product or equipment, will not inflict major harm upon the environment. Neither will such delays impair the ability of smaller service stations to render adequate service to 90 percent of the Nation's motor vehicles.

It seems to me that it would be entirely unjustified to let rigid bureaucratic guidelines over the next year force many independent gasoline marketers out of business.

This would seem to be a particularly harsh result in view of the fact that there is so much uncertainty about unleaded gasoline—the extent to which this "clean product" is available, the extent of its use over the next year, and even whether it is lead or some other chemical that is actually doing the damage to the pollution control devices.

In this connection there has come to my attention an article from the July 1974, American Motorist magazine, a publication of the American Automobile Association, which pinpoints many of these questions and sets forth the evidence which is known on both sides.

The type of fuel to be used by the country's 10 million vehicles is an important economic factor that will be with us for some time to come. The introduction of such new products and their associated equipment will have major effects on the small business segments of the petroleum industry, particularly if mandatory Federal standards are imposed under hard and fast deadlines. I feel that the survey of information in this article will be useful to many Members of this body facing decisions on what might constitute appropriate legislative relief measures, and would also be informative to small businessmen and women and the general public.

I ask unanimous consent that this article entitled "Unleaded Gas: Too Little, Too Late?" be printed in the RECORD.

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

UNLEADED GAS: TOO LITTLE, TOO LATE?
(By Bill Berman)

Many proud owners of the new 1975 model cars, which will appear in dealers' showrooms this September, will find their gas tanks slightly different in design. They will have a narrower neck that will refuse regular gas station pump nozzles.

This new design is to make sure that no leaded grades of gas can be pumped into these cars since such fuel would "poison" any catalytic converter-emission control device.

What's unusual is that General Motors will install this tank on all of its models whether they have a catalytic converter or not. Ford and American Motors reportedly will follow suit, and Chrysler is said to be planning to install the tank on 60% of its new models.

The only gas these cars can fill up with is called Unleaded Gas. It will be dispensed—if available—from a separate pump with a specially designed nozzle. This gas was supposed to be ready for sale July 1st.

It is not the same as *low* lead fuel which has been marketed under such brand names as Gulftane or Shell Super Regular—both of which have been phased out in most areas. It is a gas that is virtually free of additives containing lead and phosphorus.

The important question to new car owners is whether enough of this new Unleaded Gas will be available when needed. It is a question that only recently has had the full attention of the Environmental Protection Agency (EPA), the Federal Energy Administration (FEA) the auto and oil industries.

The American Automobile Association has been asking this question for more than a year. Yet only after initiating innumerable contacts with government and industry officials during this past April, May and June, were we able to learn what roadblocks lay ahead in distributing Unleaded Gas in all parts of the nation

Originally, we found that with the possible exception of General Motors, no one was in-

clined to refute EPA's claim that one-half of the country's 218,000 service stations would sell Unleaded Gas after July 1st.

Indeed, the major oil companies had supported EPA by promising that Unleaded Gas would be at all stations which pumped more than 200,000 gallons of gas annually. FEA was also lending support to this issue by promising Unleaded Gas would be distributed to everyone everywhere—even though at that time FEA had no regulations of its own to carry out this vow.

GM'S UNCERTAINTY

But some doubts came to light. Chairman of the Board Richard C. Gerstenberg wrote to the administrators of the EPA and FEA in April saying, "We at General Motors have become increasingly concerned about indications of potential distribution problems with unleaded gasoline."

Gerstenberg said FEA's existing fuel allocation program "appears to fall short of assuring adequate availability of the fuel." He also said that the EPA regulations indicate "Gasoline stations in many rural areas and sparsely populated large counties may not be required to supply unleaded gas, according to available data."

Not without a touch of malice, Gerstenberg urged the agencies to undertake an education program with retail outlets and the public "with the same zeal EPA has given to promoting its fuel economy ratings."

He also asked the officials to bear in mind that although approximately 10 per cent of the cars on the road will *require* unleaded fuel by the end of the 1975 model year, about 62 percent of the total car population will be capable of using it, and many may make that choice.

The danger here is the potential contamination of these new converters. If FEA, EPA and the oil industry could not deliver Unleaded Gas where it was needed, then some of the nation's 10 million new car owners might switch to leaded fuel. Such fuel will slowly destroy the inner workings of catalytic converters—and if forced to replace them, owners could pay as much as $150.

WAS ANYONE CERTAIN?

Various other auto and oil industry representatives told the AAA in April they doubted whether enough Unleaded Gas could be made and distributed by the time new cars would appear. They said EPA's original Unleaded Gas regulations ignored many providers of gasoline other than service stations. These include municipal, state and private fleet vehicle operators, auto assembly plants and dealerships. Where would they get Unleaded Gas?

In addition, they felt at the time that EPA hadn't realized there may be a secondary demand for Unleaded Gas. This would come from motorists who wanted to try the new fuel, but actually didn't need it. This demand might strain Unleaded Gas supplies severely, they said.

But more startling, we found indications during April and May that EPA's promise of Unleaded Gas at every other station may have been made prematurely. Actually, EPA and FEA were meeting as late as mid-May with auto and oil companies to resolve:

How much Unleaded Gas could be made by the nation's 130-odd refiners, and how many cars would need it, initially.

What parts of the nation would receive little or no Unleaded Gas.

What would happen if drivers and potential new car buyers lived in or drove into areas that had limited quantities of Unleaded Gas.

NOTHING SURE ABOUT UNLEADED GAS

Since there were conflicting and sketchy reports of these meetings, AAA began a detailed questioning of representatives of the oil and auto industries for their projections of the future availability of this new fuel. We were told at that time:

The auto companies were making the same inquiries that we were. As one company spokesman put it, "We're just plain scared there's not going to be any Unleaded Gas everywhere we travel."

Every auto company had expressed concern to the two agencies that if Unleaded Gas were not visibly available—especially in the nation's many rural counties—then potential new car buyers might delay their purchases. The result could be economic disaster for the auto industry.

One auto company felt that once Unleaded Gas became a household word then the number of motorists wanting it would jump from 10 per cent initially to possibly 20 per cent of the auto population.

Meanwhile, oil industry representatives were telling us:

The FEA hadn't realized until April 1974 that it would become involved with Unleaded Gas. Only then did it hurriedly begin to survey the nation's refiners to find out how much could be made and what lead time was needed.

The major gasoline marketers were guaranteeing that only their "directly served" stations would have some Unleaded Gas after July 1st. "Indirectly served" stations (those owned by independent operators but which carry brand names like Exxon, Mobil etc.) were not getting such guarantees from their parent companies.

In fact, Gulf Oil Company had told stations carrying its name in 13 Mid-West states (but for which it was no longer a fuel supplier) that it would not make Unleaded Gas available. They would have to find suppliers of the fuel on their own.

However, after AAA reported this decision and it was picked up by the Associated Press in May, Gulf told AAA it had changed its mind. The company would send those stations Unleaded Gas even though it was not obliged to do so by law.

Nor were many of the independent nonbranded stations, which sell 22 per cent of the nation's gasoline, able to get firm Unleaded Gas contracts from maor suppliers—at least as of when this was being written.

AAA repeatedly pointed out such problems to both FEA and EPA during May. Consequently, FEA has issued a proposed rule which may insure that all bulk purchasers of gasoline will be able to obtain Unleaded Gas supplies without too much difficulty.

There were unconfirmed reports that some oil companies which traditionally sold only two grades of gas—Premium and Regular—felt they might have to drop one or the other once Unleaded Gas was required. The problem was an 18-month delay in procurring new under-station storage tanks because of a current steel shortage. And the cost of sinking such tanks could run beyond $5,000.

In fact, Union Oil Company disclosed to AAA in May that it would have to drop regular gas at all of its stations required to sell Unleaded. Some marketers, however, were said to be planning to drop Premium.

Since then AAA has been trying to confirm recurrent reports that CITGO, Phillips, Getty, Hess and Clark stations required to sell Unleaded probably will drop their Premium grades. Murphy Oil Company stations also will likely drop Regular.

Spokesmen for Atlantic Richfield, Mobil, Ashland, Texaco and Chevron (East) have said their outlets presently selling two grades may decide on their own to drop Premium if required to sell Unleaded, although the companies would try to discourage this action.

Indeed, a few EPA officials had been privately suggesting to many gas marketers that it would be wise to drop Premium if they faced a delay in dispensing Unleaded Gas.

Almost to a man, the oil industry people AAA contacted expressed fears that neither FEA or EPA grasped the gravity of the coming demand for Unleaded Gas.

Actually, FEA's initial reaction to concerns about potential shortages of Unleaded Gas was summed up by one FEA spokesman who said to AAA, "We don't want to overestimate the demand for this fuel."

A SCARCITY OF NOZZLES?

During all of our contacts with the government and auto and oil industries, we did not hear that the availability of the special Unleaded Gas pump nozzles might be a problem.

However, AAA found that one of the three major nozzle makers had been on strike between April and June. It had placed a freeze on its orders during this strike and had not had a chance to contact all of its customers.

Neither of its two competitors were able to take on additional orders during this strike. All three companies expressed doubts that all those who had ordered the nozzles would receive them during the summer. The company that was on strike told AAA on June 4th it was 40,000 nozzles behind in its schedule. However, the company did feel it could catch up by September.

EPA DROPS A SURPRISE

Though it repeatedly assured the AAA that it would remedy all future problems with Unleaded Gas availability, the EPA published a ruling in May that would narrow that availability in metropolitan areas.

The agency said it had erred in its original mandate on Unleaded Gas which was published in January 1973. That mandate obligated high-volume stations to sell Unleaded Gas, and owners of chains of six or more stations to sell the fuel at 60 per cent of their outlets no matter their gas sales volume.

EPA claimed the latter rule did not significantly improve the availability of Unleaded Gas, although such chains include as many as 90,000 stations and it dropped these stations from the Unleaded Gas network.

To make up for this massive deletion, EPA proposed at the same time to obligate some 10,000 rural service stations to sell Unleaded Gas after January 1, 1975—a full three months after new cars come out in September.

The agency briefly noted that the effect of this proposal—since it would not take hold until after new cars appeared—would be that motorists would be able to find Unleaded gas at only 29 per cent of the stations in two-thirds of the counties of the nation.

Still, the agency said its latest actions would significantly help the distribution of the new fuel, claiming some 111,000 stations would sell Unleaded Gas after July, and 10,000 more stations would sell it after January.

EPA noted AAA's concern for Unleaded Gas availability in the prologue to its May proposal, saying:

". . . the American Automobile Association has recently written to EPA stressing the interest of the motorist. Their letter states that 'without lead-free gas readily available, catalytic systems will be quickly damaged. This would cause the motorists to be faced with an early, expensive replacement bill. Additionally, the owner-operators would then be contributing to air pollution, probably without his knowledge.' "

AAA will respond to EPA's latest rulings shortly by saying we feel they will work a hardship on many more motorists than EPA is aware.

A WRONG DECISION?

But the entire Unleaded Gas availability matter took another surprising turn in May. A Chrysler Corporation scientist announced that he had found lead itself does not poison catalytic converters. An additional chemical—Ethylene Dibromide—which has traditionally been added to gasoline with lead may be the actual destroyer of the sensitive metals within converters.

This scientist's findings have shaken the oil and auto industries and EPA who find they might be getting the wrong chemical

out of gasoline; that lead might be able to be kept in gas and allowed to fuel converter-equipped cars after all.

Representatives of the Ethyl Corporation and E. I. DuPont De Nemours & Co. told AAA they think the findings are sound. A Ford spokesman told AAA the company feels this revelation is encouraging. EPA announced in June that it was gathering all data on the matter of Ethylene Dibromide and would review them as soon as possible.

But GM, taking its traditional "get the lead out" line, said it was unconvinced by these late reports.

VIEWS OF THE U.S. CHAMBER OF COMMERCE

Mr. PACKWOOD. Mr. President, through an unfortunate oversight, a statement submitted for the record of the Banking Subcommittee on International Finance Hearings on export control policy and the Eximbank by the U.S. Chamber of Commerce never got printed. I ask unanimous consent that that statement be printed in the RECORD in order that other Senators might know the Chamber's views on this important legislation.

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

STATEMENT ON S. 1890, EXPORT-IMPORT BANK ACT AND S. 3282, EXPORT ADMINISTRATION ACT FOR SUBMISSION TO THE SUBCOMMITTEE ON INTERNATIONAL FINANCE OF THE SENATE BANKING, HOUSING AND URBAN AFFAIRS COMMITTEE FOR THE CHAMBER OF COMMERCE OF THE UNITED STATES

(By Richard O. Lehmann [1])

The Chamber of Commerce of the United States appreciates the opportunity to comment on aspects of international economic policy related to extension, which we support, of (1) the Export Administration Act; and (2) the statutory authority of the Export-Import Bank of the United States (Eximbank). Our interest in these issues stems from a responsibility to represent a membership of over 46,000 business firms, 2600 local and state chambers of commerce, 1100 trade associations, and 35 American Chambers of Commerce abroad. This diversity of membership obliges us to assess the impact of export control and need for export financing from the view point of both the internationally and domestically oriented American business communities.

THE INTERNATIONAL ECONOMY

In 1971, when the Export-Import Bank Act was last considered by the Congress, the Chamber expressed concern about our "nation's delicate trade situation." The first two quarters of that year had seen a sharp deterioration in the traditional American trade surplus while other warning signs had begun to appear internationally. Nonetheless, the basic outlook at that time, as it had been through most of the postwar era, was optimistic.

However, in summer 1971, the situation, abroad and at home, changed radically. On August 15, President Nixon suspended the dollar's convertibility, applied a 10% surcharge to all dutiable imports and initiated a wage-price freeze. At the same time, the U.S. began to experience monthly trade deficits of such magnitude that 1971 became the first deficit year, on the trade account, since 1893. With the international economy on the verge of chaos as a result of the unilateral American actions and with our own competitive export position deteriorating, a major domestic response was the introduction, in early fall, of the Foreign Trade and Investment Act, the so-called Burke-Hartke bill.

This response manifested a profound lack of understanding that the crisis situation and its ostensible cause, the overvaluation of the dollar, were long-term problems which generally stemmed from the accumulated inadequacies of the international economic system. That system, embodied primarily in the General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF), was negotiated and established at the conclusion of World War II when the United States was the only significant global economic power. By 1971, however, the nations of Europe and Japan were, in every sense, our economic equals. This equality was reflected in trade flows, global competition for markets, and technological innovation; reflected everywhere, except in basic rules and concepts under which the international economic system through the GATT and IMF operated. While policies followed in the postwar movement toward an open global trading system had been successful, it was clear that the system itself required further review and modification to take into account the economic realities of the 1970's.

Policy response

The American policy response to this challenge has been developed in two distinct, but parallel, efforts. In the monetary area, the December 1971 Smithsonian Agreement on currency realignments produced the first dollar devaluation followed by further devaluations—one official and one unofficial. This parity change is responsible, in large part, for the $8 billion turnaround on the American trade account between 1972 and 1973. At the same time, progress has been achieved toward basic monetary reform in the Group of Twenty under the auspices of the IMF.

The American policy response to this challenge has been developed in two distinct, but parallel, efforts. In the monetary area, the December 1971 Smithsonian Agreement on currency realignments produced the first dollar devaluation followed by further devaluations—one official and one unofficial. This parity change is responsible, in large part, for the $8 billion turnaround on the American trade account between 1972 and 1973. At the same time, progress has been achieved toward basic monetary reform in the Group of Twenty under the auspices of the IMF.

Concurrent with the Smithsonian Agreement was the commitment to engage in negotations aimed not only at further reduction of tariff and non-tariff barriers, but also to reform the international trade rules. Progress in this area has been neither as rapid nor encouraging as in the monetary field. While in September 1973 more than 100 nations met in Tokyo to open formally the scheduled talks, earnest negotiations will not begin until the world's most powerful economy—the United States—possesses a negotiating mandate in the form of an enacted trade bill.

1973

Global economic events in 1973 have caused reconsideration of these basic approaches to foreign trade and monetary issues. With greatly intensified demands for American wheat and soybeans; with the oil embargo and its attendant price rise; and with simultaneous booms in the economies of the developed world accompanied, outside the U.S., by double-digit inflation—some contend trade and monetary reforms, in present conceptual form, are largely irrelevant. These "new" problems, it is maintained, are of sufficient magnitude and importance that they alone should be the basis for future policy development.

We disagree. It is unfortunate that the most recent economic events often tend to color unduly our responses to the challenge of long-term policy-making. For example, when the Trade Bill was introduced in April of last year, following, in 1972, the largest trade deficit in our history, concern focused internationally on expanding markets for American exports and, domestically, on how best to deal with dislocations resulting from import competition. Today, in the wake of an oil embargo with short supply situations at home, we are engrossed with the "access to supply" question. Incidentally, part of the U.S. shortages problem does not result from the actions of any foreign country, but from the poorly-conceived wage-price mechanism of the past summer when a domestic price ceiling existed absent export controls. The market mechanism thus was only partially operational so that items subject to price controls naturally flowed abroad, where market prices were substantially higher. In such circumstances, we should not exacerbate the situation by overreacting further through the imposition of export controls, but completely do away with the cause of the original distortion—wage-price controls.

As with the principle of the open market, our approach to handling the challenges and problems of the international economy must consistently address actual circumstances, not changing perceptions of them. Access to supplies was a problem long before the oil embargo and access to markets for American exports remains of utmost importance today.

Exports

In development of international economic policy, it is fundamental to recognize the interrelationship of its many parts. Exports are one key to the U.S. international economic performance; imports, investment flows, government expenditures, and receipts from overseas production are other indicators of our international economic health. Within this overall context, the expansion of American exports is crucial for two reasons:

(1) With the prospect that the developed nations will be simultaneously in payments deficit this year, increased export trade must be regarded as a major means of off-setting the American deficit.

(2) The experience of the past year has dramatically demonstrated the dependency of the United States on imported basic raw materials to support its industrial base. We need to sell abroad to pay for what we must purchase in foreign markets. Quite apart from consumer preference for some foreign manufactured products, the increased prices of basic commodities make export expansion a necessary and important goal.

Two major aspects of this critical effort are the issues at hand before this subcommittee.

(1) Competitive financing of American exports.

(2) Reliable supply of American exports.

With its enormous domestic market, the nature and meaning of exporting has often been misunderstood in the United States. It is not sufficiently appreciated that exporting and the development of markets abroad cannot be accomplished overnight, and the flow of products cannot be expected to be turned on and off like a water faucet.

In planning for export sales, American business must have reasonable assurance there will be known and reliable sources of financing at competitive rates. Similarly, foreign business, purchasing American exports, requires reasonable certainty that their sources of supply in the United States will continue to be reliable and regular.

With these considerations in mind, we submit the following comments and recommendations relative to the legislative issues before the subcommittee.

EXPORT-IMPORT BANK ACT

S. 1890

The National Chamber supports S. 1890 which would extend the statutory life of the Export-Import Bank of the United States

[1] Associate Director, Foreign Trade Policy, Chamber of Commerce of the United States.

and increase its loan and guarantee commitment authority. The major provisions of this bill, of special interest to the business community, include:

(1) Extension of the Bank's charter to 1978.

(2) Increase in guarantees and insurance chargeable on a 25% fractional reserve basis from 10 to 20 billion dollars.

(3) Increase in loan commitment authority from 20 to 30 billion dollars.

(4) Exemption of bank borrowings from the Eximbank from provisions of the National Bank Act, where applicable.

Prompt and full enactment of this legislation is a necessary step in maintaining and improving our exporters' competitive position in world markets.

Record of the Bank

Eximbank's record since enactment of the 1971 legislation has been exemplary. The Bank has aggressively and imaginatively supported growing amounts of American exports to the $10.5 billion level of fiscal year 1973.

A continuing concern with agencies such as Eximbank is that their efforts and programs be complementary to, rather than in place of, traditional activities carried out by the private sector. Eximbank, in assisting greater amounts of exports, has consistently encouraged the widest private financial community participation. Thus today, direct loans represent a much smaller percentage of total Bank activity than in the past. In addition, the Bank's facilities have become increasingly available and utilized by the small and medium-sized exporter. Eximbank's overall flexibility and program mix are, in the opinion of the exporting and financial community, fully consistent with the Bank's congressional directive: "to provide guarantees, insurance and extensions of credit at rates and on terms and conditions which are competitive with the government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters."

The crucial nature of export expansion today makes it imperative that this congressional mandate be substantially maintained. American business needs the basic assurance that long-range export development efforts will be rewarded. Certainly, the price, quality, and nature of American exports justify such efforts. What is required, in addition, is the certainty of known and suitably competitive sources of export financing. The National Chamber is confident that Eximbank will continue to provide this reliability in a responsive manner.

Need to avoid unnecessary controls

In testimony on this subject in 1971, the Chamber noted:

"Instead of pursuing consistent policies toward strengthening our domestic export base, the government has maintained controls on the very tools which are crucial to successful international competition."

At that time, the controls to which we referred included restrictions on Eximbank operations resulting from requirements of the unified budget, Voluntary Foreign Credit Restraint program (VFCR), and restrictions against financing in Eastern Europe. We maintained that continued use of such controls would have negative effects on Eximbank operations and general efforts to expand American exports. We were gratified when Congress agreed to remove Eximbank from under the unified budget, and to provide the President with certain flexibility in regard to the extension of Exim facilities to Eastern Europe. Earlier this year, the Administration announced removal of VFCR guidelines.

While the lifting of these controls and restrictions is clearly not the sole reason for the dramatic expansion of Exim operations over the past years, that expansion would not have been as marked or effective if the Bank had been required to continue operation under the same strictures that were present prior to enactment of the 1971 Act.

Serious policy issues relating to trade with communist nations and in energy-related products have been raised in regard to Exim's operations. As previously noted, export markets are developed and maintained, West and East, through reliability of supply and competitiveness of financing. The National Chamber believes this market development can only be accomplished through consistent efforts which are best achieved without unnecessary controls and restrictions

EXPORT ADMINISTRATION ACT

S. 3282

The National Chamber supports extension to 1977 of authority contained in the Export Administration Act of 1969 to control exports to the extent necessary:

(1) To protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand;

(2) To further significantly the foreign policy of the United States and to fulfill its international responsibilities; or

(3) To exercise necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

We believe this authority is necessary to protect the trade and foreign policy interests of the United States. We caution, however, that its indiscriminate overuse could have serious implications for the international credibility of the United States as a source of reliable supply. Export controls, outside security considerations, are a policy alternative of utmost gravity which should be employed only as as a last resort.

With the exception of the Administration-proposed amendment to Section 3 of the Act and the extension to 1977 of existing authorities, we are not in a position to comment, in any detail, on the other proposed Administration amendments embodied in S. 3282. We do, nonetheless, have general comments relative to the issues involved in the revision and extension of this Act.

Retaliatory authorities

In testimony on the Trade Reform Act (H.R. 10710) before the Senate Finance Committee, we supported revision of that bill "to mandate U.S. negotiators to deal with (access to supplies) in multilateral negotiations and to grant the President certain powers for use against unfair foreign export restrictions." We are thus in agreement with the thrust of the Administration-proposed amendment to Section 3 of the Export Administration Act which would enable the President to retaliate against countries unreasonably restricting U.S. access to supplies of a commodity. We suggest, however, that such authority may be misplaced and inappropriate in the Export Administration Act.

A widely-supported Administration-proposed amendment to H.R. 10710 would authorize the President to engage in multilateral negotiations aimed at international agreement on standards and procedures for the control of exports. Their amendment to S. 3282 which would give the President retaliatory power against "unreasonable (foreign export) restrictions" could create a dangerous bifurcation in trade policy. International negotiations on what constitutes "unreasonable restrictions" would be carried out under authorities conferred in one law, while in a different statute, the President could employ retaliatory authority simply by providing his own definition of "unreasonable," irrespective of the ongoing negotiations.

This dilemma could, in our opinion, best be resolved by including both the negotiating and retaliatory authority in H.R. 10710. While this may prove difficult, as that legislation is outside the purview of this subcommittee, we believe the minimum required is a responsible definitional link between the negotiating and retaliatory authorities.

Public procedures

On June 27, 1973, the Administration embargoed the export of soybeans—a surprising action not only because there had been little prior indication of the seriousness of the situation, but also because there was so little done in terms of prior consultation or cooperative efforts by the Administration.

Following from this experience, we believe that, in the few instances where imposition of export controls may appear necessary "to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand," appropriate procedural safeguards, including prior public hearings, should be provided all interested parties. The above noted criterion sets out appropriately strict conditions that do not generally arise overnight. As such, public hearings and other appropriate safeguards would not seriously hinder the implementation of the procedures and requirements of this Act. At the same time, introducing an element of fairness and openness—heretofore absent in the imposition of export controls—would avoid the disruptive effects on contractual obligations which stemmed from the June 1973 action.

COMPARABILITY FOR CIVIL SERVICE PERSONNEL AT GRADES GS 16–18

Mr. McGEE. Mr. President, the Civil Service Commission today announced the results of a nationwide executive pay study, in which it was assisted by the American Compensation Association, the American Management Association, and the Conference Board. Its findings, relating to pay for Federal employees in the supergrade categories—that is, individuals at grades GS–16, 17, and 18—are rather startling and go far in telling us why it is that many competent, experienced career executives either have left Government service recently or are seriously considering that move.

Generally, the study, which was conducted among 144 companies, large and small, and encompassed eight occupations which represent 40 percent of the Federal employment at the top of the general schedule, showed that the salary rates in effect for GS–16 trail private sector salaries by 27 percent. At the GS–17 level they trail the private sector by 55.6 percent. And at GS–18 they are 97.4 percent below the private sector's salary level for comparable positions.

Of course, at present, the pay rates for all GS–18's all GS–17's, and all GS–16's above the third step of the schedule are frozen at $36,000 per year by the workings of the system that bars general schedule employees from being paid salaries higher than those in effect for persons on the executive schedule.

Mr. President, I ask unanimous consent that the Civil Service Commission announcement of its study be printed in the RECORD.

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

[From the U.S. Civil Service Commission]

NATIONWIDE EXECUTIVE PAY STUDY

The Civil Service Commission today announced the results of a nationwide executive pay study conducted as part of the Commission's review of the Federal Pay Comparability Process. The objective of the study was to determine current private enterprise salaries for positions equivalent to top Federal career levels.

The study showed that in private industry, an executive working at the level of a GS-16 civil servant is receiving an average salary of $45,146 per year; at GS-17, $56,011; and at GS-18, $71,076. These salaries are well above the current $36,000 limit applied to all Federal positions at the GS-16 through 18 levels.

BACKGROUND

Under present pay comparability procedures Federal salary rates for GS-1 through GS-15 level positions are compared and adjusted in accordance with the results of the Bureau of Labor Statistics annual survey of professional, administrative, technical, and clerical occupations (PATC). Scheduled salary levels for civil service executives at grade levels above GS-15 are determined by extension of the results of the BLS data. The present salary schedule provides for a range at grade 16 of $32,806 to $41,550; at grade 17 the range is from $37,926 to $43,040; and at grade 18 a single salary rate of $43,926. However, pay of civil servants is limited by law to no more than the rate for Level V of the Executive Schedule, currently $36,000 per year.

CONDUCT OF THE STUDY

The CSC Executive Pay Study was designed to approximate the industrial coverage of the annual BLS PATC survey. The following industrial categories were represented in the study: Manufacturing; Transportation and Public Utilities; Wholesale Trade; Retail Trade; Finance, Insurance, and Real Estate; and Services. One hundred forty-four companies, ranging from some of the larger firms in America to those employing as few as 500 persons, were visited.

Eight occupations, representing more than 40 percent of Federal employment at those upper grade levels, were included in the study: Directors of Personnel, Attorneys, Chief Accountants, Engineers, Electronic Data Processing Program Managers, Plant Managers, Commercial Managers, and Economists.

The Commission was assisted in the design and conduct of the study by the American Compensation Association, American Management Association, and the Conference Board.

Commission staff and 26 Federal agency job analysts spent two weeks during April collecting job content and compensation information from study participants. An extensive job evaluation process, which included an independent review by private industry experts, resulted in usable information on more than 700 private industry positions equivalent to Federal GS-16 through GS-18 level positions.

PRINCIPAL FINDINGS

Generally, the study showed that the salary rates produced for GS-16 through GS-18 levels under the current method are quite conservative in comparison with private enterprise salaries. The findings indicate that Government salaries trail private sector salaries by 27 percent at the GS-16 level, 55.6 percent at the GS-17 level, and 97.4 percent at the GS-18 level.

Another sharp distinction was found in the extent that private sector compensation is increased through the awarding of bonuses. Bonuses play a significant part in the compensation of private sector officials, with individuals at the responsibility level of GS-16 receiving average annual bonuses of $9,676; at GS-17, $16,361; and at GS-18, $22,985—above and beyond base salary.

A detailed report of the study findings is scheduled to be sent to the participating companies in August.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the principal functions of our system of government, as embodied in our Constitution and our Bill of Rights, is to protect individual citizens from abuses of power by those elected or appointed to positions of authority. No tradition is more firmly rooted in our democracy than this safeguarding of personal liberty from the stifling bonds of tyranny. Over the two centuries of our independence Americans have made enormous sacrifices to win and protect this freedom.

I believe that no liberty or right is more fundamental than that to life itself. Genocide is the systematic denial of this right to existence. The awful dimensions of this ultimate abuse of power became especially clear in the Second World War with the advent of Nazi-sponsored mass persecutions and executions.

In response to these horrors the nations of the world created the International Convention on the Prevention and Punishment of the Crime of Genocide. To date, more than 70 countries have ratified the accord, which defines this crime and binds its signers to action against its perpetrators. Our Nation, regrettably, has yet to join in this effort.

The Senate should act swiftly to correct this disfigurement of our tradition of liberty and freedom. As the section of individual rights and responsibilities of the American Bar Association concluded in a 1969 study—

The United States, which was founded on the basis of protest against governmental excesses, and which grew great in substantial measure because it was a haven and the hope for oppressed persons everywhere, should be in the lead in joining in the declaration of revulsion at the organized effort to eliminate a whole people during World War II, and of determination that such an effort shall not be undertaken ever again.

Too many men and women stood idly by earlier in this century while millions of their fellows died. We must not shirk our moral responsibility to commit the United States to the defense of all men against destruction at the mad whims of the powerful.

SENATE JURISDICTION OVER ERDA

Mr. CURTIS. Mr. President, in the next few weeks, the Senate will probably act on the Energy Reorganization Act of 1974 (S. 2744). The Government Operations Committee is to be commended for this legislation, because it addresses the Nation's energy problem in a clear, farsighted fashion.

There is no doubt that the sense of urgency over energy has somewhat abated since last winter. The gas pumps are open again, and the highways are full of cars.

But the long-range problem of providing cheap and plentiful energy for the Nation has not gone away. We know our sources of fossil fuels are finite. Some day we will simply run out.

The Energy Reorganization Act of 1974 makes a clear bid to centralize energy research and development at the Federal level within one agency. It is a wise measure, because it ends the current fragmented approach to energy research and development.

In other words, it attacks the energy problem the same way we responded to the space challenge after Sputnik was launched in 1957.

I am sure I do not need to remind the Senate that following the launch of Sputnik there were tremors both here and abroad. The response was the creation of the National Aeronautics and Space Administration that put America first in space.

I believe there is a clear parallel between the aftermath of Sputnik and the energy problem confronting the Nation today.

If the executive branch of Government is going to have a unified approach to solving the energy problem, I submit the Senate should do the same thing. In other words, jurisdiction over the Energy Research and Development Administration should be vested in one, and only one, legislative committee.

In my opinion the committee best able to take on this job is the Aeronautical and Space Sciences Committee, for it has a wealth of experience in handling high technology R. & D. programs.

Moreover, the Space Committee understands multidisciplinary programs through its involvement with NASA. In all likelihood, a multidisciplinary approach will be required to find the technology that can substitute for fossil fuels.

The Space Committee will give ERDA programs the close attention they deserve, and the committee will see to it that all forms of energy receive fair consideration to the exclusion of none.

Finally, the Space Committee has a strong bipartisan tradition, and let us face it, there is not one energy crunch for Democrats and another one for Republicans.

Mr. President, in view of the urgency over energy research and development, I have asked to be made a cosponsor of Senate Resolution 352 which would confer jurisdiction over the Energy Research and Development Administration to the Aeronautical and Space Sciences Committee.

A PUBLICATION OF INTEREST AND VALUE TO SPANISH-SPEAKING CITIZENS

Mr. MONTOYA. Mr. President, I have recently received a copy of a new publication of the U.S. Civil Service Commission Bureau of Recruiting and Examining, "La SF-171 Se Llena Asi!" For the benefit of those of you who are not bilingual, let me explain that title: "Form SF-171 Is Filled Out in This Way"

This booklet will be of inestimable value to those minority working people who have been excluded from many Government jobs because they could not break through the language barrier. Although there are many jobs in civil service which could be filled by the

Spanish-speaking working people of this Nation, these jobs have always been closed to those applicants who could not understand the instructions and terms used in the standard application forms.

The Office of the Spanish-Speaking Program at the Civil Service Commission has now prepared a detailed explanation, in Spanish, for these disadvantaged applicants.

I commend them for the fine job they have done, and suggest to my colleagues that they assist the Commission in disseminating information about this booklet to constituents in Spanish-speaking communities in their States.

The publication, BRE-55, can be obtained from the Civil Service Commission Office of the Spanish-Speaking Program, Washington, D.C. 20415.

Spanish-surnamed citizens are not represented in Government service in the same proportions as they are in the population, and it has been very difficult to increase their numbers or make sure that they have an equal opportunity to work at all levels in government.

The "Sixteen Point Program," begun in 1970, has never been fully implemented or successful in overcoming the difficulties or recruitment or hiring of Spanish-surnamed applicants. This new publication is very welcome as part of the effort to make that program more worthwhile.

THE FREEDOMS AMERICANS DESERVE

Mr. PROXMIRE. Mr. President, Herbert W. Hobler, the president of the Nassau Broadcasting Co., which operates radio stations in Princeton and Trenton, N.J., has been crusading against the fairness doctrine and the equal time provision which govern broadcasters.

Here is a licensee who has the temerity to challenge his license grantor.

In a recent editorial, which rather sums up his continuing campaign, Mr. Hobler makes some telling points.

It was written before the Federal Communications Commission reaffirmed the fairness doctrine, which explains Mr. Hobler's optimism at the end of the editorial.

Yet, it does present the problem in a clear way.

Mr. Hobler also has published a booklet on the subject. His title, "Americans . . . One of Your Freedoms Is Missing!" sounds the warning.

Mr. President, I ask unanimous consent that the editorial of July 10 be printed in the RECORD.

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

EDITORIAL OF NASSAU BROADCASTING CO., JULY 10, 1974

(By Herbert W. Hobler)

Forty years ago, on July 10, 1934, the Communications Act was passed creating the Federal Communications Commission. At the time of the act almost anyone could start a radio station by filling out a form and going into business. One station was even operating at 500,000 watts and covering most of the United States. Other stations were literally moved about from town to town in trucks using their frequency wherever they want. And so, the basic purpose of creating the FCC was to bring order out of chaos, to set technical standards, to allocate frequencies, to establish a philosophy of service to the public for their convenience and necessity.

There are many things that Americans can celebrate 40 years later, for radio and TV for all their shortcomings has become a communications complex that has transformed our society's interrelationships with each other and indeed with the world. Today, within a matter of minutes, we all become aware of local, national, or international news, we are exposed to great dramas, documentaries, and we debate issues through telephone talk shows; and we even listen and watch a man step onto the moon. And, with all our information exposure and ultimate greater knowledgeability of the ongoing world, we have become captives of our own communications system. For, as we have become liberated and informed sophisticates and as we have become more and more a people of, by and for the government, we have set up distinctions in our media.

We are critics of the theater, of books, magazines, the arts, and newspapers and we fight for their rights under the First Amendment for free speech, their rights to be biased and critical. On the other hand, we encourage the Federal government and the FCC to restrict freedom of expression of broadcasters through the Equal Time Law, the Fairness Doctrine, the right to announce lottery numbers, the right to advertise the armed forces—the right to be judged as the free press is for unrestricted viewpoints and program concepts.

We believe that our forefathers would find it incomprehensible that our Supreme Court had to be petitioned by the Miami Herald in order to once again prove, as it was just decided a few weeks ago, that there is no room for a Fairness Doctrine in our free press, that the nation's principal form of communications—radio and TV—are encumbered with violations in name and in spirit of the first amendment through federal controls. We also believe the forefathers of the FCC 40 years ago did not conceive such restrictions for they wrote into that very act a section which still says: "Nothing in this act shall be understood or construed to give the Commission the power to censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech of radio communication".

This week our Supreme Court in Washington has begun sitting in judgment as to whether a President can legally or perhaps quasi-legally have rights beyond the scope of the Constitution. A few blocks away the FCC celebrates 40 years of broadcasting regulations which over the years have more and more assumed certain controls which challenge our basic freedoms guaranteed in the Constitution. The present Commission is thoughtfully concerned with these matters. So are we. Perhaps together we can restore the freedoms Americans deserve.

MILITARY ORDER OF THE PURPLE HEART—INSTALLATION OF CHAPTER 1974 AT FINDLAY, OHIO

Mr. TAFT. Mr. President, Mr. John Binnion, the National Commander of the Military Order of the Purple Heart, made some remarks at the recent installation of a Chapter of the Order in Findlay, Ohio, which I think can serve as an inspiration for all of us. His discussion of the history of the Military Order of the Purple Heart serves to remind us all of the tremendous dedication and sacrifices of the men of our military services for their Nation and for freedom.

Mr. President, I accordingly ask unanimous consent that Mr. Binnion's remarks be printed in the RECORD.

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

INSTALLATION OF CHAPTER 1974 AT FINDLAY, OHIO

Commander Chain, National Vice Commander Flanders, Department Commander Inman, Past National Commander Lukatz, Fellow Patriots, guests . . . my pleasure in being here this evening is difficult to put into words. To see any organization come into being is a thrill indeed. But to see a new Chapter of the Military Order of the Purple Heart spring up is something special because the members are something special. So I thank you all for putting this evening together so that I could be here to share it with you.

My remarks will be brief—or, as brief as I can make them and say what has to be said at such an event. The talk will be divided into four sections: (1) a brief history of the Military Order of the Purple Heart; (2) the function of the Order on a National scale; (3) some of the National objectives of the Order; and (4) some of the objectives which the local Chapter, Number 1974, could strive to obtain.

BRIEF HISTORY OF MOPH

As some of you here tonight know, the Purple Heart Medal is the oldest military decoration in the United States. In fact, I am told that it is the oldest decoration for gallantry and bravery in the world, except for the Cross of St. George of Russia. The first Purple Heart decoration was authorized on August 7, 1782, by General George Washington at Newburg, New York. Allow me to read from the orderly book of General Washington's Headquarters on that date.

"The General ever desirous to cherish virtuous ambition in his soldiers, as well as to foster and encourage every species of Military merit, directs that whenever any singularly meritorious action is performed, the author of it shall be permitted to wear on his facings over the left breast, the figure of a heart in purple cloth or silk, edged with narrow lace or binding. Not only instances of unusual gallantry, but also of extraordinary fidelity and essential service in any way shall meet with a due reward. Before this favour can be conferred on any man, the particular fact, or facts, on which it is to be grounded must be set forth to the Commander-in-chief, accompanied with certificate from the Commanding officers of the regiment and brigade to which the Candidate for reward belonged, or other incontestable proofs, and upon granting it, the name and regiment of the person with the action so certified are to be enrolled on the Book of Merit which will be kept at the orderly office. Men who have merited this last distinction to be suffered to pass all guards and sentinels which officers are permitted to do.

"The road to glory in a patriot army and a free country is thus open to all. This order is also to have retrospect to the earliest stages of the war, and to be considered as a permanent one."

The Book of Merit, referred to in the orderly book, has been lost or misplaced or destroyed. However, there are four other references to this Badge of Military Merits as the Purple Heart Medal was first named.

(1) In the Museum in Exeter, New Hampshire, a uniform which was worn by a Revolutionary War Patriot (name unknown) is displayed. On the left breast of the blue tunic

is seen a heart of purple silk, bound with braid and edged with lace, undeniable proof of the Badge of Military Merit.

(2) Sergeant Daniel Bissel of the Town of Windsor, Hartford County, Connecticut, was awarded the Badge of Military Merit on May 3, 1783. At the request of General Washington, Sergeant Bissel pretended to desert from the Army and "escaped" to New York City where he served as a spy. When he returned to Newburg and reported to General Washington he was cited for bravery. Ironically, while in New York City, he was forced to join the British Army and served in the very regiment given to Benedict Arnold for his "service to the king."

(3) The second Badge of Military Merit to be reported on was presented to Sergeant Elijah Churchill of the 2nd Continental Dragoons. In the words which come down to us, we find: "In the opinion of his officers he acted a conspicuous and singularly meritorious part. . . . acquitting himself with great gallantry, firmness and address."

However, there was more to it than that. In November of 1780 Sergeant Churchill with a detachment of fifty men under the command of Major Benjamin Talmage, crossed Long Island Sound in open boats for an attack on Fort St. George. Somehow, they missed their bearings and landed twelve miles below their objective.

Sergeant Churchill with sixteen men went ahead of the main body, surprised, took, and destroyed Fort St. George, assisted in the burning of a British supply schooner anchored close to shore, and helped capture fifty prisoners. He returned to the American lines with all his men and only one of them wounded.

But that was not all.

In October of 1781 he was again under the command of Major Talmage. And again he was in charge of a contingent which preceded the main attack upon Fort Slongo on Long Island. As a result of the surprise and the success of his attack, twenty-one prisoners were taken and a large supply of clothes, food, powder, and ammunition was taken back to the Americans. There were no Continental casualties.

Sergeant Churchill was from the town of Enfield, New York.

(4) The third Badge of Military Merit which can be reported upon was won by Sergeant Daniel Brown during the Battle of Yorktown on the evening of October 14, 1781. Sergeant Brown was serving under Alexander Hamilton at the time.

Sergeant Brown was ordered to take a detachment of men and precede the main attack upon the British lines. Like the shock troops of the wars with which we are more familiar, he was to draw and sustain the first brunt of the enemy's fire and drive into their lines as far as he might without waiting for sappers to cut through the barricades and obstructions so that those who were to follow might find the going more easy.

General Greator and his board of officers, in the citation and the investigation, found:

"That Sergeant Brown, of the late 5th Connecticut Regiment, in the assault of the enemy's left redoubt at Yorktown in Virginia, on the evening of October 14, 1781, conducted a forlorn hope with great bravery, propriety and deliberate firmness and that his general character appears unexceptionable."

And then? Well, we don't know how many Badges of Military Merit were awarded. We do know, however, that the Purple Heart was forgotten until some time just prior to the two hundredth anniversary of George Washington's birth. John C. Fitzpatrick, Custodian of Documents of the Library of Congress, discovered records of the decoration and its award by Washington in some half-burned bundles of official papers which had survived the burning of Washington in the War of 1812.

Upon President Hoover's direction, General Douglas MacArthur, Chief of Staff of the United States Army, issued a General Order on February 22, 1932, reviving the Purple Heart decoration in honor of our first President. And the Purple Heart Medal has been an integral part of the Military since that time.

THE FUNCTION OF THE ORDER ON A NATIONAL SCALE

The Preamble to our Constitution of the Military Order of the Purple Heart contains these words. "Through this organization and our membership in it, we hope to be able to preserve and perpetuate those ideals of liberty, justice, and the general welfare which are the very foundation of our way of life, and we pledge to foster and enhance those principles which have made this nation what it is today and which, from the beginning of our national history, have served as a beacon of hope and salvation to the peoples of all nations."

Specifically, our Order has four principles and objects:

(1) Patriotic;
(2) Fraternal;
(3) Historical;
(4) Educational.

Those are defined in the Constitution. However, we need to be a little more specific and pay special attention to our work with Veterans—not only those who were wounded, but all Veterans who need our help. We do this through assistance in many ways:

Hospital visits; education; employment; rehabilitation; and others.

The theme, always, is on assistance. Sometimes this assistance is with money; sometimes with our hands and our hearts; sometimes with our leadership; sometimes in our joining hands with other Veterans' organizations or other agencies; and so forth. But always it is assistance, *assistance*, Assistance.

NATIONAL OBJECTIVES OF THE ORDER

In a previous section we mentioned something of the National Objectives. However, at one time or another, the Order has taken upon itself the burden to carrying a message to the people. We do this, often, through Resolutions which have been passed at our National Conventions. Some of the more recent ones included:

(1) Our stand for better educational benefits for Veterans of the Vietnam conflict.

(2) Our stand against the defamation and desecration of the United States Flag by some who would degrade it through senseless and malicious actions.

(3) Our stand for increased aid to Veterans of World War I.

(4) Our stand for better medical care and facilities for all Veterans.

(5) And many, many more, including support of the United Nations Organization.

The important thing to remember is that we recognize individual differences of opinion and we respect all opinions of our members.

SOME OBJECTIVES FOR CHAPTER 1974

Finally, we would insert at this time our challenge to Chapter 1974 to come up with some specific, obtainable objectives which can be accomplished during the months and years ahead. It is not enough that you have an organization; it is not enough that you increase its membership. What you must remember is that you have an obligation to make your community, your State, your Country better.

Some of your goals might include participation in:

(1) Youth activities.
(2) Assistance to Veterans of all wars.
(3) Hospital visits.
(4) Patriotic activities.
(5) Community Leadership.
(6) School visitations.
(7) Religious activities.
(8) Citizenship activities.
(9) Library aid.
(10) And so forth. The list is almost endless.

CONCLUSION

There, I suppose, is a thumbnail sketch of the Military Order of the Purple Heart and the challenge to Chapter 1974.

I hope you new members can appreciate the history of the Order. I hope you can live up to the challenges which truly lie before you. I hope that your Chapter will grow, not only in membership but in service. And finally, I hope that your Chapter and all Chapters in the Order will die out because there will be no more wars and therefore no new members.

Allow me to close with a prayer which General Washington gave at Newburg, New York, the place of the origination of the Purple Heart Medal. General Washington was a devout man and he knew his Bible. The prayer came from the question the Prophet Micah asked in Chapter 6, Verse 8, when he said, "And what does the Lord require of you?" Micah then answered his own question: "To be just, to love mercy, and to walk humbly with your God."

Listen for those words here.

"I make it my earnest prayer that God would have the United States in His Holy protection; that He would incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; to entertain a brotherly affection and love for one another, and particularly for their brethren who have served in the field.

"And finally that He would dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of minds which were the characteristics of the Divine Author of our blessed religion, and without an humble imitation of whose example in these things we can never hope to be a happy nation. Amen."

Thank you for allowing me to talk with you here tonight. And may God bless you all.

DEATH SENTENCES IN CHILE

Mr. KENNEDY. Mr. President, recent reports from Chile continue to confirm the absence of due process protections and the lack of adequate legal protections under the military junta.

New articles published in the Washington Post and New York Times note the sentences in the widely published trials of air force officers and former civilian members of the Allende government include four death sentences. The article also describes the specific restrictions on defense attorneys that have convinced many foreign observers that, even assuming the legitimacy of the use of a military court martial proceeding in time of war, the proceedings were "a show trial" rather than a correct legal proceeding.

One attorney was thrown out of court for speaking "too warmly" of the Allende government. Another was reprimanded for reporting that his five clients had been tortured.

These reports confirm the testimony of Judge William Booth of the Criminal Court of New York City and Ramsey Clark, former Attorney General of the United States, who visited the trial and concluded that there is no rule of law in Chile.

I ask unanimous consent that their statements be printed in the RECORD at this time.

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

STATEMENT BY RAMSEY CLARK BEFORE THE REFUGEES AND ESCAPEES SUBCOMMITTEE, COMMITTEE ON THE JUDICIARY, U.S. SENATE, JULY 23, 1974

Democracy in Chile died September 11, 1973. No fiction agreed upon can alter that fact. All who love democracy must mourn its passing. The death of any democracy diminishes all.

Your concern here is human rights. Democracy is not unrelated to human rights. Reinhold Niebuhr told us, "Man's capacity for justice makes democracy possible, but his inclination for injustice makes democracy necessary." Injustice, including the denial of human rights, is largely unrestrained in the absence of democracy.

There are no human rights in Chile today in the only sense that rights have value. The military government of Chile can transgress any human right with impunity; for any reason it chooses, or no reason at all. Rights are unenforceable. Arbitrary, uncontrolled will governs.

Chile, I believe, has a longer history and higher commitment to democracy than most nations of the Americas. Article 1 of its constitution, provided "The state of Chile is unitary. Its government is republican and representatively democratic." No electorate chose the military junta that overthrew constitutional democracy or the dictator who now rules Chile. By what it calls Law Decree 27, the junta dissolved the Congress on September 21, 1973 and transferred legislative power to itself. By Law Decree 128, the junta assumed the power to modify the Constitution on November 12, 1973 and that is a pretty comprehensive power. These were, of course, laws in name only. They represented the exercise of military power; that is all.

Constitutional government with its promises of freedom, the rule of law and integrity in governmental activity also died September 11. Chile's constitution was a wisely conceived allocation of the powers of government and rights of a people. It was born of legal process and served its nation well for nearly half a century. It did not guarantee easy times and Chile has not known easy times. It did offer democratic government and the rule of law. It was rendered meaningless by the violence of armed force. Among constitutional provisions directly violated are the following:

Article 4. No magistracy, or person, or assembly of persons, not even under the pretext of extraordinary circumstances, is empowered to assume any other authority or rights than those that have been expressly conferred upon them by the laws. Every act in contravention of this Article is void.

Article 11. No one can be sentenced unless he is legally tried in accordance with a law promulgated prior to the act upon which the trial is based.

Article 15. In case an authority orders the arrest of any person, he must, within the forty-eight hours following, make report thereof to the proper judge and place at his disposal the person detained.

Article 16. Every individual who may be arrested, charged or imprisoned contrary to the provisions of the foregoing articles may apply, for himself, or by anyone in his name, to the judicial authority designated by law, petitioning that the legal requirements be observed.

Article 18. In criminal cases the accused shall not be obliged to testify under oath about his own actions, nor can his ascendents, descendants, spouse, or relations within the third degree of consanguinity of second or affinity, inclusive, be obliged so to testify. Torture shall not be applied . . .

Article 22. The public force is constituted solely and exclusively by the Armed Forces and the *carabinero* guards, which entities are essentially professional, organized by rank, disciplined, obedient and nondeliberating.

Article 23. Every resolution the President of the Republic, the Chamber of Deputies, the Senate or the Courts of Justices may agree to in the presence of or on demand of an army, a commandant at the head of an armed force, or of any assembly of people, with or without arms and in disobedience of the authorities, is null in law and cannot produce any effect.

Article 66. When the President of the Republic in person commands the armed forces, or when from illness, absence from the territory of the Republic, or from any other weighty reason, he cannot exercise his office, the Minister whom the order of precedence as fixed by law may designate shall substitute for him, under the title of Vice President of the Republic. In default of such, the Minister who follows in the order of precedence, and in default of all the Ministers, the President of the Senate, the President of the Chamber of Deputies or the President of the Supreme Court successively, shall substitute for the President.

In case of death, or declaration of cause for resignation, or other kind of absolute impossibility, or disability that cannot be ended before the completion of the time remaining of the constitutional period, the Vice President in the first ten days of his incumbency shall issue the proper orders to proceed, within sixty days, to a new election of President in the manner prescribed by the Constitution and by the electoral law.

Article 72 (17). Special attributes of the President are: To declare in a state of assembly one or more provinces invaded or menaced in case of foreign war, and in a state of siege one or several points of the Republic in case of foreign attack.

In case of internal disturbance the declaration of one or more places being in a state of siege belong to Congress, but if Congress is not in session, the President may make it for a determined period.

Through the declaration of a state of siege, there is conceded to the President of the Republic only the authority to transfer persons from one department to another and to confine them in their own houses, or in places other than jails or intended for the confinement or imprisonment of ordinary criminals.

Measures taken on account of the state or siege shall have no greater duration than the siege, but the constitutional guarantees granted to deputies and senators shall not be infringed thereby.

Article 80. The power of judging civil and criminal cases belong exclusively to the tribunals established by law.

The five trials I witnessed conducted by the Air Force under the authority of the military government were lawless charades. Whether there was in fact justification for the State of Siege allegedly based on the mysterious Plan Z or the junta had seen too many movies is not relevant. Metaphysical references to the differences in legal systems cannot incapacitate foreign judgment. One need not be a scholar of Chilean law, or have witnessed trials in Spain and other continental countries as I have done, to know the trial was neither governed by pre-established principles and procedures uniformly applied nor an effort to determine truth.

First it is not possible to trace power from the constitution to the court. Perhaps this is why posted outside the courtroom which was once the chapel of a Catholic convent was a rainspotted carbon copy of a typed memo saying no attorney shall challenge the jurisdiction of the court or the procedures it uses. A lawyer who dared to question whether his client had been tortured was banned from further practice there among other penalties.

General Orlando Gutierrez, the Air Force Fiscal, or prosecutor, presented his entire case by reading from the Dictamen, or indictment and witness statements. Virtually all the statements were by defendants and their co-defendants and uncorroborated, seriously questioning whether they were true. All were elicited under circumstances so inherently coercive, whatever the techniques employed, as to make them questionable by any standard. No witness appeared at the trial. No prosecution witness was present to be challenged by cross examination. No defendant offered or compelled a single witness in his defense or spoke a word himself in "open" court. While the trials were called open, no family was permitted to be present and whatever the reasons, the room was virtually empty except for one morning when a first year law class from the University of Chile attended a single trial. The press, nearly all Chilean, sat in the balcony. A few foreign observers attended part time, and personnel from the Army monitored the trials.

The serious offenses charged, treason and sedition, with death demanded for some, could not be applied by any stretch of logic or twist of legal reasoning to the facts alleged which uniformly referred to activity prior to September 11, 1973, nor support jurisdiction in a military court at a date after September 11, 1973. Thus the statute itself could not support the prosecution even if the court had jurisdiction and the application of law was not *ex post facto*.

No system seeking objective fact finding permits the trier of fact to be the persons threatened by the acts alleged; yet here the very court personnel were potential victims of the conduct allegedly planned, though admittedly not executed. The absence of a legal officer to guide the court, instruct it in the law or determine procedures made the trial a game of soldiers playing prosecutor, judge, and jury, which is to law as children playing soldier is to war, but deadly yet. Only one member of the seven man court was a lawyer. The prosecutor was a general untrained in law.

The ultimate irony was the fact that the members of the court had participated in the very violent overthrow of the government that they accused some of the persons they tried with planning, but not executing. It can only be assumed that these mock trials, demeaning legal institutions and due process were intended as a justification for the golpe. Even if the charges were true, a planned overthrow of government by one junta cannot justify an actual revolution by another. Subjecting these defendants to this Kafkaesque show trial is itself a denial of human rights.

The denial of human rights in Chile on and since September 11, 1973 is widespread and continuing. Life is the first right of every human. We do not know how many humans have lost their lives to lawless acts of the military. We know one of the first was the constitutional President, Salvador Allende. We know deaths must be measured in the thousands. Tens of thousands have lost their liberty. Thousands remain in detention today. Thousands more have been tortured.

Among the fundamental human rights protected by the Universal Declaration of Human Rights and the International Convention of Civil and Political Rights ratified by Chile which have been flagrantly violated are the following:

1. Right not to be subjected to arbitrary arrest or detention (Art. 9, U.D.H.R. and Art. 9 I.C.C.P.R.).

2. Right not to be subjected to torture or to cruel, inhuman or degrading treatment or punishment (Art. 5 U.D.H.R. and Art. 7 I.C.C.P.R.)

3. Right to a fair and public trial with all the guarantees necessary for one's defense before an impartial and independent tribunal. Respect for the principle of non-retroactivity (Articles 10 and 11 of the U.D.H.R. and Articles 14 and 15 of the I.C.C.P.R.).

4. Right to life, liberty and the security of persons (Art. 3 of the U.D. and Article 6 of I.C.C.P.R.).

5. Right not to be subjected to arbitrary interference with one's privacy, family, home or correspondence, nor to attacks on one's honor and reputation. (Article 12 of the U.D. and Article 17 of the I.C.).

6. Right to freedom of movement and of residence within the borders of a State. Right to leave any country including one's own and to return to one's country. (Article 13 of the U.D. and Article 12 of the Covenant).

7. Freedom of thought, conscience and religion, freedom of opinion and expression, and freedom of peaceful assembly and association (Articles 18, 19 and 20 of the U.D. and Articles 18, 19, 21 and 22 of the International Covenant).

8. Right to work and to a just and fair remuneration and to protection against unemployment. Right to form and join trade unions. (Article 23 of the Universal Declaration and Articles 6, 7 and 8 of the International Covenant on Economic, Social and Cultural Rights).

As we have seen, the military seizure of power in Chile destroyed democracy and constitutional government. No rationalization can alter that. It brought a violent and lawless reign of arbitrary power dealing death to thousands, imprisonment and torture to tens of thousands and terror to hundreds of thousands. It established authoritarian government controlling the people by military force and threat of force, seizing university administration, abolishing labor organizations, suspending political parties and burning books. It continues today a state of siege, holding former high officials of civilian government and thousands of others, many since September, yet not charged with crime. On page 5 of its White Book explaining the seizure of power it says it has governed since September 11 "in an atmosphere of absolute peace and normality."

We can rage at what has been done to rights and humanity in Chile, but rage rarely solves problems and rarer still is the solution wise. Rather we should look at our own conduct. Finally it is our own conduct that is our responsibility. What has the United States of America done in Chile?

Our nation praises democracy and constitutional government, extols the rule of law and proclaims the primacy of human rights. How then do we explain our policy and conduct in Chile? For we witnessed, condoned and may have been an agent in the fall of constitutional democracy, subversion of law and the death and torture of thousands. If we care why do we not speak out and act? You cannot make the world safe for hypocrisy.

I urge your committee to find the truth to the following questions and act upon that truth. An open, democratic society must know what its government and other agencies and instrumentalities of its society affecting the rights of others do. For their acts are our responsibility.

1. Did the Departments of State, Defense, the CIA or other federal agencies discriminate against, or directly or indirectly act to cause or encourage the overthrow of constitutional government in Chile?

2. Did U.S. economic or military aid to Chile or its withdrawal contribute to the fall of that government? Does the pattern of total aid from 1965 to date suggest a failure to value democratic government over military government?

3. Did corporations owned and operated by U.S. interests or multi-national corporations dominated by U.S. interests contribute to the military seizure?

4. Do government records reveal a discriminatory policy by U.S. or U.S. dominated business which contributed to economic instability in Chile? Do American corporations prefer to do business with a military government in Chile?

5. Why has our government not protested a military seizure of power and urged an immediate return to constitutional government?

6. Were there units of the U.S. Navy off the shores of Chile or other U.S. military presence in the area on September 11 in unusual numbers? If so, why?

7. What has our government done to protect human rights in Chile? Have we acted to prevent or protested killings, torture, arbitrary incarceration? When? How?

8. How many persons did the U.S. Embassy grant and deny asylum to on or after September 11, 1973? What are the policy reasons for failing to protect persons whose lives were in danger as many other nations did?

9. How many persons from Chile have we offered permanent residence rights here? How does this policy contrast with our policy toward Cuba? What are the reasons for the difference?

10. Have we restricted persons exiled from Chile in visiting, traveling, or speaking freely in the U.S.? Why?

11. What economic, political and moral sanctions can the U.S. and its people bring to bear on totalitarianism in Chile?

12. What can the U.S. do to stimulate UN, International Banks and other organizations to bring economic, moral and other pressures to restore human rights in Chile?

If we revere life and democracy, we must pursue such questions with a passion and through them forge a foreign policy based, not on military power or economic profit, but on the way governments treat their people—on the quality of human rights. Then we can find peace through the affirmative response President Kennedy sought from us when he asked, "Is not peace, in the last analysis, basically a matter of human rights?"

STATEMENT OF THE HONORABLE WILLIAM H. BOOTH, JUDGE, NEW YORK CITY CRIMINAL COURT

Judge BOOTH. I appear here today with Mr. Clark, with whom I observed trials in Santiago, Chile recently for one week. Certainly, one week does not make one an expert on anything but I believe our observations may be of some aid to you in your legislative work.

Before I left for Chile, I was warned by some that I ought not to pre-judge what I might see, and to understand the pride of Chilean Americans in their sense of democracy and justice. Then, during the entire course of my visit, and even now, there appears to be great concern that a short term visitor might hastily arrive at an unjust conclusion about the situation in Chile.

The city of Santiago certainly does not have the immediate appearance of a place wracked by revolution. People travel about freely, there seems to be an abundance of food, clothing and other goods for sale to the general populace. People seem healthy, happy and even publicly affectionate. Only when you speak to families of prisoners, to people who have been sorely affected by the political upheaval of September 11, 1973 do you begin to feel a different mood. They relate of torture during interrogation of prisoners, of prisoners being held incommunicado, of poor prison conditions, and of the insensitivity of the new government. They tell of successive arrests of the same person by each of the Armed Forces, interrogation and release, and rearrest thus causing fear and panic among them. They show shuttered homes in which they tell you are prisoners, under interrogation and torture, carried there under cover of darkness and a one o'clock curfew.

After conversations of this sort, one can't help notice the large numbers of police and military personnel on the streets; the fears experienced by those whose loved ones have been affected are seen as another part of the city than that first seen on arrival. A shuttered Congress is a reminder that drastic change has occurred; bombed or fired-out buildings are deadly reminders of how that change was brought to fruition.

To a U.S. citizen trained in the law, the trials we saw are most difficult to objectively observe. They are held in an Air Force base, the tribunal is composed of seven generals only one of whom is a lawyer. The prosecutor also is a nonlawyer although his secretary is a civilian lawyer. The trials proceed by the prosecutor reading the statements of any of the 67 defendants which implicate the defendant then on trial. Then, he reads the defendant's statement, after which he requests the appropriate penalty, from a term of years to death in some instances. Then defense counsel—usually assigned—reads his statement in opposition. The defendant does not testify, nor can counsel call any of the others whose statements have been used. The only "live" witnesses who were called were character witnesses occasionally called by the defense. After all the trials have been completed, it is understood the tribunal will recess and later announce their verdicts and sentences. All 67 trials should have been completed soon since two or three are heard daily.

It appears to be an inviolate rule that defense counsel does not question the voluntariness of defendants' statements. It was explained that to do so would impugn the reputation of the prosecutor. One young counsel did raise questions as to defendants' statements and the tribunal announced that he could no longer practice before them. Referral was also made to the equivalent of our bar Association and other disciplinary action against the lawyer was involved.

From conversations with all concerned, the system of "justice" in these trials is hardly questioned. But, also, apparently all believe the defendants will be convicted; the only question appears to be the severity of the penalty. What's more, the defendants are on criminal trial for acts of conspiracy in support of the then constitutionally elected government—to which incidentally they were obligated by oath to uphold!

We were permitted to visit the public jail and to confer, though not privately, with prisoners of our choice. Though the prison is an ancient and rickety one, the men we spoke with assured us that their lot was a great deal better there than at the military detention centers where they had been detained earlier. We saw there also men held incommunicado allegedly for misdeeds while there; though we were advised that they were still under interrogation and this is the real reason for their being isolated.

It is interesting that in order to see prisoners, we had to seek permission from the prosecutor, one General Gutierrez. One night while giving me a lift to the jail, General Gutierrez remarked that too many people in Chile are involved in politics. I responded that this was laudable, that not enough people are involved in U.S.A. politics. He repeated his remark adding that politics should be only for the politicians!

Earlier observers have testified to first-hand indications of torture and other human rights violations. I would hope that your committee will recommend a change in U.S. Policy to permit asylum to political prisoners. We saw many other Embassies accepting asylees, but the American Embassy has not taken any, not even relatives of American citizens. We have always been proud of our country's heritage. Particularly have we reason to be proud that we have been a haven to all those who have had to

leave their homeland because of oppression. Although Chileans may not on the whole be oppressed, there are many thousands who are living a hell on earth because of their political beliefs. To continue our great traditions, it would seem most urgent to me that we once again open our doors to those Chileans who desire our aid.

Mr. KENNEDY. Mr. President, the lack of legal protections is only part of the problem in Chile as witnesses before the Senate Subcommittee on Refugees testified last week. Their concern, described in recent news accounts of the hearing, is that human rights continue to be violated by the practices of the Junta.

For all of these reasons, I intend to introduce legislation to suspend U.S. military aid to Chile when the foreign aid bill comes before the Senate.

Mr. President, I ask unanimous consent that articles on these matters be printed in the RECORD at this time.

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

[From the Washington Post, July 31, 1974]

CHILE SENTENCES EX-OFFICIALS TO DEATH

(By Joseph Novitski)

SANTIAGO, CHILE, July 30.—A Chilean air force court martial condemned four supporters of former President Salvador Allende to death for treason and sentenced 56 others to prison today.

The four men sentenced to death are Carlos Lazo, 47, a leader of Allende's Socialist Party and former vice president of a state bank, and three former air force officers—ex-Col. Ernesto Galaz, ex-Capt. Raul Vergara and ex-Sgt. Belarmino Constanzo.

The court martial decided that the four men were the ringleaders of a conspiracy by Marxist political parties within the government coalition and an extreme leftist group outside the government to recruit air force non-commissioned officers into political groups, to pass secret air force plans to the government and to try to place officers favorable to Allende into key air force commands.

The court also found that plans were made to seize a nearby air force base, but they were not carried out.

In effect, the court tried 54 air force men and 9 civilian men and one woman for treason, sedition or military insubordination on the basis of acts committed while Chile was not at war and the defendants were serving a constitutionally elected government. Today it found all but three of them guilty.

The trial attracted attention throughout the world, and many foreign observers attended those sessions that were open.

The court martial cited the Dreyfus affair in France, the Stalin purge trials of 1937, the execution of Julius and Ethel Rosenberg as spies in the United States and Fidel Castro's trial of the Cubans captured on the beaches of the Bay of Pigs as historical precedents for its decision.

The sentences were approved unanimously by the seven senior officers who made up the court after two months of open sessions and 45 days of private deliberations. The sentences cannot be appealed, but must be confirmed by Gen. Jose Berdechesky, commander of the Santiago air force garrison and convening authority of the court martial.

The families of the four men sentenced to die before a firing squad were expected to appeal to Gen. Berdechesky and to Gen. Augusto Pinochet, the army general who rules Chile in the name of the military junta that seized power in the Sept. 11 coup.

When the trial began, it appeared to some foreign legal observers to be proceeding correctly under the Chilean military code. As it went on, however, restrictions were imposed, turning it into a show trial.

One of the 31 defense lawyers was thrown out of court when he spoke too warmly of the Allende government. The court then forbade political arguments.

Another lawyer reported that all five of the men he was defending had been tortured. He was reprimanded by the court.

Defense lawyers agreed privately to present their charges of torture in writing and not to read them aloud in court. Then the court began telling some lawyers which parts of their written legal arguments could be read in court.

Watched by jurists from the United States and Europe, by diplomats and by a lawyer from the International Red Cross, the air force prosecutor argued that the defendants had stolen military secrets, organized subversive cells in air force units and that some of them were connected with a plan by leftists to seize El Bosque, an air base on the outskirts of Santiago which houses the Chilean air force academy.

Today, in a 234-page decision, the court agreed. It found that, in fact, the Chilean armed forces had been legally at war with several small extremist groups since before Allende was elected in 1970. It concluded that a court martial was therefore competent to judge offenses committed against the military code before the coup.

"Finally, the trial record leads to the categorical conclusion that the military pronunciamiento on Sept. 11, 1973, halted plans to destroy the air force in particular and the armed forces in general and prevented the mass assassination of their non-Marxist members a few short days before it was to be consummated," the officers on the court declared.

They rejected all of the arguments brought up by defense lawyers to challenge the constitutional basis of the trial. They also refused to consider the extenuating circumstances, such as good service records, lack of previous prosecutions and good character witnesses, in all but seven of the 60 cases that resulted in findings of guilty.

Erich Schnake, a former Senator and Socialist Party leader, for whom the prosecution requested the death penalty, was sentenced to 20 years in prison.

The court sentenced 34 of the defendants to lesser penalties than the air force prosecutor had requested, but it made it clear in almost every instance that it was doing so by its own decision and not as a result of defense arguments. The court upheld the prosecutor's request in sentence in 8 cases and increased the severity of the sentences in 22.

[From the New York Times, July 31, 1974]

CHILEAN COURT CONDEMNS FOUR AND IMPRISONS 56 IN MASS TRIAL

SANTIAGO, CHILE, July 30—An air force court-martial today condemned four persons to death by firing squad and sentenced 56 to prison in the mass trial of persons seized after last year's coup against the Marxist coalition Government of President Salvador Allende Gossens.

The prisoners, air force personnel and civilians, were tried on charges ranging from possession of Communist literature to treason. Three persons were acquitted.

The death sentences are subject to review by the military junta that has controlled the country since Dr. Allende's overthrow and death last Sept. 11. There have been no known death sentences in Chile since mid-January, although firing squads shot at least 96 persons in the months following the coup.

The prison terms handed down today range from 300 days to life.

Among those condemned to death was one of the 10 civilians on trial, Charles Lazo, former president of the state bank and a member of the outlawed Socialist party. The military prosecutor had sought life imprisonment for Mr. Lazo on charges of treason and espionage, but the six-officer court overruled him.

Capt. Patricio Carbacho, one of six defendants for whom the prosecutor had sought the death penalty, received life imprisonment.

The others facing execution are former air force men, Col. Ernesto Galaz Guzman, Capt. Raul Vergara and Sgt. Berlimino Constanz. They were convicted of treason and sedition.

Erich Schnake, who was a Senator and director of the Socialist party, was sentenced to 20 years in jail for espionage and inciting a revolt. The only woman defendant, Maria Teresa Wedeles, was sentenced to 300 days in jail.

The court-martial, which was open to newsmen and international legal observers, began April 17 at the Air Force Academy on the outskirts of Santiago. Testimony ended during the first week of June and the officers adjourned to consider the verdicts.

THE CONTINUING TROUBLES OF THE SST

Mr. PROXMIRE. Mr. President, the wisdom of the Senate's decision to discontinue Federal funding of an experimental supersonic transport aircraft becomes more evident with each passing day. The flaws and potential dangers of supersonic airplanes are emerging as French and Soviet SST's begin to enter service. More importantly these weaknesses represent only the tip of an iceberg of problems and hazards still to be confronted by the developers of the SST.

A study released recently by the U.S. Department of Transportation, for example, predicts the SST's now being developed will produce noise that will carry farther and have an impact on more people than the loudest subsonic jets now in use. Although it appears that the sounds produced by the SST will be no louder than those of conventional jets, many more people will be subjected to the roar of such aircraft. At airports in crowded metropolitan areas an SST will expose nearly twice as many persons to the 100-decibel thunder of a jet engine.

Another recent report, written by Swedish aeronautics expert Bo Lundberg, details a more serious potential shortcoming of the SST's. Mr. Lundberg argues that the long-term effects of the enormous aerodynamic pressures and blistering heat imposed by supersonic speeds upon an aircraft's structure are still uncertain. Adequate tests of these effects, as Mr. Lundberg points out, will not be completed until the early 1980's, long after some SST's will begin service.

The ultimate product of these uncertainties could be extraordinarily high costs, in both structural repairs and, as the SST crash outside Paris earlier this year so tragically illustrates, in human lives.

This body halted Federal funding for the SST because it was an unsound in-

vestment of the taxpayers' dollars. These new studies indicate that we made the proper choice. Today the SST remains an uneconomical, bothersome, and dangerous example of the misapplication of technological expertise.

ILLINOIS' CATERPILLAR CO. OFFERS HELP WITH ALCOHOLISM

Mr. PERCY. Mr. President, the Second Report of the National Commission on Marihuana and Drug Abuse stated that alcohol dependence is without question the most serious drug problem in this country today. Available statistics support that statement:

About 1 in 10 of the 95 million Americans who drink is now either an alcoholic or a problem drinker.

At least half of the annual 55,500 traffic fatalities in the United States are alcohol related.

In 1971, alcoholism and related problems accounted for $9.35 billion in lost production time in the United States.

Mr. President, it is obvious that alcoholism and alcohol abuse are causing extremely serious problems in this country. In terms of lost productivity, health costs, family disruptions, and loss of individual dignity, alcohol abuse takes an immeasureable toll of our citizens and of our society as a whole.

In May Congress approved and the President signed into law the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act amendments, authorizing the expenditure of more than $400 million during the next 3 years to combat alcoholism in this country. Funds appropriated under this authorization will mean tremendous steps forward in the Federal attack on alcoholism, but even generous Federal assistance cannot eradicate the problems of alcoholism and alcohol abuse in this country. Substantial efforts by private groups must be made if this most critical problem is to be combated effectively.

I am most pleased to report that the Caterpillar Co., headquartered in Joliet, Ill., has initiated an outreach, education, and treatment program to assist its employees who have alcohol related problems. I wish to commend the Caterpillar Co. for its most progressive and humane attitude toward employees who have occupational and personal difficulties because of alcohol. I would hope that other companies in all States will realize how much the interests of their employees and their companies can benefit from programs designed to combat alcohol abuse. I am convinced that many large companies would realize substantial benefits from instituting similar policies and programs, and I would urge them to consider doing so.

I ask that two recent articles from the Caterpillar "Bulldozer" newsletter be printed in the RECORD in order that my colleagues may be aware of the need for and benefits resulting from a company-directed program to combat alcohol abuse.

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

[From the Caterpillar Bulldozer, May 30, 1974]

IF DRINKING IS A PROBLEM YOU CAN RECEIVE HELP

Stop and think!

When was the last time you had too much to drink?

Was it three or four drinks?

Could you just possibly be suffering from the illness of alcoholism?

Every day, hundreds of people cross over the line. Approximately nine million Americans are alcoholics—many more millions are problem drinkers. "An alcoholic is someone whose drinking causes a continuing problem in any department of his life."

And the problem doesn't stop outside the gates of our plant. There are some employees—both men and women on all payrolls—who are having serious job performance difficulties because of excessive drinking.

"The unfortunate thing is that many individuals moving towards alcoholism won't admit it to themselves until the human costs are tremendous," says Dr. Robert Babick, Director of Medical Services.

"What I mean by human costs is the damaging results of alcoholism or other drug abuse to a person's mental, physical, and spiritual health. Also, the suffering this illness brings to an alcoholic's family."

Jim Cunnane joined the Medical Services staff several months ago to help coordinate the plant medical program for employees with drinking and/or other drug abuse problems.

"I want to stress that Jim is an important member of our medical staff," says Dr. Babick. "He has an extensive background in industry and the rehabilitation of alcoholics.

"Already, he is helping a number of employees having difficulties with alcohol. His counseling efforts are backed up by extensive outside rehabilitation programs when needed."

Dr. Babick encourages any employee who needs help to make an appointment with the Medical Department.

"All interviews are confidential." An employee can make an appointment through his supervisor or with Medical directly.

"No employee should feel embarrassed to come in. That's why we are here. We will do everything possible to help an individual who sincerely seeks it."

Dr. Babick pointed out that the typical alcoholic is between 35 and 50 years old. He is a skilled or semiskilled employee who usually owns his own home, has two children, and at least seven years' seniority.

"The average age of employees at our plant is 37.23 with 12 years of seniority," he relates. "We estimate through national statistics that approximately six percent of our employees are suffering from alcoholism."

Dr. Babick stresses that alcoholism is not limited to any sex or economic status.

"Sometimes we have found that a woman is more hesitant than a man in seeking help." But without help, it's very difficult for a person to lick this problem.

"Alcoholism is a progressive illness. It doesn't happen overnight. The sickness usually creeps up slowly on a person. He gradually crosses over into alcoholism without knowing it. Left untreated, it can be fatal."

But the illness is treatable and can be arrested. Dr. Babick indicated that Lutheran General Rehabilitation Center of Chicago reports 80% recovery rates for Industrial Alcoholism programs where there is direct involvement in treatment by the family and the employer.

"The Company stands ready to cooperate fully with any employee who recognizes he/she has an alcohol or other drug abuse problem and makes an effort to correct it," Dr. Babick concludes.

WHAT KIND OF DRINKER ARE YOU?

Do you think and talk about drinking often?

Do you drink more now than you used to?

Do you sometimes gulp drinks?

Do you often take a drink to help you relax?

Do you drink when you are alone?

Do you sometimes forget what happened while you were drinking?

Do you keep a bottle hidden somewhere—at home or at work—for quick pick-me-ups?

Do you need a drink to have fun?

Do you ever just start drinking without really thinking about it?

Do you drink in the morning to relieve a hangover?

If you answered "yes" to any of these questions, you may want to do some serious thinking about the way you use alcohol.

[From the Caterpillar Bulldozer, July 9, 1974]

YOU CAN RECEIVE HELP: IF DRINKING IS A PROBLEM

EDITOR'S NOTE: (Employees suffering from alcohol and/or other drug abuse illness may receive comprehensive help from Medical Services. An article in the May issue of "Bulldozer" briefly explained how an employee can obtain this help. Drexel White, president of Local 851, International Association of Machinists and Aerospace Workers, has recommended that the program be more fully explained in "Bulldozer." While endorsing this effort to help employees, White feels that some individuals with a drinking problem may be reluctant to seek help unless they first know all the facts. "An employee wants to know how seeking help will affect his job, his pay and his chances for advancement," White said. "And he wants to know how much this help is going to cost him." In response to White's suggestion, the following article uses a fictitious person to relate what does happen when an employee seeks Company help for an alcohol and/or drug abuse problem.)

Bill realized that he wasn't going to make it alone.

Bill, age 35, had worked for Caterpillar-Joliet for 15 years. He was a good employee and had progressed through several promotions. He lives in a nice neighborhood and in the past participated in several community activities.

Yet, Bill had been having problems in the last couple of years. His relationship with his wife and two sons was slowly disintegrating.

But then things really went bad. Bill had an auto accident and was ticketed for driving under the influence of alcohol.

Personal bills seemed to be piling up. He thought alcohol eased the tensions. He used to drink only after work. But lately, the drinking increased. He began taking a bottle to work with him in his car—sneaking a few belts before entering the plant.

The ache in his stomach during work bothered him. Only a drink seemed to soothe the pain. He began missing work more often because of heavy drinking hangovers.

ALWAYS SICK

Bill felt like he had a constant flu bug. Drinking became more important than eating or spending time with his family. He became totally preoccupied with drinking. His job performance began to suffer.

Still, Bill didn't think he had a drinking problem. He thought it was just daily pressures which forced him to drink often.

Then, Bill began to get scared. Occasionally he couldn't remember what happened after starting to drink heavily. This happened more and more often. The "blackouts" sapped his strength and ability to lead a normal life.

His family was suffering because of his drinking. Bill realized that he needed help. The tremendous obsession and compulsion to drink was consuming his life.

So what could he do?

Bill heard there was a program to help employees with drinking problems. He was fearful to take the first step. What would happen to him? Would he lose his job?

Finally, Bill decided to request an interview with Medical Services to discuss his problem. It was the first step to recovery.

Bill went in for the interview. He talked with Jim Cunnane, coordinator in Medical Services for employees with alcohol and/or other drug abuse problems.

NEEDED DATA

Cunnane explained that Medical would do everything possible to help him arrest his drinking problem. Also, that alcoholism is an illness—an illness that if left untreated can be fatal.

Bill was relieved to find out that no record of his problem would be placed in his Caterpillar Personal History Folder. This was a medical matter and all information was strictly confidential.

But, Bill had to do his part. He sincerely had to cooperate in the treatment of his illness.

Bill's situation was thoroughly evaluated under the direction of Dr. Robert Babick, manager of Medical Services. Cunnane handled the confidential personal interviews—utilizing his extensive background in the rehabilitation of alcoholics—to help make a recommendation on Bill's case.

Medical recommended that Bill participate in a voluntary rehabilitation program for alcoholics at Lutheran General Hospital, Park Ridge, Ill.—considered by professionals to be an outstanding program.

Cunnane explained that Lutheran General Hospital's Rehabilitation Center is a self-contained world of academic-looking lecture rooms and library, deep-carpeted group rooms, comfortable lounges and recreation rooms. With "motel-like bedrooms" and pleasant surroundings, the center offers a challenging 25-day rehabilitation program where the alcoholic has the maximum opportunity for recovery.

Men and women from all walks of life—blue collar, white collar and professionals—have participated in the Lutheran General program with good results.

Cunnane also explained that the program cost is completely covered under Bill's Employee Benefits Plan. While in treatment, he will receive weekly disability benefits. If needed, Bill first would experience a short detoxification period, a "drying out," at Lutheran General Hospital under expert medical care. Then he enters a formally structured 21-day treatment program.

RIGHT DECISION

The choice was up to Bill. He decided to go to Lutheran General. And for Bill, the treatment program has been successful.

Though Bill will always be an alcoholic, he leads a normal life today. He participates in local Alcoholics Anonymous activities. His family members also take advantage of community supportive resource programs. They are vitally important in the total rehabilitation program. Medical Services keeps in touch with Bill to assure things are going well.

BILL IS SYMBOL

Though Bill doesn't exist, he does symbolize a number of employees now being helped by Medical Services because of alcohol and/or other drug abuse problems.

"We are dedicated to providing total quality medical care for all illnesses, including alcoholism," says Dr. Babick.

An employee who wishes to discuss a drinking and/or other drug abuse problem can on a confidential basis first discuss the problem with his supervisor, or call Medical direct, 6281.

CONSERVATION AND REHABILITATION PROGRAMS ON MILITARY RESERVATIONS

Mr. HART. Mr. President, I ask unanimous consent that the bill H.R. 11537 as passed by the Senate on July 15, 1974 be printed in the RECORD. While this is not the usual practice for House bills passed by the Senate, the Commerce Committee has received a number of requests for copies of the Senate-passed version of H.R. 11537. It would facilitate the distribution of this material if the bill could be printed in the RECORD.

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

H.R. 11537

An Act to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to promote effectual planning, development, maintenance and coordination of wildlife, fish and game conservation and rehabilitation in military reservations", approved September 15, 1960 (16 U.S.C. 670a–f), is amended—

(1) by inserting immediately after the first sentence of the first section thereof the following new sentence: "Such cooperative plan shall provide for (1) fish and wildlife habitat improvements or modifications, (2) range rehabilitation where necessary for support of wildlife and (3) control of off-road vehicle traffic."; and

(2) by amending section 6(b) thereof—

(A) by amending the first sentence thereof by inserting immediately after "July 1, 1971," the following: "and not to exceed $1,500,000 for the fiscal year beginning July 1, 1972, and for each of the next five fiscal years thereafter,"; and

(B) by inserting immediately before the last sentence thereof the following new sentence: "There is authorized to be appropriated to the Secretary of the Interior not to exceed $2,000,000 for the fiscal year beginning July 1, 1973, and for each of the next four fiscal years thereafter to enable the Secretary to carry out such functions and responsibilities as he may have under cooperative plans to which he is a party under this title."

SEC. 2. Such Act of September 15, 1960, is further amended by adding at the end thereof the following:

"TITLE II—CONSERVATION PROGRAMS ON CERTAIN PUBLIC LAND

"SEC. 201. (a) The Secretary of the Interior and the Secretary of Agriculture shall each, in cooperation with the State agencies and in accordance with comprehensive plans developed pursuant to section 202 of this title, plan, develop maintain, and coordinate programs for the conservation and rehabilitation of wildlife, fish, and game. Such conservation and rehabilitation programs shall include, but not be limited to, specific habitat improvement projects and related activities and adequate protection for species considered rare or endangered.

"(b) The Secretary of the Interior shall implement the conservation and rehabilitation programs required under subsection (a) of this section on public land under his jurisdiction. The Secretary of the Interior shall adopt, modify, and implement the conservation and rehabilitation programs required under such subsection (a) on public land under the jurisdiction of the Chairman but only with the prior written approval of the Atomic Energy Commission, and on public land under the jurisdiction of the Administrator, but only with the prior written approval of the Administrator. The Secretary of Agriculture shall implement such conservation and rehabilitation programs on public land under his jurisdiction.

"SEC. 202. (a)(1) The Secretary of the Interior shall develop, in consultation with the State agencies, a comprehensive plan for conservation and rehabilitation programs to be implemented on public land under his jurisdiction and the Secretary of Agriculture shall do the same in connection with public land under his jurisdiction.

"(2) The Secretary of the Interior shall develop, with the prior written approval of the Atomic Energy Commission, a comprehensive plan for conservation and rehabilitation programs to be implemented on public land under the jurisdiction of the Chairman and develop, with the prior written approval of the Administrator, a comprehensive plan for such programs to be implemented on public land under the jurisdiction of the Administrator. Each such plan shall be developed after the Secretary of the Interior makes, with the prior written approval of the Chairman or the Administrator, as the case may be, and in consultation with the State agencies, necessary studies and surveys of the land concerned to determine where conservation and rehabilitation programs are most needed.

"(b) Each comprehensive plan developed pursuant to this section shall be consistent with any overall land use and management plans for the lands involved. In any case in which hunting, trapping, or fishing (or any combination thereof) of resident fish and wildlife is to be permitted on public land under a comprehensive plan, such hunting, trapping, and fishing shall be conducted in accordance with applicable laws and regulations of the State in which such land is located.

"(c)(1) Each State agency may enter into a cooperative agreement with—

"(A) the Secretary of the Interior with respect to those conservation and rehabilitation programs to be implemented under this title within the State on public land which is under his jurisdiction;

"(B) the Secretary of Agriculture with respect to those conservation and rehabilitation programs to be implemented under this title within the State on public land which is under his jurisdiction; and

"(C) the Secretary of the Interior and the Chairman or the Administrator, as the case may be, with respect to those conservation and rehabilitation programs to be implemented under this title within the State on public land under the jurisdiction of the Chairman or the Administrator; except that before entering into any cooperative agreement which affects public land under the jurisdiction of the Chairman, the Secretary of the Interior shall obtain the prior written approval of the Atomic Energy Commission and before entering into any cooperative agreement which affects public lands under the jurisdiction of the Administrator, the Secretary of the Interior shall obtain the prior written approval of the Administrator.

"Conservation and rehabilitation programs developed and implemented pursuant to this title shall be deemed as supplemental to wildlife, fish, and game related programs conducted by the Secretaries of the Interior and

Agriculture pursuant to other provisions of law. Nothing in this Act shall be construed as limiting the authority of the Secretary of Agriculture or the Interior to manage the national forests or other public lands for wildlife and fish and other purposes in accordance with the Multiple Use—Sustained Yield Act of 1960 (74 Stat. 215; 16 U.S.C. 528–31) or other applicable authority."

"(2) Any conservation and rehabilitation program included within a cooperative agreement entered into under this subsection may be modified in a manner mutually agreeable to the State agency and the Secretary concerned (and the Chairman or the Administrator, as the case may be, if public land under his jurisdiction is involved). Before modifying any cooperative agreement which affects public land under the jurisdiction of the Chairman, the Secretary of the Interior shall obtain the prior written approval of the Atomic Energy Commission and before modifying any cooperative agreement which affects public land under the jurisdiction of the Administrator, the Secretary of the Interior shall obtain the prior written approval of the Administrator.

"(3) Each cooperative agreement entered into under this subsection shall—

"(A) specify those areas of public land within the State on which conservation and rehabilitation programs will be implemented;

"(B) provide for fish and wildlife habitat improvements or modifications, or both;

"(C) provide for range rehabilitation where necessay for support of wildlife;

"(D) provide adequate protections for fish and wildlife officially classified as rare or endangered by the U.S. Department of the Interior, or considered threatened, rare, or endangered by the State agency;"

"(E) require the control of off-road vehicle traffic;

"(F) if the issuance of public land area management stamps is agreed to pursuant to section 203(a) of this title—

"(i) contain such terms and conditions as are required under section 203(b) of this title;

"(ii) require the maintenance of accurate records and the filing of annual reports by the State agency to the Secretary of the Interior or the Secretary of Agriculture, or both, as the case may be, setting forth the amount and disposition of the fees collected for such stamps; and

"(iii) authorize the Secretary concerned and the Comptroller General of the United States, or their authorized representatives, to have access to such records for purposes of audit and examination; and

"(G) contain such other terms and conditions as the Secretary concerned and the State agency deem necessary and appropriate to carry out the purposes of this title.

A cooperative agreement may also provide for arrangements under which the Secretary concerned may authorize officers and employees of the State agency to enforce, or to assist in the enforcement of, section 204(a) of this title.

"(4) Except where limited under a comprehensive plan or pursuant to cooperative agreement, hunting, fishing, and trapping shall be permitted on public land which is the subject of a conservation and rehabilitation program implemented under this title.

"(5) The Secretary of the Interior and the Secretary of Agriculture, as the case may be, shall prescribe such regulations as are deemed necessary to control, in a manner consistent with the applicable comprehensive plan and cooperative agreement, the public use of public land which is the subject of any conservation and rehabilitation program implemented by him under this title.

"SEC. 203. (a) Any State agency may agree with the Secretary of the Interior and the Secretary of Agriculture (or with the Secretary of the Interior or the Secretary of Agriculture, as the case may be, if within the State concerned all conservation and rehabilitation programs under this title will be implemented by him) that no individual will be permitted to hunt, trap, or fish on any public land within the State which is subject to a conservation and rehabilitation program implemented under this title unless at the time such individual is engaged in such activity he has on his person a valid public land management area stamp issued pursuant to this section.

"(b) Any agreement made pursuant to subsection (a) of this section to require the issuance of public land management area stamps shall be subject to the following conditions:

"(1) Such stamps shall be issued, sold, and the fees therefor collected, by the State agency or by the authorized agents of such agency.

"(2) Notice of the requirement to possess such stamps shall be displayed prominently in all places where State hunting, trapping, or fishing licenses are sold. To the maximum extent practicable, the sale of such stamps shall be combined with the sale of such State hunting, trapping, and fishing licenses.

(3) Except for expenses incurred in the printing, issuing, or selling of such stamps, the fees collected for such stamps by the State agency shall be utilized in carrying out conservation and rehabilitation programs implemented under this title in the State concerned and for no other purpose. If such programs are implemented by both the Secretary of the Interior and the Secretary of Agriculture in the State, the Secretaries shall mutually agree, on such basis as they deem reasonable, on the proportion of such fees that shall be applied by the State agency to their respective programs.

(4) The purchase of any such stamp shall entitle the purchaser thereof to hunt, trap, and fish on any public land within such State which is the subject of a conservation or rehabilitation program implemented under this title except to the extent that the public use of such land is limited pursuant to a comprehensive plan or cooperative agreement; but the purchase of any such stamp shall not be construed as (A) eliminating the requirement for the purchase of a migratory bird hunting stamp as set forth in the first section of the Act of March 16, 1934, commonly referred to as the Migratory Bird Hunting Stamp Act (16 U.S.C. 718a), or (B) relieving the purchaser from compliance with any applicable State game and fish laws and regulations.

(5) The amount of the fee to be charged for such stamps, the age at which the individual is required to acquire such a stamp, and the expiration date for such stamps shall be mutually agreed upon by the State agency and the Secretary or Secretaries concerned; except that each such stamp shall be void not later than one year after the date of issuance.

(6) Each such stamp must be validated by the purchaser thereof by signing his name across the face of the stamp.

(7) Any individual to whom a stamp is sold pursuant to this section shall upon request exhibit such stamp for inspection to any officer or employee of the Department of the Interior or the Department of Agriculture, or to any other person who is authorized to enforce section 204(a) of this title.

"SEC. 204. (a)(1) Any person who hunts, traps, or fishes on any public land which is subject to a conservation and rehabilitation program implemented under this title without having on his person a valid public land management area stamp, if the possession of such a stamp is required, shall be fined not more than $1,000, or imprisoned for not more than six months or both.

"(2) Any person who knowingly violates or fails to comply with any regulations prescribed under section 202(c)(5) of this title shall be fined not more than $500, or imprisoned not more than six months, or both.

"(b)(1) For the purpose of enforcing subsection (a) of this section, the Secretary of the Interior and the Secretary of Agriculture may designate any employee of their respective departments to (i) carry firearms; (ii) execute and serve any warrant or other process issued by a court or officer of competent jurisdiction; (iii) make arrests without warrant or process for a misdemeanor he has reasonable grounds to believe is being committed in his presence or view; (iv) search without warrant or process any person, place, or conveyance as provided by law; and (v) seize without warrant or process any evidentiary item as provided by law."

"(3) Any person charged with committing any offense under subsection (a) of this section may be tried and sentenced by any United States magistrate designated for that purpose by the court by which he was appointed, in the same manner and subject to the same conditions as provided for in section 3401 of title 18, United States Code.

"(c) All guns, traps, nets, and other equipment, vessels, vehicles, and other means of transportation used by any person when engaged in committing an offense under subsection (a) of this section shall be subject to forfeiture to the United States and may be seized and held pending the prosecution of any person arrested for committing such offense. Upon conviction for such offense, such forfeiture may be adjudicated as a penalty in addition to any other provided for committing such offense.

"(d) All provisions of law relating to the seizure, forfeiture, and condemnation of a vessel for violation of the custom laws, the disposition of such vessel or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures, shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this section, insofar as such provisions of law are applicable and not inconsistent with the provisions of this section; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for the purposes of this section, be exercised or performed by the Secretary of the Interior or the Secretary of Agriculture, as the case may be, or by such persons as he may designate.

"SEC. 205. As used in this title—

"(1) The term 'Administrator' means the Administrator of the National Aeronautics and Space Administration.

"(2) The term 'Chairman' means the Chairman of the Atomic Enegry Commission.

"(3) The term 'off-road vehicle' means any motorized vehicle designed for, or capable of, cross-country travel on or immediately over land, water, sand, snow, ice, marsh, swampland, or other natural terrain; but such term does not include—

"(A) any registered motorboat at the option of each State;

"(B) any military, fire, emergency, or law enforcement vehicle when used for emergency purposes; and

"(C) any vehicle the use of which is expressly authorized by the Secretary of the Interior or the Secretary of Agriculture under a permit, lease, license, or contract.

"(4) The term 'public land' means all lands under the respective jurisdiction of the Secretary of the Interior, the Secretary of Agriculture, the Chairman, and the Administrator, except land which is, or hereafter may be, within or designated as—

"(A) a military reservation;

"(B) units of the National Park System;

"(C) an area within the national wildlife refuge system;

"(D) Indian reservations;"

"(E) an area within an Indian reservation or land held in trust by the United States for an Indian or Indian tribe."

"(5) The term 'State agency' means the agency or agencies of a State responsible for the administration of the fish and game laws of the State.

"(6) The term 'conservation and rehabilitation programs' means to utilize those methods and procedures which are necessary to enhance wildlife, fish, and game resources to the maximum extent practicable on public lands subject to this title, including appropriate protection, consistent with any overall land use and management plans for the lands involved. Such methods and procedures shall include, but shall not be limited to, all activities associated with scientific resources management such as protection, research, census, law enforcement, habitat management, propagation, live trapping and transplantation, and regulated taking in conformance with the provisions of this title."

"SEC. 206. Notwithstanding any other provisions in this title, section 203 of this title shall not apply to land which is, or hereafter may be, within or designated as National Forest Service land or as Bureau of Land Management land of any State in which all Federal lands therein comprise 25 per centum or more of the total area of such State."

"SEC. 207. (a) There is authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1974, and for each of the next four fiscal years thereafter to enable the Department of the Interior to carry out its functions and responsibilities under this title.

"(b) There is authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1974, and for each of the next four fiscal years thereafter to enable the Department of Agriculture to carry out its functions and responsibilities under this title."

SEC. 3. Such Act of September 15, 1960, is further amended—

(1) by redesignating the first section and sections 2 through 6 as sections 101 through 106, respectively;

(2) by striking out "That the Secretary of Defense" in section 101 (as so redesignated) and inserting in lieu thereof the following:

"TITLE I—CONSERVATION PROGRAMS ON MILITARY RESERVATIONS

"SEC. 101. The Secretary of Defense";

(3) by striking out "Act" the first time it appears in the proviso to section 102 (as so redesignated) and inserting in lieu thereof "title";

(4) by striking out "Act" each place it appears in sections 104 and 106 (as so redesignated) and inserting in lieu thereof "title"; and

(5) by striking out "sections 1 and 2" in section 106 (as so redesignated) and inserting in lieu thereof "sections 101 and 102".

"Sec. 208. Nothing in this Act shall enlarge or diminish or in any way affect the rights of Indians or Indian tribes to the use of water or natural resources or their rights to fish, trap, or hunt wildlife as secured by statute, agreement, treaty, Executive order, or court decree. Nor will any provision of the Act enlarge or diminish or in any way affect existing State or Federal jurisdiction to regulate those rights either on or off reservations."

SEC. 4. Nothing in this Act shall in any way affect the jurisdiction, authority, duties or activities of the Joint Federal-State Land Use Planning Commission established pursuant to section 17 of the Alaska Native Claims Settlement Act (85 Stat. 688). And, any comprehensive plan promulgated pursuant to this Act for Alaska shall be submitted to such Commission for its advice and comments prior to its approval.

INDOCHINA AID

Mr. KENNEDY. Mr. President, the Congress will soon consider the administration's budget requests for the so-called Indochina Postwar Reconstruction program—a $943 million request for this coming fiscal year, or nearly double that authorized last year.

Of this amount, well over half will go to purchase commodities for the Commercial Import Program in South Vietnam or to support the stabilization funds that help Cambodia and Laos close their foreign exchange gap. Less than a quarter of our aid to Indochina will be spent for humanitarian purposes and not much more will go to fulfill the objectives for which the program is labeled: "postwar reconstruction."

Instead, American money will buy commodities for rich merchants to sell or corrupt governments to dispense, and not to bring relief or rehabilitation to millions of war victims in need of help. We will continue to support war economies rather than help war victims.

Mr. President, the abuses and failures of our commodity import programs in Indochina have been documented and exposed for a number of years. Yet, this administration seems determined to repeat the failures of the past. The name of the program changes, but the purposes of the program remains the same.

Nowhere is this stated more clearly than in a news dispatch yesterday by Mr. Tammy Arbuckle in the Washington Star-News. He once again reviews the corruption and abuses which surround our AID program in Laos and Cambodia, suggesting it will remain this way so long as we are more interested in supplying commodities for Indochina instead of providing humanitarian assistance.

Mr. Arbuckle's article is a sobering reminder to Congress that, as we consider this year's foreign assistance bill, there are some long overdue reforms that must be made in our Indochina program. In the absence of any meaningful change by the administration, the Congress must act to change the character and level of our aid program, and to establish a humanitarian priority.

Mr. President, I would like to draw the attention of all Senators to the article by Mr. Arbuckle, and I ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Star-News, July 30, 1974]

LAOS PROGRAMS: GOOD AND BAD AID WORK

(By Tammy Arbuckle)

VIENTIANE.—A huge waste of American aid funds in Indochina, combined with the failure of the U.S. Agency for International Development to achieve its objectives in the area, makes necessary a searching appraisal of America's Indochina aid program, U.S. officials in the area say.

"I guess we know only how to do things the most expensive way," a senior USAID official said, trying to explain away the high cost of a tiny project in northwest Laos, the construction of a market, completed in March, in the town of Ban Houei Sai.

This market covers only 1,400 square meters and consists of only a concrete floor, cement pillars and a tin roof with no walls for coolness. USAID's share of the cost of construction materials, equipment and personnel alone was $32,533, calculating at the official exchange rate of 600 kip to one dollar.

To make matters worse, the USAID-built market is placed to cause the maximum inconvenience for the local people who are supposed to use it, USAID critics says.

Americans said the market is placed at the rear of the town, far from the center of commercial activity—the main street along the Mekong bank where Thai traders from across the river come to trade with the hill tribes, often using their profits to buy other items before returning to their villages. USAID sources admit the market location is bad and has made America look stupid. AID officials' defense is that the market is located on the only piece of ground available.

Nobody can find fault with the work of USAID field officer Frank Bewitz in Laos' northern capital, Luang Prabang. For an outlay of only $2,000 and some technical knowledge and skill with his hands Bewitz has given the close to 4,000 inhabitants of Pak Ou a town north of Luang Prabang, a complete potable water system using new type plastic tubing for waterpipes.

USAID's food and nutrition program in South Vietnam and humanitarian programs in Cambodia are certainly worth continuing, along with the agency's malaria eradication program in Laos.

Falsipiral malaria is a deadly killer in Laos, but USAID teams, in cooperation with the International Red Cross, spray Laos valleys, slowly clearing mosquitoes from some areas.

The malaria program, one of the few efforts which bring immediate, obvious help to poorer people and earn the gratitude on which political succes can be built, lacks funds.

With so many aspects of good and bad, and with such a complex set of programs it is difficult to decide what aid to continue and how much to spend.

This year the Nixon administration is asking for more aid money in Indochina than ever anywhere else—a total of $939.8 million

This money is for a multilateral aid program in Indochina which has three basic components: One is humanitarian aid; the second is development aid, this year being sold to congress under the rather dubious label of reconstruction; and the third is aid to save currencies and keep an artificially high standard of living for political reasons.

Many U.S. officials in Indochina missions and some brighter young Vietnamese, Cambodian and Lao officials believe USAID should should be revamped along different lines, with much of third part of the aid program cut out and American spending cut drastically.

These sources advocate that aid should reach directly to the bottom of the economic and social scale—to the man in the street, or ricefield, of Indochina—and that those programs which cause U.S. funds to filter only partially from the top to the bottom of society here should, at the very least, be reassessed and preferably should be severely cut.

This would mean that USAID's emphasis would be placed on the humanitarian and field programs.

The $170.3 million for humanitarian uses included in this year's Foreign aid bill achieves the twin objectives of reaching people who need it most and of letting poorer people in the region see the United States is really trying to do something to help them. The ordinary people of Indochina continue to prove a fruitful field for Communist cadres—which is itself an indictment of aid.

Although there is maladministration and corruption in some of these programs, the sources say humanitarian programs are successful because they are something which affects large numbers of people, something tangible.

So, too, is much of the development program—the building of schools and hospitals, for example—but not enough to justify the amounts asked for by the administration this year, according to critics.

The administration is seeking $227.7 million for development aid in South Vietnam and $22.4 million for Laos, with nothing for Cambodia.

President Nixon's tagging of those programs as reconstruction in his congressional request last April is seen as a political gimmick to give the impression something has been achieved in Indochina and give congress, heart a nudge. In requesting Indochina aid the president said the money was to assist Indochina nations "in their efforts to shift their economies from war to peace," but in South Vietnam the war is boiling on, making reconstruction pointless. In Laos there is little fighting but the Communists whose area has the greatest war damage, will not permit any American entry for aid supervision.

All over south Vietnam and Laos USAID has constructed stone buildings for various purposes at great cost: markets, for example.

Every population centre always had its markets. To construct a new market adds precisely zero to the economy. All the dirt of the old market is shifted to the new American-built market.

"It's a political thing so that the people can see the USAID handshake on the wall," a U.S. offical said, but "the handshake soon disappears under a coating of dirt."

The most flagrant abuses of aid are practiced in the Cambodian commodity import program, for which $71 million is asked this fiscal year, the Cambodian exchange support fund and the Laos foreign exchange operations fund, budgeted at $17.5 million each.

South Vietnam does not have similar programs. A senior American aid official there labels them "economically unsound" and says they are not in Vietnam because U.S. officals there know they don't work.

But senior aid officials in Cambodia and Laos, because the three programs are part of a web of U.S. political support for the governments there, fight to keep the programs even when they demonstrably fail.

The three programs are related to increased Cambodian and Lao government spending which causes deficit budgets.

They were begun in an effort to soak up extra money generated by war in these countries and stabilize the Cambodian rial and Lao kip monetary units.

But the aims of the program have been frustrated by corruption of the Vietnamese and Chinese who control these countries economies and high-ranking Lao and Cambodian official who's WHO officials have stolen U.S. funds.

In the commodity import program the merchants in Cambodia receive goods cheaply and sell them at a high price, as there are no price controls.

This defeats the purpose of making cheap goods available to large numbers of the population, who see goods displayed which they can't afford, arousing political discontent.

High profits for the Chinese produce large withdrawals in the fund as these merchants convert their profits back into dollars. Sometimes dollars are taken out through false invoicing for non-existent goods.

Because of the heavy imports, there is no incentive for staple goods, such to be locally produced. Thus, in Laos, there are no exports to give real backing to the kip currency.

The system does nothing to stop inflation. In Laos there has been over 70 percent inflation since January. In Cambodia, the figure is about 30 percent.

To make matters worse, the Cambodians and Laotians will not cut deficit spending. Nor will they devalue fast enough. And they cannot or will not institute price controls.

In Laos the program has turned out particularly badly for the United States. The Communists in the coalition government refuse to devaluate or institute price controls and spend government funds as fast as they can.

Among the uneducated population, the communist cadres successfully—and falsely—claim the Americans are taking dollars away, causing inflation and devaluation. The United States gets the blame from the Lao public sick of inflation and tired of seeing luxuries it can't buy.

Detractors of the aid schemes suggest Congress could phase out the import programs gradually.

They argue that the Lao and Cambodian governments then would realize the United States can't support them forever. The governments would be forced to devalue their currencies slowly thus avoiding sudden political collapse, the critics say, and would have to cut spending and institute price controls.

Critics argue that, because the programs widen the gap between rich and poor, there would be a political collapse, anyway.

U.S. officials unhappy with the programs point out the Communists are stronger than ever Indochina and therefore USAID, in its present form has failed after fifteen years of trying.

RESTORATION OF CITIZENSHIP TO GEN. ROBERT E. LEE

Mr. HARRY F. BYRD, JR. Mr. President, I am pleased to announce that the distinguished Senator from Georgia (Mr. NUNN) has asked to be added as a cosponsor of Senate Joint Resolution 189, a measure to restore posthumously full rights of citizenship to Gen. Robert E. Lee.

In asking that Senator NUNN be included as a cosponsor of this resolution, I think it is fitting to note that he joins Senators THURMOND, WILLIAM L. SCOTT, GRAVEL, HUMPHREY, HELMS, PERCY, GURNEY, and TOWER, all of whom are already cosponsors of the measure.

I would also like to bring to the attention of my colleagues that on July 6, 1974, the Reserve Officers Association of the United States formally endorsed this resolution. I attach particular importance to the unanimous action of this national organization at its annual convention in Atlanta, Ga.

As many of my colleagues know, the Reserve Officers Association of the United States carriers a membership which now exceeds 90,000. The ROA National Convention drew over 1,000 delegates representing every State in the Union. Their act reaffirms my representation to the Senate when I introduced this measure on February 21, 1974: this proposal speaks not to sectionalism, but instead expresses unanimity of thoughts in tribute, respect, and with a sense of justice to one of America's greatest men—Gen. Robert E. Lee.

I ask unanimous consent that the distinguished Senator from Georgia (Mr. NUNN) be added as a cosponsor of Senate Joint Resolution 189, and that the text of the standing mandate of the Reserve Officers Association of the United States be printed in the RECORD.

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

RESOLUTION NO. 5—RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES STANDING MANDATE

RESTORE THE U.S. CITIZENSHIP OF ROBERT E. LEE

Whereas, Robert E. Lee, the Confederacy's greatest general and one of Virginia's most distinguished sons, whom the entire nation has long recognized because of his outstanding virtues of courage, patriotism and selfless devotion to duty, and his contribution in healing the wounds of the War Between the States, did not have his United States citizenship restored after the War Between the States, and

Whereas, previous attempts have failed to restore his citizenship primarily because there had been no proof that he had ever complied with the requirements of amnesty by swearing "to support, protect, and defend the Constitution of the United States," and

Whereas, archivists in the National Archives in 1970 discovered his amnesty oath taken at Washington College in Lexington, Virginia, on October 2, 1865, and his application for reinstatement of citizenship submitted to President Andrew Johnson after being favorably endorsed by General Ulysses S. Grant on June 16, 1865, and

Whereas, the Robert E. Lee Chapter of ROA was named after this distinguished citizen-soldier who resided in Arlington, Virginia, and

Whereas, Senator Harry F. Byrd, Jr., and Representative Thomas N. Downing introduced Joint Resolutions on February 21, 1974, and March 6, 1974, respectively, to restore General Lee's citizenship,

Now therefore be it resolved that the Reserve Officers Association of the United States endorses the resolutions made by Senator Byrd and Representative Downing to restore posthumously United States citizenship to Robert E. Lee.

ADM. ELMO RUSSELL ZUMWALT, JR.

Mr. PROXMIRE. Mr. President, Adm. Elmo Russell Zumwalt, Jr., who has ended his 4-year tour as Chief of Naval Operations, moved decisively and boldly to reinvigorate the tradition-bound U.S. Navy. He made sweeping changes within his service, challenging old assumptions and testing new ideas.

In many ways, the changes initiated under Adimral Zumwalt's leadership may prove as revolutionary to the service and our Armed Forces as the shift from sail to steam that occurred well over a century ago.

Admiral Zumwalt is a unique and extremely well qualified officer. His broad background and assignments were not restricted to ship commands or to any single area of operations but were spread out among many fields of opportunity. This gave him a sure grasp of the key aspects of naval policies and operations. Diverse duties, both ashore and afloat, from service abroad various combatant vessels to the Naval ROTC program, and tours in the Pentagon, culminated in a year as the Naval Component Commander of the Military Assistance Command of Vietnam.

The CNO's long and varied career included three major areas that prepared

him well for the rigors of command as Chief of Naval Operations.

SYSTEMS ANALYISIS

The first of these areas was systems analysis. When Secretary of Defense Robert McNamara introduced this technique into the Department, Admiral Zumwalt undertook to direct a systems analysis group within the Office of the Chief of Naval Operations. He became one of the first contemporary naval officers to use this approach in evaluation and problem-solving and did much to spread its theories throughout the U.S. Navy.

Admiral Zumwalt served as Deputy Scientific Officer to the Center for Naval Analysis during 1966 to 1968 and was instrumental in restructuring the Center's approach to problem-solving. It is important to note that while serving as Director of the Systems Analysis Group, he was the personal representative of the Chief of Naval Operations, not only in dealings within the Defense Department, but also in testifying before congressional committees. For his work in system analysis Admiral Zumwalt was awarded the Distinguished Service Medal for "establishing the system analysis division and rapidly developing it into a highly effective, and responsive organization."

INTERNATIONAL AFFAIRS

The second important area of specialty was international affairs. In June 1962, he was assigned to the Office of the Assistant Secretary of Defense for International Security Affairs—ISA. At that time, ISA was an extremely important element in coordinating international and defense-related policies with DOD. Because of its influence in foreign policy it was often called the "Pentagon's little State Department."

Within this center for political-military planning, Admiral Zumwalt first served as desk officer for France, Spain, and Portugal, then as Director of Arms Control and Contingency Planning for Cuba. In addition to these assignments within ISA, Admiral Zumwalt served in the highest councils of the Navy, becoming the executive assistant and senior aide to the Honorable Paul H. Nitze, Secretary of the Navy.

His subsequent studies from the National War College prepared him to participate in joint, high level command and staff functions, and to execute national policy and strategy. For his activity and outstanding service within the offices of the Secretary of Defense and Secretary of the Navy, Admiral Zumwalt was awarded the Legion of Merit.

PERSONNEL POLICIES

The third specialty area was in the field of personnel.

Admiral Zumwalt did not develop a "people"-oriented attitude while in the CNO's position. His interest in personnel dates back to his early years in the U.S. Navy.

In June of 1953 he was assigned as Head of the Shore and Overseas Bases Section, Bureau of Navy Personnel at the Navy Department. He also served as officer and enlisted requirements officer and as action officer on medicare legislation. Undoubtedly, his first impressions toward Navy personnel policies and possible reforms within this area developed during this early period. After serving a brief tour of duty commanding a destroyer, he returned to the Bureau of Naval Personnel in 1957 and in 1958 was transferred to the Office of the Assistant Secretary of the Navy for Personnel and Reserve Forces.

In this position he served as Special Assistant for Naval Personnel until November 1958 then as Executive Assistant and Senior Aid until July 1959. Unquestionably, Admiral Zumwalt's tour as a personnel officer, together with his several sea commands in the U.S. Navy provided him with the necessary background, information, insight and appreciation of the problems and conflicts encountered by Navy men and women. As CNO the Admiral's flexibility in applying traditional Navy policies, his perseverance in initiating reforms, and his drive and energy to achieve the "impossible" in personnel relations undoubtedly came as a direct result of his own experiences.

MANPOWER REQUIREMENTS

On becoming Chief of Naval Operations in 1970, Admiral Zumwalt was faced with the Navy's most serious problem of manpower requirements. Still at war, both in and off Vietnam, the Navy was losing sailors at an alarming rate. Only 10 percent of the seamen on their first tour of duty were reenlisting. On Atlantic fleet aircraft carriers the rate was less than 3 percent. "In a highly technical organization," the CNO said at that time, "our retention problem borders on the verge of a catastrophic personnel crisis." The rising sophistication of weaponry demanded retention of trained and experienced personnel, especially in the fields of electronics and aviation machinery repair.

Admiral Zumwalt was idealy suited to communicate with younger enlisted and officer Navy men and women. He could reach them because he knew their problems, but more important, because he was both mentally and physically young and wanted to help. At the age of 44, he was the youngest naval officer ever promoted to rear admiral, and at the age of 49 the youngest four-star admiral in U.S. Naval history and the youngest to serve as U.S. Chief of Naval Operations. His youth was an important asset in better understanding, relating, and dealing with the great problems that beset the new and old recruits of the modern Navy. In order to move that huge Navy organization toward positive and progressive reforms it took a youthful, energetic, and dynamic personality. Admiral Zumwalt was that man.

THE Z-GRAMS

Three months to the day after moving in his office as CNO, Admiral Zumwalt issued the first of his now famous Z-grams. The purpose was to establish a study group to discover why Navy men were failing to reenlist. Ever since then, Admiral Zumwalt sought to make the Navy challenging enough to attract volunteers and retain trained personnel.

Admiral Zumwalt labeled the most important Navy communications with his initial to let Navy men know where they came from and where feedback could be directed. There have been more than 120 "Z-grams," with 104, or 87 percent, of these communications directly related to personnel problems. The admiral himself has called them "people programs," and has said that the "worth and personal dignity of the individual must be forcefully reaffirmed." He has brought about a revolution in personnel reforms and has issued Z-grams that:

Direct every base, station, air squadron, and ship commander to appoint minority group representatives to serve as minority affairs assistants with direct access to the commanding officer.

Launched a campaign to recruit more blacks officers and enlisted men, eliminate bias in job assignments and, in general, to transform the Navy into a "model of equal opportunity" by 1976.

Authorized beer vending machines in Navy barracks and liquor in those barracks which are divided into rooms; set up experimental hard-rock music clubs at five naval stations; abolished penalties for moustaches, beards, sideburns and longer hair; liberalized regulations on wearing uniforms; and knocked out a rule barring sailors from driving motorcycles onto Naval bases.

Abolished, effective July 1, 1973, the traditional sailor suit—with its round hat, jumper, necktie, flap on the back of the neck, and bell-bottom trousers—and replaced with the same double-breasted jacket, blue trousers, black tie and white cap worn by officers. Admiral Zumwalt said the old uniforms were just "not as prestigious as the suit and tie."

Ordered the opening of many new Navy billets to women and said the assignment of women aboard warships was the "ultimate goal" that will be timed to ratification of the women's equal rights amendment to the Constitution of the United States.

Other Z-grams forbade imposing a lower maximum for an enlisted man's personal checks on base than for an officer's [now its $50 for all], set 15 minutes as the maximum time any sailor should be ordered to wait in line for anything and established a new office in the Bureau of Naval Personnel called PERS-P to help Navy men solve their individual problems.

In a survey of nearly 12,000 enlisted men taken in 1971, 86 percent said the Z-grams had been good and a majority said Navy life had improved in 5 out of 8 areas. About half thought that there had been improvements in the field of human rights. The innovator and man most responsible for these reforms is Adm. Elmo Zumwalt.

ALL VOLUNTEER FORCE

In a recent interview the admiral said that he was motivated by two concerns. One was a belief that if the Navy were to compete for manpower in a day of an all-volunteer force, it had to recognize the legitimate desire of young men "to live in the lifestyle of their generation." The other was that racial integration of the Navy was a challenge so absolutely important and right that it just had "to be waded into." Admiral Zumwalt saw vindication for his reforms in the rising en-

listment and reenlistment figures, which are also regarded as a good barometer of Navy morale.

Today, 4 years after Admiral Zumwalt took office, reenlistments are up 23 percent for first-tour sailors and have risen from the 80's to 91 percent for career personnel. It is widely recognized in the Navy that from the first day on the job Admiral Zumwalt set about to improve the life of the ordinary seaman by eliminating unnecessary irritants and by treating Navy men as mature individuals.

On the question of racial integration in the Navy, the number of black officers has increased from three quarters of 1 percent to 1.5 percent and the number of black enlisted men from 4.4 percent to 8 percent. The first black admiral, Samuel L. Gravely, Jr., was appointed under Admiral Zumwalt and recently a second black officer, Gerald E. Thomas, has been selected for promotion to rear admiral.

Although the Z-grams particularly caught the public eye, Admiral Zumwalt also innovated a series of face-to-face meetings with members of his command. He has made himself highly visible to all hands, but especially to the enlisted personnel. The admiral has held numerous question-and-answer conferences with the men and women of the Navy in various parts of the country and the world in a continuing effort to ascertain sources of dissatisfaction and to find ready solutions to individual or collective problems.

The admiral has devised and established a "mod squad" destroyer squadron operating in the Mediterranean Sea. In this experimental project all the commanding officers, executive officers, and department heads of the seven destroyers are a rank lower than is normal for such key positions. And the skippers, execs, and senior officers, therefore, are several years younger and have perhaps only half the naval experience of officers who traditionally fill such seagoing posts. Admiral Zumwalt explained that this experiment was designed to give up-and-coming young officers an earlier crack at senior command billets, thus utilizing their talents sooner and providing an incentive for the brightest young officers to remain in the Navy. He may have summed up his philosophy on personnel relations when he said, "my first move is to retain the best I can find. In my book, people come first."

Mr. President, Admiral Zumwalt and I have had any number of disputes. We have argued about the strength of the U.S. Navy and the strength of the Soviet Navy. We have debated strategy and tactics. In many cases I have thought that he presented only the bleak picture of the threat in order to justify larger Navy expenditures.

But through it all I recognized the CNO as an effective, persuasive, and vigorous proponent of the Navy viewpoint.

He has my respect.

SANTA MONICA MOUNTAINS NATIONAL URBAN PARK AND SEASHORE

Mr. CRANSTON. Mr. President, I recently had the pleasure of testifying before an Interior Subcommittee on Parks and Recreation hearing, chaired by Senator BENNETT JOHNSTON, on a bill to establish the Santa Monica Mountains National Urban Park and Seashore, a bill I have cosponsored with my California colleague, Senator JOHN V. TUNNEY.

There is a real need for an urban recreation area for metropolitan Los Angeles. I believe firmly that the Federal Government has a responsibility to help provide this area not only for the 10 million residents in the Los Angeles basin, but for the many thousands of Americans from all over the country who visit southern California each year.

I ask unanimous consent that my testimony before the Interior Subcommittee be printed in the RECORD. I also ask unanimous consent that an article from the Sierra Club magazine be printed in the RECORD. This article describes vividly the tremendous urban pressures upon the Santa Monica Mountains for further development and expansion and, I believe, makes a persuasive case for the need to preserve this wide-open space for all times.

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

TESTIMONY OF U.S. SENATOR ALAN CRANSTON

Mr. Chairman, I am delighted that the Senate Interior Committee has scheduled this field hearing to consider legislation establishing a Santa Monica Mountains National Urban Park and Seashore. The bill is S. 1270, and I am a co-sponsor of this legislative attempt to preserve, as park land, this last remaining open space in the Los Angeles Basin.

I am especially pleased that this hearing is being convened here in Los Angeles. This is where the park is needed and where the park would be. And I am convinced that no better audio-visual aid exists anywhere in America to demonstrate the need for open space recreation areas for our millions of urban citizens.

Mr. Chairman, the issue before us is not simply the creation of another park. It goes right to the heart of a major national debate: the role of the federal government in providing its citizens with the elbow room to engage in a true pursuit of happiness.

Let me take just a few moments to put my views in perspective, by describing why I believe this measure is of transcendental importance to our concept of national parks and the future of open space recreation in America.

There is the intrinsic worth of the bill itself: The Santa Monica Mountains and adjacent coastline comprise over 200,000 acres of undeveloped land stretching from the beaches of Santa Monica Bay eastward to the coastal mountains and canyons of Los Angeles and Ventura Counties, from Griffith Park to Point Mugu. The landscape is varied—rolling hills and sandy beaches, stark cliffs and lush creek corridors, grasslands and chaparral. The plant and animal life is unique, for the Santa Monica Mountains is the only place in the western hemisphere with a Mediterranean-type climate. Sage, sumac, yucca and other foliage characteristic of the Mediterranean cover the hillsides. There is plenty of wildlife, including deer, coyote, bobcat, raccoon, rabbit, fox, and squirrel. Marsh and water birds are found along the coast.

The Santa Monica Mountains and seashore have tremendous value as open space and park land. The 10 million people living in metropolitan Los Angeles have less recreation land than any other urban dwellers in the United States, including New York. Existing public parks and beaches are consistently overcrowded. Campers frequently must be turned away from full campgrounds. As the population of Southern California increases by five percent each year, the demands on these facilities are being intensified and the need to develop new parks increases.

In addition, the Santa Monica Mountains serve as an important buffer against continuing urban sprawl, as an airshed, a refuge from urban pressures, and a resource for scientific studies.

These values are literally unquestioned. In its Santa Monica Mountains Study released last year, the Bureau of Outdoor Recreation clearly recognizes the values of the Santa Monica Mountains and notes the federal criteria the proposal meets.

The mountains are spacious; though not urban in character, they are within easy driving distance of the second largest urban area in the country. They are more than a regional resource; the fact that 5 percent of the nation's population visits Southern California each year to enjoy the sun and beaches makes the region, and the Santa Monica Mountains and seashore in particular, a national asset. Creation of an urban park would open up this vast area to the hundreds of thousands of vacationers, tourists and convention-goers who annually visit Los Angeles. The scale of investment, development and operation responsibilities require direct federal involvement.

But the Bureau contends that a national recreation area in the Santa Monica Mountains area cannot be justified under current federal guidelines—guidelines which dictate higher recreation carrying capacities for the area to be served.

I think these guidelines are completely out of date. But their continued use poses an important question, central to the federal role in meeting our recreation needs: Are parks to fit the needs of people, or are people to fit the needs of parks?

The effect of what the Bureau is saying is clear: If the proposed Santa Monica Mountains recreation area cannot support the number of visitors the Bureau thinks it should, then it shall not be a recreation area under federal sponsorship, and therefore quite possibly shall serve no people at all.

Mr. Chairman, the Bureau's guidelines for national recreation areas are over a decade old. They were drawn for an America that no longer fits the old specifications. They were written for an age when "energy crisis" was an unknown term, when heavy urbanization of our coastal areas had just begun, and bigger cars and better highways helped Americans escape the cities and reach the open spaces quickly and confidently.

This clearly is no longer the case. And America's "space for life" has declined to the point where we have barely room to breathe.

Of all the public open spaces we need, recreation space is at the top of the list.

Between 1950 and 1970, acreage in state park systems increased by over 80 percent while attendance increased more than 300 percent.

In our National Park System, acreage expanded by about 29 percent while the total number of visits soared more than 400 percent.

In urban areas, the need for open space is critical. And it is becoming clear that the acquisition of space will have to match the scale of the urban regions themselves.

In the words of the Rockefeller Panel on Urban Growth:

"Especially in newly urbanizing areas, we see both recreation and social needs best served by establishing as public policy that the limited natural supply of prime recreational open spaces, particularly beaches and other waterfront areas suitable for recreation, should, to the maximum feasible ex-

tent, be acquired by government, preserved, and made publicly accessible."

Even the Bureau of Outdoor Recreation—while opposing creation of this park—concedes that existing state, county, and city authorities cannot do the job alone. These units of government, by themselves, simply do not have the resources necessary to acquire threatened parklands quickly enough to prevent their being lost to incompatible development.

At the rate we are going, we are plainly in danger of being too late with too little. If we wait to move ahead, the land our citizens need will be vastly more expensive or much of it will no longer exist at all; cost then will no longer matter.

Mr. Chairman, I am aware that the Department of Interior's opposition to urban parks is not limited to our Santa Monica proposal. Also under fire from the Department is a proposed Cuyahoga Valley park between Akron and Cleveland, which also—according to Interior—fails to meet the criteria for "national significance."

What this means, I believe, is that the Department is determined to make the Cuyahoga bill and our proposal for a Santa Monica National Urban Park and Seashore into tests cases on the responsibility of the federal government in providing open space recreation for urban Americans.

And I want to serve notice, Mr. Chairman, that I am just as determined to do all I can to see that the federal government does not walk out on its basic responsibility to help provide *all* Americans with the space they need for recreation—not just those who can afford the cars, the gasoline, and the time to drive to a Yosemite or a Yellowstone.

I realize that there are enormous costs involved in buying up the Santa Monica Mountains. However, the federal government must not abandon the entire park proposal because of this. We should use our limited resources as effectively as possible to provide for public recreation needs.

If the federal government's investment in the Santa Monica Mountains is to be limited, it should be concentrated along Mulholland Drive. Preservation of this thoroughfare is the key to controlling development throughout the Santa Monica Mountains.

Last year the Los Angeles City Council adopted the report of the Citizens' Advisory Committee for the Mulholland Scenic Parkway, protecting Mulholland Drive within the City as a low-volume, slow-speed scenic parkway with two lanes, one in each direction. But the action is limited to the City of Los Angeles and can be reversed.

There will undoubtedly be pressures for zoning changes, and efforts to widen the main access road into the mountains. Without involvement of government beyond the local level, permanent protection is not yet assured. The 53-mile Mulholland Drive—extending from the Hollywood Freeway to the Pacific Coast Highway—serves as a connecting link between existing chain of state and local parks. Federal acquisition of this roadway and the establishment of a scenic corridor with overlooks, picnic areas, bike and horse paths, would reinforce previous state and local efforts, and would be an important start in the preservation of this natural environment.

BREATHING SPACE FOR LOS ANGELES—THE MOUNTAINS AND THE MEGALOPOLIS

(By Joseph E. Brown)

On a balmy spring morning a lizard, in retreat from the sun's increasing heat, slithers beneath a sumac bush. Not far away, a young gray fox pauses to slake his thirst at a small stream, flanked by graceful laurels and willows standing motionless on this breathless, windless day. Then he scurries up a ridge toward a sandstone peak. To the southwest, beyond the shoreline at the mountains' feet, beyond sight or hearing of either lizard or fox but surveyed by a flock of terns, three California gray whales lumber northward. Their destination: the Arctic, their annual migration to the Baja California calving grounds fulfilled once again.

There is much more in these Santa Monica mountains, along this seashore—hidden valleys, steep cliffs, submarine canyons, placid ponds, and shady groves. Companions of the fox: bobcat, coyote, ground squirrel, deer. Waterbirds and shorebirds. And an archaeological treasure: more than 600 Indian sites dating back nearly 7,000 years identified so far, possibly only a tenth of the number still awaiting discovery.

The Santa Monica Mountains, running roughly east-west parallel to the meandering Pacific shoreline, rise abruptly out of the agricultural Oxnard plain in the west; and in the east the range buries its feet beneath the asphalt of freeways and the concrete and glass of highrises almost at the heart of downtown Los Angeles. To the north lies the sprawl of the heavily populated San Fernando Valley, but to the south the range adjoins one of the most outstanding marine areas left between Santa Barbara and San Clemente, containing an extremely rich marine biota, kelp beds, and a spectacular stretch of sand beaches and rocky headlands. Together, mountains and shore contribute to Los Angeles' physical identity, provide a clean airshed for smog-contaminated inland cities, offer recreational alternatives to overused Southern California beaches, and support a surprising variety of plant and animal species.

They are not Alps, these mountains. One would hesitate to equate them with some of California's other natural wonders—Lake Tahoe, for example, or Yosemite, or the giant redwoods. Yet to the ten million residents of the Los Angeles megalopolis, the 46-mile-long, 10-mile-wide, 220,000-acre Santa Monica mountain range and its neighboring shoreline are far more important. For Los Angeles has less public lands and parks than any other American city, including New York. Worse, open space continues to shrink as the population expands. (Although 1970 marked the first time that more residents left Los Angeles County than arrived, adjacent Orange and Ventura ranked as California's fastest-growing counties of the sixties.) The Santa Monicas constitute the last surviving unpreserved open space close by the nation's second most populous urban area. So to Los Angeles' millions, this geologically, biologically, and geographically diverse mountain range is a backyard Big Sur, an Everyman's Sierra Nevada—so close that from downtown Los Angeles, the most distant point of the range is only 90 minutes away by automobile.

Ironically, the very attribute that makes this range especially valuable as open space—its proximity to a giant urban area—also makes it attractive to developers. And now, as never before, these mountains and the adjacent seashore are threatened by mindless development. If they are lost, not only will Los Angeles and California be poorer, but the entire nation as well, for this society can no longer afford to squander its resources, especially when the welfare of one of its largest cities is at stake.

Los Angeles needs all the open space it can get, and if the Santa Monicas are lost—when the need to preserve them is so clear and the means of doing so near at hand—what hope for other cities and regions to preserve the lands necessary and dear to them? Setting aside open space adjacent to urban areas is essential if our cities are to retain even the semblance of livability. The precedent for doing so exists in the two recently established national urban recreation areas in New York and San Francisco, and in many smaller open-space programs in other cities. It only remains for environmentalists to persuade federal, state, and local governments that such examples should be emulated in every urban area. Right now, the need for doing so is nowhere greater than in Los Angeles.

The bulldozer is at work on the Santa Monicas at the eastern end, near the heart of megalopolis; on the north, close to the heavily trafficked Ventura Freeway; and increasingly along the scenic Pacific Coast Highway to the south. Already, homes and apartments occupy about 32,000 acres, only 1,000 acres less than city, country, and state governments, and private property owners have been thoughtful enough to set aside for recreation and open space. Another 1,000 acres now supports a welter of commercial and industrial enterprises, ranging from shopping centers to gas stations and from movie studios to warehouses. Still another 5,800 acres remain as farmland. Only 150,000 acres—most of it in private ownership—remain in the Santa Monicas for badly needed open space. In another month or two—possibly three—the stage will be set for what possibly could be the Santa Monicas' last chance for survival as an open-space resource.

For years, the Sierra Club and other conservation organizations have advocated preserving the Santa Monicas as open space. Now, action finally seems possible. In January, 1973, for the second year in a row, California Senator John Tunney introduced a bill which would create a 100,000-acre Santa Monica Mountain and Seashore National Urban Park. This legislation, almost identical to another Tunney bill which wasn't heard in Congress last year, gives special priority to acquiring areas of "scenic, recreational, and open-space value." It initially appropriates $30 million for land-use study and acquisition, and, just as significantly, urges consideration of a regional commission to put the program into motion.

It also urges rigid land-use controls as safeguards against the "grow or die" philosophy to which local governments are traditionally prone. Although the exact boundaries for the park would not be determined until later (a deterrent to land speculators), the giant park would generally encompass the area east of the San Diego Freeway along the crest of the range to Griffith Park, and west of the freeway from Sunset Boulevard to Point Mugu. It would also include portions of the beaches and coastal canyons of Santa Monica Bay.

Senator Alan Cranston coauthored the Tunney bill, and Los Angeles area congressmen Barry Goldwater, Jr., and Alfronzo Bell introduced duplicate legislation simultaneously in the House. Committee hearings on both bills should be scheduled soon—probably by summer.

The Sierra Club supports the Tunney bill, as do other conservation groups. Both the city and county governments of Los Angeles have endorsed the concept, but while there appears to be local unity for the park itself, developers are certain to fight tooth and nail against the recommendation for regional controls. That the majority of Californians obviously approve of the regional concept was indicated by passage last November of the monumental coastal protection initiative. While the initiative at last established sensible, rigid control machinery for the seaward portion of the proposed mountain-seashore park, its authority ends at the ridge crest. A separate regional agency, originally proposed by a state study commission and inferentially endorsed by Tunney's bill, is needed to assure that haphazard development does not continue on the Santa Monicas' northern slopes.

Arguing for the need for federal action, Senator Tunney last August cited the narrowing gap between Los Angeles' increasing

population and dwindling open space. "Daily this process of uncontrolled urban sprawl into our *de facto* open space continues and the reality of a permanent, protected open-space and recreational area is slipping from our grasp," he said. "The enormity of the problem, and the expense of acquiring large areas and developing them for large-scale recreation—a totally new problem from the time when large scenic areas could be acquired for a pittance—necessitates federal involvement."

The Santa Monica Mountains represent precisely that sort of terrain on which development should not occur. Seventy-eight percent of the slopes west of the San Diego Freeway are in gradients over 25 percent; nearly half of them, 50 percent or more. Building on slopes this steep requires extensive cuts and fills which destroy the ecology of an area and contribute to further weakening of already precarious strata. The highly erodible soil and rock formations of the Santa Monicas' steeper slopes present a formidable slide hazard even without human meddling. Furthermore, fires, floods, and earthquakes scorch, soak, and shake the range at distressingly frequent intervals.

When the warm, dry Santa Ana winds sweep this area each fall, and humidity drops below ten percent, fires are inevitable and living in these mountains is a calculated risk. In the past 40 years, 37 major fires have blackened 400,000 acres of the Santa Monicas. It is as if the entire range had been burned almost twice over. As an example of how disastrous these fires can be, the September 1970 Bel Aire-Brentwood fire was stopped only after it had razed buildings worth $25 million. "It is not a matter of *will* the Santa Monica Mountains burn, but *when*," said one official of the Department of the Interior, which recently completed a land-use study of the range.

Winter rains come to the Santa Monicas only a couple of months after the brushfires of fall, and the steep slopes that fire has stripped of vegetation become torrents of mud. The most spectacular flood conditions occur in the Malibu Creek area north of the beach community of Malibu. The average annual runoff of the creek is 67,000 acre-feet, and during a record deluge in 1969, runoff soared to an astonishing 33,760 cubic feet per second.

And of course there are the earthquakes. The damage caused by the disastrous Sylmar tremor of February 9, 1971—which occurred in another range near the Santa Monicas—underscores the constant danger of the ragged-branching fault lines that bisect all the mountains of this region, including the Santa Monicas. Hundreds of quakes have occurred in this range over the years, many of them along the Malibu Fault, a close cousin to the one that rattled Sylmar two years ago.

But in the Santa Monicas, nature can also be benevolent. Because of clean, prevailing winds blowing off the Pacific Ocean, the mountain range serves as a valuable airshed, diluting the already critically polluted air over the Los Angeles basin. Development of these mountains would not only add new smog as more and more two- and three-car families commute to work, school, and store from their split-level hillside perches, but would also remove the giant natural air cleaner that keeps pollutants in the metropolitan basin from becoming worse than they are.

Development also would obviously place great pressure on the mountain ecosystems, drastically altering their ability to support native plants and animals. Natural landforms, geological formations, and archaeological sites would be invariably altered or obliterated.

Finally, development of any area—especially an area like the Santa Monicas where topsy-turvy terrain carries such a high price tag—is almost certainly irrevocable. As the Interior Department study observed in what was perhaps the understatement of the year: "After huge sums of money are invested in development, a site is for practical purposes permanently altered and prohibitively expensive to buy and convert back to such a use as recreation or open space."

Yet despite the hazards and the costs, the bulldozer is ever on the move in these mountains.

Although the Santa Monicas once supported some of the densest populations in aboriginal North America—Chumash, Fernandeno, Gabrielino, and Tongua Indians, for example—these pre-Hispanic communities lived simply and left no lasting scars on the land. Even after 1848, when California was ceded to the United States, the area's ability to replenish itself kept ahead of man's ability to destroy. The gap narrowed with the opening of the transcontinental railroad in 1876. First, the immigrants filled the central Los Angeles basin, but as more were lured west to bask in a Mediterranean-like climate, they began spilling into adjoining valleys and nibbling at the foothills. Dissolution of the huge Rancho Malibu and opening of the coastal highway in the 1930's spurred growth along the coast. The population of the San Fernando Valley just north of the Santa Monicas increased rapidly in the forties and fifties, and suburbs began creeping up the canyons and gentler slopes of the nearby range.

With increasing development, open space throughout the Los Angeles area rapidly dwindled so that today, pressures on remaining lands are acute. Development continues apace in this already congested region, and existing recreational facilities are insufficient for the huge population. "Beaches are continually crowded and camping sites for hundreds of miles around often require reservations and turn thousands away on popular weekends," Senator Tunney reminds us. "Los Angeles residents are equally discouraged by the teeming crowds at the few local recreational areas, and by the crowded highways leading to facilities in outlying areas." As a case in point, Tunney cites what happened at a county park in the Santa Monica Mountains. "Its facilities were so consistently overused that officials were forced to close the area to overnight campers."

Los Angeles conservationists, long alarmed over this trend, began years ago to protect the diminishing, precious natural resource of the Santa Monicas and the adjoining seashore. Considering the enormous opposition from developers, who are abetted by a tangle of tax dollar-hungry local governmental jurisdictions, even the conservationists' smallest victories today loom as milestone achievements. In 1968, for example, they managed to block plans to "upgrade" Mulholland Drive to what is deceptively called a "scenic drive"—as if it weren't already. Their argument was devastatingly simple: how "scenic" can any road be when it is converted to a mini-freeway. They also convinced the state to remove the proposed Malibu and Pacific Coast freeways from future maps, and their outspoken concern for the Santa Monica Mountains was given heavy credit for passage of the state's 1964 park bond act. (Though that still appears something less than a full-blown victory, for only a portion of the promised park has materialized.)

The idea of utilizing the Santa Monica mountain range for some kind of urban park, preserving its open space for future generations, was kindled in the late 1960's and caught fire at the start of the present decade. At a conference at UCLA in 1970, those interested in preserving this urban resource proposed such a plan, and much of the community has rallied behind the idea. About the same time, Interior Secretary Walter Hickel announced that his department was laying groundwork for a national system of urban parks—14 altogether, one of them the Santa Monica Mountains and seashore. Exhaustive, three-phase studies of each proposed park was assigned to Interior's Bureau of Outdoor Recreation, which issued its preliminary Santa Monica report last August.

The report recognized that Los Angeles open space was diminishing at a time when it was needed most, but recommended acquisition of only 35,500 acres. Furthermore, the report proposed acquisition not by the federal government, but by state and local agencies, on the grounds that the Santa Monicas are good for "high quality but not high quantity use," and therefore do not qualify under existing statutes. The Santa Monica Mountains received greater priority under Hickel than they do today, even though badly needed open-space lands are now becoming increasingly developed, yet ever more expensive to acquire. But as disappointing as this decline in priority may be, the coalition of urban park supporters, hailed the bureau's recommendation for regional controls of the area, especially significant because the bureau suggested no other alternative.

Regional controls for the Santa Monicas are indicated because the range straddles two counties (Los Angeles and Ventura), and five cities (Los Angeles, West Hollywood, Beverly Hills, Thousand Oaks, Camarillo). Jurisdiction over recreational activities alone is divided between seven government agencies. Finally, we must add other existing and anticipated forms of regional government, such as the six-county, 106-city Southern California Association of Governments (SCAG).

As Interior's study points out, local governing bodies continually seeking new tax sources are most susceptible to pressure from developers, and fiscal considerations rather than environmental or human needs usually determine who gets what. The State Environmental Quality Control Council made this point following a hearing in Malibu in 1969. After listening for two days to a dozen local officials who gave a dozen different opinions of how Malibu should grow, the council concluded: "Each agency pursues its own narrow objectives, as required by law, which, as we have seen, generally fails to consider environmental quality."

At the same Malibu meeting, noted systems ecologist Kenneth Watt effectively punctured the one notion that most local agencies *do* manage to agree on—that only progressive development, by supposedly spreading the tax load among more people, can keep taxes down. Taxes not only do not go down when this happens, Professor Watt argued, they often go up because the additional population requires additional government services, which more than offset additional tax revenues. One study shows that in costly-to-build mountain areas like the Santa Monicas, each new dwelling costs the taxpayer between $5,000 and $10,000 for such services as roads, sanitation, and fire and police protection.

Although the Interior study endorsed the regional concept, the Ventura-Los Angeles Mountain and Coastal Study Commission, which first proposed it, did not survive long enough to see it implemented. In its final report issued last March, commissioners asked the state legislature for a two-year extension and $700,000 to complete their work, but the bill to implement this request died in the 1972 session.

Still very much alive, however, are organizations to promote development in the Santa Monicas, such as Advocates for Better Coastal Development (ABCD) and its spinoff, Concerned Citizens for Local Government (CCLC), which hastily came into existence in an effort to counter the Ventura-Los Angeles commission's recommendations. ABCD and CCLC argued that existing land-use controls are adequate for proper development of the Santa Monico Mountains and adjacent coastal zone, a ludicrous view in light of the

area's past history of haphazard development.

The organizations were supported in their position by Commissioner Merritt Adamson who, in an outraged minority report, sputtered that the commission's proposals—which included a moratorium on building during a further study period—would have a "devastating effect" and result in "enormous economic loss to any developer."

Tunney's bill, which would place "substantial reliance" for land-use planning on the cooperation of federal, state and local governmental agencies, nevertheless would direct the Interior Department to give serious consideration to the Ventura-Los Angeles commission's recommendations, which include, of course, the regional-control concept.

The $30 million Tunney seeks to implement his mountain-beach urban park legislation won't do that whole job; at today's prices it will buy only a small slice of the 100,000 acres envisioned for the long-sought desperately needed mountain-seashore greenbelt. Although property in remote, less accessible sections of the Santa Monicas can be purchased today for as little as $300 per acre, the beachfront pricetag at Malibu sizzles up to $3,000 per front foot. Using the Bureau of Outdoor Recreation's modest $3,000-per-acre figure, acquisition of 100,000 mountain and seashore acres today would cost $300 million, and the longer action is postponed, the higher the price will be.

Therefore, Tunney has proposed a system of acquisition priorities, considering first those sites that have unique "scenic, recreational or openspace value." These include the Mugu-Pacific View-Boney Mountain-Hidden Valley complex; Zuma, Trancas and North Ramerez canyons; Malibu Canyon and Century Ranch; Cold, Tuna and Santa Maria canyons; areas north and west of Will Rogers State Park; Caballero Creek; the 55-mile, winding Muholland Highway (for development as a scenic corridor the length of the range); and seashores and associated canyons.

The $300-million pricetag for the proposed 100,000-acre urban park is staggering to be sure, but the cost of preserving the Santa Monica Mountains to the ten million residents of the Los Angeles area and eight million annual visitors is only about $17 per person. Few could deny they would be getting one of the world's great bargains.

THE CONSUMER PROTECTION AGENCY

Mr. DOMINICK. Mr. President, I ask unanimous consent that two letters sent to me by Mr. Gilbert Simonetti, Jr., vice president, government relations, of the American Institute of Certified Public Accountants be printed in the RECORD.

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

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
Washington, D.C., July 22, 1974.

Hon. PETER H. DOMINICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOMINICK: As you know, S. 707, legislation to create a "Consumer Protection Agency," is now being debated in the Senate. I am writing to you at this time on behalf of the more than 100,000 CPAs who are members of the American Institute of Certified Public Accountants to express our strong concern regarding the title proposed for the new agency.

"Consumer Protection Agency" when abbreviated, "CPA," is identical to the description which has come to be recognized universally as a respected, professional attainment in accounting. All 50 states restrict the use of the "CPA" designation only to those who have met the requirements to be licensed as a certified public accountant.

Senator Pete C. Domenici shares our concern in this matter and intends to seek an amendment which would merely make an editorial change in the name of the proposed consumer group, such as, "Agency for Consumer Protection" instead of "Consumer Protection Agency." This name change accords with the view expressed in the report of the Government Operations Committee (Report No. 93-883, p. 14). Because of the urgency of this matter, we would sincerely appreciate your support for such an amendment, and request that your office contact Senator Domenici's office indicating such support.

The Institute is not attempting to sway the substance of the legislation one way or the other. Our only concern in this matter stems from the confusion which will result in the use of the initials "CPA" to identify the proposed consumer protection agency and the identification of those initials with a certified public accountant.

On behalf of all CPAs, and, in particular, the CPAs in Colorado, your support of Senator Domenici's action in this matter is earnestly requested.

I hope we can count on your assistance.

Sincerely,

GILBERT SIMONETTI, Jr.,
Vice President, Government Relations.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS,
Washington, D.C., July 29, 1974.

Hon. PETER H. DOMINICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOMINICK: On behalf of the more than 100,000 members of the American Institute of Certified Public Accountants let me express our sincere appreciation for your vote on July 23 in favor of the title change in the consumer protection bill (S. 707).

Your recognition of our concern over the confusion which would have resulted from the use of the initials "CPA" for the proposed consumer agency is greatly appreciated by certified public accounts throughout the country.

Let me also add that we would welcome the opportunity to provide your office with assistance in areas in which we have an expertise. Please feel free to contact me to discuss such matters at anytime.

Sincerely,

GILBERT SIMONETTI, Jr.,
Vice President, Government Relations.

Mr. DOMINICK. Mr. President, these letters pertain to S. 707, legislation designed to create a Consumer Protection Agency, now being debated in the Senate. When abbreviated, the name Consumer Protection Agency becomes CPA, which is identical to the description which has come to be recognized universally as a respected professional attainment in accounting. All 50 States restrict the use of the CPA designation to those who have met the requirements to be licensed as a certified public accountant.

As one of the very few Senators who employs a CPA on his staff, I am fully aware of the significance attached to the initials CPA. It was this awareness that led me to support the changing of the proposed agency's name from Consumer Protection Agency to Agency for Consumer Advocacy.

This may be viewed by some as a small and unimportant change, but to the men and women in the accounting profession who are charged with the responsibility of providing opinions on the fairness and accuracy of the presentation of the financial statements of our Nation's businesses, the preservation of the uniqueness of the initials CPA is a matter of professional pride. I am pleased to have been associated with the effort to maintain the special designation accorded to the certified public accountants and to those who aspire to that title.

THE NATIONAL ENDOWMENT FOR THE HUMANITIES

Mr. PELL. Mr. President, as chairman of the Senate Subcommittee on Arts and Humanities, I am very pleased to bring to the attention of my colleagues a recent article published in the Washington Star-News on Dr. Ronald Berman, Chairman of the National Endowment for the Humanities.

This article by Anne Crutcher demonstrates the excellent work being done by this Endowment in bringing the humanities into the mainstream of our national life.

I have stated my own convictions that the humanities serve to translate knowledge into wisdom, and I am pleased to apply this concept to Dr. Berman's leadership.

He has brought great wisdom to his work, and in so doing has increased the contribution this Endowment is making to the well-being and the enrichment of our people.

In days when we are considering appropriations for this Endowment and its sister, the National Endowment for the Arts, it is well to reflect on the sound investment in the future they represent. As I have on other occasions, I would urge full funding for these Endowments at levels we in the Congress authorized, levels greater than those recommended by the present administration.

Mr. President, I ask unanimous consent that the text of the article to which I have referred be printed in the RECORD following these remarks.

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

RONALD BERMAN: BRINGING THE HUMANITIES OUT OF THE CLOISTER

(By Anne Crutcher)

If Washington ever takes over from New York and the Cambridge-New Haven axis to become the cultural as well as the political capital of the United States, the National Endowment for the Humanities will be partly responsible. Specifically, the Endowment as led by Dr. Ronald Berman, the Shakespeare scholar, has been its chairman since 1972.

While its twin, the Endowment for the Arts, has the more familiar name, the Endowment for the Humanities probably has had a greater impact in the last few years. One Endowment project, the Humanities Film Forum, made television-watching respectable and more—the nine-week public television dramatization of "War and Peace" last winter was an event Ph.D.'s planned dinner parties around. It was homework high school kids could hardly hate.

Endowment projects have also had Americans going to museums in stampede numbers. French and British Impressionist paintings from the Soviet Union exhibited here under Endowment auspices had spectators

lining up at the door, and "by turnstile count," Dr. Berman said, " 'The Masterpieces of Tapestry' exhibit, which the Endowment sponsored, drew the biggest crowds in the history of New York's Metropolitan Museum."

Ten to 15,000 people daily thronged to see the greatest French tapestries of the 14th, 15th, and 16th centuries. These had been brought together in a once-in-a-lifetime display that underscored the universality and pluralism of appeal such works had in the days when art was mass communication.

The smallest children looking at the Unicorn series had a good time pointing out birds and dogs and rabbits among the leaves and flowers of the pre fleurie. Meanwhile, sophisticated intellectuals could look and be awed by patterns of sensibility complex beyond modern ways of reconciling imagination and outward reality.

"You'd have to fill Kennedy Stadium 20 nights running to equal the number of people who saw those tapestries," said Dr. Berman, "I'd like to see a football game match that."

Furthermore, he expects the next item on the endowment's museum agenda to draw even greater crowds. This will be the recently unearthed Chinese tomb treasures, which are scheduled to be shown in Washington in November.

With Dr. Berman in charge, there's no danger that this enthusiasm for numbers will mean a leveling down of quality in what's presented. A totally unabashed advocate of excellence, Dr. Berman started his tenure with the Endowment under fire as an elitist because he wanted to veto grants for studies more notable for counterculture zeal than for intellectual rigor or a classic perspective on the humanities.

His own career and outlook are marked by purist ardors—the symbolism of his Harvard scholarship as a distance runner is quite in line with the character of the man. He is a striver and an individualist.

When universities were full of professors ready to say it was they who should be learning from the student revolutionaries in their classes, Dr. Berman, sharing a campus with Herbert Marcuse at the University of California-San Diego, was having none of the spirit of the times. He wrote a masterful book called "America in the Sixties: An Intellectual History," which analyzed the ideas in the forefront of public attention during the last decade, measuring them against values distilled through history in the humanities. Such values as reason, order, and justice. Hope made rational by the weighing of experience.

But Dr. Berman's intellectual and moral fastidiousnes never gets in the way of a desire to disseminate the insights of the humanities as widely as possible. As he once put it, with typically epigrammatic precision, "You can be accused of elitism if you confine education to the elite, but you can't be accused of elitism for bringing the best to the most."

To him, this means popularization, as opposed to vulgarization, of the disciplines falling between the fine arts and the sciences. History, literature, philosophy, ethics, and the idea end of the arts fall within the province of the humanities and so do the softer social sciences. What they have most importantly in common is a way of knowing that uses intuition as well as reason and objective evidence as well as imagination.

Popularizing of this kind is what the Endowment is already doing, and expecting to do more of, in connection with the Bicentennial.

Ten years ago, history was bunk to young and old alike at many a prestigious university, just the way old Henry Ford used to say it was. Now, however, either the approach of the Bicentennial or a simple swing of the pendulum is bringing history back into favor.

Dr. Berman and John Schonleber, his assistant coordinating Bicentennial-related projects, find the proposals submitted for Endowment funding to be increasingly concerned with appraisal of American institutions and their origins.

The mood has very little in it of the easy self-congratulation that used to go with Fourth of July patriotism. On the other hand, neither is it a mood that says we ought to give up in despair because of Watergate. We seem to have outgrown the need for Parson Weems and George Washington's inability to tell a lie, and, at the same time, to be getting past the likes of Gore Vidal, who insist that all Founding Fathers were particularly cheap and sleazy scoundrels.

A third of the Endowment's funds—if proposed legislation goes through, Dr. Berman's office will be passing out more money than any private foundations except Ford and the National Science Foundation—are in American studies. And these days much of the money is going into local and regional history.

One of the major Endowment projects for the Bicentennial is the development of state histories. Endowment money is helping each state get its archives in order so historians can see the records they need to interpret each area's story. And a comprehensive history is under way for each state.

Some of the Endowment-sponsored delving into America's past is focused on people. A 13-part TV series, "The Adams Chronicles," which will cover four generations of John and Abigail Adams' descendants, is a prime example.

Another project will focus on issues. The problems of unity in diversity posed by a people of multi-national and multi-racial origins . . . liberty and the demands of order. A national planning group will arrange a calendar of such discussion topics for the Bicentennial year. For this "American Issues Forum," there will be efforts to bring them so vividly before the public that everybody will be talking about them as well as reading and watching and listening to others debate them in the media.

The humanities, as Dr. Berman says, have come out of the cloister.

PAN AMERICAN DEVELOPMENT FOUNDATION

Mr. KENNEDY. Mr. President, the campesinos of Latin America generally have to borrow money from money-lenders at usurious rates to grow their crops. The lack of a rural commercial banking system in most Latin American countries thus adds to the marginal status of the rural poor.

The Pan American Development Foundation, an affiliate of the Organization of American States, has recently drawn attention to this unfortunate situation. The World Bank has called for the creation of intermediate institutions to channel private and public credit to farm cooperatives. Other international lending agencies are trying to use various non-profit, private national development foundations in Latin America to bridge the gap between the existing credit institutions and the bypassed peasant.

The situation calls not only for our intensified attention to potential causes of instability in Latin American countries but also for our increased support of international agencies which are attempting to alleviate that situation.

We have supported the Pan American Development Foundation and have attempted to evaluate the possibility of duplicating its performance in the Community Development Loan Guarantee Program now housed with the Overseas Private Investment Corporation. I hope that we will continue to support both of these bilateral and international efforts to spur rural community development activities in Latin America.

I ask unanimous consent that a news item concerning this matter be printed in the RECORD.

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

[From the Times of the Americas, June 12, 1974]

BACKLAND BANKERS ARE USURERS

(By Winthrop P. Carty)

Usurers are the unquestioned "Bankers of the backlands" in Latin America. A vast majority of peasants have never seen the inside of a commerical bank. They are totally accustomed to borrowing money where they can and without any thought to the interest rate.

"Even the poorest farmer in the furthest rural area," reports the Pan American Development Foundation, an OAS affiliate, is receiving credit, but generally on terms that make us uncomfortable—crops that are mortgaged before they are planted."

There is no possible way of measuring the "unofficial money market" in Latin America. A startling clue emerged a couple of years ago, however, when the Honduran government demanded that all money-lenders report their outstanding loans. Within the first two months of the law, roughly 350 usurers gave some kind of accounting. Their combined portfolios were the equal of 10 percent of the agrarian nation's banking system. Furthermore, the money-lenders had double the resources of the entire Honduran cooperative credit system.

Many economists argue that, in the absence of a rural banking system, usury is not only inevitable but necessary. Often subsistence farmers need a fast loan for survival. And the lenders are friends or relatives who merely charge the going rate.

Making reasonable credit available to the rural poor is an acknowledged world-wide problem. The U.S. Foreign Assistance Act specifically directs AID to encourage the "maximum feasible participation" of private resources in Latin American social development. The Act permits U.S. investment guarantees to back Latin American bank loans to people outside of the money economy.

"Unfortunately," ruefully notes OAS Secretary General Galo Plaza, "these well motivated measures have been seriously hampered in execution by technical and operational limitations."

Most commercial banks, investment guarantees notwithstanding, find the cost of processing a small loan is prohibitive. Credit institutions have far more solid loan applications than they can possibly fulfill. The medium and large loan requests from old clients are accompanied by gilt-edged collateral, a sharp contrast to the small petition of the scratch farmer who doesn't even have clear title to his land.

Ironically, the peasant is demonstrably a good financial bet. Surveys of small commercial loans to Latin American peasants are amazingly uniform: 95 percent of the loans are paid back faithfully, and only a tiny percentage have to be written off. Peasants work at such a primitive level that a small investment in a modern tool, improved seed, fertilizer and irrigation swiftly multiplies crop yields.

Public agrarian banks haven't established an effective "delivery system" to put credit in the hands of the rural needy. Instead, the tendency is to take the politically expedient

measure of simply lowering the interest rate The peasant, observes World Bank president Robert McNamara, "would be much better off if he had to pay a realistic rate of interest but could actually get the money."

McNamara calls for the "creation of intermediate institutions" to channel private and public credit to farm cooperatives. The international lending agencies are placing special attention on Latin America's 19 non-profit, private national development foundations, which, with uneven success, try to bridge the gap between the existing credit institutions and the bypassed peasant.

The Dominican Development Foundation is the best capitalized and most effective of the national development foundations. Its field representatives aid peasants form cooperatives, identify bankable projects, and assist local banks process loan applications.

The Chase-Manhattan Bank, for example, has lent nearly $500,000 to Dominican peasants.

In the Dominican Republic, which has the highest ratio in Latin America, out of every $300 that is loaned by commercial banks, only $1 is earmarked for peasants.

The amounts of money are piddling compared to the need. But at least the usurer is beginning to get a run for his money in one Latin American nation.

A REPORT ON A VISIT TO BRITAIN, GERMANY, AND FRANCE

Mr. JAVITS. Mr. President, during the period of June 28 to July 8, I visited Britain, Germany, and France, as well as Israel. I reported to the Senate on July 16 concerning my visit to Israel. Today, I report on my inquiries in London, Bonn, and Paris. In Britain I talked with Prime Minister Wilson, Chancellor of the Exchequer Healy, Home Minister Jenkins, and Minister without Portfolio Lever. In the Federal Republic of Germany I met with President Scheel, Chancellor Schmidt, Foreign Minister Genscher, Defense Minister Leber, as well as Dr. Kurt Birrenbach, a longtime CDU member of the Bundestag and Chairman of German Council on Foreign Relations, U.S. Ambassador Hillenbrand and U.S. Consul General in Frankfurt Harlan. During my stay in Paris, President Giscard D'Estaing and the senior ministers of his cabinet were in Bonn for the semiannual Franco-German summit meeting with Chancellor Schmidt and his cabinet colleagues. Thus, while in Paris, I met with the Secretary General of the Elysee M. Claude Pierre Brossolette, and with the Acting Foreign Minister M. Bernard Destremau.

The overriding concern of the new governments in Britain, Germany, and France is the critical international economic situation. There is a great anxiety over the vulnerability of the international economic system, which in turn threatens the viability of each national economy, none of which is conceived of as being capable of standing against a collapse of the international system. The revolution in oil prices has ignited virulent inflationary forces throughout Western Europe, as it has in the United States. One major member nation of the European Economic Community—Italy—is seen to be on the brink of economic insolvency because of inflation and severe balance of payments deficits. Moreover, the dire situation of Italy is not seen as necessarily a special case. Rather, Italy is seen to be suffering in acute form from maladies which are also clearly discernible in the British economy and also, though perhaps less acutely, in the French economy. The economic situation of the Federal Republic of Germany, viewed in isolation is one of robust health. But no one is more acutely aware than the leadership of Germany of the interdependence of the West German economy with its EEC partners, as well as the U.S. economy and other constituent economies of the Western trading system.

I found broad agreement that the most immediate problem facing the international economic system is the crisis confronting the international banking system—both public and private—arising from the massive transfer of foreign exchange credits to the Middle Eastern oil-producing states; most acutely to low-consumption states such as Saudi Arabia, Kuwait, and Abu Dhabi. Such sums, now in the $70 billion range, are often held as short-term demand deposits in private banks. In this form, these holdings pose a grave, almost unbearable liquidity strain on the private, international banking system in pursuit of its traditional banking function of relending its deposits for longer terms at higher rates of interest. The capacity to absorb imports or to make major investments of Saudi Arabia, Kuwait, and Abu Dhabi is very limited and grossly disproportionate to the extreme rate at which these nations are accumulating foreign currency—generally in the form of "Eurodollars."

The longer term problem is the seemingly unstoppable inflation eroding confidence in the instrument of credit including money.

While I found virtual unanimity of diagnosis concerning the banking crisis growing out of Western oil payments, and confidence and general agreement on the urgency of a concerted plan to meet the crisis, there is as yet no clear consensus of the steps needed to effect a solution. I found marked differences of emphasis—no doubt reflecting their individual national situations—in Britain, Germany, and France. The position of Germany is closest to that of the United States on most of the key factors under debate. The most urgent problem is that of "recycling" the massive foreign exchange of the Arab oil-producing states, now being held in short-term, demand deposit account. Concerted action by the central banks of "The Ten," to monitor, regulate and reinsure the private international banks is an urgent necessity. But, differences of view exist respecting timing, the degree and the nature of the concerted actions to be taken, the proper international forum in which to organize multilateral activities, and the degree to which the Arab governments must be associated with the steps proposed to be taken within the Western banking system.

The task is complicated by a universal recognition that one cannot proceed very far in devising measures to insulate the international banking system from the dangers of collapse without raising the most profound and politically difficult issues of national and international economic policy.

Nonetheless, despite the difficulties I feel that concerted action will be taken this year to meet the crisis. For there is a clear-sighted recognition of the urgency and the dangers of the situation. And, there is the most realistic awareness of the complete interdependence respecting monetary matters of all the major participants in the international monetary system. This awareness—that we must all hang together, or hang separately—is the essential precondition for effective international action, and is accordingly, in my judgment, the most hopeful aspect of a very grave and dangerous situation.

The immediacy of the monetary crisis, precipitated by the revolution in oil prices/Arab foreign exchange holdings has also brought about a sober reassessment of some of the divisions which came to the surface between the United States and its European allies during and after the Yom Kippur war and the Arab oil embargo. The leaders of Europe regret those divisions, genuinely seek to prevent a repetition of them and have a clear-sighted appreciation of the danger to the common security inherent in such divisions, and this was evident over the past 6 months, respecting energy policy, Mideast political developments and most markedly the Cyprus crisis. There seemed to be a general recognition that Europe "tilted" too far in favor of the Arab position during the Yom Kippur war and its immediate aftermath, albeit under the pressure of the oil embargo. Sympathy for Israel remains high in Europe, particularly as regards public opinion. And, the new governments of Britain, France, and Germany all are expected to improve or strengthen their relations with Israel.

At a minimum, the monetary crisis has brought a new awareness of the need for close cooperation between the nations of the EEC and the United States with respect to Mideast policy. For Europe this means essentially active partnership in forging a solution to the monetary issues as well as a joint aproach to longer run energy policy. While Europe feels unequipped and ill-disposed to play an active role in the political and security aspects of United States-Mideast diplomacy, there is a greater appreciation of the interrelatedness of economic and energy questions with the fundamental issues of security and political alinements.

In this connection, I found a broad appreciation for the diplomatic accomplishments of Dr. Kissinger, and equally broad approval of the reestablishment of American diplomatic and other links with principal Arab nations.

While in Europe, I also discussed the principal issues facing the North Atlantic Alliance, in the context of followup to the Report of the Committee of Nine. The adverse impact of the oil embargo and price revolution on the economies of Europe has tended to produce feelings of weakness, vulnerability and isolation within Europe—which in turn have led to a greater appreciation of the impor-

tance of the NATO alliance and strong, across-the-board relations with the United States.

One of the key issues in Britain, and of Western Europe, is Britain's future relationship to the EEC. The labor government of Prime Minister Wilson has pledged to seek to renegotiate the terms of Britain's adherence to the Treaty of Rome and some elements in the Labor Party and elsewhere advocate Britain's withdrawal from the EEC.

Altogether on the basis of my conversations, I feel that Britain will remain in the EEC, while pressing hard for concessions—like the regional funds—to ease Britain's economic difficulties.

I believe that the labor government has come to perceive that Britain's future must be as a member of the EEC and a united Europe. Certainly, Britain has a great deal to contribute to the process of building a European political entity, as is outspokenly recognized by the continental members of the EEC.

What is being challenged by some elements in Britain is the economic advantages for Britain to be derived from EEC membership. Unfortunately, the short period of Britain's EEC membership has coincided largely with a period of very rapid inflation, the oil price crunch, and balance-of-payments difficulties. These difficulties are recognized by many, however, as resulting from factors other than Britain's entry into the EEC, and they are maladies now generally affecting all the EEC nations, and indeed all the industrial economies of the world.

I believe that Britain's leadership is determined to take action to reduce inflation and increase productivity. Such measures are essential if Britain is to regain economic health and are indispensable to assure the longer term viability of the nation. Fortunately for this thesis, Britain expects to be able to achieve self-sufficiency in oil by the end of the decade from development of the large oil reserves proven to exist in the North Sea bases off the shores of Scotland.

My conversations in Paris and elsewhere in Europe lead me to believe that the prime external relations note of the new Government of France is the desire to improve the tenor and the tone of relations with the United States. In my judgment, a restoration of close cooperation between Paris and Washington is one of the most important developments which could occur in the weeks and months ahead, and could contribute historically to the successful management of the acute crisis threatening the Atlantic Alliance nations. The essential concommitant of a new look in French diplomacy, of course, will be full reciprocity in Washington. The United States must shed the habit of expecting a lack of cooperation from France and cultivate a new habit of seeking and expecting effective partnership from the Government of France. This will require perhaps a greater willingness to accommodate particularly French attitudes and interests, but the benefits would far outweigh the inconveniences.

The new government of Chancellor Schmidt is notably alliance minded. In separate discussions with the Chancellor, his Foreign Minister and his Defense Minister it was apparent that the emphasis in German foreign policy has shifted away from new initiatives to the East, toward a strengthening and consolidation of the Federal Republic's ties to NATO and the European Economic Community. Such a shift was probably inevitable, given the completion of the process of ratification of the Ostpolitick treaties with the U.S.S.R. and the East European Communist states and had been foreshadowed by Chancellor Brandt himself. Nonetheless, the primacy of economic issues has perhaps accelerated the shift in emphasis in Germany policy—which also appears to be more congenial to the talents and temperament of Chancellor Schmidt, whom I found to be a leader of great drive and competence.

Nor has the priority given to economic issues by the Schmidt government, in my judgment, marked any change in the priority which Germany accords to NATO as compared with the EEC. Indeed, the shift in emphasis from Ostpolitick to Westpolitick has, if anything, reinforced the primacy of security considerations in German policy; and Chancellor Schmidt is outspokenly proud of his own accomplishment in helping to negotiate the "offset" agreement with the United States, which has helped to defuse the issue of U.S. forces in Germany.

Quite naturally, the leaders of Germany and of the other NATO governments in Europe are highly gratified by the decision of the Senate to defeat the Mansfield amendment which had become a symbol—rightly or wrongly—in Europe, and particularly in Germany, of American steadfastness respecting the collective security of Western Europe.

As the nation geographically closest to the full weight of Soviet power, throughout the postwar period the FRG has been among the wariest of Soviet intentions, as well as capability. Moreover, I detected in my conversations in Bonn a feeling that the Federal Republic's experiences in negotiating the Ostpolitick treaties and the basic agreement with East Germany, have confirmed earlier attitudes respecting the long term objectives of the Soviet Union in relation to Germany and Western Europe. Accordingly, the Federal Republic seeks its security and prosperity within the framework of a uniting Europe closely alined to the United States in security and economic matters. Within the EEC, Germany proposes consistently to dispose of its influence in this direction as it does also within the framework of NATO.

Moreover, within the limits in which it must operate, I believe that the German outlook on global affairs—outside defined area of NATO concern—is among the most congenial in Europe to American policy. In this respect, I feel it was significant that I encountered no lingering indications of previously expressed anxieties that bilateral agreements might be reached by the United States with the Soviet Union over the head of Western Europe and at Western Europe's expense.

One of my purposes in meeting the leaders of the new governments of Britain, France, and Germany was to request official reactions to the report of the Committee of Nine, along the lines of the extension, paragraph by paragraph, commentary issues by the Department of State. I am pleased to be able to report that this request is now receiving sympathetic consideration by the leaders of the British, French, and German Governments.

The Cyprus crisis, occurring several weeks after my conversations in Europe, indicates that the need of U.S.-EEC cooperation in foreign policy has been well understood on both sides of the Atlantic. The cease-fire, which averted a wider crisis and prevented war between two members of NATO, was an accomplishment based on superb coordination of policy between Secretary Kissinger and the Foreign Ministers of the EEC nations, who also constitute our principal NATO allies in Europe.

The world press has taken prominent note of this feature of the Cyprus crisis, and has suggested that it is the beginning of a major new development in the recent history of United States-European relations.

In addition to the testimony of the press in this respect, the major participants have themselves confirmed, not only the event itself, but also its far-reaching significance. Dr. Kissinger has been making this very point currently and on his current visit to the United States the Foreign Minister of the Federal Republic of Germany, Herr Genscher, was most forthcoming and positive in his description of the coordination which enabled Dr. Kissinger and the EEC Foreign Ministers to work together rapidly, harmoniously—and most importantly, successfully—in bringing about the cease-fire on Cyprus.

I believe that we have reason to feel that a new leaf has been turned which is of great benefit to the Atlantic Alliance. I hope that the Senate will do its part in encouraging and fostering an atmosphere in which the same mode of swift, effective foreign policy coordination among the Atlantic allies can be applied to the great problems we face respecting monetary questions and energy policy.

In conclusion, I returned from Europe with a feeling that the awareness of the grave dangers—indeed, the crisis in monetary matters—which jointly confront the United States and our Western European allies has served to heighten awareness of the absolute need to find joint solutions achieved through concerted action. Moreover, in contrast to the experience of recent years, I find a new awareness of the close interrelatedness of the major issues confronting the Alliance nations, requiring cooperation on broad fronts. In this awareness of the interrelatedness of interests, I believe that the self-defeating compartmentalization of issues will give way to a new pattern of joint action and in this context, a high order of U.S. statesmanship is required, as well as a brand of skillful but unobtrusive leadership.

THE EDUCATION PROVISIONS OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

Mr. PELL. Mr. President, the conference report on H.R. 69 is a rather voluminous document ably setting forth the differences and the agreements of the conferees, but does not give a simple explanation as to what is in the bill. Therefore, I ask unanimous consent for printing in the RECORD a factsheet on the education provisions only.

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

FACTSHEET ON THE EDUCATION PROVISIONS OF H.R. 69 AS REPORTED BY THE COMMITTEE ON CONFERENCE

The conference report on H.R. 69 extends the Elementary and Secondary Education Act, the impact aid laws, the Adult Education Act, the Bilingual Education Act, and the Indian Education Act through fiscal year 1978. It also extends the Education of the Handicapped Act through fiscal year 1977 and the Emergency School Aid Act through fiscal year 1976.

TITLE I, E.S.E.A.

The Title I formula is amended to allocate funds on the basis of more current data. State agency programs for handicapped, migrant, and neglected and delinquent children will receive funds in accordance with the new formula and will continue to receive funds "off the top" in accordance with established practice. No State agency will receive less than its fiscal 1974 allocation. Each local education agency will receive at least 85% of its previous year's allocation. The 1975 authorization is estimated at $3.1 billion for LEA grants.

Part B of Title I, incentive grants to States with a high tax effort for education, is continued with a maximum appropriation of $50 million.

Part C, grants to areas with high concentrations of low income children, is extended through 1975.

Authority is contained in the bill for a separate authorization which permits the Commissioner in special circumstances to make grants to school districts which are receiving less than 90% of their previous year's allocation.

A by-pass for non-public school children is included.

OTHER TITLES

Titles II, III, and VIII of ESEA are extended through 1978 and Title III of NDEA is extended through fiscal year 1977. These programs may not be funded in any year in which there is a consolidation of programs as described below.

CONSOLIDATION

State operated programs are combined into the following divisions:

(a) "Libraries and Learning Resources" included ESEA I, NDEA III, and the guidance and counseling portion of ESEA III.

(b) "Support and Innovation" includes the balance of ESEA III, Nutrition and Health and Dropout Prevention from Title VIII, and ESEA V.

Consolidation must be forward funded and during the first year there will be a 50% hold-harmless for each program.

A by-pass for non-public school children is included.

Total discretion is given to local educational agencies on spending under Libraries and Learning Resources. States distribute funds under Support and Innovation on a project grant basis.

Also adopted is a provision for a simplified State application for ESEA I, II, III, NDEA III, Adult Education, Vocational Education, and Education of the Handicapped.

The Special Projects Act is included which provided an "incubator for new categorical programs. Under this concept new programs will be protected for a period and then will compete for funding without the protection of set-asides. These new programs include Women's Educational Equity, Career Education, Consumer's Education, Gifted and Talented, Community Schools, Metric Education, and Arts in Education.

IMPACT AID

Effective in fiscal 1976, amendments are accepted which will include guaranteed funding for public housing children of 25% of entitlement, equal to about $53 million in 1976. Entitlements for military children remain as in current law. Entitlement rates for civilian children are reduced slightly for those who live within the same county (from 50% to 45%) and for those who live within a different county in the same State (50% to 40%). Entitlements for those who live in a different State are eliminated except that those payments will be reduced over a number of years as the result of hold-harmless provisions.

School districts with 25% or more of their enrollments "a" children will be guaranteed the full amounts of their entitlements for these children.

No school district which receives more than 10% of its budget from impact aid will have its payments reduced less than 10% each year. Districts which receive less are guaranteed 80% of their previous year's payments. Also every district is guaranteed that it will not lose any regular impact aid funds due to the inclusion of public housing children.

Handicapped children of military personnel will be entitled to a payment of 1½ times that of other children. These funds must be used for the purposes of providing special education for these children.

Funds which a district receives as the result of public housing children must be used for programs of compensatory education.

ADULT EDUCATION

The Commissioner's 20% set-aside is deleted and all funds are to be allocated to the States. Up to 20% of a State's funds may be used for high school equivalency programs.

The program of adult education for Indians is continued through 1978.

HANDICAPPED

All existing programs for the handicapped are extended through fiscal year 1977. For fiscal 1975, $630 million is authorized to be allocated among the States on the basis of total population ages 3–21. These funds will be particularly helpful in meeting requirements for the education of all handicapped children facing many States as the result of court decisions.

States are required to show how they will meet the needs of those children.

BILINGUAL EDUCATION

Authorizations are increased and special emphasis is placed on the training of personnel. Funds are also provided to States to assist them in developing their capacities to develop programs of bilingual education.

A national assessment of the need for bilingual education is to be conducted in 1975 and 1977 and sent to the Congress.

Also included is a program of fellowships for students who will enter the field of training teachers in bilingual education.

READING

A new program of reading improvement is included. Funds are authorized for grants to local educational agencies and States for comprehensive programs of reading improvement and projects which show promise of overcoming reading deficiencies. Also included are funds for special emphasis projects in reading, for the training of reading teachers on public television, and for reading academies.

VOCATIONAL EDUCATION

Included are two new programs which provide funds in fiscal 1975 for bilingual vocational training and bilingual vocational education.

INDIAN EDUCATION

The Indian Elementary and Secondary School Assistance Act is extended through 1978. Up to 10% of the funds are to be made available to Indian controlled schools.

An annual authorization of $2 million for special training programs for training teachers of Indian children is included and a program of fellowships for Indian students is also included.

OTHER PROGRAMS

The Emergency School Aid Act is continued through 1976. The authority to fund educational parks and the set-aside for metropolitan areas programs are repealed.

An amendment to authorize the CLEO program to assist disadvantaged students to prepare for and attend law schools is accepted.

The Ethnic Studies program is extended through 1978.

A program of grants to States to assist them in planning State equalization programs is included. Grants range from $100,000 to $1,000,000 per State depending upon population.

MISCELLANEOUS FEATURES

An upgraded National Center for Education Statistics within the Office of the Assistant Secretary for Education is created.

Regionalization of the Office of Education without an act of Congress authorizing such regionalization is forbidden.

Congress is afforded the opportunity to disapprove regulations for any Federal aid program for education.

Parents of students and students attending post-secondary institutions are afforded the right to inspect their school files and the release of documents in those files is restricted.

COMMENTS ON THE FINAL REPORT OF THE SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. ERVIN. Mr. President, the Senate Select Committee on Presidential Campaign Activities, which was created by the unanimous adoption of Senate Resolution 60 on February 7, 1973, and which will cease to exist upon the completion of 90 days after June 28, 1974, has made its final report to the Senate.

Such report summarizes the evidence taken by the committee and makes recommendations that the Congress adopt certain legislative proposals to safeguard the integrity of the process by which the President of the United States is nominated and elected.

As chairman of the Senate Select Committee, I wish to commend the patriotic services rendered by the other members of the Select Committee, which was composed of Senator BAKER, of Tennessee, vice-chairman; Senator TALMADGE, of Georgia; Senator INOUYE, of Hawaii; Senator MONTOYA, of New Mexico; Senator GURNEY, of Florida; and Senator WEICKER, of Connecticut.

The Senate and the American people owe a deep debt of gratitude to these Senators. I shall forever treasure in my heart the recollection of their great aid to me in my capacity as chairman of the Select Committee.

The Select Committee was aided in its labors by an extremely able staff consist-

ing of Chief Counsel and Staff Director Samuel Dash, Deputy Chief Counsel Rufus L. Edmisten, Minority Counsel Fred D. Thompson, Deputy Minority Counsel Donald G. Sanders, David M. Dorsen, James Hamilton and Terry F. Lenzner, who served as Assistant Chief Counsel.

Their work, as well as that of the members of the Select Committee, enjoyed the benefit of the services of other members of the staff, some of whom served throughout the period of the committee's labors, and some of whom served for short periods of time. These members of the staff were as follows:

1. Mark J. Biros, Eugene Boyce, Donald Burris, H. Phillip Haire, Mark Lackritz, Robert McNamara, William Mayton, James Moore, Robert Muse, Ronald D. Rotunda, Barry Schochet, W. Dennis Summers, and Alan S. Weitz, who served as Assistant Counsel;

2. Howard S. Liebengood, Michael Madigan, Richard Schultz, H. William Shure, and Robert Silverstein, who served as Assistant Minority Counsel;

3. Carmine S. Bellino, Wayne Bishop and Harold Lipsett, who served respectively as Chief Investigator, Chief Field Investigator, and Assistant Chief Investigator;

4. R. Scott Armstrong, Andy Chinni, John Dale, Mary DeOreo, Michael Hershman, Kenneth Jernigan, Al Keema, William McCafferty, Robert O'Hanlon, Scott Parr, and Lee E. Sheehy, who served as Investigators;

5. Orville Ausen, Robert J. Costa, James Elder, Benjamin Plotkin, and Emily Sheketoff, who served as Minority Investigators;

6. Arthur Miller, who served as Chief Consultant, and Herbert Alexander, Jerome Barron, Sherman Cohen, Eugene Gressman, Jed Johnson, Charles Rogovin, Richard Stewart and Carl Rizer, who served as Consultants;

7. Carolyn M. Andrade and Laura Matz, who served as Administrative Assistant; Carolyn E. Cohen, who served as Office Manager; Madelyn Harvey, who served as Financial Clerk; and, Shelley Walker, who served as Assistant Financial Clerk;

8. Deborah Actenberg, Phyllis Balan, Marianne Brazer, Phyllis Britt, Marie Geneau, Jeanne Havasy, Barbara Kennedy, Shirley McAlhaney, Elizabeth McCulley, Carol Mullins, Gloria Proctor, Virginia Simmons, Julie Smith, Bernita Sloan, Susan Myers, Earline Ching, Elizabeth Ching, Margrethe Ravnholt, Barbara Friedman and Florence Thoben, who served as Secretaries;

9. Joan C. Cole, Secretary to the Minority, and Barbara Chesnik, Sally Montgomery, Gail Oliver, Carol Anderson, Karleen Milnick, and Linda Beversluis, who served as Secretaries for Minority Staff;

10. Carol Anne Wiik and Vicki Movold, who served as Security Clerks; Collette Elliott, Boyd Gregory, Sharon Kirby, Dorilda Roberge, Elaine Gibbs and Chris Rogan, who served as IBM Magnetic Tape Selectric Typewriter Operators; Deborah Ferguson, Shirley Strong and Donna Schober, who served as National Cash Register Key Punch Operators; and Alberta Thomas, who served as Microfilm Clerk;

11. Pauline Dement, John Elmore, Dave Erdman, John Etridge, Louise Garland, Roy Ginsberg, Grayson Fowler, Deborah Herbst, Joel Klineman, Michael Kopetski, Lacy Presnell, Brenda Robeson, James Rowe, Paul Summit, William Taylor, Richard Simmons, Bruce Quan, Martha Talley and Gail Waller, who served as Research Assistants;

12. Mark Adams, Roger Cohen, Karen Cole, Carolyn Dorais, Peter Drymalski, Robert Dughi, James Dunlap, Michael Frisch, Gary Gerson, Harry Gurkin, Herbert Hoell, James Holtkamp, July Moreland, Patrick O'Leary, John Peterson, Paul Kamenar, Linda Satterfield, Nancy Story, Joseph Tasker, Donn Walters, Joseph Gazzoli, and Richard Miller, who served as Computer Research Assistants;

13. Sally Auman, Jonathan Blackmer, Gregory Church, James Copeland, John Dolan, Don Sanford, Gordon Freeman, John Dondey, John Greer, Daniel Higgins, Joseph Kelley, Thomas Ritter and Barbara Shatten, who served as Staff Assistants;

14. John Brightman, Alan Crosby, Tony Harvey, Gloria Lancaster, Noel Peterson, Susan Thomas, Gerald Reid, and Dennis Crossland, Members of the Library of Congress Computer Staff, who were of material assistance to the committee in computerizing the information assembled by it;

15. John Walz, Publications Clerk, Michael Flanagan, Assistant Publications Clerk, Raymond St. Armand, Assistant Publications Clerk, William Fair, Ralph Binkley, Charles Hitchens, Leonard Mogavero and Arnold Simko, their assistants on the Government Printing Office Staff, who furnished material aid to the Select Committee in connection with its various publications;

16. Walker F. Nolan, Jr., Counsel, J. L. Pecore, Assistant Counsel, J. Michael Carpenter, Brent McKnight, Judy Dash, Suzanne Williams, Research Assistants, and Rachel Dash, Staff Assistant, members of the Staff of the Subcommittee on Separation of Powers who were loaned temporarily to the Select Committee and furnished it substantial assistance; and

17. Stephen Leopold, Linda Cole and Ronald Riggs, who aided the Select Committee as Volunteers.

Many of the news media have commented upon the final report which the Senate Select Committee has filed with the Senate.

I ask unanimous consent that the following of these comments be printed in the body of the RECORD:

First, the comments entitled "Final Report of Senate Watergate Committee" which appeared in the U.S. News & World Report for July 22, 1974;

Second, the comments entitled "Sam Ervin's Last Harrumph" which appeared in Newsweek for July 22, 1974;

Third, the comments entitled "The Ervin Committee's Last Hurrah" which appeared in Time for July 22, 1974;

Fourth, the comments entitled "Watergate Reforms" which appeared in the New York Times for July 25, 1974; and

Fifth, the comments entitled "A Job Well Done" which appeared in the Washington Star-News on July 3, 1974.

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

[From U.S. News and World Report, July 22, 1974]

"TRAGIC HAPPENINGS"—FINAL REPORT OF SENATE WATERGATE COMMITTEE

NOTE.—From the official text of the final report of the Senate Select Committee on Presidential Campaign Activities—the Senate Watergate Committee—which was released on July 14, 1974.

"Watergate is one of America's most tragic happenings.

"This characterization of Watergate is not merely based on the fact that the Democratic National Committee headquarters at the Watergate was burglarized in the early morning hours of June 17, 1972. Rather, it is also an appraisal of the events that led to that burglary and its sordid aftermath, an aftermath characterized by corruption, fraud and abuse of official power.

"The Select Committee is acutely conscious that, at the time it presents this report, the issue of impeachment of the President on Watergate-related evidence is pending in the Judiciary Committee of the House of Representatives. The Select Committee also recognizes that there are pending indictments against numerous defendants, most of whom were witnesses before the Committee, which charge crimes that, directly or indirectly, relate to its inquiry.

"It thus must be stressed that the Committee's hearings were not conducted, and this report not prepared, to determine the legal guilt or innocence of any person or whether the President should be impeached. In this regard, it is important to note that the Committee, during its short life span, has not obtained all the information it sought or desired, and thus certain of its findings are tentative, subject to re-evaluation when the full facts emerge.

"Moreover, the Committee, in stating the facts as it sees them, has not applied the standard of proof applicable to a criminal proceeding—proof beyond a reasonable doubt. Its conclusions, therefore, must not be interpreted as a final legal judgment that any individual has violated the criminal laws.

"The Committee, however, to be true to its mandate from the Senate and its constitutional responsibilities, must present its view of the facts. . . . Thus the factual statements contained in this report perform two basic legislative tasks:

"First, they serve as a basis for the remedial legislation recommended herein which the Committee believes will assist in preserving the integrity of the electoral process not only for present-day citizens but also for future generations of Americans.

"Second, they fulfill the historic function of the Congress to oversee the administration of executive agencies of Government and to inform the public of any wrongdoing or abuses it uncovers. . . .

"Certain general observations based on the evidence before the Committee are appropriate. The Watergate affair reflects an alarming indifference displayed by some in high public office or position to concepts of morality and public responsibility and trust. Indeed, the conduct of many Watergate participants seems grounded on the belief that the ends justified the means, that the laws could be flaunted to maintain the present Administration in office.

"Unfortunately, the attitude that the law can be bent where expediency dictates was not confined to a few Government and campaign officials. The testimony respecting the campaign-funding practices of some of the nation's largest and most respectable corporations furnishes clear examples of the subjugation of legal and ethical standards to pragmatic considerations.

"Hopefully, after the flood of Watergate revelations the country has witnessed, the public can now expect, at least for some years to come, a higher standard of conduct from its public officials and its business and professional leaders. Also, it is helpful that the Watergate exposures have created what former Vice President Agnew has called a 'post-Watergate morality' where respect for law and morality is paramount. . . .

"Surely one of the most penetrating lessons of Watergate is that campaign practices must be effectively supervised and enforcement of the criminal laws vigorously pursued against all offenders—even those of high estate—if our free institutions are to survive."

CAMPAIGN PRACTICES

"The 1972 presidential campaign was replete with abuses of positions, power and prerogatives, particularly by White House personnel. The political advantages held by an incumbent President are immense, and they were constantly used and abused by this Administration.

"A corollary to the abuse of presidential incumbency for political gain is the considerable extent to which objectionable campaign practices were conceived, encouraged and controlled by high-level presidential aides. This was true from the early days of the first

term, when there was no campaign organization, and it continued to be so through the 1972 election.

"Another important theme is the misuses of large amounts of money, especially difficult-to-trace cash that was held in secret places in the White House and elsewhere."

The basic "attack strategy" of the 1972 Nixon campaign, the Committee reports, "was ultimately converted by others into gross abuses and unethical manipulations of the electoral process by persons who had little political experience and by persons, including some with considerable political experience, who had little respect for fair play in elections."

As for the Democrats, the Committee says:

"The staff did uncover some instances of improper activity directed at President Nixon's re-election campaign. The results of these investigations, however, show no pattern of illegal, improper or unethical activities carried out or condoned by any Democratic aspirant or Democratic campaign organization."

Further, the Committee says it "wishes to note that it has received no evidence suggesting any complicity in wrong-doing on the part of the Republican National Committee or the Democratic National Committee or its principal officers during the presidential campaign of 1972."

During the time covered by the investigation, Senator Robert Dole, of Kansas, was the Republican Chairman and Lawrence F. O'Brien was the Democratic Chairman.

To help prevent future excesses, the Committee recommends setting up an independent, nonpartisan Federal Elections Commissions to supervise enforcement of all election laws. It calls this "probably the most significant reform that could emerge from the Watergate scandal."

The Committee also recommends four largely technical laws that would deal primarily with "dirty tricks" such as infiltration into a campaign and that would hold persons in control of campaign funds criminally liable for funds spent for illegal purposes.

CAMPAIGN FINANCING

The Committee offers 10 specific recommendations on financing federal political campaigns.

1. Contributions and expenditures in cash by anyone above $100 should be prohibited.

2. Each presidential and vice-presidential candidate would have to designate one central campaign committee with one or more banks as his campaign depositories.

3. Over-all expenditures by presidential candidates should be limited. The Committee proposes a limit equal to 12 cents times the voting-age population during a general election.

4. Total contributions—cash or otherwise—should be limited to a maximum of $3,000 by any individual "to the campaign of each presidential candidate during the prenomination period, and a separate $3,000 limitation during the post nomination period."

5. Tax credits "in a substantial amount" should be allowed to help finance campaign contributions.

6. Any form of public financing of candidates should be prohibited. Says the Committee: "We find inherent dangers in authorizing the federal bureaucracy to fund and excessively regulate political campaigns.

7. Campaign contributions by foreigners, now forbidden in part, should be banned.

8. High Administration officials who leave office to enter a campaign should be barred from engaging in all fund-raising activities for a period of one year.

9. Stringent limitations should be imposed on the right of organizations—whether they be composed of individuals, corporations or unions—to contribute to presidential campaigns. The Committee suggests a limit of $6,000.

10. Violations of the major provisions of the campaign-financing law, such as participating in a corporate or union contribution in excess of the limit, should constitute a felony. Some are now classed as misdemeanors.

"POLITICIZING" ADMINISTRATION DECISIONS

"A White House-devised plan, known as the Responsiveness Program, was an organized endeavor "to politicize" the executive branch to insure that the Administration remained in power.

"The scope of this effort was broad and its potential impact considerable. It included, for example, plans to redirect federal monies to specific Administration supporters and to target groups and geographic areas to benefit the campaign. It entailed instructions to shape legal and regulatory action to enhance campaign goals. It comprised plans to utilize Government employment procedures for election benefit.

"Not only were such plans laid; they were, in part, consummated, although departmental and agency resistance to campaign pressures limited the success of these endeavors. Particularly in regard to the expenditures of federal monies concerning certain minority and constituent groups were there flagrant abuses of proper governmental procedures. Some of these abuses appear to stem from the improper involvement of campaign officials in governmental decision making. . . .

"A question exists whether the planning and implementation of the Responsiveness plan rises to the level of a conspiracy to interfere with the lawful functioning of Government—conduct prosecutable . . . as a conspiracy to defraud the United States.

"The Committee rejects the proposition that much of the conduct described . . . should be viewed as acceptable political practice. The Responsiveness concept involved the diverting of taxpayers' dollars from the primary goal of serving all the people to the political goal of re-electing the President.

"To condone such activity would display a limited understanding of the basic notion that the only acceptable governmental responsiveness is a responsiveness to the legitimate needs of the American people."

To cope with such problems the Committee recommends:

Establishment of a permanent Public Attorney to prosecute criminal cases in which there is a real or apparent conflict of interest within the executive branch. The Public Attorney is envisioned as an "ombudsman" with power "to inquire into the administration of justice in the executive branch." He would be appointed for a fixed term—say, five years—and would be chosen by the judiciary, subject to Senate confirmation.

A general overhaul of existing laws governing conduct of federal officials in elections.

Placing all Justice Department officials, including the Attorney General, under the Hatch Act, which bars certain federal employees from engaging in political activities.

SPYING AND PERSONAL PRIVACY

The Committee makes three recommendations for congressional action in connection with intelligence-gathering activities:

1. Make it unlawful for an employe in the Executive Office of the President to authorize or engage in any investigative or intelligence-gathering activity concerning national or domestic security that is not authorized by Congress.

2. Supervise more closely the operations of the intelligence and law-enforcement "community," especially in its relations with the White House, and "promptly determine" if any changes in the laws relating to these agencies need to be made.

3. Study laws covering electronic surveillance to see if they should be tightened. Says the Committee: "A thorough re-evaluation of this legislation, including a factual investigation of federal wiretapping practices, is necessary."

USING THE INTERNAL REVENUE SERVICE

"There were numerous efforts by the White House to use the IRS for political purposes between 1969 and 1972. Particularly striking examples, such as attempts to use the IRS to harass persons perceived as 'enemies,' have already been exposed and discussed at great length by the Select Committee and other groups. In addition, there was misuse of the IRS by the White House regarding the IRS investigation of Rebozo, the President's brothers and people connected with the Hughes operation. Because of the close relationship of several of the parties to the President, questions of improper White House influence in this case are particularly acute."

As a result, the Committee says, communications between the White House and the IRS should be more strictly regulated. Four specific recommendations are made:

"1. Any requests, direct or indirect, for information or action made to the IRS by anyone in the Executive Office of the President, up to and including the President, should be recorded by the person making the request and by the IRS. Requests and responses by the IRS (i.e., whether information was provided) should be disclosed at least once a year to appropriate congressional oversight committees.

"2. On 'sensitive-case reports,' which cover special cases, the IRS should be permitted to disclose to persons in the Executive Office of the President, up to and including the President, *only* the name of the person or group in the report and the general nature of the investigation.

"3. All persons in the Executive Office of the President, up to and including the President, should be prohibited from receiving indirectly or directly any income-tax return.

"4. All requests for information or action and all IRS responses should be disclosed periodically to the appropriate congressional oversight committees."

The Committee also recommends that the President and Vice President annually make full public disclosure of their finances, including tax returns. It said this would "help protect the office of the President, insuring that no individual occupying the office would be the object of any speculation, innuendo or suggestion of impropriety regarding income, gifts and expenditures."

ON THE ROLE OF "BEBE" REBOZO—

In a report issued on July 10, the staff of the Senate Watergate Committee asserted there is evidence that $50,000 spent for President Nixon's personal benefit included cash secretly channeled from campaign contributions.

The 350-page report said the expenditures were made from a fund set up by the President's close friend, Charles G. ("Bebe") Rebozo, in Key Biscayne, Fla.

The report added:

"There is evidence that the fund which Rebozo maintained in Florida consisted of campaign funds."

One payment listed as having been made through the Rebozo fund was $4,562 toward the $5,650 cost of platinum-and-diamond earrings given by Mr. Nixon to the First Lady as a birthday present on March 17, 1972.

Besides the payment for earrings, the report implies that Mr. Rebozo used campaign donations to pay for $45,621 worth of improvements to the President's Key Biscayne properties.

Among items listed were a swimming pool, a putting green, a billiard table, and the conversion of a garage into living quarters.

Public release of the staff report was authorized by the Committee four days ahead of its full report.

The document strongly suggested that part of a $100,000 campaign contribution from billionaire Howard Hughes was used by Mr. Rebozzo for outlays benefiting Mr. Nixon.

This conflicted with Mr. Rebozo's sworn statements that the Hughes money had been returned to the donor untouched.

The Committee staff said that records and testimony indicate that the cash available to Mr. Rebozo during the period in question was from the $100,000 Hughes contribution and a $50,000 campaign donation by A.D. Davis, a Florida supermarket executive.

According to the report, a complex series of transactions involving transfers of funds into four bank trust accounts concealed the sources of cash used by Mr. Rebozo.

The Committee staff also declared it had additional information to support a charge that Mr. Rebozo gave or lent part of the Hughes contribution to Rose Mary Woods, the President's personal secretary, and the Chief Executive's brothers, Donald and Edward. This has been denied by Mr. Rebozo, Miss Woods and the Nixon brothers.

In advance of the report's release, White House special counsel James D. St. Clair told the Senate Committee by letter that the President "never instructed C. G. Rebozo to raise and maintain funds to be expended on the President's personal behalf, nor, so far as he knows, was this ever done."

On July 11, White House Press Secretary Ronald L. Ziegler characterized the report as "surmise, suggestion and conjecture, with little supporting facts."

The report does not allege that Mr. Nixon knew the source of funds being spent by Mr. Rebozo or that the President ever asked Mr. Rebozo to foot his bills.

Despite all the evidence, the staff said it could not reach a precise conclusion on alleged improper expenditures on the President's behalf because Mr. Rebozo "persisted in his refusal to make records controlled by him or his bank" available to the Committee and "placed himself beyond the reach of the Committee by traveling to Europe" just before the Committee was to be officially disbanded.

The federal campaign law contains no specific prohibition against the use of campaign contributions for personal expenses.

The staff report made no specific suggestion of criminal activity.

[From Newsweek magazine, July 22, 1974]

SAM ERVIN'S LAST HARRUMPH

It has been a year and a half since the Senate Watergate committee began its task, and just over a year since the nation watched transfixed as former White House counsel John W. Dean III delivered his *j'accuse* to the wary senators. The committee has been reduced to somnolent murmuring for months, and not even a torrent of leaks about its long-overdue final report could rouse much interest in this section of impeachment. But when the three-volume, 2,299-page report finally emerged last week, it showed that Sam Ervin and his band still had a wallop left. In an exhaustive, 350-page section, the report provided the most damaging evidence yet that Richard Nixon had secretly and possibly illegally enhanced his personal wealth with political campaign contributions—and it suggested the existence of a "slush-fund" of unknown size, managed by the President's longtime friend, C. G. (Bebe) Rebozo.

The report was otherwise a long retracing of the path that the committee had blazed a year ago in its probe of wrongdoing during the Presidential campaign of 1972. That period, the senators said, had been "characterized by corruption, fraud, and abuse of official power," but they refused to assign individual responsibility. "Some people draw a picture of a horse and then write 'horse' under it," chairman Ervin explained. "We just drew the horse." Still, the committee's conclusions showed through in its 37 specific legislative recommendations for preventing future abuses. The proposed legislation would rein in the President, subject the Justice Department to scrutiny and give Congress more authority over a runaway executive branch.

RADICAL RECOMMENDATION

The most radical recommendation was for a permanent office of public attorney, to be named by the judiciary and approved by the Senate. The attorney, the report suggests, "would not be only a 'special prosecutor' but an ombudsman," with access to executive records and a franchise to investigate any apparent misconduct by the Administration. Reflecting on the "plumbers" operation, the committee would ban intelligence gathering by the White House; it would also increase Congressional supervision of the FBI, IRS and CIA, while severely restricting all communication between the IRS and the White House. The committee offered a list of restrictions on dirty campaign tricks. And to the section on Rebozo, the committee attached a recommendation that Presidents and Vice Presidents be required to make full disclosure annually of all income and gifts.

It was in the unraveling of Rebozo's intricate financial ties to Mr. Nixon that the report covered new ground. The thrust of the charge was that, from 1968 to 1972, Rebozo had used a complex set of bank accounts in the name of his lawyer, Thomas H. Wakefield, to funnel more than $50,000 to the President's personal use—and the implication was that at least part of that sum may have come from the mysterious $100,000 cash gift of billionaire Howard Hughes. According to the report, Rebozo had deposited sizable funds—including at least $20,000 in $100 bills—in three trust accounts held by Wakefield. Out of those he had paid $45,621.15 for improvements on Mr. Nixon's Key Biscayne properties, including a swimming pool, a fireplace and an Arnold Palmer putting green. There might have been more such expenditures, the report speculated, but Rebozo had refused to comply with subpoenas for his financial records.

Possibly the most damning single charge by committee investigators was that $4,562.38 in campaign funds had gone toward the purchase by Mr. Nixon of some platinum-and-diamond earrings for his wife's 60th birthday in 1972. Long before, money left over from the President's 1968 campaign had been deposited in the account of the Florida Nixon for President Committee, controlled by Rebozo, in Rebozo's Key Biscayne Bank & Trust Co. In 1969 Rebozo had transferred $6,000 from that account to another in his bank, the latter in Wakefield's name. There were some withdrawals that year, then none until June 28, 1972, the report charged, when Rebozo transferred the remaining balance—$4,562.23—to a trust account of Wakefield's law firm; then $5,000 was moved from there to a fourth account in First National Bank of Miami. Later that day, $5,000 was withdrawn in a cashier's check, payable to Harry Winston, the New York jeweler. Winston's records also show a $560 check from Mr. Nixon's Washington bank and a $90 check from his secretary, Rose Mary Woods, apparently to cover an unanticipated difference in the price of the earrings.

SWIMMING POOL

Rebozo conceded that the $4,562 came from campaign funds, the report said, but he maintained that the money was owed to him for his own undocumented expenditures during the campaign. But if Rebozo was making Mr. Nixon a gift totaling about $50,000, the report said, he failed to pay the necessary gift tax. While the transfer might have been a loan, the only record of reimbursement by the President noted in the report was a $13,642.52 check for the swimming pool—issued in mid-1973, when the committee was already probing the Hughes contribution. The Cooper & Lybrand audit of Mr. Nixon's finances last year reflected no such debt to Rebozo. The auditors, in fact, had not been told of the $45,621 worth of improvements on Key Biscayne, although the report said that Mr. Nixon knew that the improvements had been made and had met once with a contractor.

Even more potentially damaging was the report's suggestion that the $50,000 may have been only the tip of the iceberg. Only one month after the first Nixon Inauguration, the report disclosed, H. R. Haldeman wrote John Ehrlichman: "Bebe Rebozo has been asked by the President to contact J. Paul Getty in London regarding major contributions . . . The funds should go to some operating entity other than the [Republican] National Committee so that we retain full control of their use." That plan was later abandoned, but two months later Rebozo wrote to Herbert Kalmbach, the President's lawyer and fund raiser, about a fund he would maintain in Florida to "take care of frequent administration-connected costs." That fund began, Senate investigators suspect, with a relatively modest transfer of $6,000—but Wakefield and former Haldeman aide Laurence Higby have mentioned amounts between $200,000 and $400,000. Whatever the size, Newsweek's Nicholas Horrock learned, committee investigators believe that secret donations may have come from individuals seeking government favors.

The mystery surrounding Rebozo's handling of the $100,000 gift from Hughes, the probers charge, was only deepened by an IRS investigation into the matter. The agency delayed its inquiry for months after learning of the fund, and then handled Rebozo gingerly. Only days before Mr. Nixon fired special Watergate prosecutor Archibald Cox, the IRS told Rebozo that Cox was investigating him; the same day, the report said, White House chief of staff Alexander Haig tried to stop Cox's investigation.

The IRS's leniency with Rebozo was in marked contrast to its investigation of Democratic Party chairman Lawrence O'Brien. It began, the report said, when Ehrlichman learned that O'Brien's public relations firm had received a retainer from a company owned by Howard Hughes. Although the IRS had finished a routine audit of O'Brien, Ehrlichman has testified that he prodded the agency into reopening the case. "I wanted them to turn up something and send O'Brien to jail before the election," Ehrlichman told the committee. When the then Treasury Secretary George Shultz and IRS Commissioner Johnnie M. Walters telephoned Ehrlichman to report that O'Brien was clean, Walters said, Ehrlichman raged at him. It "was my first crack at [Walters]," Ehrlichman said. "George wanted to stand between me and his commissioner and this was the first time I had a chance to tell the commissioner what a crappy job he had done."

ETHICAL QUESTIONS

The committee had made other discoveries, but most had been leaked by the time that the report appeared. Investigators found evidence that the Presidential campaign committees of Democratic Sen. George McGovern were settling bills with creditors at 50 per cent of face value—while making substantial transfers of funds to McGovern's 1974 senatorial campaign. While the report presented no evidence of illegal intent, it raised a conspicuous question of ethics. And investigators charged that both Sen. Hubert Humphrey and Rep. Wilbur Mills had received thousands of dollars in illegal corporate contributions to their unsuccessful 1972 primary campaigns for the Democratic Presidential nomination.

There were also few surprises in the senators' individual reports. Most shunned the question of the President's role in the cover-up; only Sen. Edward Gurney, a Florida Re-

publican, concluded that Mr. Nixon had no advance knowledge of the break-in and first learned of the cover-up in March 1973. (Last week Gurney was charged by a grand jury with bribery and conspiracy concerning a secret fund for his benefit.)

The report also contained a letter from Presidential counsel James St. Clair, replying to some of the charges and disparaging the rest. Mr. Nixon, he concluded, "never instructed C. G. Rebozo to raise and maintain funds to be expended on the President's personnel behalf, nor, so far as he knows, was this ever done." Presidential spokesman Ron Ziegler added that the Rebozo charges were so much "warmed-over baloney"—a phrase that led the jovial Ervin to brandish an 11-pound sausage at the committee's final session in the Senate Caucus Room. But the White House response begged the question of whether campaign money had actually been diverted to Mr. Nixon's private use—and the charge promised to be yet another factor in the growing case for the impeachment of Richard Nixon.

[From Time magazine, July 22, 1974]

THE ERVIN COMMITTEE'S LAST HURRAH

The Senate Watergate committee passed quietly into history last week—and with it an extraordinary episode in congressional annals. Having accomplished its primary objective—to inform the U.S. public about the facts and dimensions of the Watergate case—the committee bequeathed the continuing investigation to a host of other legislative and judicial bodies. But before it expired, it issued one last broadside: a 350-page staff report alleging, among other things, that leftover campaign funds had been used by President Nixon's good friend C. G. ("Bebe") Rebozo to pay for various major improvements to the Nixon properties at Key Biscayne and for a pair of platinum-set diamond earrings that the President gave to Pat in 1972 for her 60th birthday.

Then, finally, on a warm summer day, the committee assembled for a closing ceremony in the marbled Old Senate Caucus Room. At the long table sat the Senators and key staff members, like a senior class on graduation day. Only four of the committee's seven members were present: Chairman Sam Ervin, Lowell P. Weicker Jr., Joseph M. Montoya and Daniel K. Inouye. Vice Chairman Howard H. Baker Jr. was home in Tennessee; Herman E. Talmadge was busy elsewhere; and Edward J. Gurney was beset by troubles of his own.

Attention focused naturally on Sam Ervin, now serving the last of his 20 years in the Senate. Through some ten weeks of televised hearings last summer, he had become, at the end of his career, a folk hero, a landmark of integrity. As Time Correspondent Stanley Cloud observed last week: "Sam Ervin hadn't been discovered as a result of Watergate; he had simply been there waiting, as though his entire life had been a preparation for this final service."

After paying tribute to his colleagues and to the committee staff, Ervin was presented with a 10-lb. sausage by Committee Counsel Samuel Dash, in recognition of White House Press Secretary Ronald Ziegler's denunciation of the committee's special report on Rebozo as "warmed-over baloney." Then Sam Ervin delivered a short speech, quoting right and left from his favorite writings, and it was over.

WITHOUT DEMAGOGUERY

Whatever its weaknesses—excessive leaking and petty rivalries—the committee accomplished its basic task. After a year and a half of existence, it had spent about $2 million of the public's money, produced 13 volumes and 5,858 pages of testimony and exhibits, and written a three-volume 2,217-page final report. Without engaging in demagoguery and without acting as prosecutor or persecutor, the committee had laid out the basic story of Watergate as clearly and fully as it could. Moreover, it had largely carried out this task in public, so that the American people would be able to make their own decisions about who was telling the truth and who was not.

The committee's special report on Bebe Rebozo's expenditures was not particularly important for the amounts of money involved. Compared with the abuses of power already documented in the Watergate affair, for example, the allegation that Rebozo spent $4,562.38 in leftover campaign funds for earrings for Pat Nixon would not ordinarily have been of much consequence. But it was perceived as a vivid symbol, calling immediately to mind a much younger Richard Nixon who bragged on television that his wife wore only a "respectable Republican cloth coat." Strategically, the allegation was also important to investigators because it helped them trace the means by which much of Nixon's campaign funds had apparently been "laundered."

The report alleges that the $4,562.38 portion of the $5,650 spent on the earrings was originally derived from campaign funds and that Bebe Rebozzo attempted to disguise the money's source by transferring it in and out of four separate Florida bank accounts. The $4,562.38, the report charges, was part of $6,000 that Rebozo withdrew on April 15, 1969, from the Florida Nixon for President Committee account in the Key Biscayne Bank and Trust Company—which he heads—and immediately deposited in a trust account in the name of his lawyer, Thomas H. Wakefield.

NICE DISCOUNT

Then, on June 28, 1972, the report continues, Rebozo (or his lawyer) transferred $4,562.38 to another Wakefield trust account in the Key Biscayne bank, immediately transferred $5,000 from this account to still another Wakefield trust account in the First National Bank of Miami, and finally bought a $5,000 cashier's check payable to New York Jeweler Harry Winston—all in the same day.

The rest of the cost of the $5,650 earrings was covered by two personal checks—one from Richard Nixon (for $560), the other from his personal secretary, Rose Mary Woods (for $90). The sale was apparently made by Winston's man in Washington, the late Don Carnavale, who was a close friend of Miss Woods. The earrings, containing 20 diamonds, were delivered to a presidential aide, Lieut. Commander Alex Larzelere, and the bill was marked "Please send to Rose Mary Woods." The earrings were subsequently appraised by Carnavale at $9,000—indicating that Winston gave Nixon a nice discount.

Rebozo admitted to the committee that the $4,562.38 had originated from campaign funds, but maintained that it was a proper reimbursement to him of money he had spent on campaign costs. The Ervin committee saw the transaction differently. "This complex fourstage process of payment for this gift," declared its report, "concealed the fact that the funds originated from contributions to the 1968 campaign and were ultimately used by Rebozo on behalf of President Nixon."

The report also charges that Rebozo used various trust accounts (again in the name of Thomas Wakefield or his law firm) for the deposit and transfer of at least $20,000 in $100 bills, and that these funds were subsequently used to pay for part of the $45,621.15 in improvements to the Nixon's Key Biscayne properties. These improvements included a new swimming pool and accessories, a fireplace, a putting green and a billiard table.

Whether specific laws were violated in the alleged use of campaign funds for private purposes is subject to varying legal interpretations. But certainly such funds would be taxable, and there is no record that the committee could find showing that the President paid any income tax on them. Nor, according to the committee, is there any record that Rebozo filed a required U.S. gift tax return for 1969, 1970, 1971 or 1972 on any improvements of more than $3,000 that he may have made to Nixon properties from his own funds. The committee noted that the only record of a reimbursement to Rebozo by the President had been a check for $13,642.52, issued in August 1973 at a time when Rebozo's affairs were being actively investigated by the Internal Revenue Service as well as by the Watergate committee itself.

Indeed, Rebozo seems to have conducted his business affairs with consistent vagueness. When asked by the Watergate committee earlier this year whether he had ever been reimbursed for bills that he paid for improvements to the Nixon properties, he replied: "Yes, I say, usually, I'm not going to nitpick with the President. If there's something I think he should have, I might just go ahead and do it without even him knowing about it. He just doesn't concern himself at all with financial problems, never has."

The committee failed in what had been a primary purpose of the Rebozo investigation: to establish a definite link between Rebozo's expenditures on the President's behalf and the $100,000 campaign contribution from Billionaire Howard Hughes. The report alleges but does not prove that, contrary to Rebozo's sworn testimony, he did not leave the Hughes contribution intact in a safe-deposit box for three years before returning it to a Hughes representative in June 1973. As previously reported, the President's former lawyer, Herbert Kalmbach, told the committee that Rebozo had told him that he gave part of the $100,000 to the President's brothers, Edward and F. Donald Nixon, to Miss Woods, and to "unnamed others."

SPECIAL ACCOUNT

The report contains some fascinating details about Rebozo's role as a part-time political fund raiser. In February 1969, according to a White House memorandum, Nixon asked Rebozo to solicit Billionaire J. Paul Getty in London for "major" campaign contributions—only a few months after he had completed his victorious campaign for the presidency. Getty subsequently contributed $125,000 to the 1972 Republican campaign. In early 1969, Rebozo established a special account in his Key Biscayne bank to pay for what he described as "Administration-connected costs"; this was the account from which the "earring" funds were withdrawn on June 28, 1972.

The special report on Rebozo and his friends was but one part of the complete report that the Senate Watergate committee issued. Within this exhaustive document, based on the testimony and other evidence, are 35 suggestions for government reform.

SPENDING CEILING

Among these would be the establishment of an office of "public attorney"—a sort of permanent version of the Special Watergate Prosecutor—who would prosecute criminal cases involving conflicts of interest within the Executive Branch. The committee favored setting up a nonpartisan elections commission to enforce statutes governing campaign contributions and expenditures. It proposed that cash contributions by an individual be limited to $100, that total contributions by any person to a presidential candidate be limited to $6,000; and that the overall spending in any presidential campaign be limited to an amount equal to 12c for every citizen of voting age. (This would hold the 1976 campaign funds to approximately $17 million.)

At the closing ceremony last week, a reporter asked Sam Ervin why the committee

had failed to state in its report any conclusions about the responsibility for the Watergate scandal. Ervin replied that it was possible to draw a picture of a horse in two ways. You could draw the picture of a horse, with a very good likeness. Or you could draw the picture and write under it, "This is a horse." Well, said Sam Ervin, "we just drew the picture."

[From the New York Times, July 25, 1974]

WATERGATE REFORMS

Under the leadership of Senator Ervin of North Carolina, the Senate Watergate committee has concluded a year and a half of admirable work by agreeing upon a set of bipartisan recommendations for strengthening Federal law and creating new institutions of the Federal Government to lessen the risk of future scandals. In the present agony of impeachment the need for reform is obvious, and the means are now at hand.

The committee's most important proposal is for a permanent special prosecutor who would be chosen by a panel of three judges and serve a fixed five-year term. As the committee points out, the appointment of a special prosecutor proved necessary to cope with the present scandals and with the Teapot Dome scandal of fifty years ago because, in both instances, the Justice Department was too deeply compromised for the public to be certain that it would conduct a thorough inquiry.

President Nixon's dismissal of Archibald Cox and his attempt to abolish the office of special prosecutor last October demonstrated that such an officer has to have assured independence and must not be a Presidential appointee. The committee's recommendation deserves enactment by Congress; the only questionable aspect is whether the prosecutor should also serve, as the committee suggests, as an ombudsman for administrative complaints arising against all executive departments and agencies. Such a wide-ranging assignment might tend to entangle the special prosecutor in too many small disputes and distract him from dealing with rarer but more substantive abuses.

The committee's second institutional innovation would be creation of a Federal Elections Commission, a proposal already approved by the Senate in this year's campaign reform bill. However, the House Administration committee has voted for a mockery of a commission with six of the seven seats occupied by members of Congress and Congressional appointees. The Watergate committee's report ought to reinforce pressure for a genuinely independent commission. Otherwise, it would be better to leave supervision where it now is—with the Controller-General—but shift legal enforcement from the Justice Department to the new Special Prosecutor.

In the only recommendation that divided the committee, the majority opposed public financing of Federal elections on both constitutional and practical grounds. Public financing has already been approved by the Senate and is essential to a thoroughgoing reform of the electoral system. On this issue, we believe that the committee dissenters, Senators Inouye of Hawaii and Montoya of New Mexico, have the better of the argument.

Among the laws that the committee would amend or enact are several to protect the integrity of political campaigns against various "dirty tricks." It would, for example, become a crime for anyone to obtain employment in any campaign for Federal office for the purpose of interfering with or spying upon the candidate. Those who financed such undercover agents would also become criminally liable.

In an effort to break the unhealthy practice of using the Justice Department as a political command post, the committee urges that all officials of that department, including the Attorney General, be placed under the restrictions against political activity imposed by the Hatch Act on ordinary civil servants. We think that this, too, is a practical and needed reform.

[From the Washington Star-News, July 3, 1974]

A JOB WELL DONE

It was called formally the Senate Select Committee on Presidential Campaign Activities but it forever will be known as the Senate Watergate Committee. In its heyday, it caused millions of Americans to sit glued to their television screens watching with alternating bewilderment, anger and sadness as the almost daily bombshells rocked the nation.

Yet not many mourned the committee's passing last Sunday; most probably didn't even notice, for it had been eclipsed in the rushing Watergate tide that had moved on to impeachment and given another congressional panel, the House Judiciary Committee, its time in the sun.

There were criticisms of the Senate Watergate Committee, to be sure, and some of them had validity. There were times when members used the spotlight for personal posturing. There were times when the proceedings seemed unfair, when men were skewered publicly without a chance to defend themselves, when reputations and defendants' rights were damaged in the glare of publicity and the onrush of events. Some observers thought, too, that the committee unduly prolonged its existence, having managed to stretch its life five months beyond the year which the Senate originally allotted.

Despite its faults, the committee performed commendably overall, and its work was in the national interest. It did the initial work in baring the awful truth of Watergate and it laid the groundwork for calling those responsible to account for their legal and moral transgressions. There was an imposing need for the nation to cleanse itself of Watergate but before that could be done, the people had to be made aware of what Watergate was all about. The Senate committee did that, and if there were some excesses in the handling of its business, that was a price worth paying.

The ultimate objective of the committee was to suggest legislation to prevent future Watergates, and such recommendations will be made shortly. Many of the forthcoming proposals already have been revealed through committee leaks. Some of them, such as proposals to tighten campaign financing laws, should be enacted without delay. Some others, such as a recommendation to create a permanent special prosecutor's office to provide a continuing probe of allegations of wrongdoing in the executive branch, will bear close scrutiny and thoughtful consideration before rushing to implement them.

But from the beginning, Chairman Sam Ervin saw the main purpose of the committee's task as investigative and educational rather than legislative. He thought it more important to get the truth to the people and to convince them that the system could expose and correct its own ills. Toward that end, Ervin and his colleagues did their job well.

IMPEACHMENT

Mr. BUCKLEY. Mr. President, I have been very disturbed by reports I have received from friends in the House of Representatives with respect to pressures being brought to bear on them from constituents and public groups to vote one way or another on the question of impeachment. I have, accordingly, issued a statement describing my own understanding of a Senator's unique responsibilities in the event the House should vote articles of impeachment.

Mr. President, I ask unanimous consent that a copy of my statement be printed in the RECORD.

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

STATEMENT BY SENATOR JAMES L. BUCKLEY ON IMPEACHMENT

It appears reasonable at this juncture to prepare for the possibility that the House of Representatives may soon approve a bill of impeachment. It is with this possibility in mind that the Senate leadership is now moving to study procedures that might be followed should we be confronted with an impeachment trial in the Senate.

The media is also preparing for the possibility of impeachment. In fact, there are already those who are predicting how I and other members of the Senate might vote at the conclusion of such a trial.

Such predictions strike me as both risky and presumptuous, especially in light of the nature of the principle Articles of Impeachment formulated by the House Judiciary Committee. For these consist not merely of charges that the President committed specific acts that are individually impeachable. They also appear to allege that the President has been guilty of acts of commission and omission that taken together constitute "high crimes and misdemeanors" within the meaning of Section 4 of Article II of the Constitution. By basing its charges in substantial part on patterns of conduct, the Judiciary Committee is not only casting judgment as to the weight of the evidence before it; it is asserting an interpretation of what constitutes an impeachable offense within the meaning of the Constitution as to which honest men can and do disagree. Thus, if a majority of the House of Representatives ratifies the action of the House Judiciary Committee, members of the Senate will be called upon not only to sit as jurors at a trial, but as judges of the legal sufficiency of the charges.

In my own case, I have made no judgment as to either the Constitutional sufficiency of the Articles of Impeachment recommended by the House Judiciary Committee or of the evidence offered in their support. Furthermore, I do not intend to address myself to these important and time-consuming matters unless and until it is my constitutional duty to do so.

In the meantime, I shall proceed on the understanding that judges and jurors are supposed to decide a case on the basis of an objective assessment of the law and of the evidence presented at trial rather than on the basis of personal prejudice, public pressure or extraneous influences that have little if anything to do with the facts of the case or with the demands of due process.

The perfect judge or juror may not exist, and all of us have our personal feelings about the events of the past eighteen months. But we can and should strive for objectivity.

I have, therefore, instructed my staff to withhold from me all mail urging either an affirmative or negative vote on the question of the President's guilt or innocence. The President deserves an objective hearing based on the evidence and should be neither convicted nor acquitted because of public pressure.

INFLATION, THE PLIGHT OF THE INDEPENDENTS AND THE NEED TO EXTEND THE PETROLEUM ALLOCATION ACT

Mr. HUMPHREY. Mr. President, as author of S. 3717, a bill to extend the

Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1976, I testified this morning before the Senate Committee on Interior and Insular Affairs to urge support for an extension of the allocation program.

Expiration of the Allocation Act would have a devastating impact upon our raging inflation, it would do great damage to our independent oil dealers, and it would disrupt our distribution and supply of petroleum products during the upcoming winter months. The Federal Energy Administration would like to see the act expire. The FEA is continuing with its plans to decontrol residual fuel oil, butane, gasoline, and other petroleum products in the near future. Now that the first break in the energy storm clouds has appeared, it is not time to throw away our authority for dealing with a problem that will be with us for a long time.

Mr. President, we are currently in a two-digit inflationary cycle, and the increasing price of petroleum products is adding to that inflation. If we allow the Emergency Petroleum Allocation Act to expire, domestic oil prices will shoot up to the price of world oil. Retail prices will go up and so will oil company profits. Decontrol of oil products right now would be like throwing gasoline on the raging fire of inflation.

Gasoline and motor oil costs are up 38.9 percent to the consumer this year. The price of heating oil and the price of electricity which is produced from plants burning residual fuel oil keep going higher and higher. How long will the American public put up with this situation? I do know that the public will not condone congressional inaction that will result in another huge windfall for the oil industry.

Mr. President, for the sake of the consumer, the independent oil marketers and refiners and for our economy, I urge support of my bill. I ask unanimous consent that the text of my remarks this morning before the Senate Interior and Insular Affairs Committee be printed in the RECORD.

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

STATEMENT BY SENATOR HUBERT H. HUMPHREY, SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, EXTENDING THE EMERGENCY PETROLEUM ALLOCATION ACT, JULY 31, 1974

Mr. Chairman: I have come this morning to urge the Committee to recommend that the Senate extend the Emergency Petroleum Allocation Act, as proposed in legislation I have introduced, S. 3717. My bill will extend the allocation act from February 28, 1975 to June 30, 1976. The Emergency Act has served the Nation well. It has permitted the Federal Energy Administration and its State counterparts to step into situations where fuel supplies were inadequate to make sure that essential activities, such as food production and essential public services, were not disrupted. It has permitted the FEA to moderate the inflationary impact of higher world oil prices on the U.S. economy by preventing the price of some already flowing domestic crude oil from adjusting upward to the world level. It also permits the FEA to direct the major oil companies to continue supplying the independent oil refiners and distributors. Although the administration of this part of the Act up to now has not been adequate to save the independent sector from being severely squeezed, it has saved the independents from complete extinction.

MAINTAINING ESSENTIAL ACTIVITIES

No one needs to be reminded of the dire fears and forecasts that existed last fall concerning the adequacy of heating fuel in certain parts of the country. Some disruption of transportation and production did occur, but a great deal was avoided through the efforts of the FEA and collaborating State officials. No one needs to be reminded of the drastic shortage of gasoline that prevailed intermittently from last Thanksgiving through the beginning of April. Bad as it was, it was greatly mitigated by the FEA acting under the authority of the Emergency Petroleum Allocation Act.

Mr. Chairman, supplies since that time have been adequate in the main largely because of our good fortune with last winter's very mild weather. Meanwhile we have foolishly returned to business as usual. Our consumption is growing again but increases in domestic crude production and refinery capacity are still some years away. No one guarantees that shortages will not return if, for instance, next winter is not so merciful as last. They could well be worse than anything we have seen yet.

The allocation machinery is just getting oiled up. The first break in the storm clouds is no time to throw away our authority for dealing with a problem that all agree is a long-term matter.

CONTROLLING INFLATION AND OIL PROFITS

As for oil prices, Mr. Chairman, I think we do not realize how much the Emergency Petroleum Allocation Act has permitted FEA to soften the blow to the U.S. economy. Despite the fact that crude price increases were granted which profited domestic producers about $10 billion, the price controls have held the price of 60 to 70 percent of U.S. domestic crude production at about one-half of the level to which it would have gone without controls. As a result, the *increases* in oil prices were shaved by about one-third.

If the Emergency Act is allowed to expire, the prices of all crude oil and oil products will "even up" to a level commensurate with OPEC prices. This will mean that *all* regular gasoline will go up another 10 cents a gallon to about 65 cents per gallon from today's average of about 55 cents. Fuel oil will rise sharply again. And these increases will be reflected in the prices of freight rates, air fares, electricity, and all the goods that contain some fuel component.

It is estimated that last year's big jump in crude oil prices contributed about 3 percent on top of other factors to this year's alarming rate of inflation. If we decontrol oil prices next February, we can expect similar shock waves to roll through the economy again.

Mr. Chairman, I believe that the public just will not condone Congressional inaction that will result in another huge windfall for the oil industry at the expense of consumers.

There is no economic reason for permitting it to happen. Higher prices are not resulting in increases in total level of oil production. Price increases on controlled old production will not result in more drilling activity in the future. In fact higher prices and new oil corporation profits would most likely result in the feverish scramble for scarce resources in the industry and bidding up prices of rigs, piping and labor even more.

Let me remind you that absolutely no action has been taken by the Senate up to now to recover any of the oil profits bonanza in taxes, either for this year or in the future.

SAVING COMPETITION IN THE OIL INDUSTRY

It it weren't for the Emergency Petroleum Allocation Act, Mr. Chairman, there would be virtually no independent refiners or marketers left in the oil industry today. They would have been rubbed out in the short period of two years. As it is, they have suffered great attrition, and their share of the retail market, has slumped, according to a recent FEA consultant's report, from about 28 percent in 1972 to about 17 percent at present.

Various observers of oil industry have testified—several of them before the Subcommittee on Consumer Economics, which I chair—that the major oil companies in the past have taken most of their profits at the crude-oil level and have kept the profitability of refining and marketing artifically low as a means of curtailing competition there. However, now that overseas producing countries have seized control of much of the crude production and the associated profits, the major companies are turning increasing attention to tightening their grip on the downstream sectors and to increasing profits there.

Some major companies are taking over previously franchised stations for their own use, and all of them continue to build new stations, often to represent their so-called "fighting brands;" that is "gas-and-go stations" set up to compete directly with the independent gasoline marketers. This is why the independent firms, already weakened financially by two years of supply starvation are convinced that they will not be able to obtain adequate supplies from their major-company competitors now that the latter are moving in to take over the action. And we need the competitive influence of the independents more than ever.

As I indicated, Mr. Chairman, while the Emergency Petroleum Allocation Act was provided vital authority to regulate oil supplies and prices, it has not succeeded as it is administered in assuring fair pricing to the independent sector of the industry. Although the law provides for fair distribution to all segments of the industry *at fair prices*, the FEA refused for a long time to take any action to assure fair pricing. So the major companies could fulfill their supply commitments to independents largely with crude oil at the high uncontrolled price and with products based on such crude, while underselling their competitors with oil at the lower controlled price. This has meant that supply commitments to independents, in many cases, were meaningless, because at the prices offered the supplies could not be resold.

For example, Exxon is selling regular gasoline in Washington, D.C. for about 55 cents a gallon under price control, but independent stations receiving only uncontrolled oil must charge well over 60 cents. With this disparity in costs, the independents cannot sell any gas and are rapidly going out of business. I attach for the record three tables provided by the Independent Gasoline Marketers' Council, showing their increase in wholesale prices compared to that of the integrated companies and their resulting loss of market share of price.

FEA's response to this problem has been very halting and incomplete. Recently, after much footdragging, Mr. Sawhill said FEA will consider ordering the majors to supply certain quantities of lower-priced oil to a small selection of independent refiners whose costs are farthest out of line. FEA contends that this correction at the refinery level will take care of the desperate plight of inde-

pendent marketers as the savings in cost were passed through. But this action has not occurred and is a totally inadequate response to the problem and leaves many independent refiners and marketers in an untenable competitive position.

THE NEED FOR PROMPT ACTION

In closing, Mr. Chairman, I urge the Committee and the Congress to act quickly on this matter. The need to expedite the renewal legislation stems from the fact that the Administration is proceeding with its decontrol plans for this Fall and Winter. The result of this is that producers and distributors all along the line will begin to hold back production as decontrol approaches in hopes of realizing a sizeable increase in price and in the value of their inventories, including inventories in the ground. Therefore, we cannot act too soon to remove this uncertainty from the market and to convince the industry that it will profit them nothing to hold back production in anticipation of new shortages.

INDEPENDENT GASOLINE MARKETERS COUNCIL—SALES VOLUMES ANALYSIS, JUNE 28, 1974

Comparison of sales of motor gasoline by sample of nonbranded independent marketers, representing more than 2,700 retail outlets from coast to coast and, sales of motor gasoline by total industry, as reported by the Federal Energy Administration:

Time period	Base period 1972	Current 1974	Percent of base period
Sample of nonbranded sales:			
January	156, 385, 023	133, 457, 685	85.3
February	149, 150, 279	129, 918, 573	87.1
March	176, 010, 430	136, 085, 432	77.3
1st quarter	481, 545, 732	399, 461, 690	82.9
April	174, 699, 612	138, 014, 540	79.0

Time period	Base period 1972	Current 1974	Percent of base period
Total industry sales:			
January	7, 226, 016, 000	7, 563, 150, 000	104.7
February	6, 955, 998, 000	6, 835, 584, 000	98.3
March	8, 348, 760, 000	8, 190, 294, 000	98.1
1st quarter	22, 530, 774, 000	22, 589, 028, 000	100.3
April	7, 905, 870, 000	8, 058, 582, 000	101.9

INDEPENDENT GASOLINE MARKETERS COUNCIL—WHOLESALE PRICE MOVEMENT ANAYLSIS, JUNE 28, 1974

Comparison of the average cost of regular gasoline, excluding taxes, to nonbranded independent marketers, representing more than 2,700 retail outlets from coast to coast, and the average cost of regular gasoline, excluding taxes, to all marketers, as reported by Platt's Oilgram for 1972 (average of 55 markets) and by the Federal Energy Administration of 1974:

Time period	Base period 1972 cents per gallon	Current 1974 cents per gallon	Percent of base period
Nonbranded average costs per gallon:[1]			
January	12.7	23.3	183
February	12.7	26.9	212
March	12.7	29.7	234
1st quarter	12.7	26.6	209
April	12.8	30.2	236
All marketers average costs per gallon:[2]			
January	13.0	20.2	155
February	12.9	22.5	174
March	12.0	24.2	201
1st quarter	12.6	22.3	183
April	12.2	25.5	209

[1] Nonbranded costs do not include national brand name advertising and refiner credit card services as do branded jobber costs.

[2] Cost figures are based on "dealer tankwagon prices," less 5 cents to reflect jobber margins, but without adjustment for refiner advertising and credit card services.

INDEPENDENT GASOLINE MARKETERS COUNCIL—MARKET SHARE ANALYSIS, JUNE 28, 1974

The market share of nonbranded independent marketers during current periods of 1974, measured in each period as a percentage of the comparable period of 1972. The sample consists of sales of motor gasoline by more than 2,700 retail outlets from coast to coast.

Percent of base period market share

1974:	*Percent*
January	81.5
February	88.8
March	78.7
First quarter	82.2
April	77.7

THE HOT RIVER VALLEY

Mr. ABOUREZK. Mr. President, the Nation magazine devoted almost its entire issue of April 3, 1974, to an article by McKinley C. Olson on "The Hot River Valley," a discussion of the controversy about nuclear powerplants in York and Lancaster Counties in Pennsylvania. Thursday the Senate will vote on extension of the Price-Anderson Act. Because the article written by Mr. Olson deals entirely with the safety issue of nuclear powerplants, I urge all Members of the Senate to read it and ask unanimous consent that the text of the article be printed in the RECORD.

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

THE HOT RIVER VALLEY

(By McKinley C. Olson)

(This article examines the controversy arising from the increasing reliance on nuclear power to supply the country's energy. Although a number of potential sources of power are mentioned, it is not our purpose to offer a full-blown discussion of the nation's energy problems or its options for the future. Also, readers would do well to remember that all confrontations over nuclear power, from Vermont to California are replays, with local variations, on the same essential theme: How safe is controlled nuclear fission?—The Editors)

Lightning flashed. The emergency warning system went off and a siren began to wail. One of the foremen yelled to his men, "get the hell out of here." Workers on the night shift ran for their cars and trucks and pulled away from the construction site, racing at crazy speeds over the one-lane bridges and down the back-country roads.

This was in July 1971, about 7:00 in the evening in rural Pennsylvania. No one thought to alert the people who lived in the area. Farmers, their wives and children, watched bug-eyed from their porches as the vehicles flashed by.

It turned out to be a false alarm, touched off when lightning struck a power line, but the people around here will never forget that night. They live next door to the Peach Bottom nuclear power complex. In 1971 there was one atomic plant here; today there are three. Tomorrow there might be two more. And two more after that.

There have been other nervous moments. A year after that thunderstorm, toward the end of July people in the neighboring county across the river from Peach Bottom were startled by the sound of a loud "woosh" in the night. One woman told the press it sounded like "the world's largest teakettle was leaving off steam." The power failed; frightened people left their homes and made their way to phones to call the plant across the river. The atomic workers told the callers they had heard no noise, but the "wooshing" persisted for well over an hour. A few days later, the plant reported that lightning had struck again, hitting a transformer line and shutting down a large generator, which in turn gave off steam that made the sound.

Again, nothing of fatal consequence. But the people wonder if the plant was being evasive that night even though they were told that residents on the plant side of the river, for some reason, didn't hear the "frightening noise."

These are samplings of the stories that are told along a secluded 26-mile stretch of the Susquehanna River in the southeast corner of Pennsylvania, 35 miles north of Baltimore, which could become the largest concentrated source of nuclear power in the world.

Philadelphia Electric Company has applied for a permit to build two more nuclear reactors across the river from the three existing reactors at its Peach Bottom complex, the newest two of which are among the largest in the world. The two proposed reactor stations would compare in size and output to these giants. And the utility already talks of building two additional atomic power plants a relatively short distance downstream from these.

The electricity generated by these nuclear plants is to serve the Philadelphia area, 65 miles to the north. That is a bone of contention for the residents of York and Lancaster Counties which face each other across the Susquehanna and share this nuclear development. They sense that they are being required to assume all the risks of nuclear power while being denied any of the benefits. Quite a few people here who derisively refer to York and Lancaster as The Nuclear Capital of the World, feel that they are already living with more than their share of nuclear power plants; they strongly oppose any more such neighbors. There is also a core of angry, outspoken activists who are against nuclear power plants in any contemporary form, shape, size or number.

Together, the merely uneasy and the bitterly opposed have joined forces in a local coalition to pit their meager resources against the nuclear establishment. These contestants, the sponsors of nuclear power and those who opposite it, are participating in what could well be a historic contest. Ralph Nader predicts that it will become the biggest citizens' battle of our time.

UNCORKING THE BOTTLE

I became actively interested in nuclear power in 1959 when, as a reporter and photographer for the York (pa.) *Gazette and Daily*, I was assigned to cover the development of the first Peach Bottom plant. That was two years after the nation's first atomic plant had gone on line. Nuclear fission was already being hailed by its boosters as our coming energy source. By 1972, after years of funding and research, only thirty nuclear plants were operating in the country, producing only about 1 per cent of the power. This year, forty plants will deliver 4 per cent of the power. But this picture could change rapidly. Today, according to AEC figures, forty-four plants are licensed to operate, fifty-four are being built and orders have been placed for another 109. By the year 2000,

if current plans hold, more than 1,000 nuclear fission plants may be producing 30 to 60 per cent of the nation's energy.

Here at the start of my discussion it is important to differentiate between uranium or plutonium fission and nuclear *fusion*—still in embryo—which would combine hydrogen atoms from ordinary sea water at extremely high temperatures to produce unlimited energy in a controlled reaction. Nuclear fusion is considered safe by opponents of nuclear fission, who contend that a fusion reactor could not "run away" because it would not accumulate the dangerous radioactive wastes that characterize the fission process. The critics of nuclear power are speaking of power from fission. They contend that available sources of conventional power give us enough time to turn our backs on the atomic plants of today and the immediate tomorrow, and concentrate on developing other potential sources of power. Proponents of fission cite the alleged energy crisis as the prime reason why we must redouble our reliance on that approach to nuclear power.

Despite such fundamental disagreements, all reputable parties in the debate accept several basic premises. First, that a major fission power plant accident would be catastrophic in terms of death, disease and damage to property. Next, that the radioactive materials employed in the fission process are deadly. Plutonium-239, the most dangerous substance ever handled by man, is one of the byproducts of today's reactors and will probably be the principal fuel of tomorrow's. A spoonful of plutonium dioxide particles, if dispersed in the air, is enough to kill millions of people. It also remains active for a long time, and must be contained with no leakage for thousands of years. Thus, even a short-term commitment to fission power means that we would saddle generations to come with its dangers.

The advocates of nuclear power along the Susquehanna are much the same as those elsewhere. They include the utilities that have invested in nuclear power or will do so; giant outfits such as Bechtel, Westinghouse, Gulf Atomic and General Electric which build the plants and supply the nuclear hardware; the Congressional Joint Committee on Atomic Energy and the ubiquitous Atomic Energy Commission (AEC), which has the conflicting roles of promoting the development of nuclear power and protecting the public from its hazards.

These groups form the nation's multibillion-dollar nuclear establishment. They employ a substantial number of people—the AEC alone has some 7,000 workers, a great many of whom have invested most if not the whole of long professional careers in the service of nuclear power. Thousands of well-salaried jobs and the comfort and welfare of many families depend today on the nuclear industry. In York and Lancaster Counties, the most prominent targets of anti-nuclear attack are the Philadelphia Electric Company and the AEC.

The local foes of nuclear power include two small environmental groups (the one in York has some twenty-five members; its neighbor in Lancaster has around 100) and the Peach Bottom and Fulton Township government units which lie on either side of the river just above the Maryland line. Two other Pennsylvania environmental groups, larger and with more muscle, but with diversified interests, support the local protesters. All these in turn draw help and moral support from small but tenacious national environmental and scientific groups such as the Union of Concerned Scientists and the Committee for Nuclear Responsibility, both of which have membership lists bearing distinguished names.

The anti-nuclear people also have friends in the nation's capital, and the number there has been growing of late. Sen. Mike Gravel (D., Alas.) and Ralph Nader have been among the most outspoken critics of nuclear power in the capital. Back in Pennsylvania, former State Insurance Commissioner Herbert S. Denenberg, the consumer-orientated gadfly, entered the fray last summer with the pronouncement that "this is the most important issue ever to face the American public," and the cry that "it may be that nobody but God could write the insurance policy we need on nuclear plants." In addition, the city of Baltimore—which draws drinking water for some 2 million people from the Susquehanna River 9 miles below the Philadelphia Electric nuclear complex—the state of Maryland and the Chesapeake Bay Foundation (an environmental group) are all taking an active interest in the developments upstream.

The five nuclear plants in York County are on the west side of the river. Two are in the northern end, across the river and 5 miles south of Harrisburg, the state capital. The other three are bunched together in a nuclear power complex 26 miles downstream at Peach Bottom. Philadelphia Electric, which owns controlling interest in the three-plant complex, and operates it, has asked the AEC for a construction permit to build two more giant reactor plants—at a cost of $1.5 billion—in Lancaster County's Fulton Township, on a site directly across the river from the Peach Bottom complex. And Philadelphia Electric has notified authorities in Maryland that it thinks of building yet another pair of nuclear stations on the river in Cecil County, just below the state line (see map p. 81).

STAMP OF APPROVAL

The AEC controls the major checkpoints in the development of an atomic plant—issuing the original construction permit and later an operating permit (the AEC's final stamp of approval). The agency holds public hearings before awarding these permits. One recent study called these hearings "charades" because the AEC's "common set of interests" with the utilities and reactor manufacturers almost assures that citizen opposition to a nuclear plant will be defeated. Moreover, according to Steven Ebbin, director of the Environmental Policy Study Group at George Washington University, and Raphael Kasper, a nuclear engineer with the National Science Foundation, the issues are argued in technical and legalistic language that excludes the layman.

But the basic shortcoming of the AEC plant hearings is that they do not provide a forum for debating the issue of nuclear power as such. At most, they permit the AEC examiners to make sure the utility has lived up to the specifications established by the commission. Citizens concerned about the cumulative effects of low-level radiation discharges, the unsolved problems of storing radioactive waste for thousands of years, the danger of nuclear sabotage, theft or blackmail, are likely to derive little satisfaction from local AEC hearings, where the questions they want to raise are often dismissed as irrelevant to the purpose of that meeting.

In York, the anti-nuclear environmental group and its attorney have been trying, unsuccessfully, to keep Peach Bottom Units Two and Three—the two big new reactors—from operating. Petitions have also been filed by the York group and the Peach Bottom Township supervisors, opposing Philadelphia's application for a permit to build the two additional Fulton stations, which the environmental group and government bodies in Lancaster also oppose.

The Philadelphia Electric wants to build these plants in Fulton Township because it already has rights-of-way and power lines there. Also, these large nuclear plants use a lot of water—Peach Bottom Units Two and Three will each take and discharge a billion gallons a day—and the Susquehanna, a mile and a half wide here, is one of the largest rivers east of the Missisippi. Furthermore, the site is only 65 miles from the utility's 1.2 million customers. And only 7,000 people live within a 5-mile radius of the nuclear complex at Peach Bottom, which accords with the AEC's policy of keeping atomic plants away from urban centers. Peach Bottom, however, is small rather than remote. It is less than 60 air miles from Washington, D.C., and about 30 per cent of the nation's 200 million people live within a 250-mile radius of this nuclear complex; 5 million of them within a 50-mile radius.

Upstream, near Harrisburg, Metropolitan Edison Company heads the consortium that is building two nuclear plants at Three Mile Island at a cost of $1 billion. Met Ed's first reactor, an 871-megawatt unit, was supposed to go on line this year, but there have been many delays. The second Met Ed unit, a 905-megawatt reactor, was scheduled to begin generating commercial power in 1976. The AEC says both plants are about 60 per cent completed.

Most of the local controversy is focused downstream, at Peach Bottom and Fulton. When I was last there, the only unit in operation was a small experimental, 40-megawatt high-temperature gas-cooled reactor, the one I began reporting on in 1959. It began to generate commercially in 1967 and has been running off and on ever since. Philadelphia Electric reports that it has been a successful prototype, but plans to retire the unit within a few years, since its output is too small to be commercially worthwhile. Its immediate neighbors dwarf their dome-shaped senior. These new twin, 1,065-megawatt General Electric boiling water reactors are as big as they come today. An AEC Peach Bottom report notes that "this total industrial complex . . . has . . . considerable visual impact . . . on the surrounding rural scene." The new reactors, turbines and generators are housed in smooth rectangular buildings. Freight cars standing next to the buildings seem borrowed from a child's toy railroad.

THE RISK-BENEFIT ARGUMENT

Thus far, Philadelphia Electric and the other utilities associated in the Peach Bottom project have spent about $750 million on the new plants. The final cost could be more than a billion dollars. Unit Two was supposed to go on line last year but has been plagued by generator and turbine trouble. It finally began generating this July. It is also possible that the utility may have to recool completely all the water it draws from the Susquehanna before returning it to the river. An initial AEC licensing board decision is asking for closed-circuit cooling for Peach Bottom Units Two and Three by January 1977. A final AEC ruling in favor of total cooling, to protect the ecology of the Susquehanna, would force Philadelphia Electric to close down its new reactors and, at the very least, build two additional cooling towers alongside the four already provided for partial cooling. Shutting down the plants and building the two towers would cost a minimum of $112 million, according to Philadelphia Electric.

Because of the AEC's current demand for closed-circuit cooling, Philadelphia Electric has incorporated this system into the design of the proposed Fulton reactor plants, which would feature two 1,160-megawatt high-temperature gas-cooled reactors—enormously larger versions of the prototype at Peach Bottom. Closed-circuit cooling, while it protects fish and other forms of marine life from the harmful effects of hot water, evaporates tremendous quantities of water, and that in turn could upset delicate ecological balances even in a body of water as large as Chesapeake Bay. Forty per cent of the bay's fresh-water input comes from the Susquehanna. The proposed Fulton reactors would evaporate some 28 million gallons of water a day. This loss and the

evaporation from the five other nuclear plants on the river would approximate one-third of the Susquehanna's low water flow.

A sharp reduction in the amount of fresh water emptying into the bay could ruin commercial fishing. Oysters, for one, thrive on the blend of fresh water and salt. Philadelphia Electric rather blithely brushes off this concern about the future of Chesapeake Bay, contending that if unexpected problems do arise, they can be handled without much trouble. The environmentalists and the anti-nuclear people are afraid that if the utility is found to be wrong it might be too late to repair the damage. This difference of opinion is typical of the nuclear controversy. The AEC and the nuclear industry display almost boundless confidence in their ability to solve all problems and contain all hazards should they arise. The anti-nuclear critics contend that the dangers inherent in the nuclear fission process are beyond the present ability of the engineers to contain. In the words of Dr. Henry W. Kendall, a high-energy physicist at M.I.T. and a leading spokesman for the Union of Concerned Scientists, the critics believe that the nuclear proponents should be required to "prove safety beyond all reasonable doubt, rather than for their opponents to prove the contrary." Legislation and suits calling for moratoriums on the operation, construction and export of nuclear-fission power plants until the safety issues have been resolved in the public interest have been introduced and filed by—among others—Ralph Nader, Sen. Mike Gravel and Friends of the Earth, an environmental group.

The pro-nuclear establishment, while conceding that there are grave dangers in the fission power cycle, argues that the ability of atomic power to provide our economy and way of life with the energy it needs to survive and prosper far outweigh the potential hazards. They also contend that it is efficient, clean and relatively cheap, once the heavy construction costs are absorbed. They cite the fact that reactors have been operated for the past seventeen years without a major mishap. Director-General Sigvard Eiklund of the International Atomic Energy Agency, who says he "can't see how mankind can survive without more energy," which "nuclear power . . . only . . . [can provide] for the next ten years," contends that these seventeen years without a serious accident are the equivalent of more than 1,000 years of cumulative nuclear reactor experience.

The atomic power advocates are fond of noting that fossil fuels are exhaustible, and contend that mining and burning coal, which they consider the only feasible alternative to nuclear power, are processes too damaging to the environment to be continued. Spokesmen for fission are quick to dismiss alternative sources of power such as solar and geothermal energy, which are free of the risks associated with atomic energy, on the grounds that they are impractical, prohibitively expensive, or beyond immediate reach. All these premises lead the pro-nuclear people to conclude that fission power is the only realistic means to bridge the immediate short-term energy gap and meet the increasing demands for power in the future.

Dr. Ralph E. Lapp, a physicist, nuclear consultant and author, is one of the best known publicists for this point of view. Writing a few months back in *The New York Times Magazine*, Dr. Lapp argued that society must weigh the risks of fission against the demands for more power: "We must consider the question of nuclear safety in this risk-benefit context." He concluded that *if* the highest standards are enforced in the design, construction and operation of atomic plants, nuclear power is "not only an acceptable risk" but the "only practicable energy source in sight adequate to sustain our way of life and to promote our economy."

In its pristine form, the anti-nuclear objection is that fission power demands human and technical infallibility, not just for today and tomorrow but for thousands of years. Dr. Alvin Weinberg, former director of the AEC's Oak Ridge National Laboratory, admits that "once man has opted for nuclear power, he has committed himself to essentially perpetual surveillance of the apparatus of nuclear power."

Although most nuclear critics believe that it is impossible to build a "safe" nuclear power plant, they contend that even if it were, the whole nuclear cycle—power plants, fuel reprocessing centers, transportation, waste-storage facilities—is extremely vulnerable to the threat of accident, war, nuclear blackmail, sabotage and theft. Newspaper headlines and the everyday stuff of the six o'clock news testify to turbulent times. Russell W. Peterson, the former governor of Delaware and chairman of the President's Council on Environmental Quality, said recently that we should move our atomic plants out to sea, that being the only way he could imagine to guard them and population centers from "the potential of sabotage" in an age of growing terrorism.

The critics also believe that radioactive releases from normally functioning nuclear plants are much greater than the AEC and the nuclear industry admit; and that even the most minute emissions of radioactive materials, which all nuclear plants release, will in time increase the number of cancer, leukemia and heart disease victims by the thousands if not millions. The anti-nuclear crowd also contends that, some time, some place, a major reactor accident is bound to occur, and that when it does, enough radioactive poison will be released to kill and cripple many thousands of people, devastate cities and lay waste thousands of square miles of countryside. And, finally, that if we were to abandon atomic fission power and put all the time and research and development funds that it now commands into the development of other sources of energy, we could rather quickly provide society with safe alternatives.

ATOMIC RECEPTACLE

Raymond L. Hovis, boyish-looking at 40, with mod glasses and long, neat, pale red hair, is an attorney in York who has been representing the York opponents of the Peach Bottom reactors, members of the York Committee for a Safe Environment, which is supported by the Central Pennsylvania Committee on Nuclear Power, and the Committee for Responsible Energy Sources of Philadelphia. A former member of the Pennsylvania House, a liberal Democrat and the nephew of former state Gov. George Leader, Hovis is determined to proceed cautiously and keep an open mind.

"I'm not totally opposed to atomic power," he said to me, "but I'm afraid we're going to become a receptacle of nuclear power plants, now that they're talking about nine potential reactors within a 50-mile radius of the city of York (the county seat), if you include the two below the Maryland line in Cecil County." Within nine years, Hovis notes, Pennsylvania is supposed to have fourteen nuclear power plants in operation, most of them along the lower Susquehanna River. Only Illinois, slated for fifteen, would have more. "And no one has ever been asked to license five reactors 2 miles apart," Hovis said, referring to Philadelphia Electric's request to build the two Fulton plants in Lancaster County across the river from Peach Bottom. "As far as Peach Bottom goes, the only thing we can fight for now when it comes to the AEC and Philadelphia Electric is to try to force them to make the plants as safe as they can be under the circumstances."

Hovis said he was unsuccessful last summer when he appeared before a hearing of the AEC Safety and Licensing Board in York to protest the issuance of an operating permit for the new Peach Bottom plants. He tried to argue that atomic plants were proliferating in the York area at an alarming rate; that the AEC had refused to consider the cumulative effects of low-level radiation from the three Peach Bottom plants; that the agency had ignored the risks involved in transporting radioactive fuel and waste materials to and from the nuclear complex, and that the AEC had failed to compel Philadelphia Electric to produce a workable emergency evacuation plan in the event of a nuclear accident.

"The licensing board dismissed all these objections as irrelevant," Hovis said, and granted a conditional operating permit. He has appealed the decision to an AEC appeals board, and is prepared to take his case to court if the board rules against him.

Hovis shook his head ruefully as he thought of the time and work it takes to ready a case for the AEC. Pointing to a row of thick volumes pertaining to Peach Bottom alone, he said, "I had to go through 6 to 8 feet of reading material which the AEC handed me just to get started. I have at least $12,000 down in my time book, and I'm not finished yet." He knows that the chance of getting paid for his work, especially in full, is slight, but he has no intention of dropping the case. "I find it fascinating and very educational, in every way," Hovis said. Another anti-nuclear critic in York put it this way: "The problem is so immense that you go from antitrust laws to windmills and hit everything in between."

All the winding paths of inquiry lead back to a beginning: How dangerous is nuclear power? And how much trust can we place in the hands of its champions?

From the very first, in the immediate post-war era, such people as Albert Einstein and David E. Lilienthal, the former head of the AEC, questioned the safety of atomic power. And, in 1946, an AEC safeguards panel told Lewis Strauss, then chairman of the AEC, that "the committee believes there is insufficient information available at this time to give assurance that the . . . reactor can be operated at this site without public hazard."

The reactor in question was the Fermi fast-breeder plant (a breeder reactor produces more fissionable fuel than it consumes) on Lake Erie not far from Detroit and Toledo. The critics charge that Strauss suppressed the go-slow recommendation, and a few months later the AEC allowed Fermi to build. Protests were lodged and the case went to the Supreme Court which decided for the AEC. The Fermi plant was built but its performance was marked by accidents and long breakdowns and it has since been shut down for good. The Fermi controversy aroused suspicions about atomic safety and the credibility of the AEC which persist to this day.

The next milestone in the nuclear power controversy came in 1953 when President Eisenhower unveiled his Atoms for Peace Program, implemented a year later by an amendment to the original Atomic Energy Act of 1946, an amendment which in essence invited private industry to share in the economic rewards of atomic power, which has been developed with public funds and workers. [See *The Nation* special issue, "The Great giveaway," October 2, 1954.] The 1954 amendment also made the AEC responsible both for promoting the development of nuclear power and protecting the public from it.

The private sector hesitated; it thought nuclear power would be too expensive to produce and sell. And nuclear power plant safety was an unknown factor: insurance companies were refusing to write policies.

INSURING AGAINST CHAOS

The AEC's reply was a veiled warning that if industry refused to go nuclear, the government might set up its own atomic utility. Then the threat was sweetened: government subsidies would be available; the taxpayers would build demonstration reactors, and fuel would be supplied at attractive prices. The AEC also thought of a way to get around the insurance hurdle. The Brookhaven Labora-

tories were commissioned to delve into the hypothetical consequences of a nuclear plant accident. Its findings were presented to Congress in 1957 and they were staggering. A small runaway or exploding reactor could kill 3,400 people within 15 miles of the site; 43,000 people within a 45-mile radius could be injured. Property damage could reach the $7 billion mark, and radioactivity could contaminate an area the size of Maryland. Private insurance companies were unwilling to assume risks of this magnitude. But Congress, more daring, passed the Price-Anderson Act, a law which limited total liability in the event of a nuclear accident to $560 million, of which a utility would be liable for only $60 million. Taxpayers' money would cover the rest.

The critics were quick to point out that the gap between $7 billion in potential damages and $560 million in coverage meant that victims of such an accident might collect 8 cents on the dollar. But the American Nuclear Society hailed the measure as a "real vote of confidence" in atomic power, since even the limited risk that the insurance industry was willing to assume was the "greatest commitment they have ever made for a single hazard."

The AEC felt the Brookhaven report had served its purpose—to demonstrate that the government would have to underwrite the major portion of the nuclear insurance policy—and proposed that it be shelved and forgotten. But it continues to pop up at every debate on the basic premises of nuclear power. To compound the controversy surrounding the Price-Anderson Act, the AEC had its 1957 Brookhaven report updated in 1965. Using the larger reactors that had been developed since the first report, the second Brookhaven findings were indeed awesome; 45,000 deaths, 100,000 injuries, $18 billion to $280 billion in property damages, with fallout from this theoretical accident—equivalent to the release from several thousand Hiroshima-sized bombs—blanketing an area the size of Pennsylvania.

The AEC managed to keep this report secret until 1973, when Friends of the Earth got wind of it and filed a freedom-of-information suit. Reluctantly, the AEC made the report public.

That created another tempest. The findings were terrifying; even worse, the AEC had tried to conceal them. The commission replied that the Brookhaven reports of 1957 and 1965 were based on the "worst" that could happen, and the agency now awaits a new report from a study group headed by Dr. Norman Rasmussen, a nuclear physicist at M.I.T., which is avoiding the "worst case" approach and concentrating instead on the probability of a nuclear accident occurring and the likely consequences if one does. One finding which the Rasmussen report is supposed to make public is the prediction that the chance of an accident occurring for every 100 reactors is one in 10,000 per year or, one in a million a year for a community near any given atomic plant.

Ann Roosevelt, the legislative director and an energy specialist for Friends of the Earth, considers the forced disclosures of the 1965 report a major achievement. "The Price-Anderson Act was up in 1967," she told me in her Washington, D.C. office. "Hearings to renew the law were starting in 1965, the year the second Brookhaven report was completed. The utilities took one look at it and were horrified. They persuaded the AEC that its disclosure would cripple, perhaps even kill, the nuclear power business. So the AEC buried it, and kept it hidden, until we dug it up." Noting that Price-Anderson will be up for renewal again in 1977, Ms. Roosevelt said her group is preparing a determined challenge to the Act. The House has already voted for a ten-year extension. The matter is expected to come up soon in the Senate.

Some nuclear critics feel that even the catastrophic predictions of the Brookhaven reports understate the possible results of a major reactor accident. Dr. John W. Gofman claims that a runaway reactor could kill 5 million people and injure as many more. Gofman, a physician with a Ph.D. in nuclear-physical chemistry, does research work and teaches on the West Coast. He is the co-author with biophysicist Dr. Arthur R. Tamplin of the anti-nuclear book, *Poisoned Power*.

Dr. Gofman is a spokesman for the Committee for Nuclear Responsibility, whose board includes the Nobel Laureates Linus Pauling, chemistry; Harold Urey, chemistry; James D. Watson, biology; George Wald, chemistry; as well as David R. Inglis, a nuclear physicist who was a member of the team that developed the first atom bomb, and the former senior physicist at the AEC's Argonne National Laboratory in Illinois, and Paul R. Ehrlich, the biologist from Stanford. Nevertheless, the champions of atomic power dismiss Dr. Gofman as a crank. The critics charge that the AEC's suppression of the updated Brookhaven report is a good example of why the agency cannot be trusted.

THE TRUE BELIEVERS

Another fear is that the AEC, in the manner of government regulatory agencies, may be identifying more with the industry it is supposed to supervise than with the public it is supposed to serve. Some people also feel the AEC has fallen prey to conceit. Ray Hovis, the York lawyer, put it this way: "People who work for the AEC and the utilities are the victims of their backgrounds. They've been working with nuclear power for so long, and have so much of their lives invested in it, that they have been sold on their own promotion. Nuclear power has been in existence for only thirty years, and these people . . . feel they know a hell of a lot more about it than anyone else."

Raymond Powell, a nuclear core physicist and the AEC licensing project manager for the Peach Bottom reactors, has spent his entire career in the atomic power field—a background "that is common for 75 per cent of the senior AEC people." Before joining the AEC, Powell worked in the private sector for AMF's Atomic Division in York.

Most of the people I've met in the nuclear establishment seem dedicated, capable and professional. Powell, whom I met with at AEC headquarters in Bethesda, Md., is that kind of man. He cultivates a deliberate, self-contained manner, but underneath has a deep faith in atomic power—seeming closer to certainty than mere confidence—that is characteristic of the nuclear industry. "This is the most regulated industry in the nation," Powell said. "If everyone met the kind of standards we impose, you'd hear no more about consumer complaints.

"We're very strict and rigid when it comes to basic specifications. And the whole nuclear process is one of continuous review—to upgrade all phases in the field as we go along. We have an environmental monitoring program. We're very conservative. You have to be," Powell insisted, "when you're talking about public safety." He pointed out that AEC staff recommendations at Peach Bottom "could cost Philadelphia Electric $2 million to $3 million if they have to shut down" to reduce the radioactive emissions from the new plants and build more cooling towers.

Powell readily conceded that "a lack of coolant is the most crucial point" of concern at a nuclear power plant, but insisted that every imaginable safeguard is employed to guard against it. He also said that radioactive emissions at Peach Bottom would be "as low *as practical*, using the current state of the art." (*Emphasis added.*) This would be only a fraction of the amount of natural background radiation in the area, Powell said, explaining that the AEC monitors radioactive discharges "at a point where the [smoke] stack ends, where it leaves the plant, where the plant loses control." This means that each plant is monitored individually. (Soil and milk tests are made to measure cumulative effects.) The anti-nuclear forces in York call this a meaningless standard saying that the total amount of radioactivity released by all three nuclear plants at Peach Bottom is the relevant index. I tried to pin Powell down on this. He smiled politely, shrugged his shoulders, but declined to tell me what he thought would be the most valid yardstick. I later read an AEC instruction sheet which cautions its employees "never to disagree with established policy" at AEC safety policy hearings.

This attitude prompts people like Hovis to complain that "the whole trouble with the AEC—and the utilities—is that they say 'we'll meet whatever regulations exist.' But the AEC establishes the regulations. And you can't pin them down. It's like wrestling with an octopus waving arms of rules and regulations all around and in and out. When we talk about low-level radiation discharges, they tell us the emissions fall below the federal threshold for each plant. But this ignores the accumulated or total amount of radiation at Peach Bottom. It also ducks the validity of these federal standards. Whenever we raise the issue of future problems, we're assured that when the time comes they'll be taken care of. But what do you do, for instance, with a 'hot' nuclear plant? They're licensed for forty years. We've been told they'll get 'leaky' by then. They've never decommissioned a hot nuclear plant—and there's going to be hundreds of them around if this keeps up." Hovis showed me a thick AEC booklet on Peach Bottom which proposed an estimated $100 million figure to decontaminate completely a 1,100-megawatt nuclear plant.

Chauncey R. Kepford of York, who has a Ph.D. in chemistry, is one of the most active members of the local anti-nuclear group. He has channeled all his time and energy into his fight against nuclear fission, creating a whole new life style for himself in the process. He is very critical of the AEC public hearings: "We're strapped to the AEC's quasi-legal format, which means we can't stop these plants because the AEC in general is in the crazy position of being advocates of nuclear power, who assume it will be the normal means of power generation in the future. At most, all these guys are interested in is getting what they call 'proper technical regulation.' "

Kepford, 35, is tall, lanky and bearded. He moved to York several years ago to teach chemistry at the local Penn State extension campus. Before that he had worked as a radiation research chemist for a New England laboratory. While he was still teaching, Kepford came across a story in one of the local newspapers reporting that Met Ed Company had applied for a U.S. Corps of Army Engineers' permit to dump 50,000 picocuries of tritium (radioactive hydrogen) per liter of water into the Susquehanna River from the Three Mile Island atomic plants. Kepford thought this excessive, and he publicly questioned the Corps of Engineers and the utility about the proposed discharge. The amount was lowered from 50,000 to 500 picocuries. Curious, Kepford decided to look into the nuclear power issue.

"I started off by reading popular paperbacks on nuclear power," Kepford said. "But I was still kinda casual about it. Being a reference freak, I started checking up on the AEC and all the other government stuff. And what I found just blew my mind."

Kepford evolved into a full-time opponent of nuclear power. He lost his college teaching job, his wife and three children. Kepford claims pressure from the nuclear establishment was applied to have him fired from Penn State. Protesting his dismissal, Kepford hired a lawyer, and a settlement was reached

out of court. He said he has "enough money to keep going" while he pursues his fight against nuclear fission power. His wife left, taking their three young children with her. "My wife was against nuclear power too, but not that committed"—waving a hand at the voluminous library he has put together on atomic power. "I have to keep fighting," Kepford said. "It has to do with self-respect."

"The only real hope at Peach Bottom," Kepford contends, "is the courts. If the AEC appeals board turns us down, the next step is the Circuit Court of Appeals." He thinks the anti-nuclear position will receive a fair hearing in court. Justice William O. Douglas and the late Hugo Black, in their dissenting opinion in the Fermi atomic plant case, called the AEC's attitude "a light-hearted approach to the most awesome, the most deadly, the most dangerous process that man has ever conceived."

Dr. Gofman, discussing the AEC public hearing process, charges that "concerned citizens have been led, like lambs to the slaughter, into the promoters' arena. . . . But [this] is no technical controversy that can be resolved by a debate on the merits of specific gadgets in the nuclear power industry. What is really at issue is a moral question—the right of one generation of humans to take upon itself the arrogance of possibly compromising the earth as a habitable place for this and essentially all future generations."

I've attended AEC hearings. The utilities' representatives and the government people sit apart, but even so, I think it is difficult for a layman to distinguish between them—they all seem to be on the same pro-nuclear team. But those who work in the industry do not feel that way. I went to Philadelphia to talk to the key personnel in Philadelphia Electric Company's nuclear division. Jack L. Allen, a likeable witty man, is the chief assistant mechanical engineer. He told me about Philadelphia Electric's four-year attempt to obtain an AEC construction permit for its proposed Limerick nuclear plant on the Schuylkill River near Pottstown. "We filed for a construction permit in February 1970 and haven't gotten it yet. It's the longest delay in AEC history." In its most recent annual report, the utility attributed the delay to "susbtantial changes in AEC regulations and prolonged public hearings." One after another, industry spokesmen, appearing at recent hearings on reactor safety conducted by the Joint Committee on Atomic Energy, complained that the new AEC standards for emergency core cooling systems are unnecessary, time-consuming and expensive.

"It's costing us $5 million a month to do nothing at Limerick," Allen said. "In the long run, the ratepayers will probably wind up paying for the delay. It's been two years since the AEC Advisory Committee on Reactor Safeguards hearing. We've satisfied every requirement, written and unwritten. We've asked the AEC five times for a variance to get moving at Limerick, because we can't turn a spadeful of dirt without a construction permit. But we've been having a real problem getting the AEC to schedule hearings for us." The solution, Allen says, "is to speed up the whole licensing procedure."

The Joint Committee would like to do that, too, but there are people even within the AEC, such as Oak Ridge safety director William B. Cottrell, who opposes shortening the procedure. It now takes seven-to-ten years from the time initial plans have been drawn to get an atomic plant operating. Allen showed me seven thick volumes on Peach Bottom, a project they have been working on for years. "We've answered 1,500 questions from the AEC on Peach Bottom alone," he said. Philadelphia Electric, the sixth largest private utility in the nation, is nevertheless determined to go nuclear. It has large interests in seven reactor plants. "We are planning for 70 per cent of our electric generation to come from nuclear plants by the mid-1980s," the utility said. This means "expenditures of $3.2 billion over the next five years, compared with $1.5 billion during the past five years." This is "more than a lot of money," Philadelphia Electric said. "It's an *enormous* (utility's emphasis) amount of money . . . that has to be raised in the financial market—at high rates of interest." Recently, in order to keep moving toward the nuclear future, Philadelphia Electric issued another mortgage bond issue, this one for $125 million.

A utility's profit is based on invested capital, and private utilities enjoy one of the highest industrial rates of return in the country. But even a mighty utility like Philadelphia Electric—with more than $95 million in profits for 1973, the last year for which complete figures were available—could take a back seat to those largely invisible sources of *"enormous* amount[s] of money . . . at high rates of interest." Some of the anti-nuclear critics believe that the real attraction of atomic power lies not in its ability to produce energy but in its ability to generate financial rewards for those who invest in it.

Trying to give me an idea of some of the costs involved, Philadelphia Electric engineer Robert Logue told me that Peach Bottom's $750 million figure included $40 million each for the two reactor cores, $180 million to fuel each of the two units for a year, and $15 million per reactor just to put in fresh uranium fuel rods each year and take out the spent fuel and waste. "We're spending $1.5 million to $2 million a year just to monitor the temperature in the Susquehanna River."

Money. The nuclear industry has money on its side. Private money and government money. Money for attorneys, for consultants, for expert testimony. Money for laboratories, for salaries. There are no financial rewards worth mentioning, at least yet, in bucking the nuclear establishment. Experts who present anti-nuclear testimony at hearings consider themselves lucky if their expenses are paid. Sometimes they pick up a $50 fee. They labor out of conviction and are often stimulated by harassment, which at times has given the anti-nuclear crowd an air of martyrdom. Leo Goodman, who was the AFL-CIO's top energy expert and science adviser to the late Walter Reuther of the Auto Workers union before he was forced to retire, showed me a list he's compiled of "forty-three top scientists who," Goodman alleged, "have been fired or harassed because they either spoke out against nuclear power or questioned it."

I mention Goodman, and Chauncey Kepford in York because, right or wrong, they have the kind of intense passion that money can't buy, the kind of save-the-world religion that is said to move mountains. But money is also essential. "You'd have to have at least $50,000 to make a proper case against a utility in a nuclear power hearing," says Ray Hovis. "For studies and expert testimony—to really know what you're doing." He thinks the government should provide "seed money" for the opponents of nuclear power, to stimulate a debate which he feels would be in the public interest. Legal fees are no problem for Philadelphia Electric—its customers will pay them.

"CHINA SYNDROME"

Hovis interrupted his discourse on legal expenses to exclaim, "God, it would be just unbelievable if these nuclear reactors ever blew up." There is no danger that an atomic power plant could ever explode like an atom bomb. Hovis was referring to the possibility of a loss-of-coolant accident.

Conventional steam-driven electric plants burn fossil fuels—sometimes as much as 100 tons an hour—to heat water in a boiler. In an atomic plant, the reactor takes the place of a boiler. The reactor core is a thick cylindrical steel containment vessel into which long, slender rods containing uranium fuel pellets are inserted and withdrawn to create and control the nuclear reaction. Reactors are also equipped with control rods, usually made of a special silver alloy, which can be inserted into the fuel core to modify or stop the reaction. Vast quantities of water are poured into a water-moderated reactor such as the giants at Peach Bottom, to promote the fission process as well as to cool it.

The reactor core is encased within walls of concrete and steel designed to withstand earthquake, flood or plane crashes.

The radioactive materials within the reactor must be covered at all times by water or cooled by gas to prevent the core from overheating and melting into a large radioactive mass that could not be cooled or contained.

The important word in the much discussed loss-of-coolant issue is "if"—*if* there's a sudden failure in the complex plumbing or steam supply piping systems; *if* all the many back-up safety devices and systems prove inadequate or fail to function. What then?

Within an hour or so, a cloud of radioactivity would burst from the rent containment vessel, to be caught up and dispersed by the wind. Then, since nothing could contain this overheated radioactive fuel, it would melt together into a molten mass weighing several hundred thousand pounds and eat its way down through the reactor core and into the primary containment core and from there down into the earth. This is called the "China Syndrome," and no one is willing to guess exactly how far the molten mass would sink. In any case, a huge radioactive mass a couple of hundred feet down in the earth would take years to cool.

The barrier standing between us and such an accident is the emergency core cooling system, designed to pour emergency coolant into the core should the primary systems fail. This emergency system has never really been tested. According to the American Nuclear Society, a full-scale test would cost around $250 million—"prohibitively expensive" and "impractical," the society says—because a large part of the system would have to be destroyed for each test. Six out of six mini-scale tests of emergency core cooling systems sponsored by the AEC have failed. So all we have to go on is an earnest assurance from the AEC and the nuclear industry that the emergency system *will* work if and when the time comes.

Radioactive releases from a nuclear power plant are also of major concern. In the case of Peach Bottom the AEC staff contends that there will be "significant" releases of radioactive iodine from the new plants and wants Philadelphia Electric to reduce them. The AEC licensing board, overruling the AEC staff, gave the utility a conditional operating permit for a specified time, during which the utility must monitor its radioactive discharges into the atmosphere, along with the effects of pouring heated water into the Susquehanna. If the AEC continues to find the iodine discharges excessive, it will probably recommend the installation of charcoal filters on the vent stacks. The agency will also require the utility to shut down the new plants and build more cooling towers if the ecology of the river appears to suffer under the present cooling system.

The AEC has reduced by 97 per cent its estimate of the number of millirems of iodine-131 that might injure a 2-year-old child. The thyroid gland has a special affinity for iodine, and a child's thyroid is considered especially vulnerable. Children are milk drinkers; thus a cow grazing on radioactive grass could pass the contamination on to a child. The nuclear critics contend that plants and animals consumed by man can concentrate massive quantities of radioactive substances.

ENERGY AND CANCER

Opinions in the scientific community vary on the question of how much radiation is harmful. In 1955, in a paper banned by the AEC, Dr. Hermann J. Muller, a Nobel Prize-winning scientist, said "there is no amount of radiation so small that it cannot produce harmful effects." One thing is certain: the amount of radiation considered safe by regulatory bodies keeps dropping.

It is especially hard to assess the hazards of radiation because the signs of damage are often so long delayed. Of course, victims of high-level radiation suffer injuries that are immediately recognizable, but those exposed to harmful low radiation do not. The period between radiation and the appearance of cancer is quite long. Leukemia, often called blood cancer, does not become evident for at least four or five years; other forms of cancer may take fifteen to twenty years. It is even more difficult to relate radiation to genetic defects because the cause-effect connection may not be apparent for generations.

Dr. Linus Pauling recently told me he believes that "the radiation hazards from nuclear plants involving nuclear fission are such that no more fission power plants should be built. The problem of preventing damage from leakage of radioactive substances produced in power plants is such a serious one as to justify banning them entirely."

Pauling, who is associated with the Institute of Orthomolecular Medicine in California, said "high-energy radiation and the nature of the gene are such that genetic mutation could occur even at the smallest dose rates . . . that is, there is no threshold below which no genetic or somatic damage is done by high-energy radiation." Pauling notes, first, that the American people are exposed to 110 millirads of whole body ionizing radiation each year from background or natural sources; next, that the Federal Radiation Council in 1970 declared that the public could safely be exposed to an additional 170 millirads per year. Pauling alleges that this additional exposure would result in the following annual increases: 12,000 children born with gross physical or mental defects; 60,000 embryonic and neonatal deaths; 2,200 leukemia cases and 96,000 bone cancer deaths.

According to the AEC's 1973 final environmental report on Peach Bottom, radioactive releases from the new reactor plants—in the form of gas, particles and water—will be minuscule as compared to the natural background level around the plant. Harking back to the small prototype gas-cooled high-temperature Peach Bottom reactor, Philadelphia Electric engineer Jack Allen said "We've had extremely good experience in terms of leakage—a thousandth of what the AEC considers tolerable. The radiation dial on my watch," Allen told me in Philadelphia, "gives off more radiation than you'd get around the plant. And you'd get thirty to forty times the amount of irradiaion in an airplane ride as you'd get around Peach Bottom."

The American Nuclear Society says we get 55 millirems of radiation a year from X-rays, five from other sources including television sets, and less than a tenth of one per cent from nuclear plants.

Dr. Ernest J. Sternglass, who has a reputation for being a scourge to Philadelphia Electric and Pennsylvania's other nuclear utilities, is a professor of radiation physics at the University of Pittsburgh. He charges that 100,000 times more radiation than was anticipated has emanated from the Peach Bottom site and that as a result infant mortally is on the rise in York and Lancaster Counties. Displaying large statistical charts, Sternglass alleges that the number of infants with leukemia and cancer is also increasing in the vicinity because pregnant women have been exposed to radiation. (The fetus is believed to be fifty times more vulnerable to radiation than are adults.)

Philadelphia Electric has supplied a mass of expert testimony to refute Sternglass, and the American Nuclear Society claims that he cannot prove his charges, that his statistical methods have been found "erroneous" and that his conclusions have been repudiated by any number of state health departments, the Health Physics Society and the American Academy of Pediatrics. But the number of scientists who believe that his work merits further consideration seems to be growing.

They are especially worried by Sternglass' case against the Duquesne Light Company's nuclear plant at Shippingport, in western Pennsylvania. Built in 1957, Shippingport was the first atomic plant in the nation. In 1972 Duquesne Light claimed it was the "cleanest, safest nuclear plant in the world," alleging it was the first to record zero gaseous releases for a year. Yet Sternglass claims that Shippingport has contributed to marked increases in cancer, leukemia, heart disease and infant mortality along the Ohio River all the way from Pittsburgh to Cincinnati. One of his most telling allegations is that infant mortality in the town of Aliquippa, 9 miles from the Shippingport reactor and 30 miles below Pittsburgh on the Ohio, rose in 1970 to its highest peak since 1945: forty-four deaths per 1,000 births, the most reported for any town in Pennsylvania that year. The infant mortality index is considered significant because in the 1930s and 1940s improvements in health and medical care steadily reduced the number of infants who died in their first year. Then in 1951, when the atom bomb tests began, the mortality rate for infants in this country suddenly reversed itself. When the nuclear bomb tests stopped, the rate dropped. Then once again it began to pick up. The AEC and the nuclear industry said the infant mortalities cited by Sternglass were the result of natural causes such as flu epidemics or pneumonia. But some scientists began to agree with Dr. David Inglis, the physicist, who in 1972 said, "despite . . . reservations, the collection of cases that Sternglass presents would seem to suggest that there is a relationship between fallout and infant mortality of the general nature he claims."

Duquesne Light Company sent Sternglass one of the environmental reports it had prepared for the government on Shippingport. Instead of reassuring him, which he assumes was the utility's intention, Sternglass said he was shocked by what he found in the fine print of the study. He said the utility's report indicated that the presence of radioactive strontium-90, cesium-137 and iodine-131 in air, soil and milk samplings around the plant was fifty to 100 times normal.

When Duquesne Light announced it was applying for a construction permit to build two large nuclear reactor plants at Shippingport, the Mayor of Pittsburgh and many civic and environmental groups—disturbed by the Sternglass allegations—spoke out. Pennsylvania Gov. Milton Shapp appointed a special commission to investigate Sternglass' charges.

The commission's final report, released this summer, said there was insufficient information to either prove or disprove the Sternglass allegations because systems designs to monitor radioactive releases from nuclear plants have been "inadequately devised and carried out" by the AEC and the nuclear industry. The committee then asked the federal government to initiate "accurate and reliable" radiation monitoring programs and to establish health physics programs at all nuclear power plants.

In one year, a large nuclear plant produces as much long-lived radioactivity as the explosion of some 1,000 Hiroshima-size bombs—including cancer-producing products such as strontium-90, cesium-137 and plutonium-239. Dr. John Gofman presents his statistics as follows: Initially by-passing the plutonium issue, he cites the total amount of radioactivity released by all atom bomb tests through 1963. Then he cites estimates from the AEC on how much nuclear fission energy will be produced within the next thirty-to-fifty years, and with it, the yearly amount of radioactive products which will be created by these 1,000-plus nuclear plants. Next, Gofman cites the amount of radioactivity which would be released if only one one-thousandth of this material escaped. In that case, he concludes, the American public will be receiving 200 times the annual rate of radioactivity it got during the atom bomb-testing days—3,800 millirads of radioactivity yearly compared to 19 millirads from bomb fallout.

Proponents of nuclear power are disposed to scoff at Gofman's charges. Some of his credentials read as follows: professor of medical physics at Berkeley; former associate director of the AEC's Lawrence Radiation Laboratory; co-discoverer of a number of elements, including uranium-232, and the fast neutron fissionability of uranium-233; co-inventor of the uranyl acetate and columbium oxide processes for plutonium separation. Gofman has also been a pioneer in the field of medical research for the past twenty years, especially in the area of coronary heart disease.

Dr. Gofman and Dr. Arthur T. Tamplin, the biophysicist, have already led a successful fight to lower the radiation threshold. They were working at the Lawrence laboratories in 1963 when the AEC assigned them to evaluate the hazards of atomic radiation. The two men released their findings in 1969, concluding that if everyone were to receive more than the 170 millirads of radiation which federal standards claimed the public could be exposed to without harm (in addition, that is, to natural or background radiation), "there would, in time, be an excess of 32,000 cases of fatal cancer plus leukemia per year, and this would occur year after year."

Gofman and Tamplin expected the AEC to "welcome our report on cancer plus leukemia risk—especially since the findings were being made available before a massive burgeoning of the nuclear electricity industry." Instead, their report touched off a furious, bitter controversy that is still raging within the AEC and the nuclear industry. The American Nuclear Society derided their claims, contending their conclusions were "false" because based on "improper use of existing data" and aggravated by "impossibility." Besides, the society added not long ago, "their charges have lost all revelance" since the AEC revised its standards downward on the amount of radioactivity a nuclear plant is allowed to release. This—in line with the suggestions of Gofman and Tamplin themselves, and as finally recommended by the National Academy of Sciences—is now 100 times lower than the old AEC threshold.

Dr. Tamplin is back in the headlines again, this time spearheading a National Resources Defense Council drive for a dramatic reduction of the level for radioactive plutonium. Measured in curies, it is already very low, but Tamplin and the public-interest law group, in petitions to the AEC and the Federal Environmental Protection Agency, are now asking the AEC to make its standards on plutonium 115,000 times more stringent to protect the public from this man-made element.

THE BURDEN OF PLUTONIUM

A large, 1,100-megawatt nuclear plant—like those at Peach Bottom and the proposed Fulton reactors—produces some 200 pounds of plutonium per year. Plutonium has a half-life of 24,000 years and is one of the most poisonous elements handled by man. Dr. Donald Geesaman, an authority on plutonium hazards at the Lawrence Radiation Laboratories in California, estimates that a pound of finely dispersed plutonium-239 dioxide is sufficient to cause some 9 billion cases of lung cancer. And the 8,820 pounds of plutonium the AEC says we'll produce in

fission reactors this year is expected to increase to an annual 600,000 pounds by the year 2000.

Today's water-moderated reactors use uranium-235 fuel elements, but uranium-235 is only 1 per cent of natural uranium, and is expected to last only another thirty years or so. That is why the nuclear industry is pushing the development of the "breeder" reactor, which would operate at very high temperatures, be cooled by liquid sodium, and produce more fissionable materials in the form of plutonium than it consumes. Plutonium, then, would replace uranium as the basic nuclear fuel.

This would mean, according to critics such as Dr. Gofman, that we would be producing around 15,000 tons of plutonium-239 a year forty or more years from now. If we contain 99.9999 per cent of this future annual total, says Gofman, the "amount escaping confinement would be one part per 1 million. . . . If we assume only one particle out of every million is inhaled annually thereafter, we would still be creating 27 million cases of cancer each year thereafter.

"Plutonium particles, once dispersed into the environment, can settle to the ground and be borne aloft by winds for centuries and still be essentially fully capable of producing lung cancer. In human time-scales, plutominum dispersed into the environment will be a hazard for at least 100,000 years." But other scientists, such as Dr. Glenn A. Seaborg, former AEC chairman and a co-discoverer of plutonium, while conceding its toxic nature, believe it can be contained and safely employed in nuclear plants as one of our major energy sources.

The AEC is spending an estimated $366 million out of its fiscal 1974 budget of $517 million to develop the breeder—a joint TVA-private utility-AEC project—which the agency is expected to finance with an additional $4 billion or more by the time the project is completed in the 1980s. However, if the standards on plutonium are drastically revised downward, as Dr. Tamplin and others are now asking, the cost of building and operating these proposed plutonium-breeding reactor plants would become much more expensive. The cost of transporting radioactive materials around the country and storing radioactive waste would also increase. And many critics of nuclear fission believe that the dangers of a reactor accident or "routine" radioactive emissions from nuclear power plants might be less in the long run than the hazards they site in other links of the nuclear chain. These dangers, they say, include transportation accidents or mishaps at fuel reprocessing plants, the threat of nuclear blackmail, the danger that weapons-grade nuclear material will be stolen and made into clandestine atomic bombs, and the necessity to contain long-lived radioactive waste materials for thousands of years.

The last of these problems is not just an alarming possibility; it is a certainty. When enriched uranium completes its year or more of duty inside a reactor the spent fuel is highly radioactive. This waste is held at the site of the plant which produced it until some of the radiactivity decays. Then it is all shipped to a reprocessing plant where the hot material is removed from the steel or graphite fuel rods and chopped up and dissolved. Some of the spent nuclear fuel can be processed for reuse; the rest is sent to storage sites.

Former AEC chairman David Lilienthal warned that this process involved "a risk of error at every step." Dr. Hannes Alfven, the Nobel Laureate in physics from Sweden, alleged that "in a full-scale fission program, the radioactive waste will soon become so enormous that a total poisoning of our planet is possible." The AEC position was recently expressed by Dr. Frank K. Pittman, director of the agency's division of waste management and transportation: "The problem of waste storage is the least of any nuclear problem, but the problem is that you have to do it forever."

The AEC has not been able to come up with a fool-proof solution. One proposal is to store the waste in salt mines. Here is Alfven's reaction to that notion.

"It is claimed by some that these [salt mines] are geologically so stable that there is no risk of leakage from the repository into the biosphere. This is questioned by a number of geologists. There is no doubt that the salt mines could be considered safe for any normal waste products. But because of the very large quantities of extremely poisonous substances, it is required that the repository should be absolutely free of leakage for a period of hundreds of thousands of years. No responsible geologist can guarantee this, simply because the problem is one of which we have no experience."

There have been spills at the AEC's 560-square-mile waste-storage facility at Hanford, Wash., where eleven of 151 containers developed leaks between 1944 and 1970. One of the most recent, and largest, according to an AEC announcement in June 1973, was the escape of 115,000 gallons of radioactive waste, which seeped from a corroded steel tank into the soil under Hanford. The leak had gone undetected for six weeks because a supervisor at Hanford failed to read a report showing that levels in the tank had been dropping. This spillage occurred a year after the American Nuclear Society said that "nuclear wastes have been successfully stored since the very beginning" of the atomic energy program, and that "massive tank failures resulting in large flows . . . have never occurred and are not expected."

The AEC tried to minimize the seriousness of the Hanford spillage, contending that radioactivity had not escaped to the atmosphere and that there was no way it could reach ground water. Critics in the state of Washington charge that the ground water beneath Hanford has already been heavily contaminated by radioactive leaks, and that this spillage might work its way underground to the Columbia River, 10 miles away.

The AEC's position was that radioactive wastes could not and would not pass through the ground into underground water tables and from there into a community's drinking supply. But that did happen last summer to the Colorado town of Broomfield, midway between Boulder and Denver. The presence of tritium—heavy hydrogen—in the Broomfield reservoir was found to be ten times higher than normal. The normal background level in Colorado is about 1,200 picocuries per liter of water; the highest reading in the Broomfield reservoir was 23,000 picocuries of tritium per liter. Colorado's governor called the discovery "alarming but not dangerous" for the town's 13,000 residents. The tritium contamination was traced to waste dumps at the AEC's nuclear weapons factory at Rocky Flats, 5 miles from the reservoir. Colorado health officials found tritium concentrated at 3 million picocuries per liter in a creek a mile from the weapons site. Colorado standards hold that 1 million picocuries of tritium per liter of water is the upper safety limit.

BLACK MARKET BOMB

Transportation is another vital link in the nuclear power cycle. Philadelphia Electric engineer Robert Logue estimates that there will be around 600 pounds of spent fuel per year from each of the two big nuclear reactors at Peach Bottom. This means that about 200 truckloads or sixteen railroad cars of radioactive material (in very bulky containers) will leave Peach Bottom each year. "This material would range from zero to very hot in terms of radioactivity," Logue said. "Five to 15 pounds in every 200 would fall within the 'hot' radioactive category."

Philadelphia Electric plans to truck the spent fuel south on Route 1 to Baltimore, around the city beltway, down to Washington, D.C., and around the D.C. beltway south to a nuclear reprocessing plant in Barnwell, N.C. If the spent fuel goes by train it will move from Peach Bottom to the city of York, which has a population of 50,000 centered in a metropolitan area of 180,000.

"This means it'll have to be transferred here from one railroad company car to another," Ray Hovis said in York. "The utility says it will ship it as fast as possible—but you know the railroads. And the utility's 'bad weather' truck route is through the small (York County) towns of Dallastown and Red Lion. What happens if there's an accident in these communities? What happens if someone grabs one of these trucks, runs it up to the White House from the beltway and tries to blow it up?"

Raymond Powell of the AEC feels the probability of a serious accident or theft in the transportation of nuclear fuel and waste materials is minimal. "You can't transport nuclear fuel any old way," Powell said. "And we're in the process of rewriting our regulations as to what standards must be met. Every truck will be required to have at least one armed guard with it, and they'll have to phone in to a checkpoint every two hours. And the design of the casks used in this shipping is such that there would be no radiation leakage in the event of an accident."

These nuclear shipping casks are designed to withstand a 30-foot free fall, exposure to a blazing fire for a half hour and submersion under water for at least eight hours. There have been relatively few accidents in the transportation of nuclear materials, and when they have occurred, the thick lead and steel casks have apparently contained all radioactive material. How well the record will hold up is problematical. Highway safety figures average out to one accident every million miles. More nuclear plants in the future will mean more nuclear shipments, and the probability of nuclear road accidents will rise. When asked about the likelihood of sabotage and theft, Powell of the AEC and Allen and Logue of Philadelphia Electric contend that such fears are the ingredients of James Bond movies. "While it theoretically might be possible to steal enough plutonium for a bomb, it is believed to be impractical," according to the American Nuclear Society. "Throughout its processing the plutonium is very carefully controlled, and strict accountability is maintained for economic, safety and munitions reasons."

But a report prepared for the AEC, and recently released by the Senate Subcommittee on Executive Reorganization, used the words "entirely inadequate to meet the threat" in describing the steps taken to prevent sabotage and theft. And Theodore B. Taylor, once a nuclear bomb maker, claims it would be "comparatively easy" to steal nuclear material and make atom bombs from it. While he was working for the AEC at Los Alamos, Taylor designed one of our smallest and lightest fission bombs (less than 50 pounds) and the largest-yield hydrogen bomb ever exploded. Taylor, a theoretical physicist, is no longer designing nuclear weapons. He is now active in the nuclear safeguards field, urgently warning the public about the dangers connected with nuclear fission—dangers which Taylor alleges are increasing because each new atomic plant means more weapons-grade nuclear material.

According to Taylor, all the information necessary to make a bomb in a basement is readily available. Little Boy, the bomb that killed 100,000 people at Hiroshima, was a 15-kiloton weapon containing 60 kilograms of weapons-grade nuclear material. The AEC has said we will produce 4,000 kilograms of plutonium in the United States this year.

It is now buried as waste or stored for the time when it may be valuable as nuclear fuel. A thousand or more nuclear plants by the turn of the century means the United States would be producing more than 250,000 kilograms of plutonium a year.

Taylor was the subject, a few months back, of a disturbing series of *New Yorker* articles (now expanded into a book, *The Curve of Binding Energy*, Farrar, Straus & Giroux), in which the physicist told author John McPhee that a sliver of uranium-232 about three-quarters of an inch square, if fissioned, "would be enough to knock down the World Trade Center" in New York. A "crude" bomb, with a yield of only a kiloton and its related "weapons effects," Taylor told McPhee, could wipe out New York's financial district and kill 100,000 people. A tenth of a kiloton exploded outside a nuclear plant would be sufficient to destroy the reactor and release from its shattered remains enough radioactivity to match the fallout from a 100-megaton bomb.

The AEC said that a person would need the special skills and experience of a Theodore Taylor to make a clandestine atom bomb. Taylor disagrees, insisting that anyone with a rudimentary knowledge of reactor theory and engineering could do the job. All the necessary information is available, he says, in public print.

Taylor took McPhee on a tour of key nuclear installations. They visited atomic power plants, fuel reprocessing centers, waste-storage facilities, nuclear weapons sites, shipping points. Taylor kept pointing out how inadequate were the safeguards. Gates were open, doors unlocked, fences were low, accounting procedures were casual, some guards were absent, others hadn't officially qualified with the pistols they carried. But safeguards cost money. We spend billions yearly on nuclear weapons, and only $4 million to $6 million a year to protect nuclear materials. Nor is money the only consideration; the nuclear industry is also concerned for its image. It is said that every nuclear shipment in the Soviet Union is accompanied by a Red Army guard, but the idea of employing U.S. Army troops to accompany nuclear shipments is repugnant to an industry that is spending millions to assure the public that nuclear power is safe.

The AEC claims to have updated its security standards and that measures are now taken to guard against nuclear theft, sabotage, blackmail or any other illegality "short of significant armed attack." Theodore Taylor says this is not enough to stop a *significant* attack. Money is better protected than uranium or plutonium, Taylor said, at a time when uranium-233 sells for around $25,000 a kilogram and an ounce of plutonium-239 is worth ten times more than an ounce of gold. Critics believe that a nuclear black market will spring up to supply nonnuclear nations, guerrillas, terrorists and criminals with weapons-grade material. They point out that 2 per cent of everything shipped in this country is pilfered. They also repeat allegations that organized crime has made deep inroads into the transportation industry. Taylor seems to say that the only effective protection against nuclear theft and clandestine bomb-making is to abandon nuclear fission power. Besides, Taylor is among those who believe that there are a number of other solutions to the energy problem.

A VARIETY OF ENERGY SOURCES

Nuclear fission receives the largest percentage of the tax money spent on energy research and development. But a growing body of literature promotes solar and geothermal energy, nuclear fusion, the production of clean oil and methane gas from animal waste and urban garbage, power from the wind and tides, the large-scale cultivation of algae plants which can be converted by fermentation to methane gas, and the conversion of coal into clean energy. Combinations of these potential energy sources can be brought into play, the opponents of nuclear power claim, to supply the nation with the energy it requires. This would avoid the eggs-in-one-basket approach that has dominated the nuclear establishment.

According to federal figures, energy research and development money will be spent in fiscal 1974, as follows, $517 million will go for nuclear fission—$366 million of it for the breeder reactor; $98 million for nuclear fusion; $18 million for solar energy; $11 million for geothermal power; and $167 million to convert coal into oil and gas—triple the amount of research money coal received last year.

The United States derives two-thirds of its energy from fast-depleting sources of natural gas and petroleum. Coal accounts for 88 per cent of its fossil energy reserves, and most of the nuclear proponents contend that coal is the only alternative to nuclear fission in the immediate future. However, they deplore the large-scale exploitation of coal on the grounds that strip mining will brutally assault the landscape and that burning large quantities of coal will poison the atmosphere. Some of their opponents believe that methods are available or can be developed to mine coal without despoiling the environment, but most of them contend that a debate over the merits and disadvantages of fission and coal is misleading because there are other alternatives to both fuels.

Nuclear fusion, for example, might be available and practical within the next twenty years, and perhaps much sooner, if the process receives more support and money. A nuclear fusion power plant would create energy by combining deuterium—heavy hydrogen—atoms at sensationally high temperatures. Scientists have not yet been able to sustain a continuous fusion reaction, but studies employing high-powered lasers are under way in an effort to heat frozen pellets of hydrogen to temperatures of hundreds of millions of degrees in a billionth of a second. And no material nor technology now available will contain a continuous fusion reaction in a reactor because of the tremendous temperatures and pressures involved. But fusion offers the promise of unlimited commercial power, if and when, because fuel comes from ordinary sea water. And nuclear fusion has thus far been considered "clean" because it does not produce radioactive waste products; that also cancels out the possibility of a nuclear explosion at a fusion power plant.

There is also solar power, which Linus Pauling told me is "especially attractive and promising." It is available today, but converting, storing and routing this sunshine power, given present technology and facilities, would be prohibitively expensive. In 1970, the late Dr. Farrington Daniels, one of the world's leading chemists, was saying that "solar energy is amply adequate for all the conceivable energy needs of the world. It is harmless and sure to work. . . . Surely solar energy will be important within twenty years, and if enough financial support should become available, the time could be considerably less."

More than thirty homes in the United States are heated and cooled by converting sunshine into electricity. And there have been a number of proposals to collect, store and transmit commercial solar energy on a large scale. But the nuclear critics contend that the AEC has consistently played down solar energy in order to boost public reliance on the breeder reactor. The Scientists' Institute for Public Information, an organization of more than 900 scientists and laymen, recently criticized an AEC draft assessment of the hazards involved in the development of the breeder reactor as "frivolous and shallow." Dr. Barry Commoner, chairman of the group, and David Inglis, the eminent physicist, charged that the AEC's statement failed to acknowledge in full the dangers of plutonium explosion and radiation, while trying to "cover up" the commercial feasibility of solar energy.

William E. Heronemus, a professor of civil engineering from Massachusetts, contends that we are "out of touch with the reality of the world in which we live" as long as we "cavalierly ignore" solar power—"the first energy used by man" which, Heronemus says, "will be the last." He also advocates wind power, believing "that the entire electricity demand of the six-state New England region could be satisfied by wind power alone by the year 2000 at a cost which "even now would be competitive." He adds that wind power could supply two-thirds of our current energy demands and about a fourth of our future needs. Heronemus also urges that "tidal power possibilities, discarded by the United States in the past but carefully set aside by the more canny Canadians, should be re-examined at once."

Another alternative to nuclear fission is geothermal energy, which is tapped by drilling 5 to 10 miles down into the earth for hot water and steam. Some people feel the electric power potential from steam and hot water under California's Imperial Valley alone could have generated between 30 to 90 per cent of the energy we consumed three years ago. Geothermal power, now being explored in this country, particularly in California, is operating today in Russia, Japan, New Zealand, Mexico, Italy and Iceland.

Methane gas could be another immediate source of commercial energy. County farm agents in Pennsylvania working with Penn State extension campuses, have been demonstrating the workability of homemade manure gas generating kits. A farmer with fifteen head of cattle would have enough animal waste on hand to produce clean methane gas for all his farm equipment, his trucks and car, and to heat and cool his home. The remaining sludge retains its high nitrogen content and can be returned to the soil as fertilizer. Some urban home owners, instead of throwing their garbage away, have been turning it into methane to heat their city homes. Manure and garbage can also be turned into low-sulfur oil—enough perhaps for more than 2½ billion gallons a year. (See "Garbage: A Neglected Resource," by Sen. John V. Tunney, *The Nation*, May 18.) Plans have been proposed to "farm" instantaneous methane from large crops of algae.

In the context of alternative sources of energy, the nuclear critics point out that the private utilities in this country spend more on promotion and advertising than they do on research and development. Figures compiled by Sen. Lee Metcalf's office (D., Mont.) for 1972, the latest year for which complete figures are available, show that private utilities spent some $314 million on advertising and promotion, compared to $94 million on energy research and development.

SOMETHING LESS THAN INFALLIBLE

The petitions opposing the operation of the Peach Bottom nuclear reactors in York County and Philadelphia Electric Company's application for an AEC construction permit to build two more large nuclear reactors in Fulton Township contain all the general objections to nuclear fission. The petitions allege that Philadelphia Electric has failed to explore potential alternatives and that the utility has either understimated or ignored the possibility of reactor accidents, radiation dangers, an enemy attack on a nuclear power complex, thermal pollution of the Susquehanna River and the surrounding atmosphere, earthquakes (a utility continued construction work on an atomic plant in Virginia after being notified of a geological fault under the site), transportation mishaps, waste-storage leaks (in March, the AEC reported another large leak at its huge

Hanford depository) and the occurrence of accidents up and down the nuclear chain.

There have been a number of such accidents. The Fermi fast-breeder reactor plant closed down for four years after its fuel rods melted; now it has been shut for good. The Vermont Yankee plant was recently closed down because of a fear that key devices for controlling the nuclear reaction might have been installed upside down. That was the seventeenth major shutdown in the nineteen months the plant has been operating. A spokesman for the utility told *The New York Times*, "we are not as bad as some, but we're not as good as others." Consolidated Edison, the nation's largest private utility, was supposed to begin generating commercial nuclear fission power for the New York City area more than two years ago from its reactors on the Hudson River, about 21 miles north of the city. A Con Ed spokesman recently told the press that the plants are still in the "testing stage." They have been plagued by accidents, breakdowns and delays.

Commonwealth Edison's 600-megawatt Dresden nuclear plant in Illinois had to shut down for repairs when a reactor went out of control for a couple of hours. Workers at the nuclear plant (which Commonwealth Edison operates) at Cordova, Ill., found the auxiliary power system and backup coolant pumps under 15 feet of water because of a leaking pipe joint. The Oyster Creek nuclear plant in New Jersey had to shut down when an operator's mistake dumped 50,000 gallons of radioactive water into the basement of the reactor building. The Shippingport plant recently suffered a cooling system explosion. Philadelphia Electric has experienced months of delay in trying to put its Peach Bottom Unit Two on line. There was a $6 million accident last October at the AEC's experimental uranium enrichment laboratory at Oak Ridge, Tenn. And three armed men once hijacked a jet airliner and threatened to crash it into Oak Ridge unless their demand for $10 million ransom was met. Walter H. Jordon, a member of the AEC's Atomic Safety and Licensing Board, said "there are no measures we can take that will eliminate the possibility of a major nuclear accident."

The petitions opposing Philadelphia Electric's petition to build the two Fulton plants all cite the fact that the utility does not own the amount of land it is required by law to possess around a nuclear plant site, and that the owners of the land it needs do not want to sell. For that reason, the intervenors at Fulton Township have asked the AEC to cancel its building permit hearings. The utility would then have to seek a court order forcing the owners to sell the land, and the anti-nuclear people in York and Lancaster Counties would be happy to confront Philadelphia Electric in court. That would give them a long-awaited opportunity to air their many objections to fission power before a judge or jury.

George L. Boomsma, who lives with his family on the fringes of the proposed Fulton reactor plant site, thinks "our chances are very good in court. Which they wouldn't be if we had to present our case in front of the AEC." Boomsma is president of the Save Southern Lancaster County Environmental Conservation Fund. A salesman, Boomsma moved his family from the New York City area several years ago to a restored stone farmhouse in the wooded hills along the east bank of the Susquehanna. He and his wife are convinced that the presence of a nuclear plant in their back yard would endanger their growing children and the lives and health of all the people who live in the area.

I walked along the river with Boomsma not long ago. The Peach Bottom nuclear power complex, imposing if not overwhelming at close range, looked demure a mile and a half away on the opposite bank. Boomsma showed me a couple of radiation monitoring stations and told me about the fight against nuclear power in Fulton Township.

The Lancaster opponents are much better organized than those in York County. They have more members—farmers, housewives, professional men and women, including members of the faculty at nearby Franklin and Marshall College in the city of Lancaster—and more money. "We collected petitions at the local county fairs last summer," Boomsma said, "and we found sentiment running 10 to 1 against more reactors here."

Across the river, in York County's Peach Bottom Township, a farmer's wife sighs as she says, "It was too big for us to fight here. When we made a ripple, the Philadelphia Electric public relations people just came in and snowed us. So 95 per cent of the people around here thought atomic power was O.K. Their public relations people did a wonderful job. We all got invited to the plant. They fed us homemade pie and ice cream—and spent all their time telling us there was nothing to worry about."

Now the people who live near the Peach Bottom nuclear power plants aren't so sure. They mention five or six women within a 5-mile radius of the nuclear complex who have cancer and argue back and forth as to whether or not the atomic plants might to some degree be responsible.

Boomsma, across the river, is concerned about the danger of earthquakes. "Last year we had an earth tremor here from the Delaware River Valley. We have walls an inch and a half thick, but our house was shaking." The proposed Fulton reactor site lies near the Peach Bottom geologic fault, which Boomsma said is "supposedly" inert.

Mrs. Boomsma, working in the kitchen where we were talking, said, "We were brought up in an era in which science was God. We were taught to have total faith in technology. But the more we go along, the more we learn that science in this nuclear business doesn't have all the answers."

"You know," her husband mused, "these nuclear plants might turn out to be the dinosaurs of the energy age. In addition to being dangerous, they're also very impractical." Boomsma showed me figures to indicate that nuclear plants "are very inefficient—they have an operating dependability factor of less than 60 percent. Peach Bottom One and the reactor at Shippingport have operated only 40 percent of the time." Look at Peach Bottom Two across the river. The plant's been shut down for months and months because of turbine and generator troubles. Turbines and generators! They've been making them for over a hundred years. And they still have problems with them. And now they're talking about operating these huge nuclear reactors which are much, much larger than anything they've had any real experience with. And it's very expensive," Boomsma said, "to shut down a nuclear plant. Repairs cost a lot of money and a utility has to keep paying interest of 12 percent or more on them whether they're working or not.

"In the long run," Boomsma contends, "economics and what is practical will determine the future of nuclear power. Nuclear power is not only dangerous, but it's going to prove way too expensive in the long run for the public to put up with."

INGENUITY AND SKILLS

"Nobody who has visited a reactor station can avoid being deeply impressed by the ingenuity and skill which are manifest in the safety precautions," writes Nobel Prize-winning physicist Hannes Alfven. "But the fission reactor represents only one part in a complicated series of operations for fission energy. . . . The reactor constructors claim that they have devoted more effort to safety problems than any other technologists have. This is true . . . but it is not relevant. If a problem is too difficult to solve, one cannot claim that it is solved by pointing to all the efforts made to solve it. . . . The real question is whether their blueprints will work in the real world and not only in a 'technological paradise' . . . [because] . . . the consequences of nuclear catastrophes are so terrible that risks which usually are considered to be normal are unacceptable in this field."

I spent hours tourning the nuclear power complex at Peach Bottom, and I too was impressed by the care and ingenuity that has gone into it. Richard Fleishman, the assistant plant superintendent who escorted me around and answered my questions, has an academic background in chemistry and almost a decade of experience with atomic power. He is young and sturdy, a good leader with a great deal of team spirit. He seems extremely conscientious and hard-working. And he loves his work. "Look," he says, "I'm selfish like everyone else when it comes to safety. I've got a wife and kids, too, you know. And we live only 3 miles away from the plants. Do you think I'd be working here and we would be living here if there's anything to worry about?"

But Charles Bacas, who lives with his wife and two sons in the city of York 35 miles from Peach Bottom, is worried. Bacas, a former reporter for the *Gazette and Daily*, serves now as the executive assistant to the secretary of Pennsylvania's Department of Community Affairs in Harrisburg. Thoughtful and intense, he feels that the sponsors of nuclear fission power have tried to deprive citizens of their inalienable right to life, liberty and the pursuit of happiness.

"The process of assessing technologies has got to become part of the democratic process, or, in the coming decades, our liberties are going to decline as drastically as technological complexity is expected to rise," Bacas said. "At the present time, our votes at the polls and our dollar votes in the marketplace have a minimal effect on what are essentially elitist 'planning' decisions, whether by government or business.

"A number of risk-taking technological programs have been implemented, with the result that the democratic process has been particularly ill-served by the governmental and corporate proponents of these technologies, because potential dangers have been cloaked behind the man-in-the-white-coat certainties of deterministic science. This science no longer exists, and its certainties are no more available to us than the once seemingly limitless American frontier. Yet scientists and corporate and governmental executives continue to make particular decisions affecting the well-being of us all without even having the vaguest general consent from the public to do so."

The nuclear industry is engaged in a determined public relations effort to convince the American public that nuclear fission is safe. Standard Rate and Data shows that it costs about $40,000 to put a full-page four-color ad in *Time*—and the media have been laced with such nuclear promotion. The utilities have also been enclosing pro-nuclear material with their bills, a practice which it would cost the nuclear critics many thousands of dollars to duplicate. "We just about broke our treasury," says Ann Roosevelt of Friends of the Earth, "to run one full-page, black and white ad in the *San Francisco Chronicle*" at a cost of around $7,300. This ad has been quite effective. Reprinted as posters, it has found its way to doors and bulletin boards around the country.

Yet Ms. Roosevelt is confident that the foes of nuclear fission will win their fight. "We're doing something that has never been done before " she said, "in taking on a fully developed industry that's been protected by a mission-oriented Congress. Until a year ago, we could hardly get an anti-nuclear story in the newspapers because they were

convinced that nuclear power was safe. We think it's a tremendous victory because the press is beginning to notice us." She showed me a much-quoted *New York Times* editorial of last year which said, in part, "Once so promising in the first enthusiasm of the atomic era, nuclear power generation is becoming something of a monster, with dangers to people and the environment so awesome as to raise serious doubts that this is indeed the best energy source of the future."

"Just look around," Ms. Roosevelt said. "Even the AEC banned the proposed reactors at Newbold Island, near Philadelphia and Trenton because there were 'too many people' in the area. A RAND report in California called for a slowdown on nuclear fission. The Federation of American Scientists did too. Ralph Nader is against it. The Sierra Club reconsidered its policy on nuclear power and recently came out against it. "Even Congress," Ms. Roosevelt said, "is beginning to wake up. It wasn't their fault. The Joint Committee on Atomic Power monopolized the field and Congress depended upon the committee for its information about nuclear power. This committee acts more like an executive committee than a legislative one. It has tremendous power. But no matter how much the Joint Committee says nuclear power is safe, the grass roots are growing. Congress is becoming aware of the problem. And I'm confident we're going to win."

Ms. Roosevelt is a level-headed woman; I think she may well be right.

SATELLITE TRANSMITTAL OF "VILLA ALEGRE"

Mr. MONDALE. Mr. President, this week thousands of children of diverse cultural backgrounds in isolated rural areas of this country will view a television program that is educationally sound, culturally enriching, and humanistically positive. Because public television signals cannot reach many of our rural areas, this seemingly ordinary occurrence required a major breakthrough in the use of advanced telecommunications techniques.

On May 30, an ATS-6 satellite was launched by NASA from Cape Kennedy and positioned on the equator in a stationary orbit. From its orbit 22,300 miles above the Galapagos Islands, the satellite can transmit educational programs between a Denver Earth station and a number of rural sites that would otherwise be isolated from public television transmission.

With funding under the Emergency School Assistance Act, Bilingual Children's Television produced "Villa Alegre"—an educational program coupling vigorous research and advanced educational techniques with the most sophisticated audio and visual innovations of the television media.

This educational television program represents a celebration of this country's multiculturalism. It is a program for all children, using a bilingual—Spanish and English—approach to presenting our country's many cultural strengths.

The individuals and organizations who have collaborated to create "Villa Alegre" and to permit its satellite transmission deserve our thanks and our congratulations. I ask unanimous consent that a copy of the announcement of this transmittal be printed in the RECORD.

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

"VILLA ALEGRE" TO BE RETRANSMITTED TO EIGHT STATES VIA NEW SATELLITE

DENVER, July 26.—A satellite 22,300 miles above the Galapagos Islands will begin retransmitting bilingual educational television programming to the western United States next Monday. The program, a Bilingual Children's Television (BC/TV) production called "Villa Alegre," will be transmitted from an earth station at Denver and relayed by satellite to 56 receiver sites in eight of the Rocky Mountain States.

The receivers are in schools in isolated rural areas. Twelve additional receivers, to become operational this fall, are located in Public Broadcasting Service (PBS) stations in the region. Monday's effort is designed to demonstrate the feasibility of a satellite-based media distribution system for isolated rural populations.

The satellite project is designed and managed by the Federation of Rocky Mountain States. Project director is Dr. Gordon Law of Denver. Participating states are Idaho, Montana, Wyoming, Utah, Colorado, New Mexico, Nevada and Arizona. Funding is primarily through the National Institute of Education of the U.S. Department of Health, Education, and Welfare.

(The Rocky Mountain states have a unique communications problem, explained Dr. Luis Bransford, the director of utilization for the satellite program: the area contains 35 percent of the land in the United States but only 4 percent of the population. Most of the population the area does have is concentrated around several major cities. Reaching the rural areas has proved financially infeasible and technically difficult for the public television stations," Dr. Bransford said, and this has left isolated portions of the state at an educational disadvantage. The satellite program is seen as a way of overcoming this disadvantage.)

Daily school program transmission will begin Sept. 9. Educational material will then be broadcast via the satellite to all the school receivers and the PBS stations.

Six of "Villa Alegre's" half-hour segments will be transmitted during the demonstration. This bilingual (Spanish and English) and bicultural educational television program will be aired nationwide by conventional means on PBS stations this fall.

Dr. René Cárdenas, director of BC/TV, said he sees the airing of "Villa Alegre" by the satellite as a national breakthrough in the utilization of space technology to disseminate educational programs to those areas lacking PBS facilities. "The implications for international dissemination of educational programming and technological information to developing countries are monumental," he said.

"Our staff is delighted by the fact that the first satellite transmission of an educational program in the world utilized concepts developed by BC/TV," Cárdenas noted.

The satellite, an ATS-6 (Applications Technology Satellite "6") was launched by NASA from Cape Kennedy, May 30. It is positioned on the equator in a synchronous, or stationary, orbit. It can provide two-way audio and visual communication between the Denver earth station and 24 of the rural schools, designated Intensive Sites. The other 44 locations are receiver sites only.

When fully operational the system will represent, according to Dr. Bransford, the first widespread use of a satellite-based telecommunication system in a direct educational application.

ALEX MANOOGIAN HONORED

Mr. GRIFFIN. Mr. President, on behalf of the people of Michigan, Gov. William G. Milliken recently awarded a Certificate of Appreciation to one of our State's most distinguished citizens, Alex Manoogian, international president of the Armenian General Benevolent Union.

The life of Alex Manoogian is an outstanding example of the success that can be achieved in America. Even more important is the fact that Alex Manoogian has never taken the freedom and opportunities of America for granted. Instead he has generously demonstrated his gratitude by helping others to realize the best of their individual abilities and talents.

That is the American way; and that has been the way of Alex Manoogian, a fine American.

Mr. President, I ask unanimous consent that a biography of Alex Manoogian indicating his wide-ranging interests and accomplishments be printed in the RECORD.

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

ALEX MANOOGIAN

Mr. Alex Manoogian, considered by many to be the chief Armenian community leader in Detroit, the United States and throughout the diaspora, was born in the region of Smyrna (Izmir), a well-known seaport on the coast of Asia Minor, in 1901. Under the supervision of his parents, Tacvor and Tacoohie Manoogian, Alex received his primary and secondary education in local Armenian schools.

World War I left economic chaos, political confusion and personal insecurity for the Armenians in Turkey, so the young Alex decided to leave his father's business in 1920 to come to America—just two years before the destruction of Smyrna by the Turks.

After living in several cities, he made Detroit his home in 1924. First working in an auto parts manufacturing plant to gain experience, he then founded his own company in 1928 which was to grow into the huge Masco Corporation. Although the depression years were hard, by 1936 Mr. Manoogian's company was large enough to be listed on the stock exchange.

In 1931 he married Marie Tatian in New York, and soon their union was blessed with two children—Louise (now Mrs. Arman Simone) and Richard. The Manoogians now have six grandchildren. Mrs. Marie Manoogian has been a constant companion and help mate to her active and industrious husband.

Mr. Manoogian had joined the Armenian General Benevolent Union (AGBU) and the Knights of Vartan in 1930. By 1940 he was elected Avak Sbarabed (National Commander) of the Knights; and in 1943 he was elected to the Central Board of Directors of the AGBU.

In 1953 Alex Manoogian was elected International President of the AGBU, a post which he has occupied with honor for 20 years. After 17 years of successful leadership, during which time AGBU capital funds were raised from eight million to over twenty million dollars, there was a tremendous expansion of its world-wide activities. Mr. Manoogian was voted life President in 1970 by a grateful General Assembly.

In 1968 the AGBU Alex Manoogian Cultural Fund was established with an initial endowment of one million dollars; since then the endowment has been doubled by its generous benefactor. The Fund has supported the publication of many scholarly and literary works, cultural activities, and has provided assistance to needy Armenian intellectuals and educators throughout the world.

As a grateful citizen of the United States, Mr. Manoogian has contributed generously to American hospitals, museums, libraries, universities, schools and other charitable and cultural organizations. He donated his former

mansion to the City of Detroit as an official residence for the Mayor.

Space does not permit an enumeration of even his major contributions in cities all over the world, but we must mention his building of the AGBU Alex Manoogian School, the Tacvor and Tacoohie Manoogian Manor for the Aged, and his substantial donation of time, interest and money to the building of St. John's Armenian Church of Greater Detroit and the Armenian Cultural Building.

To date, Mr. and Mrs. Manoogian has contributed seven million dollars to charitable, religious, cultural and educational causes. In recognition of his international philanthropy, Mr. Manoogian was awarded the Cross of St. Gregory the Illuminator First Degree by His Holiness Vasken I, the Catholicos of All Armenians; the First Degree Order of the Cedars by the President of Lebanon; the Cross of St. James by His Beatitude the Patriarch of Jerusalem; and the 50th Anniversary Medal by the Prime Minister of Armenia.

IN MEMORIAM: EARL WARREN

Mr. CRANSTON. Mr. President, on July 10 I addressed the Senate on the impact of Earl Warren upon our history and upon our future. I spoke of his vision, of his decency and compassion, and of his concern with the ideal of equal rights under the law. That special quality which Earl Warren demonstrated in his illustrious years of service to our Nation have been eloquently summarized in an elegy by the poet laureate of the State of California, Charles B. Garrigus.

I would like to share with my colleagues here in the Senate these lines of verse. I ask for unanimous consent that the poem by Charles B. Garrigus, "In Memoriam: Earl Warren," be printed in the RECORD:

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

IN MEMORIAM: EARL WARREN

There is a special grief that people feel about
the death of certain men.
It is a sorrow rooted in awareness that such
men have loved and served the interests of mankind.
There will be no black shroud of gloom about
Earl Warren's passing.
Instead there will be sadness born of gladness
and deep gratitude
That in her hour of need, America this man
could find.
His life throughout was preparation for the
work he had to do.
Through the translucent windows of slow
time,
His figure will grow larger, looming clearly as
a greater man.
Than those who stood beside him ever knew.
He never had that close concern with all the
obvious, petty kind
That might obscure the greater thoughts
behind.
His field of action was those principles which
mold the mighty matters of the mind.
With the key of justice he unlocked the gates
of knowledge for the underprivileged
and poor.
We know in every schoolhouse of the land
His was the hand which opened wide the
door.
Now California's Favorite Son has gone;
His niche in life is deep, his fame deserved.
His tribute is the faith which every man has
in the law;
His monument is every life that has a richer
hope because he served.

CHARLES B. GARRIGUS.

TWENTY-FIFTH ANNIVERSARY OF GSA

Mr. JAVITS. Mr. President, 25 years ago this month President Truman signed the Federal Property and Administrative Services Act of 1949 which created the General Services Administration. This independent agency was formed to consolidated government procurement policy and bring greater efficiency and savings to the Federal Governmnet. In the intervening years, broader, and additional responsibilities were assigned to it until today, in a very real sense, it is the marketing and business arm of the Federal Government.

During the past 25 years GSA has accepted its challenge of doing the Government's business with vitality and dedication. While GSA has been involved in controversy, because of its efforts, respect in this agency has grown over the years with its size and responsibility. I extend my congratulations to the past and present GSA employees who have contributed to the fine reputation which GSA so rightfully deserves.

On this commemorative occasion I ask unanimous consent to print in the RECORD the following speech delivered by Arthur F. Sampson, the very able Administrator of General Services Administration .

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

ADDRESS BY MR. SAMPSON

This month GSA observes its 25th anniversary, an occasion marked by celebration and social events. But our anniversary must be something more than a celebration; it must be a time when we examine our progress and set our goals for the future.

How far have we come? GSA, today, is vastly different from the GSA of 25 years ago. In 1949, the General Services Administration was created to fulfill the administrative needs of the Federal agencies. For years, we have operated behind the scenes, concerned with getting the job done. We have succeeded in centralizing and consolidating many managerial functions of the Federal Government. And have succeeded in serving the Federal agencies effectively and efficiently.

Today we are contributing to the quality of life through our pioneer efforts in energy conservation and firesafety. We are bringing the Federal Government closer to the American people with our business service centers and the Federal information centers. We are a leader in the construction industry—the biggest industry in America. We're providing sophisticated teleprocessing services, we save millions in procurement, we've brought the Nation's history to its people through the archives, and, we are assuming a new role in the Federal Government with the addition of Federal management policy and emergency preparedness operations.

That mission hasn't always been glamorous and our successes haven't always been visible.

In fact our service mission may have affected our outlook in the past. We called the agency the "housekeeper" for the Federal Government—a title that belies the important management functions of the agency and the millions of dollars in its programs.

That image and the attitude it created have been changing in recent years.

GSA has built on its basic mission and has changed dramatically in the past few years.

Today we can look at our operations, our record, with pride. And we can look at GSA in a new light—an agency with as much talent, as much challenge, and ultimately, as much importance to Americans as any other agency in Government.

Our 25th anniversary should give us all a chance to share in that pride and to understand that new vision of GSA.

But our celebration should also be a time to face further challenge.

First, the process of building on our mission and finding better ways to do our job must continue. In fact, the two go hand-in-hand to the extent that we are efficient and enterprising on a day-to-day basis, we will be given new responsibilities and accorded new respect as an agency.

A second challenge is this: We must do our jobs better in the context of material and energy shortages. Not only must we conserve in our operations. We have to demonstrate ways for others to conserve.

Next, we must economize. We should be spending our money in the most productive way we know how.

The President has set this theme. But keeping down the cost of government is a fundamental part of public service—no matter what administration or what the state of the economy. Every one of us should keep that duty in mind.

Finally, we all face a special challenge in the years ahead.

We are going through a period when all our institutions are viewed with skepticism.

That's true of marriage, the family, our churches and our educational system.

But it's especially true of government.

Just because we do work for the Federal Government, people today are going to question our honesty and our ability. That's true for me in Washington and it's true for you in the field.

It's up to us to change that. On the job and off, everyone of us should be showing the people we meet that we're working, we're working well and we're working for them.

Getting that word out may be the toughest task we face in the next few years.

That challenge, then, and the others I mentioned, face us all as individuals in GSA.

John Kenneth Galbraith once said, "People are the common denominator of progress. So no improvement is possible with unimproved people."

At a typist's desk, a loading platform, on a midnight security patrol or in a big office like mine—it's all the same.

The success we've had so far at GSA has been your success, your reward.

And the success we will have in meeting challenges is up to you—each of you.

EXTENDED BENEFITS PROGRAM

Mr. JAVITS. Mr. President, I wish to thank and commend the conferees on H.R. 8217 which contains a vital provision to continue unemployment payments for those who have exhausted their regular benefits without being able to find work again. At a time when the rate of unemployment is still intolerably high, we must be able to provide our unemployed workers with the means of sustaining themselves and their families for longer periods than when our economy is at or near full employment.

In 1970, along with several amendments to the unemployment insurance program, we enacted the Federal-State extended unemployment compensation program. That program soon proved to be unworkable, and since the fall of 1972 I have proposed a series of amendments designed to make this program effective by relaxing the statutory trigger require-

ments for extended benefits. On four separate occasions we have temporarily waived the 120 percent trigger requirement from the extended benefits program. The latest of these amendments was attached by the Senate to this bill, H.R. 8217.

Without this amendment, the trigger requirement operates so that in order to be eligible to participate in the extended benefits program, a State must not only have a high rate of insured unemployment, but must also have an insured unemployment rate which is 120 percent higher than its rate for the previous 2 years. The effect of this requirement has been that States with chronic unemployment problems were not eligible for the program even though their insured unemployment rates might be 6, 7 or even 8 percent.

The conferees on this legislation have brought back a report which will extend the relaxation of the 120 percent trigger requirement through next April. The potential effect of this legislation will be to allow over a million unemployed workers to become eligible for extended unemployment benefit that they would not otherwise have received.

This amendment will also allow ample time for the Senate Finance Committee and the House Ways and Means Committee to study the problems in the extended unemployment benefits program, and to work out a permanent solution to those problems without the threat of cutting off thousands of potential beneficiaries because they are facing a short deadline on reporting reform legislation.

I know that I am joined by many Members, both here and in the House, who are dissatisfied with the way in which this and other aspects of our entire unemployment compensation system are functioning. We may not have a consensus on an appropriate solution to this problem, but we are agreed that it is a serious problem. This extension of the trigger modification will allow the committees to hear all points of view and to report to their respective bodies appropriate reform measures.

I am pleased to note that we can expect the full cooperation of the Department of Labor. As Secretary Brennan stated in a letter to Chairman LONG concerning this matter:

> A full study of duration issues, including the adequacy of the existing trigger mechanism, is clearly necessary and such a study is now underway in the Department of Labor.

I wish particularly to thank my colleague, Senator RUSSELL LONG, Chairman of the Senate Finance Committee and the distinguished chairman of the House Ways and Means Committee, Mr. MILLS, for their cooperation in working out this extension. I would also like to thank my colleague from Connecticut, Senator RIBICOFF for presenting and fighting for this extension and for his longstanding and dedicated commitment to finding a solution to this problem.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT OF COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the annual report of the Commodity Credit Corporation for the fiscal year ending June 30, 1973, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry, and ordered to be printed. The message is as follows:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Cong., 2d Sess., (62 Stat. 1073), I transmit herewith the annual report of the Commodity Credit Corporation for the fiscal year ended June 30, 1973.

RICHARD NIXON.

The WHITE HOUSE, *July 31, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore 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.)

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION ACT, 1975

The PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 15544, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 15544) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDENT pro tempore. The time for debate on this bill shall be limited to 2 hours, to be equally divided and controlled by the Senator from New Mexico (Mr. MONTOYA) and the Senator from Oklahoma (Mr. BELLMON), with 30 minutes on any amendment and 20 minutes on a debatable motion or appeal.

Who yields time?

Mr. MONTOYA. Mr. President, I yield myself such time as I may require.

The PRESIDENT pro tempore. The Senator is recognized.

Mr. MONTOYA. Mr. President, on behalf of the Committee on Appropriations, I am pleased to present the Treasury, Postal Service, and general government appropriations bill for 1975, H.R. 15544. The committee reported this bill to the Senate on July 24, and recommends appropriations amounting to $5,563,508,000. The bill passed the House of Representatives June 25 in the amount of $5,503,794,000 so that, based on the testimony at our hearings and the appeals of the agencies regarding the action of the House, we are recommending amendments of $59,714,000 to the House bill. The major portion of the committee's increase is $37,399,000 for budget amendments submitted subsequent to the House markup by the Treasury Department for mandatory cost increases and liquidation of the economic stabilization program. The balance of our amendments is for various program expansions that we believe are necessary and cannot be accomplished within the House allowance. I will highlight the major items in this bill.

TITLE I—TREASURY DEPARTMENT

The budget estimates for the Treasury Department total $2,342,665,000, or $415,927,000 over 1974, of which $143 million was for payment to the General Services Administration for rental of office space. The House allowed $2,231,215,000 and the committee recommends $2,289,454,000. The committee's recommendation is $58,239,000 over the House, of which $37,399,000 is to cover the budget amendments not considered by the House that I noted previously.

The major addition to the House allowance is full restoration—$7,139,000—of the budget of the Bureau of Alcohol, Tobacco, and Firearms. This Bureau was separated from the Internal Revenue Service in 1972 and has experienced a steady erosion of manpower so that the number of agents and other direct mission personnel has decreased by an average of 115 over the last 2 years. The Bureau is presently accomplishing only 42 percent of its workload with respect to firearms and explosives compliance, and an estimated $4 million alone in occupational taxes on liquor dealers is not being collected due to a lack of manpower.

Once again, this year the Subcommittee on Treasury, Postal Service, and General Government Appropriations held extensive hearings spanning 6 different days to look into the problem of the Internal Revenue Service taxpayer assistance and compliance programs. The subcommittee received testimony in the following areas: First, dissemination of information; second, infringement on taxpayer rights; third, problems related to use of the U.S. Tax Court; fourth, sufficiency of amount exempt from levy; and, fifth, allegations of a quota system used by IRS agents.

A more extensive discussion of our hearings can be found on pages 4 through 10 of the committee report, and I will make a full report to the Senate on this subject shortly.

I am also pleased to note the complete cooperation of Commissioner Donald Alexander, who shares our interest in providing the fullest level of assistance to the Nation's taxpayers. We have noted in the Report the improvements made by IRS in this area, including the increase of IRS authority at the District conference level of appeal; the new Taxpayer Service Division; and the ongoing IRS effort to improve form letters used in contacting taxpayers.

For the Internal Revenue Service we recommend program increases of $7.4

million to strengthen the Executive direction of the agency and to increase the audit sample of tax returns from 2.2 to 2.3 percent. The audit rate has dropped over the years due to the siphoning off to special programs, such as the strike force and economic stabilization. While the American people continue their high level of voluntary compliance, the unfortunate publicity last year about the tax returns of certain persons has prompted fears of mass cheating. It is still too early to tell if income tax cheating has significantly risen but the committee recommends an additional $6.4 million to raise the audit sample one-tenths of 1 percent.

Our other additions for the Treasury Department include $2 million for the Mint to provide staff and machinery to meet the ever-rising demand for coins. Recently, the Federal Reserve banks forecast a demand of 15 billion coins for the Nation's economy in fiscal year 1975. The budget request contemplates the minting of 10.9 billion coins, which is far short of this estimate. The committee has restored $1 million of the $1,578,000 that the House of Representatives reduced the request for the manufacture of coins and has also provided an additional $1,000,000 for the procurement of additional coin presses necessary to meet the heavy demand for coins in fiscal year 1976–77, which may go as high as 17 billion pieces. We also added $2.3 million for the Bureau of Public Debt. This Bureau is consolidating its operations in Parkersburg, W. Va., and we look forward to real savings next year and the years following from a streamlined operation. I also want the record to indicate that we denied the amendment for additional Executive Protective Service personnel without prejudice as the authorization has not been approved.

TITLE II—U.S. POSTAL SERVICE

The committee has made no change in the level of the House appropriation of $1,550,000,000 to the U.S. Postal Service. This appropriation is based on the formulae in the Postal Reorganization Act for public service costs, revenue foregone, and the unfunded liabilities of the old Post Office Department assumed by the Postal Service. We did join the other body in making a slight nick of $2.6 million to remind the Postmaster General that Congress is still around. Subsequent to the action of the House, Public Law 93–349 was approved July 12, 1974. This law authorizes a one-time appropriation of $285,000,000 for the unfunded liabilities in the Civil Service Retirement System due to postal employees' pay increases since 1971. We are informed that this will be covered by a supplemental budget estimate.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

The budget estimates for the Executive Office of the President amounted to $81,957,000 of which the House allowed $74,872,000. The committee recommends $76,387,000, a net increase of $1,515,000 over the House allowance.

Public Law 93–346, approved July 12, 1974, established the former home of the Chief of Naval Operations as the temporary, official residence of the Vice President. We did not receive a budget estimate for this, but the Vice President is anxious to move into his new home and the Navy has supplied us with a letter stating that $315,000 is required. I ask unanimous consent that the letter of July 18, 1974, that I received from the Navy Department with regard to this be made part of the RECORD at this point.

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

DEPARTMENT OF THE NAVY, OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D.C., July 18, 1974.

Senator JOSEPH M. MONTOYA,
Chairman, Senate Subcommittee on Appropriations for the Department of the Treasury, U.S. Postal Service, and General Government, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for an estimate of the funds that will be necessary to include in an appropriation for FY–1975 for the establishment and maintenance of the temporary official residence of the Vice President established by Public Law 93–346 enacted July 12, 1974.

At the direction of the Secretary of the Navy, careful and moderate estimates have been made of appropriations necessary. The estimates are in the following categories.

For the structural renovations, alterations and repairs to the House, $50,000. This work will be integral to the structure and will be of a nature comparable to that which would have been required coincident to occupancy by a new Chief of Naval Operations.

For institutional investment costs, $225,000. This includes sundry furniture, china, carpets, crystal, flatware, and kitchen utensils, all of which are relocatable and will be a permanent asset of official residence of the Vice President.

For security related investment costs to the Navy specified by the Secret Service, $7,500 to construct a secure gate at the main entrance to the Naval Observatory to replace the present gate barrier, a portable wooden structure.

For recurring annual expenses, $32,500 will be required in Fiscal year 1975. This amount is for the provision of utilities, maintenance of the interior and exterior of the house and the support buildings associated with the house, housecleaning, and the direct cost to the Navy for administration of the residence and pertinent accounts. This requirement is generally comparable to the expenses incurred by the Defense Family Housing Management Account in prior years in support of the Chief of Naval Operations with a small increase for incidental requirements associated with Secret Service occupied spaces and utilities.

It is understood that your committee is now considering an appropriation to support the purposes of Public Law 93–346. We request that your decision reflect requirements listed above, in the sum total of $315,000 for Fiscal Year 1975. This request has been discussed with the Office of the Vice President of the United States.

W. D. GADDIS,
Vice Admiral, USN, Deputy Chief of Naval Operations (Logistics).

Mr. MONTOYA. Mr. President, I will mention for the information of the Senate that the $315,000, all of which we appropriated, consists of $50,000 for structural renovation, alterations and repairs to the house; $225,000 for institutional investment costs, including sundry furniture, china, carpets, crystal, flatware, and kitchen utensils; $7,500 to construct a secure gate at the main entrance; and $32,500 for recurring annual expenses.

The committee has added $3,100,000 for the Office of Management and Budget to provide a total of $22.5 million. As the Senate will recall, an amendment on the floor of the House of Representatives reduced OMB to the 1974 level of $19.4 million. In this year of rental payments to GSA, higher salary costs, etc., there is just no way to maintain programs at the previous year's level. This then is a cut, and a very drastic cut as OMB's base is $21,850,000. The committee does not believe that any difficulties with OMB can be solved by choking it to death. For the record, I also want to indicate that the committee has allowed 677 positions for OMB.

The third change recommended in title III is a reduction of $1,900,000 for the Office of Telecommunications Policy. This Office used to have funds both in this bill and the Commerce bill. The distinguished Senator from Rhode Island (Mr. PASTORE) and I agreed it all ought to be in one place, so our recommendation of $7.5 million is not a $5.4 million increase over 1974 as it might first appear. The first $4.4 million is to bring the Commerce activities into this bill. We believe a more modest expansion is in order than the almost 50 percent increase approved by the House, and have provided approximately $1 million over the combined 1974 level.

TITLE IV—INDEPENDENT AGENCIES

For the independent agencies in this bill, the committee recommends $1,647,667,000. Technically, we are over the budget estimates by $6.7 million but this comes about because GSA's administrative operations fund was provided for on a direct appropriation basis rather than as a management fund by the House of Representatives. When proper allowance is given for the reduction of $17,525,000 in the Federal buildings fund because of this, which cannot be reflected in the tables at the end of the report, we have actually cut the estimates by $10,825,000.

In our report, we have again stressed that one of the most important functions of the Civil Service Commission is to assure a merit work force so that the public can be guaranteed a personnel management program and a work force of the highest caliber and quality. The committee also recognizes that it is equally vital and important that all citizens, regardless of race, color, creed, sex, or ethnic background, be afforded and given equal employment opportunities in the Federal service. In this connection, the Civil Service Commission is again directed to pursue, with vigor, a program of affirmative action to assure equal opportunity in Federal employment, and the committee again directs that this program be given the highest priority possible.

The committee recognizes that some measures have been taken by the Commission to comply with committee directives but testimony before the committee again indicates that the Civil Service Commission has not sufficiently pursued its obligations under the Equal Employment Opportunity Act of 1972 in a man-

ner consistent with the spirit and letter of the act.

For example, a review of Federal employment statistics with regard to employment of Spanish-surnamed persons reflects that from November 1969 through May 1973 there was only a net increase of 4,652 Spanish-surnamed Americans hired by the Federal Government. On the other hand, Treasury Department employment statistics for the same period reflect an increase of 1,672 Spanish-surnamed employees. Consequently, during the period November 1969 through May 1973 the Department of the Treasury hired approximately one-third of all Spanish-surnamed Americans hired throughout the Federal Government. The Department of the Treasury is commended for their leadership in this highly critical area. In the most recent reports to the Civil Service Commission of Spanish-surnamed hires from 1972 to 1973, Treasury shows an increase of 541 against the total Federal Government net increase of approximately 1,650 new jobs.

From the above, it is evident that the Civil Service Commission needs to and must take a variety of steps to assure that bilingual recruiters participate in recruitment activities in order to increase the likelihood of success in recruiting efforts, and that all Federal agencies review their staffing practices to assure themselves that artificial barriers and obstacles in their appointment practices which prohibit Spanish-speaking Americans from obtaining Federal employment are immediately eliminated. The President's 16-point program should be advanced more aggressively through the Federal service and the committee again urges, in the strongest possible manner, that full consideration of Spanish-speaking persons be given to mission-related occupations and executive positions.

We have restored the President's Commission on Personnel Interchange under the Civil Service Commission. This program provides the opportunity for the interchange of managerial skills between the Government and private sector. This program was knocked out on a point of order on the floor of the other body, but we have the opinion of both the General Counsel of the Civil Service Commission and the Comptroller General that sufficient authority exists to continue this program. Since this year's participants have already been announced and have made their plans, we believe the funding should be restored. However, we make it clear in the report that no additional participants are to be selected or commitments made until the GAO completes a review of this program.

The committee has also restored $750,000 for the Commission on the Review of the National Policy Toward Gambling that was reduced to $250,000 by the House of Representatives. This will provide a total of $1 million for a staff of 20 and $400,000 for studies of gambling. The need for the $1 million was strongly presented by the Senate members of the Commission.

Before I get to the General Services Administration, I am happy to note our addition of $252,000 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. The authorization for this program was approved July 25, 1974, and we fully support the efforts of this committee to direct Government procurement of the products of the workshops for the blind and other severely handicapped.

For the General Services Administration, other than the Federal buildings fund, we recommend a net reduction of $1,420,000. This consists of decreases of $500,000 in the grants made by the National Historic Publications Commission and $1.5 million in the Defense mobilization functions of eight Federal agencies; and increases of $450,000 for general management and agency operations, and $130,000 for Federal management policy.

Now for the No. 1 item in this bill—the Federal buildings fund. This fund was created by the Public Buildings Amendments of 1972, Public Law 92-313. Everyone here has seen the manifestations of this new procedure for financing the construction and maintenance of Federal buildings, as witnessed by the hundreds of letters I have received regarding the possible reductions in GSA's custodial and protective forces. Rent payments, in the form of the standard level user charges, have been distributed to practically every account in the budget. In many cases, these payments are the main item of increase for the agencies. As I indicated earlier, these charges amounted to $143 million of the additional $415.9 million requested by the Treasury Department.

If the Members of the Senate will turn to page 46 of our Report I believe it will help them understand this situation.

First of all, with regard to the revenues or income of the fund, the budget projected a total $1,359,326,000. Two things have happened here. First of all, the Appropriations Committees have established a policy of reducing the Standard Level User Charges by 10 percent because we determined they were too high. That cuts income by $115.6 million. Second, due to weather conditions, strikes, and other delays, the construction program GSA planned for 1974 fell far short and, as a result, the unobligated balances that are merged by law into this Fund increases from $28,326,000 to $121,450,000. This increases income by $93,124,000. Total revenues of the fund are now estimated at $1,336,850,000.

Now let us look at the expenditures. GSA proposed a single limitation of $980 million on obligations; the House has written in 7 limitations that conform to the categories used in GSA's justifications. These are the first seven items under expenditures. Earlier I mentioned that the House moved $17,525,000 out of the fund's program direction activity to provide a direct appropriation for GSA's agency overhead. The other changes made by the House were a reduction of the amount for rental of leased buildings by $14 million, which is in line with the 10-percent reduction in the "standard level user charges"; and a cut of $101.6 million to "real property operations," which is the basis for all the letters about the 8,500 janitors and guards being laid off. The House also provided $25 million for carryover into 1976.

As detailed on page 45 of the report, the committee has deleted the $25 million carryover as it is not needed. Second, we have fully restored $76.6 million of the $101.6 million reduction in real property operations. The $76.6 million restored consists of $44.6 million to provide for work performed on a reimbursable basis in 1974 that will come into the fund as user charges this year; $21 million for cost increases of labor, utilities, and materials; and $11 million to raise the level of services—particularly cleaning—toward a comparable commercial standard for the rates GSA has imposed. GSA wanted $36 million to raise the cleaning level, but in view of the current economic situation the committee concluded that the Government could forego the additional pleasantries of level 4 cleaning while allowing some improvement over the current level 10 condition. These are categories or classifications of cleaning in Federal buildings. Level 4 is the equivalent of the commercial standard, and level 10 is something that is acceptable and in current use.

Our other problem with the expenditures is the late-blooming unobligated balance problem. We are advised by GSA, and by GAO, that the balances are for real. Most of this represents ongoing construction projects that were authorized and funded by the Congress over the last several years that are now in various stages of construction. Some 90 projects are involved and they are written into the bill on pages 20 through 22. The House made no provision for this situation as unfortunately GSA failed to bring it to their attention until it was too late. Unless we make provision for them, most of these projects will come to a halt.

Lastly, I should mention that the House inserted a limitation of $250 million on the aggregate amount of purchase contracts for construction of Federal buildings that could be executed in fiscal year 1975. GSA has appealed for an open-ended arrangement but your committee is no more enthusiastic about this procedure than our counterparts in the House. However, we are advised that the contract for the new Social Security Administration Building in Baltimore is now ready and we have increased the ceiling to $350 million.

Finally, with regard to GSA I direct the attention of the Senate to the discussion on pages 41 through 43 of the report dealing with FEDNET and excess property. We went into these matters thoroughly in the course of a long hearing with GSA. We have strengthened the language of the House of Representatives prohibiting the procurement of FEDNET by cutting off access to GSA's ADP fund. We have also spelled out to GSA that their recent revision of the regulations covering the excess property program is not to be used to choke off the program but is merely for the professed need to improve administration.

The fiscal year 1974 Treasury, Postal Service, and General Government Appropriations Act—Public Law 93-143—and the first fiscal year 1974 Supplemental Appropriations Act—Public Law 93-245—contained identical provisions relative to the Sand Point naval facility in Seattle. The committee has been advised by the Senate Legislative Counsel that that language is permanently binding law. The General Services Administration has advised the committee that it concurs with the Legislative Counsel's conclusion. The committee has, therefore, taken no action in this bill on the Sand Point facility and intends that its inaction be fully understood to have been based on the conclusion that the language about the facility in Public Law 93-143 and Public Law 93-245 is permanently binding. I want this to be crystal clear, and I ask unanimous consent that the letter I received from GSA dated June 25, 1974, be printed in the RECORD at this point.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., June 25, 1974.

Hon. JOSEPH M. MONTOYA,
Chairman, Subcommittee on Treasury, Postal Service, and General Government, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR MONTOYA: Your letter of June 24 refers to Section 5 of Public Law 93-143 and Section 1001 of Public Law 93-245 which in effect require that before any portion of the Sand Point Naval Air Station, Seattle, Washington, can be transferred for aviation use that the General Services Administration (GSA) transfer to the National Oceanic and Atmospheric Administration (NOAA) title to that portion of the Facility which NOAA had requested and that the City of Seattle, the County of King, and the State of Washington approve a plan for aviation use of a portion of the Facility.

GSA has proceeded with its disposal plans in accordance with the provisions of the above cited legislation and on June 14, 1974, filed with the Council on Environmental Quality a final environmental statement required by the National Environmental Policy Act. This statement contemplates disposal of the available property at the Sand Point Naval Air Station in the following manner:

A. 100 acres will be transferred to NOAA for the development of a Pacific Northwest throughout the Western States, Alaska, and Regional Facility to serve NOAA units Hawaii and to provide for consolidation of the Seattle area offices of NOAA.

B. 212 acres will be assigned to the Bureau of Outdoor Recreation for conveyance to the City of Seattle for park and recreational use.

This letter confirms that GSA agrees with the opinion of the Senate Legislative Counsel that Section 5 of Public Law 93-143 and Section 1001 of Public Law 93-245 are permanently binding.

Sincerely,

DWIGHT A. INK,
Acting Administrator.

LANGUAGE CHANGES

Mr. MONTOYA. Mr. President, the committee recommends insertion of various language provisions that are not authorized in law. These have been set out in the report and are, for the most part, continuation of previous practice, such as: Authorizing the Treasury Department to purchase confidential information from informers; representation funds for the Secretary of the Treasury, Council on International Economic Policy, and Civil Service Commission; and allowing the President latitude in appointing staff of the Council on International Economic Policy and Domestic Council. The committee has continued language added in the recent supplemental authorizing Secret Service protection of the Vice President's family; and inserted a provision to extend the authority of the Executive Protective Service to the Vice President's new official residence.

CONCLUSION

Mr. President, before concluding my remarks I wish to say that I enjoyed working together with the senior Senator from Oklahoma (Mr. BELLMON), the ranking minority member of the subcommittee, and also with the other members on both sides of the aisle. They attended many of the hearings, they were very contributive to the full hearings that we had on the many agencies that we hear. I want to commend all the members of my subcommittee for the contributions which they have made.

Senator BELLMON participated actively in the hearings and in the markup of the bill and thus contributed greatly to the committee's recommendations before the Senate.

I also want to note that for the first time in many years Mr. Joe E. Gonzales, the long-time staff assistant on this bill, is not with us. Mr. Gonzales transferred to the Treasury Department earlier this month where he will assume impotrant and critical duties in connection with the Department's operations in the southwestern portion of the Nation. Mr. Gonzales served the committee in outstanding fashion for 19 years. In the Spanish-speaking community we are well aware of Mr. Gonzales' valuable assistance in my pursuit of full implementation of the 16-point program, and the Department asked Joe to join them because of his special ability in this critical area.

Now, Mr. President, I ask unanimous consent that the commitee amendments be agreed to en bloc, and that the bill as amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

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

The amendments agreed to en bloc are as follows:

On page 2, in line 7, after the semicolon, insert "and not to exceed $10,000 for official and representation expenses".

On page 2, in line 8, strike out "$21,600,000" and insert in lieu thereof "$26,500,000".

On page 2, in line 9, strike out "services as authorized by 5, U.S.C. 3109" and insert "unforeseen emergencies of a confidential character, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate, and of which $3,600,000 shall be for repairs and improvements to Treasury buildings and shall remain available until expended".

On page 3, beginning with line 5, insert:

EXPENSES FOR ECONOMIC STABILIZATION
(LIQUIDATING FUNCTIONS)

For expenses necessary to enable the Secretary of the Treasury to terminate and provide for an orderly phaseout by December 31, 1974, of the economic stabilization activities conducted under the Economic Stabilization Act of 1970, as amended, including services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent of the rate for GS-18, $2,000,000: *Provided*, That advances, repayments or transfers may be made to any department or agency for expenses of such termination.

On page 3, in line 19, strike out "$85,000,000" and insert in lieu thereof "$100,000,000".

On page 3, in line 3, after "$600,000," insert "to remain available until expended."

On page 4, in line 7, strike out "as authorized by 5 U.S.C. 3109" and insert "of expert witnesses at such rates as may be determined by the Director;".

On page 4, in line 9, strike out "$87,500,000" and insert in lieu thereof "$94,639,000".

On page 4, in line 19, strike out "$283,000,000" and insert in lieu thereof "$284,800,000".

On page 5, in line 6, strike out "$30,000,000" and insert in lieu thereof "$32,000,000".

On page 5, in line 10, strike out "$85,000,000" and insert in lieu thereof "$88,500,00".

On page 5, at the end of line 16, strike out "services as authorized by 5 U.S.C. 3109" and insert "services of expert witnesses at such rates as many be determined by the Commissioner;"

On page 5, at the end of line 18, strike out "$40,000,000" and insert in lieu thereof "$41,000,000".

On page 6, in line 2, strike out "as authorized by 5 U.S.C. 3109," and insert "of expert witnesses at such rates as may be determined by the Commisioner;".

On page 6, at the end of line 7, strike out "$705,000,000" and insert in lieu thereof "$712,600,000".

On page 6, in line 15, strike out "as authorized by 5 U.S.C. 3109" and insert "of expert witnesses at such rates as may be determined by the Commissioner;".

On page 6, in line 17, strike out "$780,000,000" and insert in lieu thereof "$791,000,000".

On page 7, in line 12, strike out "$77,000,000" and insert in lieu thereof "$79,300,000".

On page 7, at the end of line 15, insert "and for the utilization of the Executive Protective Service to provide security at the official residence of the Vice President".

On page 7, at the end of line 23, insert "entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries;".

On page 8, at the end of line 13, strike out the comma and "of which $414,418,500 shall be available only for transfer

to the Civil Service Retirement and Disability Fund".

On page 9, line 9, strike out "services as authorized by 5 U.S.C. 3109" and insert "personnel services without regard to the provisions of law regulating the employment and compensation of persons in the Government service,".

On page 9, after "$1,600,000" insert "of which, an amount not to exceed $1,000 may be expended for official entertainment".

On page 9, in line 18, after "3109" insert "but at rates for individuals not to exceed the per diem equivalent of the rate for grade GS–18; and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service;".

On page 10, beginning with line 7, insert:

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, furnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, $315,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

FEDERAL ENERGY OFFICE

SALARIES AND EXPENSES

No part of any appropriation contained in this or any other Act for the regulatory functions of the Federal Energy Administration under authority of Public Law 93–159, shall be obligated or expended beyond the expiration date of that Act except with explicit approval of the appropriations committees.

On page 11, at the end of line 15, strike out "$19,400,000" and insert in lieu thereof "$22,500,000".

On page 11, in line 23, strike out "$9,400,000" and insert in lieu thereof "$7,500,000".

On page 11, in line 23, strike out the colon and *"Provided*, That not to exceed $1,100,000 of the foregoing amount shall be available for telecommunications studies and research.".

On page 12, in line 18, after "functions," insert "as authorized by law".

On page 12, in line 19, after the comma, strike out

"services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent of the rate for grade GS–18, compensation for one position at a rate not to exceed the rate of level II of the Executive Schedule, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service,".

On page 13, in line 21, strike out "$1,050,000" and insert in lieu thereof "$1,075,000".

On page 14, in line 7, after the semicolon, insert "not to exceed $2,500 for official reception and representation expenses;".

On page 12, in line 12, strike out "$89,647,000" and insert in lieu thereof "$90,000,000".

On page 16, in line 17, strike out "$250,000" and insert in lieu thereof "$1,000,000".

On page 16, beginning with line 18, insert:

"COMMITTEE FOR PURCHASE OF PRODUCTS AND SERVICES OF THE BLIND AND OTHER SEVERELY HANDICAPPED

"SALARIES AND EXPENSES

"For expenses necessary for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, established by the Act of June 23, 1971, Public Law 92–28, including hire of passenger motor vehicles, $252,000.

On page 18, at the end of line 12, strike out "$871,875,000" and insert in lieu thereof "$1,044,925,000".

On page 19, in line 15, strike out "$293,594,000" and insert in lieu thereof "$370,194,000".

On page 19, beginning with line 18, strike out "$25,000,000 shall be available for obligation in fiscal year 1976" and insert

$121,450,000 of the amounts merged with the fund pursuant to section 210(f)(3) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(3)) of which (a) not to exceed $89,856,000 for the construction of buildings as authorized by law including construction projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

Alabama:	
Mobile Federal Office Building	$224,000
Alaska:	
Fairbanks Federal Office Building and Parking Facility	638,500
Anchorage Court House, Federal Office Building, and Park Facility	2,000,000
Alaska Highway Border Station	839,000
Juneau Post Office and Court House	12,000
Petersburg Federal Office Building and Post Office	25,000
Arizona:	
Nogales Border Station #2	2,670,000
Arkansas:	
Batesville Post Office, Court House, and Federal Office Building	86,000
Fayetteville Court House and Federal Office Building	89,000
California:	
Los Angeles Federal Office Building and Multi-Parking Facility	1,981,000
San Diego Border Station	1,724,000
Hawthorne Federal Office Building	92,000
Santa Rosa Federal Office Building	235,000
Santa Ana Federal Office Building	18,000
San Diego Federal Building	225,000
Calexico Border Station	88,000
Connecticut:	
New Haven Federal Office Building	877,000
Delaware:	
Wilmington Court House, Customs Court, and Federal Office Building	151,000
District of Columbia:	
South Portal Site Federal Office Building	10,631,300
James Forrestal Federal Office Building	170,700
Department of Labor Building	11,083,600
J. E. Hoover Federal Bureau of Investigation Building	514,000
Florida:	
Orlando Courthouse and Federal Office Building	99,000
Tampa Motor Pool	15,000
West Palm Beach Post Office and Courthouse	31,000
Georgia:	
Atlanta, Richard B. Russell Federal Office Building	$700,000
Augusta Post Office and Federal Office Building	99,000
Griffin Post Office and Federal Office Building	176,000
Rome Post Office and Courthouse	106,000
Waycross Courthouse and Federal Office Building	19,000
Hawaii:	
Honolulu Federal Office Building	115,000
Idaho:	
Sandpoint Federal Office Building	16,000
Illinois:	
Chicago Federal Supply Center and Parking Facility	312,000
Chicago Federal Archives and Records Center	15,000
Chicago Federal Office Building	1,194,000
Alton Courthouse and Federal Office Building	50,000
Carbondale Federal Office Building	261,000
Indiana:	
Indianapolis Federal Office Building	15,000
Indianapolis Post Office and Courthouse	10,000
Iowa:	
Iowa City Post Office and Federal Office Building	12,000
Kansas:	
Topeka Courthouse and Federal Office Building	662,500
Kentucky:	
Covington, Internal Revenue Service Center	79,000
Frankfort Courthouse and Federal Office Building	67,000
Louisville Federal Office Building	53,000
Louisiana:	
Houma, A. J. Ellender Post Office and Federal Office Building	160,000
New Orleans Courthouse and Federal Office Building	30,000
Maryland:	
Baltimore, E. A. Germatz Federal Office Building	22,000
Massachusetts:	
New Bedford, Hastings Keith Federal Building	204,000
Michigan:	
Ann Arbor, Federal Office Building	322,000
Detroit, Patrick V. McNamara Federal Office Building	49,000
Grand Rapids, Courthouse and Federal Building	57,000
Saginaw, Federal Office Building	448,000
Mississippi:	
Aberdeen, Federal Office Building	54,000
Hattiesburg, Federal Office Building	69,000
Oxford, Courthouse, Post Office, and Federal Office Building	82,000
Nebraska:	
Lincoln, Courthouse, Federal Office Building, and Park Facility	67,000
New Hampshire:	
Manchester Federal Office Building	456,000
New Mexico:	
Gallup Federal Office Building	137,000
New York:	
Buffalo Federal Office Building	950,000
Champlain Border Station	262,000
Hyde Park, F. D. Roosevelt Library Extension	65,000
New York Customs Courthouse and Federal Office Building	113,500

New York—Continued	
Rochester, Customs Courthouse and Federal Office Building	$70,000
New York, Foley Square Courthouse Annex	737,000
North Carolina:	
Winston-Salem, Courthouse and Federal Office Building	839,000
Ohio:	
Akron, Courthouse, Federal Office Building and Parking Facility	43,000
Akron, Post Office	13,000
Columbia, Federal Office Building	861,000
Dayton, Courthouse and Federal Office Building	42,000
Mansfield, Post Office and Federal Office Building	348,000
Oklahoma:	
Oklahoma City, Federal Office Building	603,000
Oregon:	
Eugene, Courthouse and Federal Office Building	30,000
Portland, Federal Office Building	12,000
Pennsylvania:	
Philadelphia, J. A. Byrne Courthouse and W. J. Greene, Jr., Federal Office Building	10,624,000
Williamsport, Courthouse and Federal Office Building	335,000
Puerto Rico:	
San Juan, Courthouse and Federal Office Building	$25,000
Rhode Island:	
Providence, Post Office and Federal Office Building	38,000
South Carolina:	
Columbia, Courthouse, Federal Office Building, Parking Facility and Vehicle Maintenance Facility	955,000
Florence, John L. McMillan Federal Building and Courthouse	327,000
South Dakota:	
Huron, Post Office and Federal Office Building	470,000
Rapid City, Courthouse and Federal Office Building	31,000
Tennessee:	
Nashville, Courthouse and Federal Office Building	130,000
Texas:	
Dallas, Courthouse and Federal Office Building	31,000
McAllen, Border Patrol Sector Headquarters	22,000
Marfa, Border Patrol Headquarters	136,000
Midland, Post Office, Courthouse, and Federal Office Building	135,000
San Antonio, Courthouse and Federal Office Building	594,000
San Antonio, Post Office	73,000
Vermont:	
Norton, Border Station	10,000
Brattleboro, Post Office, Court House, and Federal Office Building	10,000
Virginia:	
Quantico, Federal Bureau of Investigation Academy	555,000
Roanoke, R. H. Poff Federal Office Building	37,000
Virgin Islands:	
Charlotte Amalie, Courthouse and Federal Office Building	45,000
Washington:	
Blaine, Peace Arch Border Station	3,081,000
Seattle, Federal Office Building	2,503,600
Seattle, Federal Center South	2,878,000
West Virginia:	
Morgantown, Post Office and Federal Office Building	200,000
Elkins, Post Office, Courthouse, and Federal Office Building	454,000
Wisconsin:	
Madison, Courthouse and Federal Office Building	$680,000
Including a reserve for the Federal Office Building, Athens, Georgia, the Post Office and Court House, Moscow, Idaho, the Philip J. Philbin Federal Building and Post Office, Fitchburg, Massachusetts, the Customs Court and Federal Office Building Annex, New York, New York, the Post Office and Federal Office Building, Denton, Texas, and the Winston Prouty Federal Building, Essex Junction, Vermont	10,803,000
Funds for contractor's claims and judgments rendered by U.S. Courts related to site acquisition and contract appeals, also relocation cost	9,057,300
Total	89,856,000

Provided, That the immediately foregoing limits of cost may be exceeded to the extent that they apply to construction projects previously included in the appropriation, Construction, Public Buildings Projects, to the extent that savings are affected in other such projects, but by not to exceed 10 per centum of the amounts previously appropriated for such projects under such appropriation; (b) not to exceed $700,000 for repair and improvement of public buildings; (c) not to exceed $5,245,000 for additional court facilities; (d) not to exceed $16,149,000 for construction services of on-going construction projects; and (e) $9,500,000 for the completion of buildings management projects, including charges for work for other agencies begun in prior years but not yet completed and $2,571,000 to be deposited in the Treasury as miscellaneous receipts:"

On page 24, line 4, after "collections", strike out:

Provided further, That any revenues and collections and any other sums accruing to this Fund, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)), in excess of $871,875,000 shall be deposited in miscellaneous receipts of the Treasury of the United States

On page 26, beginning with line 11, insert "and acceptance and utilization of voluntary and uncompensated services".

On page 26, line 12, strike out $50,500,000" and insert in lieu thereof "$50,000,000".

On page 26, in line 13, strike out "$2,000,000" and insert in lieu thereof "$1,500,000".

On page 28, in line 7, strike out "$3,000,000" and insert in lieu thereof "$1,500,000".

On page 28, in line 12, strike out "$10,200,000" and insert in lieu thereof "$10,650,000".

On page 28, in line 22, strike out "$1,600,000" and insert in lieu thereof "$1,730,000".

On page 30, beginning with line 14, insert "or under section 111 of the Federal Property and Administrative Services Act of 1949".

On page 31, in line 13, strike out "$60,000,000" and insert in lieu thereof "$63,400,000".

On page 31, at the end of line 24, strike out "$22,000,000" and insert in lieu thereof "$18,600,000, to remain available until expended".

On page 34, in line 25, strike out "$250,000,000" and insert in lieu thereof "$350,000,000".

Mr. JAVITS. Mr. President, reserving the right to object—of course I shall not object—I wish to use the opportunity to inform my friend and colleague that I have a modest amendment respecting the Productivity Commission, and I would like to inquire when it will be convenient for the Senators to consider that.

Mr. MONTOYA. Well, the Senator from Oklahoma has a statement to make on the bill and then we will be ready for amendments.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object—Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MONTOYA. Mr. President, I will allow part of my time for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. 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. BELLMON. Mr. President, as the ranking minority member of the subcommittee which considered H.R. 15544, the appropriation bill for the Treasury Postal Service, and general Government for the fiscal year ending June 30, 1975, I want to associate myself generally with the remarks of the chairman of the subcommittee, the distinguished senior Senator from New Mexico (Mr. MONTOYA) and to applaud his leadership in reporting this bill.

This measure now before the Senate is the product of many days of hearings and persevering effort put forth not only by our most capable and cordial chairman, but also the other members of the subcommittee.

I would like to congratulate the chairman for the way he has conducted the affairs of the subcommittee through these recent months.

Let me assure my colleagues that there are no monumental new programs in this bill. Although there are certain sections in the bill where I believe additional reductions might have been employed, frugality has been the password of the committee as we worked on this legislation.

By and large this bill provides funds for the general Government activities of the Federal Establishment. There are moneys for the levying and collection of taxes, for the operation of the Postal Service, for the operations of the White House, for the Domestic Council, the National Security Council, the Office of Management and Budget, the Civil Service Commission and a host of other activities too numerous to mention at this time. While some may disagree as to the amount by which these activities should be funded, let no Senator forget that many of the items in H.R. 15544 are nec-

essary sums to effectively operate the executive branch of the Government, and one of the three coequal branches of Government under our Federal system.

Under the GSA section of this bill I supported in full committee markup a motion to reduce the appropriation for real property operations, cleaning, maintenance and security operations, and so forth. During these days of double digit inflation, it is my opinion that we must do without in as many areas as possible. The House cut this item by $101.6 million. The Senate cut was a mere $25 million, or a restoration of $76.6 million. Therefore, as this measure now stands before the Senate, GSA's real property operations are funded at $370,194,000, or $25 million below the budget request.

Mr. President, I shall not take the time of the Senate to address myself to each line item in this bill. However, let me conclude my remarks by urging the Senate to adopt the bill which our committee has sent you after weeks of hearings and deliberations.

Once again I want to commend the manager of this bill and the distinguished chairman of our subcommittee for the firm, fair and methodical manner in which he has presided over the development of this legislation.

Now, Mr. President, I have three minor, perfecting amendments at the desk, and I ask that they be reported at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendments.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendments will be printed in the RECORD.

The amendments are as follows:

1. On page 9, following line 23, insert the following provision:

"UNANTICIPATED PERSONNEL NEEDS

"For expenses necessary to enable the President to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto, as authorized by law, $1,000,000."

2. On page 10, line 5, after the words "Executive Residence" and before the figure "$1,695,000" insert the following:

"and official entertainment expenses of the President,"

3. On page 13, line 6, strike the figure "$16,367,000" and insert in lieu thereof the following:

"including hire of passenger motor vehicles, and official entertainment expenses of the President, $16,367,000: *Provided*, That not to exceed $10,000 shall be available for allocation within the Executive Office of the President for official reception and representation expenses."

Mr. BELLMON. Mr. President, I ask unanimous consent that these amendments be considered en bloc.

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

Mr. BELLMON. Mr. President, I believe these amendments are all familiar to the distinguished chairman of the subcommittee and that he is agreeable to the amendments. I will not take the time of the Senate to discuss them.

Mr. PROXMIRE. Would the chairman yield briefly on that?

Would the chairman inform the Senate as to whether these would increase or decrease the amounts of the bill in any way?

Mr. MONTOYA. I defer to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, let me say that amendment 1 has the effect of providing $1 million to the President for unanticipated needs of a highly important but temporary nature.

This is the same $1 million that Congress has been making available to the President for the last 20 years.

Mr. PROXMIRE. Was it the same amount available last year?

Mr. BELLMON. Yes, there is no increase; the same fund has been in the budget for the last 20 years for this purpose.

Mr. PROXMIRE. Is that the only one that affects it?

Mr. BELLMON. The amendment 2 authorizes an entertainment allowance for the President. The authorization is not self-executing, but requires that funds be specifically appropriated for entertainment expenses. This amendment will provide those funds to be expended at the discretion of the President.

Mr. PROXMIRE. How much is involved in this entertainment fund?

Mr. BELLMON. There is no additional money.

Mr. MONTOYA. It is just an authorization for him to use part of these funds for that purpose, and that authorization has been in previous bills.

Mr. PROXMIRE. On the basis of the hearings, is there any indication of any abuse of this?

Mr. MONTOYA. No.

Mr. PROXMIRE. There has been some criticism of the White House's use of funds, especially in the last few days by the House Judiciary Committee, but apparently the chairman and ranking member are satisfied that this would not involve any abuse of those funds; is that correct?

Mr. BELLMON. I do not believe, Mr. Chairman, we have had criticism of this particular fund, and this is no additional money; it is a procedural matter.

The third amendment will make available the second type of entertainment funds authorized by H.R. 14715, to be available for allocation within the Executive Office of the President rather than expended by the President himself. There is a built-in limitation of $10,000 on these funds. In addition, this amendment will specifically provide for the hire of passenger motor vehicles, a service made available to the Vice President and other entities in this act, but omitted to the President. This is a minor but necessary authority for the proper functioning of the White House office.

Mr. PROXMIRE. It does not mean the White House is going to lease more limousines and chauffeur various automobiles for the White House?

Mr. BELLMON. It means, Mr. President, that if there is a need for leased automobiles, perhaps to take care of visiting heads of state or something of that kind, the President will be able to lease them, and not just the Vice President.

Mr. PROXMIRE. But it would be confined to people like visiting heads of state; it would not be used by the staff at the White House?

Mr. BELLMON. It is not intended for use of the White House staff.

Mr. PROXMIRE. I thank the Senator.

Mr. MONTOYA. This authorization has been in the bill before. There was a little omission in the House bill. This provides complete authorization as we have had it heretofore.

Mr. BELLMON. If the Senator would care to look at the bill, H.R. 15544, on page 12, he will find that this language appears in line 18 of page 12. We have simply moved the language over to line 6 on page 13, so that it will not be limited only to the Vice President, but will also include the President. Where it appears first, it enables the Vice President to hire these vehicles. This change would make it possible for the President also to have that right.

Mr. PROXMIRE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from Oklahoma.

Mr. ABOUREZK. Mr. President, will the Senator yield for a question?

Mr. BELLMON. I yield for a question.

Mr. ABOUREZK. Are there funds in these amendments for the President's lawyers that he has hired in the last year and a half?

Mr. BELLMON. Mr. President, there are no funds in these three amendments that have anything to do with hiring the President's lawyers.

Mr. ABOUREZK. Or in the bill itself?

Mr. MONTOYA. Yes. I was going to make a statement about this. Once we dispose of these amendments, I would welcome a colloquy with the Senator about this matter, because I have an important statement to make in that respect.

Mr. ABOUREZK. I will withhold now, then. I thank the Senator.

The PRESIDING OFFICER (Mr. CLARK). The question is on agreeing, en bloc, to the amendments of the Senator from Oklahoma.

The amendments were agreed to.

Mr. PROXMIRE. Mr. President, will the Senator from Oklahoma yield? If the Senator from South Dakota and the Senator from New Mexico will permit, I would like to make a brief statement on the bill.

Mr. BELLMON. I yield.

Mr. PROXMIRE. Mr. President, first I commend the distinguished chairman and the distinguished ranking minority member. I think they have done a good job. It is very hard for us to hold down these expenditures; there is always great importunism by the people involved, the agencies and departments involved, and I think in this case the chairman and the subcommittee have done well.

Nevertheless, I would like to put this bill in perspective, because I think we can and should recognize that it is not quite the remarkable economy measure it appears to be. It is below the administration's budget request; and it is also an amazing $679 million below last year's budget expenditures.

These figures are misleading, however. Let us take a few examples. Why is the bill so far below last year's budget? First, no disaster relief funds are included in the bill. This program is now funded through the HUD-space-science-veterans' appropriations bill. The result, a "paper" saving of $400 million when compared with last year's bill. And as we all know disasters are made by God, not by man. It is impossible to predict with any certainty how much money we will need this year in the HUD-space-science bill—the $400 million provided last year or the $100 million requested this year.

But this is not the only paper saving. We appear to be reducing spending for the Public Buildings Service of the General Services Administration by $614,087,000. How is this possible in 1 year? The answer is that it is not possible. This simply represents a change in the way the GSA handles this account—being paid by other agencies to provide building space and services. Thus this bill's saving is translated into additional costs for other agencies.

Finally we have a $75 million saving because the fund for economic stabilization activities has been eliminated.

As we all know, the wage-price program, in the view of many, has failed, but whether it has failed or not, the fact is that the services are terminated. So it is not truly an economy measure. It simply indicates the failure of the administration's economic policy.

Allowing for all this, the bill is about $420 million, or about 8 percent, over last year.

We can look at this in two ways. If we can keep on spending at this 8-percent level of last year, we can hold the bill $13 billion below the President's budget request.

But looked at another way, it is too high. The overall cut from the budget is $54,688,000. If we were to impose a $10 billion reduction in Federal spending as we voted to do earlier this year the cut would have to be $138 or $139 million. This would be a hard cut, but it would be an eminently responsible one in this time of soaring inflation fueled by excessive Federal spending.

Nevertheless, when all is said and done, I think we can recognize that the subcommittee has done a commendable job, and they do deserve commendation.

I am a little embarrassed because I must ask the chairman to consider favorably an amendment which the Senator from New York is going to offer, which I support, but which I think is strongly anti-inflationary. That is to add another million dollars. I wish we could subtract another $100 million. But this million dollars is for the Productivity Commission, which everyone recognizes is one way of greatly reducing costs in our economy and providing, I think, at least a 100 to 1 benefit-cost ratio in terms of the advantages that we get if we can improve productivity. Despite the fact that the million dollar increase that the Senator from New York is suggesting would increase the amount of the bill by only a tiny fraction, by increasing the funds for the Productivity Commission by the fraction of 1 percent, we would have a potential saving of $100 million. So I think this would be an extraordinarily good amendment to take, and while a million dollars is a lot of money, I think we all recognize it is a tiny amount in the budget, and a very small amount even in this overall appropriation.

Mr. JAVITS. Mr. President, let me just say to the Senator that I appreciate his statement. I regard it as an example of economic statesmanship, and wish to say that he truly deserves his great national reputation in that regard. I thoroughly agree, and I hope that the committee will sympathetically consider my amendment. I do not know what the manager will do about it, but I am strongly in sympathy with its fundamental thrust.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I yield the floor.

AMENDMENT NO. 1641

Mr. HASKELL. Mr. President, I call up my amendment No. 1641, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

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

Mr. HASKELL's amendment (No. 1641) is as follows:

On page 5, between lines 6 and 7, insert the following:

CONSTRUCTION OF MINT FACILITIES

For expenses necessary for construction of mint facilities, as authorized by the Act of August 20, 1963 as amended (31 U.S.C. 291–294), $11,800,000, to remain available until expended.

Mr. HASKELL. Mr. President, I bring this amendment up for the purpose of discussing the status of the Denver Mint with the manager of the bill and the ranking minority member.

The purpose of the amendment is to appropriate funds for the commencement of construction of a mint in Denver.

In fiscal year 1972 and 1973, funds were in the appropriation bills. They were not expended, because the mint site had not been selected. This year the committee report states that it is not included because the mint site has not been selected, and this is very understandable. I am sure that that statement was accurate at the time of the drafting of the report, although not accurate at the time the report was issued.

The site now has been selected. On July 16 of this year, the Honorable Mary Brooks selected a specific location in the city of Denver.

This facility is of vital importance to Denver and to Colorado. The new facility, will employ a great many minority groups as does the present one, and is obviously of overwhelming importance to them.

Mr. President, I intend to withdraw my amendment because the necessary authorizing legislation has not passed the House of Representatives. Therefore, an amendment to appropriate funds is not in order.

I would like to ask the distinguished chairman of the subcommittee and the distinguished ranking minority member if they would be sympathetic to including this item in a supplemental appropriation bill, assuming that a supplemental appropriation bill comes out after the authorization takes place.

So I would like to ask my friend, the Senator from New Mexico (Mr. MONTOYA) his attitude on this.

Mr. MONTOYA. May I say to my good friend from Colorado that I have been sympathetic to the construction of this building for many years. I included in the bill for fiscal year 1972 an appropriation of $1,500,000 for the acquisition of the site. Then in fiscal year 1973 this committee included a $2 million item for design and site development. We have our foot in the door by way of commitment, and I am sure the subcommittee will consider very favorably the moneys that might be required for the construction of the building once the authorization goes through the House.

The authorization has already passed the Senate and has been reported out of the Public Works Committee in the House, but no further action has been taken by the House. The disposition of the authorization bill in the House will come at any time, and then eligibility will set in for construction money. I can assure the Senator from Colorado that I will do everything possible to make my recommendation felt before the subcommittee and the full Appropriations Committee.

Mr. HASKELL. I thank the distinguished Senator very much indeed for his commitment.

Might I inquire of the distinguished Senator from Oklahoma (Mr. BELLMON) whether he shares the chairman's sympathy to this project?

Mr. BELLMON. Mr. President, I am in general agreement with the position expressed by our distinguished chairman.

I feel that there is a need for this kind of a facility, and I would be very happy to work with him in devising means of moving the project along.

Mr. HASKELL. I thank the Senator.

Mr. President, I now withdraw my amendment No. 1641.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On p. 14 after line 24 add the following: "No part of the funds appropriated by this

Act shall be used for the President's Commission on Personnel Interchange."

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the two amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABOUREZK. Mr. President, the Senate Appropriations Committee has recommended an appropriation of $90,000,000 for salaries and expenses of the Civil Service Commission for fiscal year 1975. As stated in the committee's report:

This amount recommended is $18,766,000 more than the amount appropriated for 1974; and $353,000 over the House allowance.

The House disallowed $353,000, because Congressman CHARLES VANIK raised a point of order with respect to appropriating this money for the President's Commission on Personnel Interchange. Congressman VANIK argued, as I shall argue, that because of the serious conflict of interest questions regarding some of the individuals who have participated in this program and because of the potential for conflicts of interest in the program itself, this appropriation ought to be eliminated.

According to the GAO report requested by Congressman VANIK, the executive interchange program served as a vehicle to facilitate the entry into public service by industry executives.

The report stated:

In our view, the more important question raised by FEO's use of presidential executive interchange program personnel with oil and related industry backgrounds concerns the judgment exercised in placing executives on a year's leave of absence from private industry in positions in an agency exercising a regulatory-type responsibility over the activities of the very company to which the individual involved will return at the completion of his year's assignment. It was this action which created potential conflict-of-interest situations.

As a result of its investigations the GAO has referred two cases involving former FEO officials to the Justice Department for further action. One former FEO employee, Mr. Robert Bowen, came from Phillips Petroleum Co., and the other, Mr. Edmund Western, came from the Sun Oil Co. Both were involved in advising FEO officials in a policymaking position. While Dr. Sawhill, for example, has defended Mr. Bowen's work as merely technical in nature, it is clear from the documents collected by the Interior Committee in its hearings on the confirmation of Dr. John Sawhill as FEO Administrator that Mr. Bowen's advice and work was much more than technical.

The FEO's own general counsel warned of Mr. Bowen's potential impact on FEO regulations relating to petroleum products and recommended that the FEO Administrator consider appropriate action. Yet, instead of making a determination of whether or not there was a conflict-of-interest problem, Administrator Sawhill merely transferred Mr. Bowen back to the Treasury Department.

In point of fact, there are still serious problems concerning conflict-of-interest questions in the underlying philosophy of the executive interchange program itself. I can see no justification for bringing into Government, men from private corporations, for whom the public interest is rarely a primary concern, and whose responsibilities in Government will bear, either directly or indirectly, on decisions which may benefit their own corporations to which they will return. I believe that it is the basis of democratic government that public officials must serve only one master—the American people, the public interest.

Knowing that he will return to work with a private corporation after a year of service with the Government, a corporate executive is not likely to either make recommendations to Government officials which will hurt his company or benefit the public, for as the late Senator Estes Kefauver observed it is illogical to expect corporations to work in the public interest.

One need only mention a few decisions in any administration to show how readily public officials cave in to the demands of private corporations—tax loopholes, the sale and leasing of public land, nonenforcement of environmental laws, and on and on.

The fact that the executive interchange program allows a private corporation to send one of its executives to work for a Government agency for 1 year demonstrates how vulnerable is our system of government to penetration by large economic interests. A 1-year stay is on its face an admission that the public interest will not be served. Unlike an elected official, this individual is not required to stand for reelection. Unlike an appointed official, he need not face congressional approval. And unlike a career civil servant, he has no commitment to serve the public. Indeed, such a program as this executive interchange program undermines the very foundation of a government free of the corrupting influences of large economic interests. In my opinion, this program serves to erode responsible public decisionmaking in favor of legitimating private interests through governmental actions.

Therefore, Mr. President, I urge the adoption of this amendment to strike the appropriation and to prohibit the use of any funds in this bill to fund the President's Executive Interchange Program.

I reserve the remainder of my time.

Mr. MONTOYA. Mr. President, I am in full sympathy with the concern expressed by the junior Senator from South Dakota. However, I am constrained to oppose the amendment for other reasons.

In the first place, the reduction was made in the House, and we restored the funding in the committee.

The House action stemmed from a point of order raised on the floor of the House against this particular item.

Since the House action, the matter was gone into by our committee and we have received the opinion of the Comptroller General that there was adequate authorization for the inclusion of this particular money in the bill.

The authority of the President to convoke a commission of this type is within authorizing statutes, and the Comptroller General has communicated to the committee that this is proper in a letter dated July 24, 1974, to the chairman of our full Committee on Appropriations (Mr. MCCLELLAN). I shall insert the letter in the RECORD, but I shall read this salient and applicable portion of the letter.

After examining the matter, we believe the President and the CSC have sufficient authority under the general delegation of authority by Congress to administer the civil service to establish a program such as that administered by the President's Commission on Personnel Exchange.

Specifically, we believe the following sections of title V, United States Code, provide basic authority under which the CSC may operate a program such as that described in Executive Order No. 11451: Sections 1301, 1302, 3301, and 3302.

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

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

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., July 24, 1974.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: In response to a telephone request from Mr. Warren Kane of the staff of the Senate Committee on Appropriations of July 17, 1974, we are writing to provide you with our views as to the authority for appropriating funds to the President's Commission on Personnel Interchange. The question has arisen as a result of the action of the House of Representatives on June 25, 1974, (see Congressional Record pages H5678 and 5679) in which the bill H.R. 15544 was amended to delete the appropriation for the interchange program requested by the Civil Service Commission (CSC).

After examining the matter, we believe the President and the CSC have sufficient authority under the general delegation of authority by Congress to administer the civil service to establish a program such as that administered by the President's Commission on Personnel Interchange.

Specifically, we believe the following sections of title 5, United States Code, provide basic authority under which the CSC may operate a program such as that described in Executive Order No. 11451: Sections 1301, 1302, 3301 and 3302.

With respect to the discussion between Mr. Kane and a member of our staff as to the possible applicability of chapter 41, title 5 (Government Employees Training Act) as authority for the program, it is our view that the limitations of the Training Act with respect to personnel covered, compensation, relocation expenses payable and length of time permitted for training make that Act inappropriate for use as authority for the interchange program.

Finally, we would like to point out that it is our understanding that the appropriation in question concerns only the appropriation for the Commission itself, and does not affect the expenses incurred by various agencies in which persons have been selected for participation in the program. In this connection, we have noted the reference in the House debate to the language of 31 U.S.C. 673 which was there interpreted as precluding establishment of such a Commission in the absence of specific statutory authority. Our Office has, on the contrary, interpreted

that statute to hold that the language in question "does not necessarily require that commissions, boards, and other such bodies be specifically established by statute" 40 Comp. Gen. 478, 479 (1961), so long as sufficient general statutory authority exists to allow payment of expenses incurred.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. MONTOYA. Mr. President, I was deeply concerned about the conflict of interest situations that arose by this interchange of employees with private industry. Certainly, we do not condone it, and the Comptroller General has conducted a very thorough investigation of the individuals mentioned by the junior Senator from South Dakota. The matter is now pending in the Department of Justice and they are dealing with it as they might—under the law—undertake to do.

There is a conflict of interest statute on the books, and because of the incidents which the gentleman from South Dakota has brought out, the Comptroller General has started a broad investigation as to conflict of interest situations that might arise. The Comptroller General has assured this committee that he will present a comprehensive report once it is completed by the GAO.

This program allows the Government to send some of its people into the private industry sector so that Government people can gain experience from methods employed in private industry and can bring part of that expertise into the Government. Similarly, people from private industry are placed in Government positions. The point of great concern to me at the present time is that except for these two instances, this program is working well; it is a very desirable program; and we have already started, this fiscal year, on a continuing resolution basis. The people who are participating in this year's program, have been selected; I understand that some are already on board and the Government is committed to have them for a year. The amount of money that the amendment seeks to strike from the appropriation bill is not for the payment of these individuals; it is merely for the administration of the program. This is a staff of twelve that go out and interview and prepare the papers for the selections and conduct the educational program that is part of this experience.

But I might say to the Members of the Senate and to my distinguished friend from South Dakota that what I have said is not in any way taking away from the great concern that I share with the Senator from South Dakota about the two incidents which he has brought to light during this debate.

We have taken care of that, too. We have asked for this report, and I can assure the Senator from South Dakota that if the Government through the Civil Service Commission and the General Accounting Office, does not set up some proper safeguards so as to avoid any conflict of interest situation in the future, I would be the first one to come back to the Senate and recommend that the program be discontinued and that no funding be allowed for this particular program.

So I oppose the amendment, Mr. President, for those reasons.

Mr. BELLMON. Mr. President.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, I rise to support the position of our chairman. I feel that the arguments he has given are good arguments and that they are well reasoned and convincing. I also understand fully the concern of the distinguished Senator from South Dakota and I share his concerns about conflict of interest. But as the chairman pointed out very stern penalties are already provided in the law for this kind of conduct, and there is ample provision for the Civil Service Commission and the Department of Justice to see that conflicts of interest do not occur.

Mr. President, I wish to call to the attention of the distinguished Senator from South Dakota pages 35 and 36 of the report on the bill where the statement is made that the criminal penalties which attach to conflict of interest are set forth in the United States Code, and the Civil Service Commission and the Justice Department have authority to apply those penalties.

I also have before me a letter dated June 27, 1974, signed by Robert E. Hampton, Chairman, U.S. Civil Service Commission, addressed to the distinguished Senator from New Mexico (Mr. MONTOYA), chairman of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations. I wish to read pertinent sections of the letter for the RECORD. Chairman Hampton stated in the letter:

It is of the utmost importance that your committee specifically restore the funds permitting continued operation of the President's Commission on Personnel Interchange. While the House deleted the Commission on a point of order. I believe that the legislative history and the continued need for a program of this nature amply justify its continued existence. I have been closely associated with the design and implementation of the Executive Interchange Program since the Advisory Committee created by President Johnson recommended that it be established. By the end of this summer over 200 promising mid-level executives from Government and the private sector will have completed their assignments. Evaluation reports received from individual interchange executives and participating Government and private sector organizations indicate that substantial improvements and measurable benefits have been achieved through the efforts of interchange executives.

The Commission on Personnel Interchange has informed me that the General Accounting Office is conducting a management review of the Program and of the Commission standards, practices, and procedures. The findings can be expected to demonstrate the effectiveness of the Program's operations over time.

Mr. President, our chairman, the distinguished Senator from New Mexico (Mr. MONTOYA) has said that he has called for a report from the General Accounting Office as to how this program has been operating. Based on my association with the distinguished Senator from New Mexico, I can guarantee the Senate that when he asks for a report he gets a report. We have had many dealings with the Internal Revenue Service and the chairman does get reports that he asks for. So when he calls upon the General Accounting Office for a report on this matter I am sure he will get what he asks for. It would be a great mistake for the Senate to end this program before we know whether the allegations of impropriety are true. Also, we need to have the program in operation until we see how it is functioning, and if we have the legal authority to prevent the abuses that have been alleged.

Mr. President, in conclusion, I might say that in charging that someone in an oil company working with the Federal Energy Office has somehow or other taken advantage of his position, merely adds to a kind of "hate the oil industry" philosophy that has been prevalent in this body ever since I have been here. I do not know how the Federal Energy Administration is going to operate unless it gets input from people who know something about the energy business.

Many of the most talented people in the energy industry are involved in one way or another with some of our petroleum companies. The Phillips Petroleum Co. is an Oklahoma company. While I do not know the gentlemen involved in this controversy, I do believe I can state that Phillips is one of the finest oil companies in my State, and I, from the surface view, do not believe that they would be involved or participate in anything that would justify a charge of conflict of interest.

I would say to my friend from South Dakota that we ought to get the facts in this matter, and not attempt to rule out the use of people who know something about the petroleum industry in trying to establish the FEA. Moreover, we must give those FEA administrators a chance to use the experience and the training that people in the petroleum industry have in trying to work out a solution to the Nation's critical energy problem.

I do not think, on the surface, we ought to automatically assume that there has been something wrong just because someone who knows something about the oil industry has been involved in this interchange program. Again, I believe we ought to at least fund it for 1 more year and give the GAO a chance to give us a report on how it has been operating.

Mr. President, I would like to yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I have been an admirer—since he has been in the Senate—of my distinguished colleague from South Dakota. I will be in his State this weekend.

In this particular instance, I would urge that he give reconsideration to a precipitous move here on the floor of the Senate which, by action of his amendment, would stop the program started by Lyndon Johnson.

Mr. ABOUREZK. Would the Senator yield briefly on that point?

Mr. PERCY. Of course.

Mr. ABOUREZK. The amendment does not stop the program.

Mr. PERCY. It cuts the money out.

Mr. ABOUREZK. It stops the funding for the agency. The expenses for the people on the interchange program are

paid out of the individual departments that undertake the interchange.

Mr. PERCY. But what would be stopped would be the funds available to Executive Office of the President, which really is the inducement to bring these people down here. One of the great values to the people of the United States is to have people in government go back to industry and learn how the private sector operates and what the problems of the private sector are.

One of the great values of our whole scheme of government is that we have this interchange of technologies, interchange of skills, interchange of positions, and by that cross-fertilization we learn from those contacts and a person can become a better executive in whatever responsibilities he then chooses to carry on. When people come down from industry, they not only go to an agency, but they also have the benefit of the educational program that these funds make possible. These people are then put together as a unit. They move around and are moved around and given the benefit of a broader spectrum of Government operations than they could possibly have when just specifically assigned to one agency.

For instance, we have 80 people in this program this year—40 of whom are now completing the program in Washington, just as we have a comparable number out in industry. The people who are now on their way to Washington—some of whom are here, others of whom are preparing to come, disposing of their housing, making their physical adjustment—are doing so out of consideration for the fact that they would have available to them the educational value of this program provided by the Executive Office of the President.

That has been a part of the inducement. We would, in a sense, be pulling the rug right out from under them, bringing them down under conditions that are quite different than they had every reason to believe would be carried on.

I recognize that it would be better to have an authorization for this. I understand that steps are now being taken to provide such authorization.

I think when the distinguished Senator from South Dakota says that this program has not had any kind of congressional review as to the wisdom of the program, it would be well for us to take a look at the printed report of the "Executive Interchange Program of 1973," which contains statements by various agencies of Government as to the benefits that they have received themselves, and a summary report, the "Evaluation of the President's Interchange Program" for the 4 years of 1970 to 1973. This is the President's Commission on Personnel Interchange.

Congress has had this report available. Every Member of the Congress can analyze it and appraise it.

Mr. President, I ask unanimous consent that these two reports be incorporated in the RECORD at this point.

I could take the time to go through these reports, but I feel certain that the distinguished Senator from South Dakota is familiar with them. Otherwise, he would not have presented an amendment on a program that he had not fully analyzed.

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

THE PRESIDENT'S EXECUTIVE INTERCHANGE PROGRAM

"The enormous challenge facing America today makes it essential that Government and Business work together, not apart from each other. The Executive Interchange Program has proven time and again that it can be one of the most effective ways of sharing ideas, techniques and talent. I hope that leaders in both Business and Government will continue to give this effort their full support."—RICHARD NIXON.

PURPOSE AND HISTORY

Government and business no longer live in separate worlds. Each still exists to serve society in its own way, but the activities and concerns of these two major forces in American life are becoming increasingly similar. As participants in regulatory matters and as partners in social action programs, foreign trade, national defense and a wide variety of other areas the public and private sectors work in close proximity.

Meeting the challenges of the future will demand even more understanding between the two. The nation's goals and problems are beyond the resources of business and government working separately. Only through coordinated action will there be enough talent and imagination to meet our needs in the coming decades.

The future executive leaders in this changed environment will be the highly talented men and women who understand not only their own sector—be it business or government—but the perspective, procedures, potential and limitations of the other sector as well. Indeed, a lack of such understanding promises to become one of the effective limits on an executive's career potential.

Given this situation, the President's Executive Interchange Program was established in 1969 to provide highly talented executives with an opportunity to gain experience by crossing sector lines to work temporarily in government or business during the important middle years of their careers.

Since the program was started, a select number of individuals identified as potential senior executives by their companies or the government have participated in the program. They have brought expertise to their assignments as Presidential Interchange Executives working in key positions in government or business. They have returned to their employers with broadened perspective and insight that will be of significant value in later positions of senior responsibility.

Thus, both the individuals and the organizations participating in the program benefit substantially. Most important, the nation benefits as well by the establishment of a cadre of top young leaders with the ability and broad-based experience to deal effectively with complex national issues in future years. The emerging need for such men and women is intense, and the President's Executive Interchange Program is an attempt to meet that need.

The following pages provide detailed information on the procedures and qualifications necessary for participation in the President's Executive Interchange Program.

OBJECTIVES

The objectives of the President's Executive Interchange Program are several:

To promote understanding and a better working relationship between business and government through the exchange of the best young executives from each sector.

To provide executives with an increased awareness of the perspective, methods, resources and operation of the Federal Government or of the private sector.

To open government agencies and executives to the management expertise of the private sector.

To develop a cadre of business executives with successful mid-career government experience who could be called upon at a later date for service on advisory boards and panels and in high appointive positions.

SUMMARY OF THE PROGRAM

Business candidates for the President's Executive Interchange Program are nominated by the top management officers of their companies. Government candidates are sponsored by the cabinet officers heading their departments. Those selected take leaves-of-absence from their organizations for approximately one year, and serve in demanding jobs with host organizations in the opposite sector. The length of the interchange assignment is flexible, however, and may extend up to a maximum of two years.

Salaries are paid by the host organizations, but Presidential Interchange Executives can continue to participate in the various benefit programs offered by the sponsoring organization. Moving expenses are paid by the sponsor.

Participants in the program come from executive positions ranging across the full spectrum of the management process. In the past, those from industry have had backgrounds in areas such as general management, marketing, finance, operations research, accounting, law, personnel, planning, international business and engineering. Those from government have had executive experience in fields such as urban development, program management, international relations, purchasing management, management information systems, economic planning and industry analysis. In short, the only real constant among Presidential Interchange Executives is uncommon ability and initiative.

Past participants in the President's Executive Interchange Program have tackled a wide variety of tough jobs during their tenures. For example:

An executive from a manufacturer of data processing equipment directed a key study which assessed the growth of civil aviation during the next 30 years and recommended appropriate action to cope with projected needs.

A government planner working in industry conducted a social audit of a major American corporation to help the company measure the effects of its activities on society.

A marketing executive from industry serving with the Department of Commerce initiated and directed a successful domestic information program designed to increase the number of American exporters.

A purchasing manager from the Department of Defense set up a new and more effective purchasing system for a major utility while serving in a senior executive position with the company.

At the same time they are contributing significantly to their host organizations, Presidential Interchange Executives also are learning through association with the talented people and new methods of those organizations. In this sense, the interchange experience gives participants an opportunity to view their own organizations more objectively and to form new business and social friendships in the process.

ELIGIBILITY

The President's Executive Interchange Program is limited to the exceptional high potential business and government executive who:

Has been nominated by the top management level of his company or cabinet officer of his government department.

Has a proven record of management abili-

ties and significant on-the-job accomplishments, and a history of increased responsibility and compensation growth.

Has the personal traits including high intellect, integrity and well-developed leadership skills which should enable advancement to the senior management level in the sponsor organization.

Is a citizen of the United States.

THE SELECTION PROCESS

The President's Commission on Personnel Interchange administers the President's Executive Interchange Program. Members of the Commission are executives from the highest levels of industry and government. The Commission evaluates candidates from business and government, handles requests from both sectors for Presidential Interchange Executives, and conducts the careful matching process necessary to place qualified candidates in appropriate positions.

Candidates for the program are nominated by the sponsoring organization. The Commission then screens the candidates through interviews and an evaluation of the executive's talents and interests. If qualified, the candidate is matched to a position in the opposite sector. The candidate may then be accepted by the host organization following further interviews arranged by the Commission.

Determination of a Presidential Interchange Executive's salary is a matter of discussion between the executive and the host organization with the Commission providing assistance as necessary. Generally, a Presidential Interchange Executive receives approximately the same salary from the host as from the sponsoring organization. If possible, the host organization pays slightly more as a consideration for the inconvenience of moving, the possible need for maintaining two homes, and other similar factors. However, since the current top government annual salary is $36,000, some business executives receive less compensation while serving as Presidential Interchange Executives than they do in private life. As noted previously, moving expenses and fringe benefits are borne by the sponsoring organization.

Presidential Interchange Executives are placed in challenging positions where they can grow professionally and make a significant contribution to the host organization. Once the executive is on the job, the Commission maintains close contact in order to assure the satisfaction of both host and executive with the arrangement.

Organizations wishing to sponsor and/or host a Presidential Interchange Executive can do so by contacting the Commission at any time during the year. To date, most of those participating in the program have been nominated by their sponsoring organizations prior to May 1, have been placed in a position with a host organization by June 15, and have begun their assignments in August or September. This chronology need not always apply, however. There is a continuing demand for Presidential Interchange Executives throughout the year, and accordingly, the Commission's placement activities take place on a continuing basis.

THE EDUCATION PROGRAM

For Presidential Interchange Executives from the business sector, the experience of working in an important position in the Federal Government is itself an incomparable educational opportunity. To extend the executive's understanding of government beyond this, however, the Commission also conducts an advanced education program throughout the year.

At the beginning of their interchange assignments, Presidential Interchange Executives participate in a comprehensive seminar covering subjects such as government organization, operation, international affairs, domestic issues and finance. Seminar leaders include members of Congress, White House aides, senior staff officials of Federal Government departments, and experts from public and private organizations. Past participants have found that this experience is one of the more valuable aspects of the program.

Throughout the program year, the Commission arranges meetings that bring together Presidential Interchange Executives and leading government figures. These informal sessions permit in-depth discussion of questions and issues. Past meetings, often conducted over breakfast or lunch, have included sessions with members of Congress, Presidential aides, and cabinet officers. Presidential Interchange Executives also are briefed formally by the top officers of each department of the Executive branch on the missions and operations of the departments.

The education program for government officials selected as Presidential Interchange Executives and working for business employers throughout the country is somewhat less structured than that for business executives working in government. Presidential Interchange Executives from the government attend a comparable orientation seminar on business, focussing on discussion with company presidents and other top officials. Following this, the Commission staff, the host company, and the Presidential Interchange Executive confer to develop a program tailored to that city or job situation. City or Company programs may include activities such as meetings with senior company officers, visits to company facilities, and participation in management seminars, among others, in one or more companies. While the elements of each program differ, all serve the common end of enriching the executive's total experience with the company and its environment. Throughout the year there are additional seminars lasting up to one week on issues of concern to both groups of executives.

THE NEXT STEP

For further information, please contact: Executive Director, President's Commission on Personnel Interchange, 1900 E Street, N.W., Washington, D.C. 20415. Telephone: 202-632-6834.

MEMBERS OF THE PRESIDENT'S COMMISSION ON PERSONNEL INTERCHANGE

J. Stanford Smith, Chairman, Chairman and Chief Executive Officer, International Paper Co., New York, N.Y.

Gerhard D. Bleicken, Chairman of the Board and Chief Executive Officer, John Hancock Mutual Life Insurance Co., Boston, Mass.

A. W. Clausen, President, Bank of America National Trust and Savings Association, San Francisco, Calif.

Arthur A. Fletcher, President, Arthur A. Fletcher and Associates, Washington, D.C.

Robert W. Fri, Partner, McKinsey and Co., Washington, D.C.

John D. Harper, Chairman and Chief Executive Officer, Aluminum Co. of America, Pittsburgh, Pa.

C. Charles Jackson, Jr., Vice President—National Sales, Hoerner Waldorf Corp., St. Paul, Minn.

Ralph E. Kent, Senior Partner, Arthur Young & Co., New York, N.Y.

Herman W. Lay, Chairman of the Executive Committee, Pepsico, Inc., Dallas, Tex.

James T. Lynn, Secretary of Housing and Urban Development, Washington, D.C.

Frederick V. Malek, Deputy Director, Office of Management and Budget, Washington, D.C.

Franklyn C. Nofziger, Nofziger Co., Sacramento, Calif.

William E. Simon, Secretary of the Treasury, Washington, D.C.

Jayne B. Spain, Vice Chairman, Civil Service Commission, Washington, D.C.

Elizabeth Van Meter Sperline, Sperline and Associates, Yorba Linda, Calif.

John K. Tabor, Under Secretary of Commerce, Washington, D.C.

Herman L. Weiss, Vice Chairman of the Board, General Electric Co., New York, N.Y.

SUMMARY REPORT: EVALUATION OF THE PRESIDENT'S EXECUTIVE INTERCHANGE PROGRAM, 1970–73

The President's Commission on Personnel Interchange was created by Executive Order 11451 of President Lyndon B. Johnson on January 19, 1969, and was charged with developing . . . an Executive Interchange Program under which promising young executives from the Federal departments and agencies and the private sector will be selected as Interchange Executives and placed in positions offering challenge and responsibility in the other sector . . . for the purpose of promoting understanding and a better working relationship between business and Government.

To determine the program's effectiveness during its first 3 years of operations, an evaluation study was undertaken to answer four major questions:

Has the Executive Interchange Program increasingly attracted high-caliber participants?

Have the interchange executives, their companies and Federal agencies been satisfied with their participation in the Executive Interchange Program?

Has the Executive Interchange Program been successful in creating a better understanding and working relationship between Government and the private sector; and has the Commission's education program been beneficial in achieving such understanding?

Do the results of the Executive Interchange Program warrant its continuance; and, if so, should the program be strengthened?

In 1973, the third group of Government and private sector executives completed their 1-year assignments as part of the Executive Interchange Program of the President's Commission on Personnel Interchange. The program's objectives focus on increasing understanding between the public and private sectors through the interchange of top young executives from industry and Government for limited term assignments in the other sector. The 134 executive participants in the first 3 years of the program, the 71 companies and 24 Federal agencies that sponsored or hosted executives, and the 72 supervisors of the third group of participants were surveyed in November 1973 to determine if the goals of the Executive Interchange Program were being met. The survey findings indicate that they are.

FINDINGS

High Caliber of Executives. Participants from both the Government and the private sector average 35 years of age and earn $30,000 a year, which indicates the effectiveness of the program's selection criteria. All participants in the Executive Interchange Program have completed at least 4 years of college and received bachelor's degrees in arts or sciences. Over 50 percent have advanced academic degrees (master's, doctor's, or law).

There were 134 executives who participated in the first 3 years of the Executive Interchange Program; 34 were from the Federal Government and 100 were from the private sector. The distibution between the public and private sectors in each group was:

	Group I	Group II	Group II	Group IV
Government executives	11	8	15	35
Private sector executives	19	24	57	45

Program balance, in terms of the nearly equivalent size of the Government executives' group and the private sector participants' group, has been achieved in Group IV.

Minority participation, though small, has been increasing. Group II had the first two Black executive participants, one each from both the public and private sectors; and, Group III had three Blacks from Government and one from industry. The first woman executive, who was Black, participated in Group III; she was from the Federal Government.

For the first 3 years of the program, salaries ranged from a GS–13, step 2, through GS–18, step 1. The most frequent GS grade in each sector was GS–14, step 8, for Government participants, and GS–15, step 3, for private sector executives. Both of these grade/step levels approximate a $30,000 annual salary; there is less than a $250 difference between them.

Executives satisfied with Interchange Assignment. Participants in all three groups, from both Government and industry, placed similar values on their job assignments in their answers to the 26 survey questions. Respondents said:

[In percent]

	(1)	(2)
Job met my expectations	62	73
I had a great deal of responsibility	62	57
My interchange position satisfied my sponsoring organization	93	86

Executives' reaction to their interchange supervisors varied. It was favorable to items such as:

Immediate supervisor was effective	86	75
Supervisor fulfilled his responsibilities to me	79	76

And their response was mixed when it came to questions like:

Immediate supervisor provided me only minimal direction	43	63

Executives felt that:

I made a major contribution to the company/agency (i.e., host) during my inter change assignment	75	84
My interchange experience will make me more effective in my regular assignment in my sponsoring agency/corporation when I return to it	76	79

[1] Government Executives (N=29).
[2] Private Sector Executives (N=70).

Changes in Attitudes About Government and Industry. To put the work experience in the host sector within a broader context and to further the understanding of the host sector, the President's Commission on Personnel Interchange engaged in a 10-month education program for the interchange executives. This program varied for each of the three groups, but for all groups it provided more activities for the private sector executives in Washington, D.C., than it did for the Government executives located outside of Washington.

To questions related to learning and education, executives said that:

	(1)	(2)
Brookings orientation was beneficial	83	93
As a learning experience, my horizons were broadened considerably by:		
Contact with other incharge participants	69	91
Contact with company/agency executives	86	89
Education programs arranged by the commission staff	72	91

[1] Government Executives (N=29).
[2] Private Sector Executives (N=70).

Survey data indicate that attitudes of participants changed during the interchange year. As a result of their interchange experience, executives stated that:

[In percent]

	(1)	(2)
My understanding of industry or Government operations has increased significantly	90	97
Executives in Government can achieve increased understanding of industry's problems	93	84
Executives in industry can achieve increased understanding of Government's problems	78	94

[1] Government Executives (N=29).
[2] Private Sector Executives (N=70).

Executives' Program Expectation Level and Benefits. This survey was a post-evaluation of the executive's interchange experience. However, an attempt was made to collect data also on the executive's pre-program expectations. Executives were asked to select from a list of 19 factors as many reasons for entering the interchange program as were appropriate to their situation. They were then asked to review the same items from the standpoint of realized program benefits. Table 1 enumerates the 19 factors and the responses by Government and private sector executives to them.

In this report, a factor was considered significant if it was selected by half or more of the respondents in that group. It was also judged significant if there was a relative change of 50 percent or more in response to an item "before" and "after" participation in the program; for example, regarding the Commission's education program, while 41 percent of Government executives chose it as a major benefit of the program "after," this number represented more than a 100 percent increase over the 17 percent who had marked it as a major reason "before."

Private sector executives considered the educational benefit to their wives and families of living in Washington, D.C. (factor 7) a prime reason for their joining the program and a benefit therefrom. About one third of the Government executives considered this a significant reason for their decision, and over 40 percent ranked it as a benefit after their year.

The factor showing the most marked overall positive change for Government and private sector executives was the Commission's education program events (factor 8). Within the private sector group, Group III's "before" and "after" responses exceeded those of the entire industry group.

TABLE 1.—MAJOR BENEFITS OF THE EXECUTIVE INTERCHANGE PROGRAM PERCEIVED BY THE EXECUTIVES BEFORE AND AFTER THEIR INTERCHANGE ASSIGNMENTS

Major reasons for joining the interchange program (=before)/major benefits from the program (=after)	Percent before		Percent after	
	Government (N=29)	Private sector (N=70)	Government (N=29)	Private sector (N=70)
1. Excellent job opportunity	51	34	31	37
2. Wanted to know how corporations/Government worked	58	59	34	54
3. To see if there were critical differences between managers in industry and Government	51	35	44	33
4. To break down myths people have about civil servants/businessmen	31	11	38	[1] 17
5. Wanted a change in life style	20	24	14	26
6. My wife wanted to move for variety	6	0	[2] 0	[1] 6
7. Educational benefit to my wife and family	31	51	41	56
8. Commission's education program events	17	44	[1] 41	[1] 70
9. Growing stale in my job	20	12	14	7
10. Wanted a year's breather from my current job	20	15	17	11
11. Learn new management techniques in my own field	65	17	48	17
12. Learn new management techniques in fields other than my own	55	53	41	37
13. Learn something new other than management techniques	41	53	38	59
14. Share my management techniques	34	50	31	47
15. Increase my chances for promotion	55	56	41	40
16. Opportunity to work with high-caliber people	55	30	44	[1] 46
17. To increase my scope of contacts	31	57	34	57
18. My agency/company wanted me to be part of the program	27	45	[2] 10	
19. Other	20	34	[2] 14	[2] 16

[1] Positive change of 50 percent or more between "before" and "after" response.
[2] Negative change of 50 percent or more between "before" and "after" response.

Government and private sector executives both were motivated to join the Executive Interchange Program by the opportunity to increase their chances for promotion (factor 15); but when considering program benefits, its importance diminished.

Government executives were eager for the opportunity to work with high-caliber people in industry (factor 16); their experience did not achieve this expectation. The reverse situation was characteristic of the private sector executives, particularly those in Group III; there was a marked positive change in their attitude toward the opportunity of working with high-caliber people in Government "before" and "after" their assignment.

Enlarging their scope of contacts (factor 17) was consistently ranked as important by private sector executives, and only "after" their experience by Group III Government executives.

When asked to single out "the" major program benefit, over 80 percent of the respondents wrote in what they had hoped to obtain from the Executive Interchange Program. The benefits that they listed paralleled both their expressed hopes and their responses to like questions elsewhere in the survey.

PROGRAM RESULTS

Upon return to their sponsoring organizations after completing their interchange assignments, over 60 percent of the interchange executives from the private sector and nearly one quarter from the Government were promoted.

Executives' job performance was rated as satisfactory to superior by Government and industry interchange supervisors, who anticipated that there would be a long-term benefit from the work that executives produced while in their interchange assignment. According to their interchange supervisors, participants were effective in executive functions such as leadership, planning and organizing.

Reentry. As of December 1973, 89 of the 99 respondents had completed their interchange assignments, and they:

[In percent]

Returned to their sponsoring sector	93
Returned to the same firm or Federal agency within sponsoring sector	83

Benefit. When participants were asked to appraise their experience in the interchange program, over 75 percent considered it very beneficial. Responses from Government and private sector executives to the question of the personal value of the interchange experience were that the:

Executives

[In percent]

	Government	*Private Sector*
Interchange program was very beneficial	65	81
Interchange program was beneficial	28	17
Interchange program was not too beneficial	7	2
And that they recommend sponsoring agency/company continue to participate in the interchange program	86	89

Participants Satisfied With the Program. Responses from both Federal Government and private sector interchange executives indicate strong support of, interest in, and benefit from the Executive Interchange Program. Executives generally reported that they had good jobs on their interchange assignments; that they made a contribution to their host organization; that they increased their understanding of either business or Government operations; and that they were promoted upon return to their sponsoring organizations.

Benefit to the Supervisor and Host Organization. Supervisors' attitudes about the job performance of the interchange executives under their direction were that the:

Supervisors

[In percent]

	Private Sector (N=10)	*Government (N=33)*
Executive performed adequately	90	94
Executive was very responsive to company/agency problems	90	97
Interchange executive was willing to share his knowledge of Government operations/business operations (i.e., of his sponsoring sector) with his co-workers	100	100
Interchange executive was effective in terms of functions such as planning, leadership, etc.	100	91
Executive's management techniques were beneficial in host organization	90	85
Executive was able to handle a great deal of responsibility	100	94
Executive made a major contribution to the operations under supervisor's direction	100	91
Executive's work is expected to result in a long-term benefit to our organization	80	82
Interchange program is beneficial to industry/Government (i.e., the host sector)	80	97
Host organization should hire another interchange executive if possible	90	97

Federal departments and agencies, and companies in the private sector, regarded the program as beneficial to their organizations and very beneficial to the individual executives they had sponsored.

Greater Understanding Achieved. A very positive and significant result of the interchange experience was the increased understanding of Government achieved by industry executives; and the reciprocal increased understanding of industry operations gained by Government executives. Participating executives were quite optimistic about the capacity of their sponsoring organizations, whether they were companies or Federal agencies, to respond to the needs of the other sector.

Satisfactions and Dissatisfactions. Executives reported that major satisfaction with the interchange program came from their job accomplishment; from participation in the Commission's education program; and from better understanding of their host sector, be it Government or industry. Program aspects cited as dissatisfying concerned poor job matching; reentry difficulties; and the lack of the interchange program's visibility within the Federal Government and the corporate world.

Overall, respondents emphasized that the Executive Interchange Program was a valuable experience and one that should be continued.

COMMISSION ACTION

After reviewing the full evaluation report, which provided basic program data not previously available, the Commissioners of the President's Commission on Personnel Interchange determined that the Executive Interchange Program was meeting its objectives. The Commissioners fully endorsed the program's continuance and made recommendations to strengthen it. Their recommendations focused on the two issues of maximizing the utilization of executives returning to the Federal Government, and, of promoting the value of the interchange concept in both the public and private sectors.

FEDERAL DEPARTMENTS AND AGENCIES PARTICIPATING IN THE EXECUTIVE INTERCHANGE PROGRAM, FISCAL YEARS 1971–74

Legislative branch

General Accounting Office.

Executive branch

Executive Office of the President

*National Security Council (includes the Central Intelligence Agency).
Office of Management and Budget.
Office of Economic Opportunity.

Executive Departments[1]

Department of Agriculture.
Department of Commerce.
Department of Defense.
Department of Health, Education, and Welfare.
Department of Housing and Urban Development.
Department of the Interior.
Department of Labor.
Department of State.
Department of Transportation.
Department of the Treasury.

Independent Agencies

Cost of Living Council (includes National Commission on Productivity).
Environmental Protection Agency.
Export-Import Bank of the United States.
*Federal Home Loan Bank Board.
*Federal Power Commission.
General Services Administration.
National Aeronautics and Space Administration.
National Aeronautics and Space Council.[2]
*National Science Foundation.
Securities and Exchange Commission.
*Small Business Administration.
United States Civil Service Commission.
United States Information Agency.
United States Postal Service.
Veterans' Administration.

PRIVATE SECTOR ORGANIZATIONS PARTICIPATING IN THE EXECUTIVE INTERCHANGE PROGRAM FISCAL YEARS 1971–1974

*ACI Systems Corp., American Airlines, Inc., American Can Company, American Standard Inc., American Tel. & Tel. Company, Arthur Andersen & Co., Atchison, Topeka & Santa Fe Ry., Atlantic Richfield Company, AVCO Corporation.

Bank of America, *Battelle Memorial Institute, *Bechtel Corporation, Bendix Corporation, The Boeing Company, *Burroughs Corporation.

Carborundum Company, Caterpillar Tractor Co., Cities Service Company, Citizens & Southern National Bank, *Collins Radio Company, Computer Congenerics Corporation, Consolidated Edison Company, Consumers Power Company, *Continental Illinois National Bank & Trust Co., *Coopers & Lybrand, Cummins Engine Company, Inc.

*Dalton, Dalton, Little, Newport, Dow Chemical U.S.A.

E Systems, Inc., *Employers Insurance of Wausau, *Ernst & Ernst, Esso Eastern Inc., Exxon Company, USA.

*First National Bank of Chicago, *First National Bank of Miami, *Ford Motor Company.

*General Components, Inc., General Electric Company, *General Motors Corporation, General Telephone & Electronics Corp., Girard Bank.

John Hancock Mutual Life Insurance Company, Hay Associates, *Hewlett-Packard Company, Hoffmann-LaRoche Inc., *Hornblower & Weeks-Hemphill, Noyes Inc.

International Business Machines Corporation, International Tel. & Tel. Corp.

*S. C. Johnson & Son, Inc.

Kaiser Industries Corporation.

*Lear Siegler, Inc., Litton Industries, Inc., Lockheed Missiles & Space Company, Inc., Lukens Steel Company.

Management Analysis Center, Inc., Marathon Oil Company, *Mason-McDuffie Co., McDonnell Douglas Corporation, McKinsey & Company, Inc., The Mead Corporation, *Mellon Bank, N.A., Memorex Corporation, The Mitre Corporation, Mobil Oil Corporation, Motorola, Inc.

*National Association of Black Manufacturers, Inc., New England Mutual Life Insurance Co., Norton Simon, Inc.

Owens-Illinois, Inc.

*Pacific-Sierra Research Corp., Peat, Marwick, Mitchell & Co., Pfizer Inc., Philadelphia Electric Company, *Phillips Petroleum Company, PPG Industries, Inc.

*Quaker Oats Company.

*Recognition Equipment, Inc., Rockwell International, *Rodeway Inns of America, Rohr Industries, Inc.

Sears, Roebuck and Co., *Shell Oil Company, *Smithfield Foods, Inc., SmithKline Corporation, The Sperry and Hutchinson Company, Sperry Rand Corporation (Univac), A. E. Staley Manufacturing Company, Standard Oil Co. of California, Standard Oil Co. (Indiana), Star Manufacturing Company, State Street Bank & Trust Company, *Sun Oil Company, Syntex Corporation.

*Tennessee Gas Transmission, Thiokol Chemical Corporation, Towers, Perrin, Forster & Crosby, TRW Inc.

*Underwriters' Laboratories, Inc., *Uniroyal, Inc., United Aircraft Corporation, *United California Bank, United Telecommunications, Inc., The Upjohn Company.

Westinghouse Electric Corporation, *Weyerhaeuser Company.

Arthur Young & Company.

Mr. PERCY. Mr. President, it would be my hope that we would not at this time remove this modest amount of funds,

[1] The Department of Justice has not participated as a host or sponsor.

[2] The Council was abolished by the President's Reorganization Plan No. 1 of 1973, effective July 1, 1973. See U.S., Congress, House, Reorganization Plan No. 1, 1973, sec. 3 (a) (4), H. Doc. 43, 93d Cong., 1st sess., January 26, 1973.

* First participated in Group IV, Fiscal Year 1973–74.

*First participated in group IV, Fiscal Year 1973–74.

involving many, many top level people who have interrupted their private careers and interrupted their governmental careers in order to engage in a program which was created by Executive order under President Lyndon Johnson, and carried on enthusiastically by the Nixon administration. This program certainly transcends partisan lines because of the enthusiasm of the respective agencies that have benefited from this program by having an interchange of people where they can send them into industry and they can also receive from industry a certain number of people.

I understand that there have been two instances where a conflict of interest may have been injurious. As I understand it, there have been only seven people who have gone from agencies to FEO, who came out of this program. They did not originally go to the Federal Energy Office from this program. They were sent over in an emergency situation by other agencies.

This program is not at fault. They were sent over by those other agencies.

Certainly, if you have only two instances out of the total number of people involved, I would say that is very rare indeed. Whenever we find malfeasance on the part of a Member of the Senate or the House, we are not going to abandon the Senate and House and say the system does not work. We are going to correct whatever conflict of interest there may be. But you do not destroy a program, you do not stop in midstream, you do not do it precipitously when you have people coming down who have been given every assurance that the full benefits of this program would be made available to them.

I hope the amendment would be reconsidered by the distinguished Senator from South Dakota who offered it. If it is offered and a vote is taken, I hope the Senate will defeat it and sustain the Appropriations Committee, which I believe opposes it.

The PRESIDING OFFICER. Who yields time? The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I want to thank the chairman of the subcommittee (Senator BELLMON) and Senator PERCY for their statements regarding this program.

The offering of this amendment in no way, in my opinion, derogates from their concern about an interchange and an exchange of ideas between the private sector and Government. What this amendment does, in my opinion, is to force a reevaluation by the Congress of this program which has never been specifically authorized. It has never been specifically gone over by any congressional committee.

The result of it has been that there are no specific regulations, procedures, or standards set by Congress which establish how the interchange program works. It is done strictly and specifically by Executive order.

To say that this amendment is precipitous compares in no way to the precipitous nature of how this program was established merely by Executive order, under a vague authority of the Civil Service Act.

I would submit to the Senator from Illinois that if he says there have been only two cases, which he considers to be a minor number of cases of conflict of interest, with regard to what has happened with the fuel situation over the last year or year and a half that these two cases are enough to justify passage of my amendment. We do not know how many more there are. These are the two cases that are glaring. It is a distinct possibility there are many, many more cases that no one has yet uncovered.

When you send an executive from a major oil company into the Government to write regulations which affect that particular company and the rest of the oil industry, it would seem to me time the Congress redelegated to itself the authority to set standards as to how the executive interchange program is to work. This $353,000 deletion and the prohibition of the use of any funds in this bill to fund the Executive Interchange Agency will do specifically that. It will force a reevaluation by Congress. It will not prevent those people who have been selected this year from serving out their year. But it would be my guess that Congress and the appropriate congressional committee would immediately undertake a reevaluation if this program is as good as its proponents say it is.

Mr. President, I ask for the yeas and nays on the Abourezk amendment.

The yeas and nays were ordered.

Mr. ABOUREZK. I have one request of the Senator from New York (Mr. JAVITS), who has asked that he be allowed to offer an amendment before the yeas and nays are given. He says it will not be controversial and will be accepted. On that basis, I would ask unanimous consent that the rollcall vote on my amendment come following the presentation of the amendment of the Senator from New York.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. PERCY. The Senator from Illinois would like 5 minutes to respond further on the pending amendment.

Would that right be protected?

Mr. MONTOYA. I yield 5 minutes to the Senator from Illinois.

Mr. JAVITS. Mr. President, I call up my amendment which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 11, line 5, strike out "$1,500,000" and insert in lieu thereof "$2,500,000".

Mr. JAVITS. Mr. President, I yield myself 3 minutes to put this into focus.

This is a restoration to the budget estimate of the amount provided for the National Commission on Productivity. I am joined in this amendment by Senators PERCY, TAFT, and PROXMIRE.

Mr. President, the amendment is dictated solely by our solicitude that, in the struggle against inflation, a measureable effort in the productivity field is absolutely indispensable, and the cost-benefit ratio is enormous.

Mr. President, I know—I rarely say this, but in this case I feel I can—that Senators MONTOYA and BELLMON are just as interested as I am in doing exactly what I have just stated, and what the Senator from Wisconsin (Mr. PROXMIRE) supported so eloquently a little while ago when he spoke.

The difficulty is that the agency did not make a sufficient case for its appropriation. I thoroughly agree with that. Therefore, Mr. President, I shall endeavor to sketch out an adequate case—I have already conferred with both Senators about it—to indicate that the amount is warranted.

I also know, because Senator MONTOYA has assured me of this, and he will have my full and understanding cooperation, that the committee will very carefully monitor the situation, assuming this appropriation works out in conference, in order to be sure that the money is well spent, exactly on the enormous cost-benefit ratio that we have described.

Mr. President, the case relies upon the following:

The House of Representatives, as the debate shows—and I ask unanimous consent that the debate be included in the RECORD as a part of my remarks—said that the Senate was the place to make this case, because apparently questions were raised in the House committee when the matter came up. So they are receptive and the debate so shows.

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

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. STEED. I will be happy to yield to the gentleman from California.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Chairman, I appreciate the gentleman's yielding.

I wish to compliment the gentleman. I know he always does a great job. I compliment the committee as well.

I have a question I wish to ask the gentleman. Referring to page 8 of the bill, the item dealing with the National Commission on Productivity, I am sure my colleague will recall at least the events concerning this matter and the fact that this matter was held up last year in connection with the authorization. Then we recently passed the new authorization and cut the figure from the $5 million which was in the original request to $2.5 million.

I note that the committee has only seen fit to allow $1.5 million.

I raise the question merely because this National Productivity Commission, to my own certain knowledge, actually has been very helpful in connection with certain problems we have had on the west coast and with respect to transportation problems. I was curious to know if this result comes from a failure of the agency to make out a good case or if the gentleman would indicate what the future might hold in connection with this Commission.

Mr. STEED. As the gentleman I am sure realizes, when you have a bill with as many items as this one contains, and where there are some 200 hours of hearings, the difficulty is that some of these items were treated several weeks ago.

At the time this particular matter was up, the legislative situation was still unsettled. The Cost of Living Council had gotten involved with some of the personnel, the agency was being permitted to go out of existence, and so at that time it seemed that

we could keep their activities together and hold them.

I have come into possession of information lately that had we had it at the time of the hearings and on the markup, that we might have been more generous. I have suggested that since the situation has come around to this point that they appear before the other body and present any new and up-to-date information that they have with the hope that maybe the matter can be worked out before the final version of the bill is completed.

Mr. SISK. I thank the gentleman very much for yielding to me, and I appreciate the gentleman's comments. I had intended to confer with the gentleman earlier on this matter, and it slipped my attention. I do deeply appreciate the gentleman's willingness to make his comments.

Mr. STEED. I am aware of the work that they did, along with the Council and others. As the gentleman mentioned, there are some areas where some very good work has been done, so we are not in any way reluctant to see them proceed and, hopefully, with enough resources to do the job.

Mr. SISK. Again, I thank the gentleman very much for yielding to me.

Mr. ROBISON. of New York, Mr. Chairman, if the gentleman will yield, relative to the question asked by our good friend, the gentleman from California (Mr. SISK) about the National Commission on Productivity, I would like to say for the RECORD that we on the minority side look, I think generally speaking, with favor on the work of this commission. I think it is necessary and important. I believe, though, that it is fair to state that the reduction we made in the budget request was made in the light of the fact that the National Commission on Productivity's authority did run out, and had been renewed, and were aware of the fact that it would take some time for the Commission to get reorganized and restaffed, even up to this level.

So, as the gentleman from Oklahoma stated, if the Commission supporters can present other information to the other body on this item I am sure we would be happy to consider it in an objective light at the time we go to conference.

Mr. JAVITS. In offering this amendment I would like to correct some of the misconceptions that have surrounded the National Commission on Productivity during its tenuous existence. For instance, the format of the Appropriations Committee report does not allow for the fact that although the NCOP was appropriated $885,000 during fiscal year 1974 it was only for 6 months of operations because the organization did not technically exist and was forced to borrow funds from other agencies to provide the continuity to its efforts the Congress expected. So although the amount here appropriated is technically $615,000 greater than last year it really does not provide for any expanded activities for fiscal year 1975 at a time when our economy can most use efforts such as these. I would also point out that when it was brought up on the floor of the other Chamber, the chairman of the House Appropriations Subcommittee on Treasury, Postal Service, and General Government and the ranking minority member felt that these facts ought to be sufficient for the Senate to request additional funds in joint conference.

On another of the substantive issues raised by committee I would like to present for the RECORD a statement of major representatives of the State and local governments of our Nation which indicates that the NCOP is perhaps the only agency of the Federal Government which has addressed the issue of productivity in a fashion which is beneficial and useful to State and local government leaders.

I ask unanimous consent that the letter be included in the RECORD at this point.

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

JULY 30, 1974.

To the Members of the United States Senate:

The report of the Senate Appropriations Committee on H.R. 15544 with reference to the FY 1975 appropriation for the National Commission on Productivity states that the Appropriations Committee "is dubious of the efforts involving state and local governments and believes that the Commission should leave these efforts to the agencies with experience in these areas."

We compliment the Appropriations Committee on its feeling that continued Federal attention should be given to the importance of state and local government productivity improvement. We hasten to point out, however, in our experience, none of the Federal agencies have yet acquired experience in state and local government productivity sufficient to respond to the need our members describe.

We have encouraged the National Commission on Productivity to concentrate on state and local government productivity improvement as one of its four major sector areas, and are pleased that they are not only doing so, but have been so effective in their effort.

As a result of the pioneering by the Commission in this field, both we and they can point to significant results at the state and local levels in the nature of productivity improvement programs, resulting in improved service at lower cost to the American taxpayer.

The role of the National Commission has been described as that of a catalyst, initially defining the significance and the nature of the state and local government productivity problems and then, encouraging appropriate agencies to assume continuing responsibility. We feel the Commission's role has been, and should continue to be, compatable with that role.

It would indeed be unfortunate if this essential effort is seriously hampered by the proposed budget reduction undertaken with the misconception that other Federal agencies can and will assume the responsibility for stimulating state and local government productivity improvement.

We support the continuance of the National Commission on Productivity in state and local government productivity improvement and hope the Senate action on this appropriation bill will reflect our desires.

MARK E. KANE,
Executive Director,
International City Management Association.
BERNARD F. HILLENBRAND,
Executive Director,
National Association of Counties.
JOHN J. GUNTHER,
Executive Director,
United States Conference of Mayors.
EARL S. MACKEY, *Director,*
National Legislative Conference.
CHARLES BYRLEY,
Executive Director,
National Governors' Conference.
ALLEN E. PRITCHARD, Jr.,
Executive Vice President,
National League of Cities.

Mr. JAVITS. The second point of importance with respect to this matter is that the million dollar reduction is primarily going to be used for contracted-out projects and, therefore, that that is a very good way in which to do their job without a lot of overhead and a lot of bureaucracy. That can be done quite promptly. Again, here is where the committee monitoring will come into play.

So the million dollars I am requesting for them is based on their contracting-out ability, which can take place very promptly and be very effective.

Finally, what projects are they engaged in? They are mainly in the food business—that is, involving a material improvement in the way in which food is handled, delivered, and processed. Our committee itself recognized its excellence in that field. It says in its report:

The Commission has much potential, and its past efforts in transportation and food should prompt increases in productivity.

The primary efforts of the Commission are in the food processing and transportation fields. I ask unanimous consent that a complete analysis of their proposed work in these fields be printed in the RECORD as a part of my remarks.

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

[From the annual report of the National Commission on Productivity, July 1, 1974]

ANALYSIS OF PROPOSED WORK

III. PROPOSED PROGRAM FOR FISCAL YEAR 1975

The Commission's program for FY 1975, based on a budget of $2.5 million, proposes to concentrate on the four industries where a start has already been made in identifying the opportunities and barriers to productivity improvement. The Commission's experience indicates that its objectives do not lend themselves to easy or dramatic breakthroughs, but rather require detailed analysis and persistent long-term efforts. An action orientation, rather than an academic and theoretical approach, has been adopted as the most effective method for long-term productivity improvement.

Food industry

In the food industry, the Commission plans to follow up on recommendations made in the 1973 study of opportunities for improving productivity. Working with industry, labor, and government groups, such as the newly formed Retail Food Labor Management Committee, it will seek to achieve improvements in the following areas:

Retail Backhaul. The wastage of fuel and equipment because of barriers to pickup by trucks of food wholesalers and retailers could amount to as much as $250 million a year, according to expert estimates. The Commission will work with industry and government groups to expand the use of backhaul and reduce the cost of food distribution. As a first step, a booklet on how to develop additional backhaul will be distributed to retailers and suppliers.

Direct Store Delivery. Many food stores receive a large number of merchandise deliveries in small quantities directly from individual suppliers, a practice that results in excessively high delivery costs. If these separate deliveries could be consolidated at a central warehouse and delivered in a unitized shipment, considerable cost savings might be achieved. The Commission will study the benefits and costs of proposed changes in delivery methods. In cooperation with the industry, it will encourage and assist in the changeover to more economic methods of delivery.

Modularization of Containers. Because of great diversity and incompatibility in the design of packages, shipping containers, and pallets, there is considerable wastage of space in trucks and trains which adds to

delivery costs. The Commission, in consultation with food industry, labor, and government groups, will seek ways to speed implementing recommendations on modularization of packaging.

Adjustment to Technological Change. Pending changes in food distribution technology could create problems of manpower adjustment affecting worker morale and satisfaction. The Commission will assist the industry's labor-management committee in studying ways of achieving an orderly changeover to more automated methods.

Transportation

The Commission will concentrate on improving the utilization of freight cars through a series of analytical studies and experiments in cooperation with the industry.

As a follow-on to the Railroad Productivity Study described on page 17, the Commission has organized a Federal Task Force on Rail Car Utilization. The Task Force includes representatives of the Association of American Railroads, Interstate Commerce Commission, Department of Transportation, Council of Economic Advisers, Office of Management and Budget, and Department of Agriculture.

Freight cars are being used productively at only a small fraction of their total potential. The average freight car takes approximately 21 days to complete one load cycle (shipper-to-shipper) and moves only 16,000 miles a year, compared with 125,000 miles for some types of intercity trucks. A reduction in load cycle to 14 days would increase the effective fleet capacity to equal an investment of about $50 billion in new capacity at present freight car prices and help relieve freight car shortages.

The Task Force found that one of the most important causes of low productivity of freight equipment was the provision of rail cars either free or at prices far below their value. This under-pricing encourages casual handling and slow movement of cars. Many car services are not separately priced, but rather through custom and tradition are "bundled" into the charge for the line haul movement. As a result, cars can be detained by shippers and carriers in uneconomic use for long periods of time.

The NCOP Task Force proposed that consideration be given to charging separately for each discrete service, i.e., "unbundling," to create an incentive for faster car cycling. This would allow the car user to pay for only those services needed, give users an incentive to move cars more promptly, and allow for more expeditious return of cars to owners.

For example, consider a loaded car delivered to a receiver on Friday at 9 a.m. Since demurrage check-in time is 7 a.m., Friday is a free day. Saturday and Sunday are also free because there are no weekend demurrage charges. A receiver is allowed two "free" days which in this example would be Monday and Tuesday. Thus, demurrage charges would not begin to accrue until 7:00 a.m. Wednesday. Clearly, the receiver of this car has little incentive to unload it promptly.

Many receivers could unload cars and have them ready for the next use in a few hours. If the price for demurrage reflected the economic value of the car and was separated from the cost of transporting the car everyone would gain.

For a car worth, for example, $10 per day to the carrier, a movement which might now be priced at $500 could be separated into two charges: $480 for the line haul, and $10 per day for unloading time (demurrage).

For an effective receiver, this "unbundling," with the prompt return of the car, could reduce the price to slightly over $480 rather than the current charge of $500. The carrier has his car working for him more hours every day, the receiver has lower transportation costs, and all receivers have less likelihood of car shortages.

Many other services are provided by railroads in this manner. In-transit storage, diversion privileges, inspection, and the return flow of empty cars are examples of underpriced or free services which actually provide incentives to poor utilization.

Inefficient use has led to chronic shortages of cars. To assure that carriers who have made investments in car fleets will obtain a fair share of use of their own equipment, special rules and orders promulgated by the Association of American Railroads and the ICC require direct return of empties and routing of loaded cars to or via the owner line. Such rules are equitable and necessary when equipment is in short supply, but they do require excessive movement of empties and, on occasion, excessive mileage in moving loaded cars.

The NCOP has now proposed to all 70 "Class I" carriers an experiment which should reduce this waste yet retain the preference of owners in the use of cars. The experiment seeks to eliminate the need to return a significant percentage of empty cars which cannot be loaded because of prevailing rules and directives by the simple expedient of netting-out like cars much as a bank clearinghouse operates. For example, assume Railroad I has 125 cars of type A on its line owned by Railroad II and Railroad II has 140 cars of the same type owned by Railroad I on its line. Assume further that none of these cars can be loaded because of the existing car service rules and directives. At present, all 265 would have to be returned. Under the clearinghouse experiment, 15 cars would have to be returned empty by Railroad II to Railroad I and each of the two carriers would have 125 cars immediately available for loading in any direction.

The railroads would save the cost of transporting the empty car, experience less congestion in yards and on lines, and be able to serve shippers quicker. As more railroads join the experiment, savings increase because empty cars that still must be returned can be returned in such a manner that the least possible total miles are traveled.

At the time this report is written a number of railroads have indicated interest in participation, and two, the Southern and Penn Central, have made a definite commitment. Meetings are underway with other interested carriers and the experiment could begin within weeks. Each carrier added to the experiment increases the gains to all. For example, if three major carriers are involved, the savings, at an estimated $80 per empty car returned, are $3 million per year for plain boxcars alone. With the addition of one more major carrier to the experiment, the savings jump to $8.4 million per year. For eight major carriers, an analysis indicates savings of up to $40 million per year. The development and implementation of this experiment would not be possible without the assistance and cooperation of the ICC, whose help is gratefully acknowledged.

A major part of the Commission transportation efforts in FY 75 will be devoted to the railcar utilization effort. In addition to the clearinghouse experiment described, other experiments are planned addressing inefficient car use. Studies also will be made of the rail movement of a number of key commodities to determine the specific rail car utilization practices in these movements. They include fertilizer, grain, steel gondolas, auto parts, and mechanical refrigerators.

The Commission's earlier work with unit trains for transcontinental shipments of fruit and vegetables has indicated that it may be possible to improve service further if properly located terminals can be developed at or near the locations of major Eastern users. Studies will be carried out with major food chains and the Penn Central Railroad to determine the costs versus benefits of such terminals. Additional activities will include analysis of the reasons for shipments being routed on other than the shortest routes, an experiment to provide incentives for routing via the shortest delivery time, analysis of the impact of poor pricing of rail cars and services, and analysis of the costs to the economy of not revising the pricing structure.

Health industry

The Commission in FY 75 will also be concerned with evaluating, disseminating, and implementing the recommendations of the Task Forces on Improving Productivity in the Health Industry. This work will be carried on through committees made up of representatives of professional associations, administrative organizations, Federal and State agencies, unions, and industry, and will include efforts to develop a national system for measurement of health care productivity.

Public sector

The Commission will also expand its initiatives at the Federal, State and local level.

Federal Government Improvement Project Support. This project will include the development of training materials and tools for use by Federal managers (including diagnostic techniques, manuals, and visual aid materials) in taking advantage of existing measurement programs to improve productivity.

Educational Effort. The concept of productivity will be marketed to State and local government officials, chief executives, and other elected participants through a series of regional development meetings, publication of handbooks and other material, and participation in annual meetings. These officials will be provided information on ways to improve productivity in their own jurisdiction and means to determine the level of current efforts.

Motivational Techniques. Material for use by government administrators in the application of innovative motivational techniques will be developed. Work will capitalize on the survey already performed and will attempt to add evaluative criteria to the use of the various incentive schemes presently available but underutilized in order to assist administrators to select motivational techniques most appropriate for their needs.

Advisory Groups. Advisory groups in functional areas of fire, education, and social services will be organized to develop productivity indices and practices in these areas and expose practitioners to the value of productivity improvement. The best practices would be made available to the sector as soon as practicable.

Manpower Training. The Commission will assist in development of the analytical capability required by State and local governments to improve productivity by ascertaining the needs, surveying existing training programs, and developing curriculum modifications where applicable.

Manpower Impact. Research will be started on the effects on public employees of efforts to increase productivity and on various ways of introducing improvements that benefit all parties. Work will include elements of productivity bargaining and other shared benefit schemes, as well as other labor-management cooperative efforts.

Comparative Data. The Commission will work on the development of comparative statistics for intergovernmental comparisons of productivity performance.

Public awareness

The Commission will continue to sponsor activities to create greater public understanding of the importance of productivity improvement.

Fiscal Year 1975 activities will concentrate on increased work with the business press, the labor press, and the college and university press to supplement the overall program designed for the general public.

Conferences will be held in cooperation with professional organizations to familiarize reporters, feature writers, and editors with the meaning and importance of productivity.

Quality of work and labor-management cooperation

The Commission is planning to expand its efforts, where feasible, in the four critical areas of interest to enhance the quality of work and labor-management cooperation. It will endeavor to organize projects to demonstrate ways of improving the design of work processes and create greater worker satisfaction on the job.

In the government sector, the Commission will continue to support projects in Federal agencies to test the effectiveness of techniques of job enlargement and enrichment, "flexi-time" and other monetary and nonmonetary incentive programs. Working with management and labor, it will evaluate the results of the five projects initiated in FY 1974.

In local government, the Commission will develop informational material on motivational techniques, extending its work on employee incentive plans. It will provide labor and management groups data for evaluating incentive and other techniques for improving work satisfaction.

In the food industry, the Commission will cooperate closely with the Retail Food Labor Management Committee in its activities. It will assist the Committee in efforts to develop orderly ways of adjusting manpower to technological changes.

In consultation with management and labor, the Commission will seek opportunities for encouraging and assisting projects in other critical sectors to demonstrate innovative techniques for improving worker morale and satisfaction.

Mr. JAVITS. At a time when so much of our attention is directed to how we can control inflation we would indeed be shortsighted if we did not provide every opportunity for achieving the productivity gains our economic well-being requires. We have only to look at recent trends in productivity growth: 1.9-percent decline in the nonfarm sector during the last quarter of 1973 and 4.5-percent decline during the first quarter of 1974 to realize the improvement we require does not come about automatically.

I would like to include for the RECORD an OPED article by A. H. Raskin of the New York Times wrote last January voicing support of the Commission. His concluding sentence is of particular note to my amendment proposed here today:

Saving the $2.5 million a year it costs to run the Commission is no economy if it cuts off that kind of independent blame-fixing.

The NCOP will not be able to accomplish even a small portion of what this Nation needs unless we provide them the resources.

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

[From the New York Times, Jan. 29, 1974]

ELIMINATING STATISTICAL GARBAGE

(By A. H. Raskin)

In June, 1970, when all President Nixon had to worry about were little things like Vietnam and the skyrocketing cost of living, he went on television to bid Americans be of good cheer. He had invented a device for checking inflation without forcing the nation down the slippery road of wage-price controls.

The President's magic weapon, put forward as a one-click key to price stability, healthy economic growth and a higher standard of living, was the National Commission on Productivity, an agency linking the top echelons of industry, labor and Government. Its basic aim was to find ways to heighten efficiency in both the public and private sectors, a goal of great soundness but scarcely one capable of being cranked into instant effectiveness on an economy-wide basis.

Not surprisingly, the commission had no discernible impact on the upward rush of the inflationary spiral. Fourteen months after the commission's creation, the external pressure for stern White House action to halt the leapfrogging of prices and wages grew so intense that the President temporarily sent Adam Smith back to the showers in favor of John Maynard Keynes and embraced the anti-inflation controls he had vowed never to use. Now, ill-pleased with the way these controls are working under his Administration's half-hearted enforcement of them, Mr. Nixon is formulating recommendations to Congress for some graceless mode of burial—either suddenly or by slow death.

Long forgotten in the public disappointment over the feebleness of the governmental defenses against runaway prices is the overblown role in that defense effort originally assigned by the President to the Productivity Commission. Indeed, the foremost forgetter has probably been the President himself. He seems to have forgotten not only the assignment but even the existence of the commission.

That is sad because the commission does have a thoroughly realistic function to fulfill as clearinghouse and catalyst in pointing directions toward more efficient application of the country's resources of manpower, material, technology and managerial skill and also toward easing many of the discontents that plague workers, undermine quality and push up costs.

Right now the Productivity Commission is dying of financial anemia. The House of Representatives has refused to vote it any funds for this year, and its tiny staff of twelve professionals will have to be liquidated if Congress refuses to heed an emergency plea for reconsideration by the commission's chairman, Dr. John T. Dunlop, who also heads the Cost of Living Council. Dr. Dunlop is sure that he has enough Republican and Democratic support lined up to guarantee approval, but he has not yet convinced the man who will be pivotal in getting the issue to the floor for another test, chairman Wright Patman of the House Banking Committee.

"I'm all for it myself," says the Texas Democrat, "but the evidence of membership support, especially on the Republican side, just isn't there."

The commission's able executive director, John M. Stewart, has seen so much of his personal productivity drained off in the endless panhandling for month-to-month handouts to keep the agency alive that Feb. 15 he is going back to his old post in a New York management consultant firm.

For all the despair that shrouds the commission's offices, it does have a few admirable projects under way. Most notable perhaps is the "unit train" it originated to get refrigerated cars of fruit and vegetables from California to the Northeast in half the old time and with far less spoilage.

Identifying opportunities for productivity improvement and developing trustworthy yardsticks for measuring progress are both arcane arts, especially in the white-collar and service fields. It is easy enough to devise standards for measuring the efficiency of garbage removal—how many tons of trash does each sanitationman handle each week?—but the commission quickly discovered that "the farther you get from statistics about garbage, the more garbage there is in the statistics." Much of the commission's focus has been on eliminating that garbage.

It is also trying to overcome some of the worries about productivity that Charlie Chaplin made part of American folklore with "Modern Times," his classic indictment of the speed-up. The concentration now is on projects jointly fashioned by unions and management, with stress on job satisfaction as well as lower unit cost. Mr. Stewart's explorations already have made him consign to the realm of mythology the notion that union-fostered make-work rules are generally the chief villains in holding down productivity.

In food distribution, for example, where management initially blamed labor for 80 per cent of the wasteful practices, the commission concluded that 15 per cent was the right figure, with Government regulations accountable for 50 per cent of the inefficiency and employers for 35 per cent. Saving the $2.5 million a year it costs to run the commission is no economy if it cuts off that kind of independent blame-fixing.

Mr. JAVITS. The virtue in having this before us, Mr. President, is that if the manager and ranking minority member do go along with this matter, which I hope very much they will, that will be a criterion against which performance may be checked.

For all of those reasons, Mr. President, I say—as I explained to the Senator from New Mexico (Mr. MONTOYA) and the Senator from Oklahoma (Mr. BELLMON), I have had to make the case which they did not, but I think it is conclusively made, and I hope very much, therefore, that we may go forward with what is really indispensable in a time of serious inflation, when the worst statistic in our country is the fact that productivity has fallen 8.8 percent as against its normal increase, and that we are practically at the bottom of the 10 leading industrial nations of the world in terms of productivity.

Mr. PERCY. Mr. President, if the distinguished Senator from New York will yield——

Mr. JAVITS. I yield.

Mr. PERCY. I would also like to assure the distinguished manager of the pending bill that the Senator from Illinois will do everything he can to sharpen the focus of the Commission. But it is my own judgment that this would be one of the most tragic deletions, and has been a most tragic deletion, of expenditures for a project that is one of the few projects focusing on the No. 1 problem of today: inflation.

We also have a serious problem in the dissatisfaction of American workers with the jobs they hold, the work they are performing, and certainly the quality of work being turned out. It is for this reason that the Commission is being renamed the Commission on Productivity and Work Quality, because of the phenomenon we have in America today, where we simply must get back that attitude toward work that has made us a preeminent economic power.

So far as the return on investment is concerned, I think Senator MONTOYA and Senator MCCLELLAN would always be first to say that we ought to see what we are getting back for the taxpayers' dollar.

The Productivity Commission, if it did nothing else this year, in just one industry would have returned the funds it has received many times over. The Commission has made an intensive analysis and study of the railroad industry. The Task

Force on Railroad Productivity of the National Commission on Productivity has worked, now, for some time to determine what it is that is causing the slow death of an industry that is absolutely vital to the American economy.

That industry, the railroad industry, has raised its prices 32 percent from 1967 to 1971. It employs 61 percent fewer workers today than it did 25 years ago. Its inefficiency is estimated to cost the American taxpayer $10 billion annually. Yet this small productivity commission has now gone in and made an incisive investigation of the causes for such a decline in productivity. It has focused on three principal areas.

If we stand here some day in the future and find the railroads of America on our hands, and we did not do everything, on this day, July 31, 1974, to prevent that kind of catastrophe, then there would be something derelict about the way we face up to expending and investing the taxpayers' money.

I cannot think of an expenditure that would be more universally supported by every witness we have had before the Joint Economic Committee. In recent weeks, we have had further testimony that this area is one of the areas of concentration that should not be neglected, minimized, or cut back, and I would respectfully urge the members of the Appropriations Committee to support this modest increase, so that the work of this Commission can go on, and I join with the distinguished Senator from New York (Mr. JAVITS), who has devoted himself to this field through the years, in indicating that, for one, the Senator from Illinois will continue also to devote personal time and attention to making certain that the objectives and purpose of the Commission are fulfilled.

Mr. MONTOYA. Mr. President, I wish to state just briefly that during the course of the hearings, I did ask for detailed justification testimony from Dr. Dunlop, and I told him that on the basis of the record and the testimony which was presented to the subcommittee, there really was no justification to increase the appropriation, and that as of then I was not convinced that the Commission was doing its job.

I am still not convinced, Mr. President. I mean this sincerely, and I am not trying to criticize the individuals who are in charge, but I do not think they are doing enough. I am going to insist that unless they show performance and results within the next year, I will recommend that their appropriation be disallowed. I think their mission is a good one, but I am not satisfied that they have produced any results.

About all that I could exact during the testimony from Mr. Dunlop was that he had gone up to New York to a meeting with the union chiefs. They also had come out with a report on how to better assemble transportation facilities for perishables starting in California and going to New York. They were also engaged in a study on how to expedite people through the checking counters in grocery stores. Those are the three things that appear in the RECORD.

I asked for more detail, and so finally I was supplied with a report, and the report appears in the hearings now, but this was belatedly done.

I am not against the mission or objective of this commission. I am all for it. As the Senator from New York (Mr. JAVITS) and the Senator from Illinois (Mr. PERCY) have expressed themselves, I am 1,000 percent for those purposes. They are noble, but I think that when we appropriate money to a commission, that commission ought to perform its mission and show results to Congress, otherwise the mission has failed.

So I am putting them on notice now, Mr. President, that they had better do a good job and, with that in mind, I will, after consultation with my minority counterpart, the Senator from Oklahoma (Mr. BELLMON), accept the amendment.

Mr. JAVITS. I thank my colleague very much. I think it is most statesmanlike.

As the Senator heard, I anticipated everything he felt. I knew how he felt, and I can only pledge myself—I think I can have some clout here, as can Senator PERCY—to work indefatigably to see that they earn it. I am very grateful to my colleague for his expression of confidence.

Mr. PERCY. Mr. President, would the Senator yield for a very brief comment I would like to make as part of the legislative history that the Senator from Illinois concurs fully with this 1 year notice. I think there has been a gracious acceptance now of the amendment, and I fully concur that the Commission should put up or shut up.

Of all groups that ought to produce, it is the Commission on Productivity that ought to prove and demonstrate in the year now that has been given to them that they can produce, they can be effective, and they can give a return on investment of the taxpayers' money.

I commend the distinguished Senator from New Mexico for spending that money wisely and well and putting them on due notice that they should do likewise.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. Before I yield back my time, I would like to yield to the distinguished chairman of the Appropriations Committee, Senator MCCLELLAN.

Mr. MCCLELLAN. I thank the Senator very much.

I just wanted to observe as the bill stands now, according to advice from the staff, it would be $52,688,000 under the administration's amended budget. That is some reduction. I note that in conference there will be some $59 million, about $60 million, and it can be well anticipated that, as a result of conference, there will probably be a further reduction in this total amount of the bill, and we ought to have a reduction of around $70 million, $75 million.

Mr. President, that is no great amount, but it is progress. We are not always able to do what we would like to do in making these reductions, but it does indicate again Congress—and the Senate particularly—is working endeavoring to find areas where appropriate reductions can be made in order to move more and more in the direction of a balanced budget, holding our expenditures within our revenues.

I want to compliment the distinguished Senator from New Mexico (Mr. MONTOYA) for his efforts and that of his colleagues on the committee for making this good showing in the handling of this bill.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. I thank the Senator for all those kind words.

Mr. JAVITS. Mr. President, I yield back my time, and I thank Senator ABOUREZK for his courtesy.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MONTOYA. I yield it back.

Mr. PERCY. Under the 5 minutes yielded to me on the bill, I would like to address my comments to the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. Will the Senator yield? We will first vote on the Javits amendment.

All the time having been yielded back, the question is on agreeing to the amendment by Mr. JAVITS. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from South Dakota.

The Senator from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague for yielding.

Mr. ABOUREZK. Mr. President, would the Senator yield just briefly? Has the Senator asked for 5 minutes on the bill?

Mr. PERCY. Five minutes on the bill.

Mr. ABOUREZK. I wonder if I could have some time to respond to whatever the Senator from Illinois says on the bill?

The PRESIDING OFFICER. That would be up to the manager of the bill.

Mr. MONTOYA. I am very short of time, Mr. President, but I would yield 2 minutes if the Senator requires any time at all. I would yield 2 minutes to him.

Mr. ABOUREZK. I may not require it, but I would be grateful if I might have it if it is necessary.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague, and I hope my remarks will be constructive and helpful.

First, with respect to the very important question of conflict of interest that the Senator from South Dakota has raised, a very pertinent question and it is a question addressed in a letter from Fred Malek, Deputy Director of the Office of Management and Budget, to Senator MCCLELLAN, dated July 23. I would like to quote just a few things from that letter.

> The President's Commission on Personnel Interchange has a vested interest in seeing that conflicts are avoided and that the law is upheld. Although the latest review of the PCPI procedures by the Commission confirms our confidence in their adequacy, the General Accounting Office is also performing a program review, and I understand that their interim report is scheduled for release shortly.

In order to secure an airing of the conflict of interest possibilities and to eliminate future points of order, we are committed to submit authorizing legislation which would allow review of the goals and objectives of the Interchange Program and operations of the Commission and the staff.

So the point made by the Senator from South Dakota is a good one. I think it is being paid very careful attention, and I trust that that would be satisfactory.

Mr. President, I ask unanimous consent that the letter of Mr. Malek to Senator McCLELLAN, dated July 23, 1974, be placed in the RECORD at this point.

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

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 23, 1974.

Hon. JOHN McCLELLAN,
Chairman, Senate Appropriations Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR McCLELLAN: I would like to urge you to support the restoration of the $353,000 earmarked for the President's Commission on Personnel Interchange to the Civil Service Commission appropriation.

The funds were deleted in the House on the basis of a point of order which was purportedly based on a House rule that prohibits appropriations for expenditures that have not been "authorized by law" or which have no legislative basis. Congressman Vanik also expressed reservations with regard to the potential conflicts of interest "uncovered by his office and the General Accounting Office."

The President's Commission on Personnel Interchange (PCPI) has a vested interest in seeing that conflicts are avoided and that the law is upheld. Although the latest review of the PCPI procedures by the Commission confirms our confidence in their adequacy, the General Accounting Office is also performing a program review, and I understand that their interim report is scheduled for release shortly.

As to the point of order, the Civil Service Commission General Counsel has cited legal precedents for Commissions, Councils, Boards, etc. and has concluded that "under these interpretations, there would be no basis for questioning whether the President's Commission was authorized by law, since indeed it was established by Executive Order."

Congress has appropriated funds to finance the President's Commission since its inception under President Johnson in 1969, and there was a specific reference in Senate Report No. 91-521 (to accompany H.R. 12307 and which became Public Law 91-126): "Civil Service Commission-Senate Document 91-34 adds $160,000 for President's Commission on Personnel Interchange."

In order to secure an airing of the conflict of interest possibilities and to eliminate future points of order, we are committed to submit authorizing legislation which would allow review of the goals and objectives of the Interchange Program and operations of the Commission and the staff.

Abrupt termination of the Executive Interchange Program will create a hardship on the new group of Federal career employees and their private sector counterparts who are now assuming their interchange positions. Commitments have been made to sell houses and to purchase new houses, by both groups of interchange executives here in the Washington area and in and around most of the major cities in the United States.

Abrupt termination will also cause a hardship for the Commission staff of 9, since they would have to be placed automatically in a non-pay status and there are no funds available for the payment of lump sums for accrued annual leave or severance pay.

Sincerely,

FREDERIC V. MALEK,
Deputy Director.

Mr. PERCY. Second, with respect to what we would be doing, what we would be doing to the executives who have already committed themselves from private industry to move down to Washington to take their posts down here and engage in this program, what we really would be eliminating precipitously and without advance notice to them is the educational program being carried on by the Commission. This program states, in a folder that every single one of them has received from the President's Executive Interchange Program:

At the beginning of their interchange assignments, Presidential interchange executives participate in a comprehensive seminar covering subjects such as government organization, operation, international affairs, domestic issues and finance. Seminar leaders include Members of Congress, White House aides, senior staff officials of Federal Government Departments, and experts from public and private organizations. Past participants have found that this experience is one of the more valuable aspects of the program.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be recognized but that this not interrupt the Senator's remarks. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER (Mr. McINTYRE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Finally, in Senator ABOUREZK's letter to his colleagues he has indicated that the program does not have any kind of congressional review as to its merits and, therefore, it would be unwise.

There were not Members of Congress on the Commission. This is the President's Commission on Personnel Interchange, but all Members of Congress have had available to them an evaluation study that was undertaken not only by top leading executives in business and banking fields but also by a partner in McKinsey and Co., Mr. Robert W. Fri; also by Secretary Lynn of Housing and Urban Development; Fred Malek, Office of Management and Budget; William Simon, Secretary of the Treasury; the Vice Chairman of the Civil Service Commission, Jayne B. Spain; and John K. Tabor, Under Secretary of Commerce.

All of them engaged in a study and they issued a report on their findings. I shall simply read the final summary of the Commission action.

After reviewing the full evaluation report, which provided basic program data not previously available, the Commissioners of the President's Commission on Personnel Interchange determined that the Executive Interchange Program was meeting its objectives. The Commissioners fully endorsed the program's continuance and made recommendations to strengthen it. Their recommendations focused on the two issues of maximizing the utilization of executives returning to the Federal Government, and, of promoting the value of the interchange concept in both the public and private sectors.

The Commission, after 3 years of operation of the program, asked itself these questions:

Has the Executive Interchange Program increasingly attracted high-caliber participants?

Have the interchange executives, their companies and federal agencies been satisfied with their participation in the Executive Interchange Program?

They went about reviewing, analyzing, appraising, and interviewing every single one of the members that have participated, government and private. When they asked the questions related to learning and education, the executives indicated that the Brookings orientation—and Brookings participated in this program—was beneficial; 93 percent of them said "yes" to that question.

In response to the question.

As a learning experience, my horizons were broadened considerably by: contact with other interchange participants.

Ninety-one percent said yes.

In regard to contact with company-agency executives, 89 percent said yes.

In connection with the education programs arranged by the commission staff, which are the very programs that would be cut out if this amendment is approved, 91 percent of the private participants indicated they have benefited from those programs.

I think we not only would be pulling the rug out from under people, changing the rules in midstream, disrupting lives, I think we would be also sacrificing the public interest. Certainly, this program can and should be studied by Congress. If we want hearings, we can have them.

I hope this amendment will be defeated.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. ABOUREZK. I would feel a great deal better about the remarks of the Senator from Illinois with regard to changing the rules in midstream had he joined me in opposing the impoundment of funds for the Rural Electrification program when President Nixon impounded those funds, in effect, changing the rules in midstream.

If a poll had been taken of the private participants, in this interchange program, and if the question were asked, "Are you engaged in any kind of conflict of interest?" I submit that none of those people, would say that they were involved in any kind of conflict of interest. They would all say, "Of course not."

Yet one or two of the cases involved in the Federal Energy Office that we have discussed today have been referred to the Attorney General for prosecution. That is the kind of program that we would continue on and on indefinitely if the amendment is not agreed to, if the money is allowed to continue.

I yield back the remainder of my time and ask for the vote.

Mr. PERCY. Mr. President, I move to table the pending amendment.

The PRESIDING OFFICER. The ques-

tion is on agreeing to the motion to table the amendment of the distinguished Senator from South Dakota.

Mr. MONTOYA. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. I remove my objection.

The PRESIDING OFFICER. Without objection, the quorum call is rescinded.

The question is now on——

Mr. PERCY. Mr. President, I ask unanimous consent that the motion to table that I offered be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. ABOUREZK. 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. MONTOYA. Mr. President, I ask unanimous consent that the call for the quorum be rescinded.

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

Mr. MONTOYA. Mr. President, I ask unanimous consent that action on the Abourezk amendment be postponed temporarily so that I may offer another amendment.

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

Mr. MONTOYA. Mr. President, before I offer this other amendment, I would like to ask unanimous consent that I be permitted to insert in the RECORD a letter from the General Services Administration, which is responsive to the language in the committee report with respect to the purchase and procurement of ADT equipment and interpretive of the limitations which we have put in the committee report.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., July 30, 1974.

Hon. JOSEPH M. MONTOYA,
Chairman, Subcommittee on Treasury, U.S. Postal Service, General Government Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR MONTOYA: We have reviewed the Report of the Senate Committee on Appropriations concerning GSA's Fiscal Year 1975 appropriation for the Automated Data and Telecommunications Service.

GSA is pleased to observe that the proposed Senate language is not intended to "preclude joint procurement or long-term procurement of data processing equipment when the equipment is intended to serve individual agency users only and can be justified on that basis. Nor is it intended to preclude continuation of existing common user shared facilities including maintenance and servicing of such facilities."

In order that there will be no future misunderstanding of the Committee's intention regarding GSA's activities in the ADP and telecommunications area of responsibility, we have enclosed a listing of major existing proposed and planned programs for your review. In our opinion, programs of this nature are completely in consonance with the intent of the Committee and do not conflict with Section 3 as amended. However, if there are any questions from the Committee on any of these programs, we would appreciate your advising us as soon as possible, so that we may discuss them with you.

These programs play very important roles in helping virtually all Federal departments and agencies meet their day-to-day mission needs including such fields as medicine, veterans, social security, and the aged and handicapped.

Sincerely,

ARTHUR F. SAMPSON,
Administrator.

EXISTING PROGRAMS OF GSA IN THE ADP

ADP Requirements Contracting by GSA for Government-wide Use.

ADP System Procurements for other Agencies.

Excess Redistribution Program.

Sharing of excess ADP capacity.

ADP Fund Lease Program.

Third Party Equipment Procurement Program.

Collocation/Consolidation of ADP Equipment.

Upgrade of Remote Access Multi-user System (RAMUS).

Automatic Data Processing Management Information System (ADP/MIS).

Federal Telecommunications System (FTS) Network.

FTS Circuit Procurement.

Advanced Record System (ARS) Enhancement (The data portion of the Federal Telecommunications System).

Name of Program—ADP Requirements Contracting by GSA for Government-wide Use.

Description of Program—For several years, the General Services Administration has been awarding mandatory requirements contracts for selected items of ADP equipment. These contracts are awarded by GSA for the individual requirements of all Federal agencies. Examples of previous contracts awarded covered such items as punched card accounting equipment, plug-to-plug compatible tape and disk drives, plug-to-plug compatible memories and disk packs. This is a continuing program which has resulted in significant cost avoidance to the Government.

Status—We are planning to develop Requests for Proposals to meet individual agency requirements for terminals, minicomputers and printers, all of which are scheduled to be released during FY 1975.

Name of Program—ADP System Procurements for other Agencies.

Description of Program—As an outgrowth of the ADP procurement responsibility granted to the Administrator of the General Services Administration, under P.L. 89-306, GSA has established ground rules (Federal Procurement Management Regulations) under which agencies may procure or be provided specific authority from GSA to procure (Delegations). In this review process when an agency requests a delegation of procurement authority, GSA may elect to conduct the procurement and not delegate. In all cases, the individual agency is master of its requirement and also the vendors which meet that requirement. GSA is responsible for only the formal contracting. In such instances, GSA designates a contracting officer from its staff and works closely with the agency throughout the procurement cycle up through and including the final contract award. GSA on the average conducts approximately 20 such procurements each year for individual agency requirements. GSA has an excellent track record in effecting significant cost reductions from established commercial list prices when it does other agency procurements. We delegate from 200 to 300 procurements for the agencies to fully accomplish themselves. RFP CDPA 74-14 which was previously a joint GSA/Agriculture procurement is now solely to meet the requirements of Agriculture.

Status—We are continuing to contract for other agency individual ADP requirements. GSA is still doing the formal contracting for the Agriculture requirements that remain in RFP CDPA 74-14.

Name of Program—Excess Redistribution Program.

Description of Program—A continuing program exists effecting the redistribution of excess leased or excess Government-owned ADP equipment. Equipment no longer required by an individual agency is advertised to the Federal Government to determine whether a requirement exists elsewhere for continued usage. Many times, cost reductions are realized by replacing existing leased items with Government-owned items. In addition, installation enhancements are effected.

Status—This is an ongoing program which has resulted in cost avoidances of approximately $750 million at acquisition cost since its inception.

Name of Program—Sharing of excess ADP capacity

Description of Program—This program involves a nationwide system of ADP sharing exchanges which provide information and advice to Federal agencies so that excess capacity in Federal computers is utilized as a first source of supply rather than the purchase of new computers or commercial services. ADTS coordinates this program. of $185 million in FY 73.

Status—This is an existing program. FY 74 cost avoidance is estimated at $203 million. FY 75 cost avoidance is estimated at $223 million.

Name of Program—ADP Fund Lease Program

Description of Program—The ADP lease program is a financial vehicle which permits agencies to acquire their proven individual requirements under the least cost alternative mode of acquisition including long-term multiyear leasing. It has no relation as to what will be acquired.

Status—The ADP Fund lease program operates pursuant to OMB policy program and apportionment guidance.

Name of Program—Third Party Equipment Procurement Program

Description of Program—There exists in the marketplace, contractors who either have inventories or can obtain ADP equipment configurations which are comparable to equipment installed in the Government, and which are being leased from the original equipment manufacturers. They offer such equipment at prices 30-50 percent below the original equipment manufacturer's prices.

Status—GSA has a continuing program to replace any installed leased equipment with identical equipment from the third party sources at prices substantially lower than what the Government is currently paying.

Name of Progam—Collocation/Consolidation of ADP Equipment

Description of Program—

Collocation—This program is designed to encourage Federal agencies to collocate their ADP equipment to save space, air-conditioning, etc. Computers, however, are not shared.

Consolidation—This program is designed to encourage Federal agencies to consolidate computer operations onto a fewer number of computers, whenever economical to do so.

Status—A number of Federal agencies have

undertaken individual programs to consolidate their individual facilities. Additional intra- and inter-agency studies are being considered.

Name of Program—Upgrade of Remote Access Multi-user System (RAMUS).

Description of Program—The purpose of this project is to increase the capacity of the RAMUS interagency timesharing service offered by GSA's Atlanta Federal Data Processing Center by adding a second Honeywell G-440 computer to the configuration, together with additional file storage capacity.

Status—The equipment has been installed and was partially accepted on July 22. The soliciting of additional users for this system has been suspended for any users who plan to employ this system in a way which would store personal information. The existing security plan is being reviewed.

Name of Program—Automatic Data Processing Management Information System (ADP/MIS)

Description of Program—The ADP/MIS is an information system concerning ADP activities of Federal agencies on a world-wide basis. GSA maintains the system in accordance with OMB and Office of Federal Management Policy directives. It consists of a perpetual ADPE inventory, annual information concerning time utilized, type of use, manpower and costs.

Status—The system is currently being studied for potential modification to provide for additional information and greater speed relative to the answering of inquiries from the Congress, the private sector, and Government users of the information contained in the information bases.

Name of Program—Federal Telecommunications System (FTS) Network.

Description of Program—The FTS Voice Network in operation since 1963 consisting of both "intercity" and "local service" telephone and data transmission facilities, is operated in support of individual Federal agency requirements. The system links approximately one million Federal telephones.

Status—Based on changing agency requirements and cost effectiveness, Federal agencies and facilities are routinely added or deleted from the network through tariffed carrier offerings and through potential competitive procurements.

Name of Program—FTS Circuit Procurement.

Description of Program—GSA operates a consolidated circuit procurement function in conjunction with the Department of Defense at Belleville, Ill. To achieve economies of scale in the procurement of voice and data circuits, individual agency requirements are merged with those of the DOD, and procured on a consolidated basis.

Status of Program—Based on changing individual agency requirements, circuits are routinely added or deleted from the FTS network.

Name of Program—Advanced Record System (ARS) Enhancement (The data portion of the Federal Telecommunications System)

Description of Program—The Advanced Record System (ARS) is a nationwide data network leased from the Western Union Telegraph Company. It provides a message store and forward capability for some 2,200 teletype terminals. It services the Social Security Administration, the Veterans Administration, the Department of Agriculture, and the General Services Administration, and some 20 other civilian agencies thru individual terminals and a series of GSA operated message centers throughout the Nation. It can be automatically interconnected to the Department of Defense Message System AUTODIN, as well as to the Western Union TWX and TELEX services. The ARS enhancement provides for the modernization of message switching facilities, improved data transmission speeds and "on-line" operation with the computing facilities of the Social Security, Veterans Administration, and the DOD AUTODIN data transmission systems. This fast response is necessary for the VA to meet urgent operating needs to serve the veteran, as well as permitting SSA to process critical inquiries associated with serving the aged, blind, and disabled.

Status—The enhancement of the message switching facilities is currently in its final phase and is expected to be completed during Fiscal Year 1975.

PROGRAMS UNDERWAY

Federal Data Processing Centers.

ADP Procurement Schedule Contract Program.

Teleprocessing ADP Schedule Contract Program.

National Teleprocessing Services (Requirements Contract with INFONET Division, Computer Sciences Corporation).

GSA's Internal ADP Upgrade Project.

Upgrade of IBM 360/50.

Upgrade of the Kansas City FDPC.

DOD/GSA Multiplex Utilization Program.

Promotion of ADP facilities designed to achieve cost reductions for the Federal Government.

Software Exchange Program.

Communications Management Information System (C/MIS).

Name of Program—Federal Data Processing Centers.

Description of Program—Common user shared facilities offering a wide range of ADP. Twelve FDPC's are operated by GSA (one by a facilities management contract) and two by other agencies.

Status of Program—The FDPC's have been in operation from three to six years. They meet individual agency needs economically and efficiently. GSA internal requirements constitute a substantial part of the FDPC computer computational capability.

Name of Program—ADP Procurement Schedule Contract Program.

Description of Program—A method of the ADP procurement program whereby over 200 separate ADP vendors contract annually for basic terms, conditions, and prices to provide hardware, software and maintenance services to meet individual Federal agency requirements when appropriate competition has been obtained.

Status—This program contained approximately $372 million in acquisitions during FY 1974. The FY 1975 volume is estimated to be $360 million.

Name of Program—Teleprocessing ADP Schedule Contract Program.

Description of Program—This program will encompass a broad range of teleprocessing services—to be provided by the private sector—much more comprehensive than the now existing single requirements contract with the INFONET Division, Computer Sciences Corporation. The discounts for Government use of commercial time sharing will continue under the INFONET contract until its expiration. The successors to the INFONET contract will also provide for discounts.

Status—The schedule of this project is for the development and issuance of a Request for Proposals and a series of contracts to be awarded during FY 1975 for FY 1976 operation. We anticipate that from 10 to 20 contracts will be awarded to existing commercial timesharing firms, most of which are currently doing substantial Government teleprocessing, pursuant to individual contracts with agencies.

Name of Program—National Teleprocessing Services (Requirements Contract with INFONET Division, Computer Sciences Corporation)

Description of Program—A mandatory commercial source of supply of teleprocessing services for Federal agencies when their requirement:

1. Exceeds current Federal in-house capabilities (sharing program); and

2. Is both met by and falls within the INFONET scope of contract clause (both interactive and Remote Job Entry processing on a common data base through a nationwide network)

Status—The current contract expires on June 30, 1975, and may be extended, at the option of the Government through June 30, 1976. The extensive use of this contract by Federal agencies makes it urgent to make plans during FY 1975 for a successor source of teleprocessing supply before the contract expires. Failure to plan during FY 1975 could lead to a violent disruption of ongoing Government programs. (See previous page)

Name of Program—GSA's Internal ADP Upgrade Project

Description of Program—In order to meet GSA's internal ADP requirements for the next 8 to 10 years by upgrading and possibly consolidating its 10 Federal Data Processing Centers, GSA is planning a teleprocessing hardware and/or services procurement. This is a restructuring of the internal GSA requirements previously included in the New Equipment Project. ADTS management is developing a decision paper that sets forth alternatives, including one or more computing sites; one or more service bureau contracts; using excess equipment elsewhere in the Government; or some combination of these, to meet GSA's ADP requirements.

Status—Initial planning and a study of alternatives is to be completed in the first quarter of FY 1975. We will consult with Congress and the appropriate agencies of the Executive Branch prior to issuance of the solicitation.

Name of Program—Upgrade of IBM 360/50.

Description of Program—The purpose of this project is to reconfigure the installed IBM 360/50 computer located at the Washington, D.C. Federal Data Processing Center so as to provide a remote batch capability. As presently configured, this equipment is accessed only locally at the computer site. The upgrade is to provide GSA's Federal Supply Service with urgently needed interim remote processing capability, pending the availability of new GSA computing resources required by FSS plans.

Status—The necessary procurement documents are in preparation so that aspects of the project can proceed so as to meet the scheduled installation date of January 1975.

Name of Program—Upgrade of the Kansas City FDPC.

Description of Program—A system, utilizing Government-owned excess inventory of a Burroughs B5500 computer, will be added to provide remote job entry, and local batch services for GSA and other Federal agencies similar to those provided by Infonet. The system is intended to achieve cost avoidances of approximately 40% of equivalent commercial prices.

Status—Equipment has been placed into the facility. The system is scheduled to be in operation in the second quarter of FY 75.

Name of Program—DOD/GSA Multiplex Utilization Program.

Description of Program—Pursuant to GAO and OTP recommendations an agreement is being entered into between DOD and GSA which would provide for utilization of multiplex communications lines between civil and military agencies.

Status—Implementation is planned for September 1975, and significant dollar savings are anticipated.

Name of Program—Promotion of ADP facilities designed to achieve cost reductions for the Federal Government.

Description of Program—A continuing program is underway to seek out "pockets of expertise" within the Federal Government and to utilize such facilities for all Government agencies. Part of the program seeks to

identify existing Federal ADP facilities which could provide computational or other ADP services to other Government agencies. The intent of this kind of arrangement would be to achieve cost avoidances and efficiencies that would otherwise not be achieved were agencies to establish their own facilities.

Status—Several efforts are currently underway examining the technical and economic feasibility for such arrangements.

Program Underway

Name of Program—Software Exchange Program.

Description of Program—A Software Exchange Program is being planned with the goal of reducing Federal ADP software costs. It is aimed at preventing the duplication of software packages which already exist.

Status—The program which was recommended by GAO is being coordinated with Government agencies and the Office of Management and Budget. Implementation is planned for January 1975.

Name of Program—Communications Management Information System (C/MIS)

Description of Program—A C/MIS is currently being developed similar to the ADP/MIS. The system will provide information on data communications equipment inventory, utilization, and cost. The objective of the system is to provide information which can be utilized in planning, designing, and implementing future communications systems in response to agency needs and to be responsive to congressional, agency and public requests.

Status—Implementation is planned for Fiscal Year 1976

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the amendment by Mr. ABOUREZK at 1:30 p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is agreed to.

Mr. MONTOYA. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. MONTOYA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Page 30, following line 24, insert:

"SEC. 4. Not to exceed 2 per centum of any appropriations made available to the General Services Administration for the current fiscal year by this Act may be transferred to any other such appropriation, but no such appropriation shall be increased thereby more than 2 per centum: *Provided*, That such transfers shall apply only to operating expenses, and shall not exceed in the aggregate the amount of $2,000,000."

Mr. MONTOYA. Mr. President, this is an amendment which has appeared for many years in the appropriations bills. This amendment merely gives GSA 2 percent transfer authority within the appropriations in the bill. There is no objection to it. I have cleared it with the minority.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

TWENTY-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 20 minutes.

The motion was agreed to; and at 1:06 p.m. the Senate took a recess until 1:26 p.m.; whereupon, the Senate reassembled on call to order by the Presiding Officer (Mr. HATHAWAY).

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

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

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

The hour of 1:30 p.m. having arrived, under the previous order the vote will now occur on the question of agreeing to the amendment of the Senator from South Dakota (Mr. ABOUREZK).

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. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), and the Senator from Idaho (Mr. MCCLURE), are necessarily absent.

The result was announced—yeas 24, nays 74, as follows:

[No. 338 Leg.]

YEAS—24

Abourezk	Hartke	Moss
Biden	Haskell	Nelson
Church	Hollings	Proxmire
Clark	Huddleston	Schweiker
Cook	Hughes	Scott, William L.
Cotton	Johnston	Tunney
Dole	McGovern	
Eagleton	Metcalf	
Fulbright	Metzenbaum	

NAYS—74

Aiken	Ervin	Montoya
Allen	Fannin	Muskie
Baker	Goldwater	Nunn
Bartlett	Gravel	Packwood
Bayh	Griffin	Pastore
Beall	Gurney	Pearson
Bellmon	Hansen	Pell
Bennett	Hart	Percy
Bentsen	Hatfield	Randolph
Bible	Hathaway	Ribicoff
Brock	Helms	Roth
Brooke	Hruska	Scott, Hugh
Buckley	Humphrey	Sparkman
Burdick	Inouye	Stafford
Byrd, Harry F., Jr.	Jackson	Stennis
Byrd, Robert C.	Javits	Stevens
Cannon	Kennedy	Stevenson
Case	Long	Symington
Chiles	Magnuson	Taft
Cranston	Mansfield	Talmadge
Curtis	Mathias	Thurmond
Domenici	McClellan	Tower
Dominick	McGee	Weicker
Eastland	McIntyre	Williams
	Mondale	Young

NOT VOTING—2

Fong	McClure

So Mr. ABOUREZK's amendment was rejected.

Mr. MONTOYA. Mr. President, I might state to the Members of the Senate that I have experienced great concern about the use of public moneys by the President for his defense up to now, dealing with Watergate problems. I have consulted many Members of Congress; and in a spirit of fairness to the President, we have more or less tolerated the expenditure of these funds up to the present time. The President has taken unto himself the authority and the privilege of assigning these funds for his own defense.

Mr. President, I should like to state at this point in the RECORD that during the course of the fiscal year up to March—and this is according to a report furnished to us by the Comptroller General—the President has expended for attorneys and clerks servicing the needs of these attorneys in the amount of $334,000. Undoubtedly, the amount has increased for the remainder of the fiscal year.

The point that we must decide now is this: What are we going to do by way of affirmative action with respect to the use of these funds for the defense of the President if impeachment follows in the House of Representatives?

I have examined the precedents and the statements made on this subject recently as well as before these events started. During the situation involving Andrew Johnson, the Attorney General at that time made the statement that no public funds would be used by Andrew Johnson in his defense. The Attorney General at that time resigned his position and organized a legal defense fund for Andrew Johnson. This is the precedent that has been set, if we are going to follow precedents.

But what has transpired since Watergate, and what declarations have been made? The present Attorney General has been asked on numerous occasions what, in his opinion, the President should do with respect to the employment of public funds for his defense?

On "Face the Nation," on January 13, 1974, Mr. Saxbe was asked this question by Mr. Graham:

At what point do you think the matter of counsel for the President becomes his own personal obligation?

Mr. SAXBE. Well, I think obviously when impeachment is voted by the House and it goes in the nature of a trial—which is what the Senate hearing is—goes in the nature of a trial, and I think if it ever reached that point, then it would be necessary for him to provide entirely his own representation.

In another press conference, the Attorney General was asked as follows:

Question. Well, my question is, are they going to help the President in his defense in impeachment proceedings?

Attorney General SAXBE. I think not. I think not; if it reaches that point.

Question. May I then ask you about other lawyers from other agencies of the government, the Department of Justice—of Defense and such. Would it be proper for them to be loaned to the White House to defend the President?

Attorney General SAXBE. I think when it comes down to defense, you are presuming that it proceeds to impeachment. I think at

that time, there will have to be set up an independent defense lawyers group; and it would not be proper to take them from any other department of government.

Question. Pardon me, sir.

And finally, is it proper for the taxpayers to pay for those lawyers through the White House budget?

Attorney General SAXBE. At the time of impeachment, of an impeachment trial?

Question. Yes, sir.

Attorney General SAXBE. No; and I don't think they would be.

That is a statement from the Attorney General, backed up by precedent.

I understand that there was a meeting this morning of Department of Justice officials on this subject. Subsequent to that meeting the Director of Information, John Hushrus, informed the office of Senator HUGHES as follows:

If the House votes impeachment and the Justice Department is faced with the issue of who pays for the President's defense, there will be careful legal research and a legal opinion on the subject.

I have no quarrel with that. Of course, I will insist—and I think we should establish the legislative history today—that none of these funds appropriated to the White House should be used by the President in conducting his own defense pursuant to impeachment by the House. If this should occur, I would be the first to convoke a meeting of the subcommittee and ask for a full hearing as to why the President is doing it and to enact any necessary prohibition against the use of public moneys.

At this point, I am assuming that the President will abide by the precedents and by the statements heretofore issued by the Attorney General on this subject.

Does that explain to my colleague the subject of the subcommittee?

Mr. ABOUREZK. Mr. President, I wonder if I might ask the chairman a couple of questions to further clarify the position of the Senate and of the chairman?

I would like to ask unanimous consent, Mr. President, to have received in the RECORD at this point a Congressional Research Service report prepared by the Library of Congress, entitled "Impeachment Defense Counsel for the President," which establishes the precedents in American history for the provision of Government funding for defense counsel at impeachment trials.

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

IMPEACHMENT DEFENSE COUNSEL FOR THE PRESIDENT

INTRODUCTION

The purpose of this report is to discuss various legal issues and provide some historical information regarding the defense of the President of the United States in an impeachment trial before the Senate. Some legal restrictions and other considerations which might be relevant to who may appear before the Senate as defense counsel for the President necessarily involve an examination of the possible role of the Attorney General, White House staff lawyers and other government lawyers in impeachment proceedings.

In the discharge of its constitutional power of impeachment the House of Representatives formally adopts charges, known as Articles of Impeachment, which are forwarded to the U.S. Senate where they serve as the basis for an impeachment trial. The House of Representatives appoints managers who present the charges to the Senate and serve as counsel for the House of Representatives for the presentation of the case against the impeached officer (the respondent) at the impeachment trial in the Senate. The Constitution provides in Article I, Section 3 that the Chief Justice of the United States presides over the Senate at the impeachment trial of the President.

The Senate has adopted rules in connection with the conduct of an impeachment trial. See, Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials, Senate Manual, Senate Document No. 93-1 93rd Congress, 1st Session (1973). Some provisions of those rules relate to the appearance of the accused and his defense counsel:

Rule VIII provides:

VIII. Upon the presentation of articles of impeachment and the organization of the Senate as hereinbefore provided, a writ of summons shall issue to the accused, reciting said articles, and notifying him to appear before the Senate upon a day and at a place to be fixed by the Senate and named in such writ, and file his answer to said articles if impeachment, and to stand to and abide the orders and judgments of the Senate thereon; which writ shall be served by such officer or person as shall be named in the precept thereof, such number of days prior to the day fixed for such appearance as shall be named in such precept, either by the delivery of an attested copy thereof to the person accused, or if that can not conveniently be done, by leaving such copy at the last known place of abode of such person, or at his usual place of business in some conspicuous place therein; or if such service shall be, in the judgment of the Senate, impracticable, notice to the accused to appear shall be given in such other manner, by publication or otherwise, as shall be deemed just; and if the writ aforesaid shall fail of service in the manner aforesaid, the proceedings shall not thereby abate, but further service may be made in such manner as the Senate shall direct. If the accused, after service, shall fail to appear, either in person or by attorney, on the day so fixed therefor as aforesaid, or appearing, shall fail to file his answer to such articles of impeachment, the trial shall proceed, nevertheless, as upon a plea of not guilty. If a plea of guilty shall be entered, judgment may be entered thereon without further proceedings.

Rule X provides:

X. The person impeached shall then be called to appear and answer the articles of impeachment against him. If he appear, or any person for him, the appearance shall be recorded, stating particularly if by himself, or by agent or attorney, naming the person appearing and the capacity in which he appears. If he does not appear, either personally or by agent or attorney, the same shall be recorded.

Rule XV provides:

XV. Counsel for the parties shall be admitted to appear and be heard upon an impeachment.

Rule XVI provides:

XVI. All motions made by the parties or their counsel shall be addressed to the Presiding Officer, and if he, or any Senator, shall require it, they shall be committed to writing, and read at the Secretary's table.

These rules and others provide that the respondent may be accompanied at the Senate impeachment trial by a person acting on behalf of the respondent for the purpose of defending against the charges contained in the Articles of Impeachment. Under Rule VIII, it appears that the respondent could appear either in person or by "attorney." If neither appears, the trial would proceed as upon a plea of not guilty. Rule X allows the appearance by the respondent, his "agent" or "attorney." And Rules XV and XVI allow the accompaniment by "counsel."

Although the differences in these rules may be semantic, it is not entirely clear that the respondent is entitled to appear with or through a person who is by some standard a qualified attorney; that is, by someone admitted to practice law before the highest court of some state. The rules perhaps imply that a non-attorney "agent" might be allowed to appear on behalf of or to accompany the respondent.

Because the trial procedure in the Senate is an adversary proceeding somewhat like a judicial proceeding, the activities of a person appearing on behalf of a respondent for the purpose of a full defense would likely require a relationship with the respondent and actions constituting the practice of law. In past impeachment trials the managers from the House of Representatives have presented themselves as formidable adversaries in the proof of the impeachable offenses charged in the Articles of Impeachment. See, Appendix B. The process has in the past involved the presentation of opening statements, examination and cross-examination of witnesses, presentation of other evidence, various procedural and substantive arguments as well as closing arguments.

The role of the defense could require counseling on a wide range of legal matters, including the anticipation of legal problems beyond the immediate scope of the impeachment trial, for the respondent could be criminally liable. In any event, one point deserves some comment: the defense of an accused by a non-attorney could create ethical consideration, perhaps to the extent of unauthorized practice of law.

THE RIGHT TO COUNSEL

Although the rules of the Senate provide that an impeached officer may appear with or by counsel at the Senate impeachment trial, these rules are not, of course, irrevocable. By the means used to adopt these rules the Senate could repeal, or amend them. There is no express provision in the Constitution which guarantees the right to counsel at a Senate impeachment trial.

The right to counsel guaranteed under the Sixth Amendment of the U.S. Constitution attaches only to "all criminal prosecutions." Even though an impeachment trial in the Senate has some of the same characteristics of a criminal trial in a court, it is generally understood that an impeachment trial is not a criminal prosecution in the ordinary sense. Article I, Section 3 of the Constitution clearly provides that a person convicted on impeachment ". . . shall nevertheless be liable and subject to Indictment, Trial, Judgment and Punishment, according to Law." It would therefore follow that the Sixth Amendment is inapplicable to impeachment trials in the Senate, and that the Sixth Amendment right to counsel does not attach to an impeachment trial. The interpretative significance of the Sixth Amendment as requiring appointment of counsel for indigent defendants would also be inapplicable to a Senate impeachment trial. *Johnson v. Zerbst*, 304 U.S. 458 (1938); *Gideon* v. *Wainwright*, 372 U.S. 335 (1963); and *Argersinger v. Hamlin*, 407 U.S. 25 (1972).

This argument merely concludes that there is no Sixth Amendment obligation to provide counsel for the respondent in a Senate impeachment trial. However, it must be said that there have been arguments advanced to the effect that the Sixth Amendment is applicable to a Senate impeachment trial. See, for example, footnotes 65, 66, 67 and 68 in "Federal Impeachments" by Alexander Simpson, 64 *University of Pennsylvania Law Review* 651, at 675 (1916). However, this theory

of application of the Sixth Amendment is unexplained and this conclusion is somewhat suspect since Simpson defended Judge Archbald in his Senate impeachment trial.

The due process clause of the Fifth Amendment of the U.S. Constitution may, however, offer a constitutional basis for the invocation of a right to counsel in an impeachment trial:

No person shall . . . be deprived of life, liberty or property, without due process of law . . ."

This clause has been interpreted in such a way as to give rise to a right to counsel in proceedings not strictly criminal in character and without the scope of the Sixth Amendment, but resulting in the loss of liberty, for example, as in the revocation of parole. See, *Gagnon* v. *Scarpelli*, 411 U.S. 778 (1973). Since the judgment in cases of impeachment may include removal from office and disqualification to hold and enjoy offices of honor, trust or profit (Article I, Section 3 of the U.S. Constitution), an argument could be made that the penalty could include the loss of liberty to hold office or the loss of the proprietary interest in the Office presently being held as in *Board of Regents* v. *Roth*, 408 U.S. 564 (1972).

Again, it must be pointed out that the application of the Fifth Amendment to an impeachment does not appear to have been definitively laid down by judicial opinion. As a consequence, the extent to which rights of due process might be applicable to an impeachment trial are unclear. For example, the Constitution does not provide for a right of appearance, confrontation of witnesses, or other rights generally associated with legal proceedings. Perhaps those questions are even more fundamental than the right to counsel, for it is generally understood that the right to confrontation of witnesses carries with it the notion that a party of interest has the right to be present at proceedings; that the proceedings are not *ex parte*. It is only after the right of presence is established that the question of accompaniment of counsel can be taken up. For example, consider the process before a federal grand jury where a witness or possible defendant called before the grand jury is not allowed to be accompanied by an attorney during his testimony.

Although the rules of the Senate provide for a process of impeachment trial which allows for the appearance of the respondent and his counsel, whether or not the provisions of those rules could be enforceable as a matter of constitutional right is a question of difficult interpretation. For that reason, the past practice of the Senate deserves consideration and analysis.

HISTORICAL PRECEDENTS

It appears that the custom and practice of the Senate with respect to defense counsel at impeachment trials is to allow whatever counsel is designated by the respondent to be present at the Senate impeachment trial and to otherwise assist in the preparation of defense.

On the basis of the summary of persons appearing as defense counsel in Senate impeachment trials contained in Appendix A, it appears that all impeached officers who entered an appearance at the trial did so either by appearing themselves accompanied by counsel or by directing counsel to appear on their behalf.

Only two impeached officials failed to appear themselves or through counsel: John Pickering and West H. Humphreys. Pickering's son appeared with a petition concerning his father's insanity, but this was not apparently regarded as an appearance on behalf of Pickering. Humphreys, a federal judge in Tennessee during the Civil War who was charged with aiding the Confederacy, did not appear either, probably because of the nature of the charges against him and the circumstances of the War.

IMPEACHMENT TRIAL OF ANDREW JOHNSON

It might be said by way of observation that the responsibility and burden of duties in the preparation of a defense for an impeachment trial in the Senate appear to be such that counsel of sort is virtually indispensible.

One impeachment trial in particular offers substantiation of that observation and has particular relevance to the questions relating to defense counsel for an impeached President: the Senate impeachment trial of President Andrew Johnson, the only such trial ever conducted involving a President of the United States.

It may be recalled that the first investigation involving the conduct of President Johnson began on January 7, 1867. After at least two investigations by the House of Representatives, Articles of Impeachment were finally adopted on March 2, 1868. Because of the length of these investigations and the House deliberations, President Johnson was aware of the possibility of a Senate impeachment trial and of the necessity for making arrangement for defense counsel for the trial in the Senate. In fact, historical accounts reflect preparation for impeachment defense in anticipation of the adoption of Articles of Impeachment by the House of Representatives.

Accounts from the *Diary of Gideon Welles*, Volume 3, Houghton Mifflin Co. (New York and Boston, 1911) present information about the consideration of defense counsel for President Johnson. Gideon Welles, then Secretary of the Navy, was apparently privy or party to many of the conversations and some of the planning of the President for his defense at the Senate trial, with Attorney General Stanbery.

Welles noted in his *Diary* as early as February 29, 1868 that the matter of representation of the President was being considered:

"There is, Stanbery thinks, an intention on the part of the managing Radicals to exclude him from taking part in defense of the President before the court of impeachment because he is Attorney-General. He queries whether he had not better resign forthwith, and devote his whole time to the case. To this we were each and all opposed, or to any resignation unless he were compelled. *Diary*, Vol. III, *supra*, at 299."

Shortly, after the Articles of Impeachment were adopted, the Cabinet met, it appears, for the specific purpose of discussing counsel. Welles observed in his notes on March 4, 1868:

"The Cabinet met last evening at half-past seven instead of at noon. But little official business was done. We had a two hours' talk of the condition of public affairs, and especially of the great question now before the country. Judge Curtis was expected today. He is associated with Mr. Stanbery as one of the counsel of the President. Other names were talked of, but no conclusion come to. *Diary*, Vol. III, *supra*, at 301."

It appears that the final decision on the representation of the President in the Senate trial was made on March 10, 1868 and that the matter of Stanbery's resignation was also considered:

"At the Cabinet-meeting this noon, Mr. Stanbery named, as the counsel who would probably be retained, himself, Black, Curtis, Evarts, Groesbeck, and Nelson of Tennessee, whom the President has invited here, and who was introduced to us. . . .

"Mr. Stanbery says he must resign his place as Attorney-General in order to devote his whole time to this case. He is unwilling to be trammeled, or have his mind disturbed by any official duties, obligations, or embarrassments, and says it will undoubtedly be urged against him that, as the prosecuting officer of the Government, it is his duty to sustain rather than oppose the articles of impeachment. I am not impressed with his views. As the constitutional legal adviser of the President—one of his civil household and officially and personally a part of the Government—I think he would find no difficulty in sustaining himself on account of his being a member of the Cabinet, the legal adviser of the Administration, would have a good influence before the country. I so expressed myself. But Mr. Stanbery is sensitive and timid. . . . *Diary*, Vol. III, *supra*, at 308."

The matter of Stanbery's resignation was again taken up on March 12 when Stanbery presented his resignation and assumed the role of defense counsel:

"At a special Cabinet-meeting the matter of Stanbery's resignation was considered. The general wish was that he should retain the office and act as counsel; but he prefers to be untrammeled, and has his heart much set on the trial. . . . *Diary*, Vol. III, *supra*, at 311."

The extent to which these excerpts from the Welles *Diary* accurately reflect the full discussions of the Cabinet is not known. Neither is it known the extent to which legal considerations bore on the decision of Stanbery to resign. However, it does appear that Stanbery did express concern about the potential conflict involved in defending the President in an impeachment trial while holding the office of Attorney General.

It does appear that Stanbery took an active role in advising the President during the consideration of impeachment in the House of Representatives. Stanbery also appears to have advised President Johnson on many matters relating to the offenses enumerated in the Articles of Impeachment, particularly with respect to the Tenure of Office Act.

For whatever reason or reasons Stanbery seemed to have been concerned about the distinction between advising the President with respect to matters involving impeachment and actually appearing as counsel at the Senate impeachment trial. Stanbery therefore chose to resign after the House of Representatives adopted Articles of Impeachment, and as Appendix A indicates Stanbery headed the group of lawyers who served as defense counsel. It appears that although some consideration was earlier given to the question of who would represent the President in the Senate, the decision and preparations for defense did not actually begin with all the defense lawyers until after the House adopted the Articles of Impeachment.

Some indication of how President Andrew Johnson's impeachment defense in the Senate trial was financed is found in the William Maxwell Evarts Papers—The Correspondence of William Maxwell Evarts 1842–1908 in 54 Volumes. The Library of Congress 1945.

Evarts, who was one of the defense lawyers for Andrew Johnson, obtained a copy of an accounting ledger signed by Henry Stanbery and dated May 15, 1968. See, Volume 1. That accounting ledger indicates the following sums were received as contributions for the defense of the President in the impeachment case:

February 29, 1868:	
To drafts from Mr. Seward	$7,500
April 23, 1868:	
To drafts from Mr. Randall	500
May 8, 1868:	
To drafts from Mr. Browning	100
May 8, 1868:	
To drafts from Mr. E. Cooper	3,000
Total	11,000

The ledger further indicates the following payments made from that fund:

May 4, 1868:	
Paid W. T. Peddrick for services to Presidents Counsel	$200
May 4, 1868:	
Gibson Bros. for printing	100
May 5, 1868:	
Mr. Ashton for services to counsel	150
May 8, 1868:	
Mr. Grosbeck	2,025
Mr. Curtis	2,025
Mr. Evarts	2,025
Mr. Nelson	2,025
Mr. Stanbery	2,025
May 9, 1868:	
Mr. Grosbeck	100
Mr. Curtis	100
Mr. Evarts	100
Mr. Nelson	100
Mr. Stanbery	100
By Telegrams	25
Total	11,000

It might be recalled for the purpose of giving the dates in this ledger significance that the House of Representatives adopted a resolution of impeachment on February 24, 1868; Articles of Impeachment were passed by the House on March 2, 1868; the Senate trial was scheduled to begin March 30, 1868; President Johnson was acquitted on the eleventh Article on May 16, 1868; and Johnson was finally acquitted on the other Articles on May 26, 1868.

It therefore appears that the financing of impeachment defense counsel anticipated the actual adoption of Articles of Impeachment but that no payments were made until well into the trial. What other payments might have been made is not known, but it does appear that the defense was not paid by the government, but rather by private contribution.

An interesting footnote to Stanbery's resignation is that after the Senate trial resulted in acquittal of President Johnson, Stanbery was nominated for the Office of Attorney General. The Senate rejected that nomination on June 3, 1868. Apparently there had been no other nomination sent to the Senate after Stanbery's resignation.

It might be noted that the responsibilities and role of the Attorney General changed substantially with the statutory creation of the Department of Justice in 1870. See, 16 Stat. 162 (1870). This Act had the effect of centralizing the authority for the conduct of litigation on behalf of various departments, agencies, and officers in the Attorney General as the head of the Department of Justice. In addition the authority previously vested with the United States Attorneys was brought under the supervision of the Attorney General. Although the present statutory duties of the Attorney General relating to the impeachment process will be discussed later in this report, it might be said that the duties of the Attorney General in Stanbery's day were not as extensive as they are today; and therefore his consideration of the conflict of simultaneously acting as defense counsel and Attorney General might be even more compelling today.

ROLE OF THE ATTORNEY GENERAL IN PRESIDENTIAL IMPEACHMENT

Whatever the basis for Stanbery's resignation to defend President Johnson, there are certainly a number of significant considerations relevant to the role of the Attorney General in Presidential impeachment.

The functions of the Attorney General are statutory. The Attorney General has the specific function of advising the President, and it is often said that the Attorney General is the "President's Lawyer." That is not literally or practically accurate.

"The Attorney General shall give his advice and opinion on questions of law when required by the President. 28 U.S.C. Section 511."

Certainly there are a broad range of matters relating to impeachment which would fall within this responsibility to advise the President on legal matters. Since there is no limitation or qualification on the subject matter upon which the Attorney General might render his advice or opinion, there would seem to be no necessity that these matters be related to a public function rather than a private or personal matter.

As the head of the Department of Justice the Attorney General has responsibility for the conduct of litigation in which the United States, an agency or an officer thereof is a party or is interested under the provision of 28 U.S.C. Section 516:

"Except as otherwise authorized by law, the conduct of litigation in which the United States, an agency, or an officer thereof is a party, or is interested, and securing evidence therefor, is reserved to officers of the Department of Justice, under the direction of the Attorney General."

By way of clarification of what might be contemplated within the scope of "litigation", 28 U.S.C. Section 515(a) spells out more precisely the nature of the proceedings in which the Attorney General may act:

"The Attorney General or any other officer of the Department of Justice, or any attorney specially appointed by the Attorney General under law, may, when specifically directed by the Attorney General, conduct any kind of legal proceeding, civil or criminal, including grand jury proceedings and proceedings before committing magistrates, which United States attorneys are authorized by law to conduct, whether or not he is a resident of the district in which the proceeding is brought."

What remains for clarification from this section is whether or not an impeachment proceeding is either a civil or criminal legal proceeding such as that contemplated this grant of authority. It would seem that the best view is that an impeachment trial is not such a legal proceeding. The non-criminal nature of a Senate impeachment trial has already been discussed in this paper, *supra*, at p. 5. Certainly an impeachment trial is not a civil proceeding in the ordinary sense of the use of that term. At common law a "civil action" was one which sought the establishment, recovery, or redress of private and civil rights; one brought to recover some civil right, or to obtain redress for some wrong not being a crime or misdemeanor. *Blacks Law Dictionary* 312 (4th Ed. 1951).

It would therefore seem to follow that the lack of any specific statutory authority and the lack of any general statutory authority which might authorize the Attorney General to act in the defense of an impeached President in an impeachment trial in the Senate would be outside the authority of the office of the Attorney General.

There are certainly other considerations which bear on the role of the Attorney General in an impeachment trial. As mentioned earlier, an officer convicted on impeachment is also subject to criminal prosecution. Article I, Section 3, U.S. Constitution. The Attorney General has direct statutory responsibility for the prosecution of such an official for criminal violations. The Attorney General, as head of the Department of Justice and by virtue of his responsibility over the Federal Bureau of Investigation, has specific authority and exclusive final responsibility for the investigation of federal crimes involving government officers under the provisions of 28 U.S.C. Section 535.

In addition to the investigatory function of the Attorney General, the prosecutorial function vested in the United States Attorneys under 28 U.S.C. Section 547 also falls within the direct authority of the Attorney General by virtue of his supervisory responsibility over the U.S. Attorneys as provided in 28 U.S.C. Section 519.

The responsibility of investigating and prosecuting violations of federal criminal statutes is clearly within the responsibility and duty of the Attorney General. Defending a President, or any other impeachable government official, at a Senate impeachment trial could easily and likely create problems of incompatibility and conflict with the statutory duties and responsibilities of investigation and prosecutions of federal criminal offenses. In short, the Attorney General might find himself directing an investigation of a President after an impeachment conviction.

In addition the Attorney General may have a direct conflict in matters occurring at an impeachment trial. For example, the Attorney General might wish to defer the issuance of an order under the provisions of 18 U.S.C. Section 6005 with respect to the granting of immunity from prosecution for witnesses who invoke their 5th Amendment right against self incrimination. Moreover the Attorney General could have specific responsibility for the prosecution of criminal offenses which are related to the proceedings in the Senate trial but which have nothing necessarily to do with the substance of the Articles of Impeachment. For example, witnesses called before the Senate could potentially become defendants against charges of obstruction of justice under 18 U.S.C. Section 1505 or perjury under 18 U.S.C. Section 1621, to name but two such offenses, from circumstances relating to their testimony before the Senate in an impeachment trial. Although these problems are only speculative, the fact that the Attorney General might later have responsibility for the enforcement or prosecution growing out of the Senate proceedings would seem to compel his independence from the Senate proceedings.

Attorneys employed by the Department of Justice may also have some legal limitations imposed upon them with respect to their continuing in the employ of the Department of Justice and either advising the President with respect to legal problems relating to impeachment or actually making an appearance as defense counsel at an impeachment trial in the Senate.

The Department of Justice, through the Attorney General, has promulgated rules of conduct. One specific rule which may have some relevance to the question of acting as impeachment defense counsel in any capacity is 28 C.F.R. Section 45.735–7:

"§ 45.735–7 Disqualification of former employees in matters connected with former duties or official responsibilities; disqualification of partners.

"(a) No individual who has been an employee shall, after his employment has ceased, knowingly act as agent or attorney for anyone other than the United States in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, or other particular matter involving a specific party or parties in which the United States is a party or has a direct or substantial interest and in which he participated personally and substantially as an employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, while so employed.

"(b) No individual who has been an employee shall, within 1 year after his employment has ceased, appear personally before any court or department or agency of the Government as agent, or attorney for, anyone other than the United States in connection with any matter enumerated and described in paragraph (a) of this section, which was under his official responsibility as an employee of the Government at any time

within a period of 1 year prior to the termination of such responsibility.

"(e) No partner of an employee shall act as agent or attorney for anyone other than the United States in connection with any matter enumerated and described in paragraph (a) of this section in which such Government employee is participating or has participated personally and substantially as a Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or which is the subject of his official responsibility. (18 U.S.C. 207)"

In addition to limitations imposed upon former employees, there are also limitations imposed upon employees which would prohibit the outside practice of law. 28 C.F.R. Section 45.735-0 provides:

"§ 45.735-9 Private professional practice and outside employment.

"(a) No professional employee shall engage in the private practice of his profession, including the practice of law, except as may be authorized by or under paragraph (c) or (e) of this section. Acceptance of a forwarding fee shall be deemed to be within the foregoing prohibition.

"(b) Paragraph (a) of this section shall not be applicable to special Government employees.

"(c) The Deputy Attorney General may make specific exemptions to paragraph (a) of this section in unusual circumstances. Application for exceptions must be made in writing stating the reasons therefor, and directed to the Deputy Attorney General through the applicant's superior. Action taken by the Deputy Attorney General with respect to any such application shall be made in writing and shall be directed to the applicant.

"(d) No employee shall engage in any employment outside his official hours of duty or while on leave status if such employment will:

"(1) In any manner interfere with the proper and effective performance of the duties of his position

"(2) Create or appear to create a conflict of interest, or

"(3) Reflect adversely upon the Department of Justice.

"(e) A professional employee may, in off-duty hours and consistent with his official responsibilities, participate without compensation for his services, in a program to provide legal assistance and representation to poor persons. Such participation by professional employees of this Department shall not include representation or assistance in any criminal matter or proceeding, whether Federal, State, or local, or in any other matter or proceeding in which the United States (including the District of Columbia Government) is a party or has a direct and substantial interest. Notice of intention to participate in such a program shall be given by the employee in writing to the head of his division or (in the case of an Assistant U.S. Attorney) to the U.S. Attorney in such detail as that official shall require.

"[Order No. 350-65, 30 F.R. 17202, Dec. 31, 1965, as amended by Order No. 379-67, 32 F.R. 9066, June 27, 1967]"

The Department of Justice also has a general conflict of interest regulation covering employee activities. 28 C.F.R. Section 45.735-4 provides:

"§ 45.735—4 Conflicts of interest.

"(a) A conflict of interest exists whenever the performance of the duties of an employee has or appears to have a direct and predictable effect upon a financial interest of such employee or of his spouse, minor child, partner, or person or organization with which he is associated or is negotiating for future employment.

"(b) A conflict of interest exists even though there is no reason to suppose that the employee will, in fact, resolve the conflict to his own personal advantage rather than to that of the Government.

"(c) An employee shall not have a direct or indirect financial interest that conflicts, or appears to conflict, with his Government duties and responsibilities.

"(d) This section does not preclude an employee from having a financial interest or engaging in a financial transaction to the same extent as a private citizen not employed by the Government so long as it is not prohibited by statute, Executive Order 11222, this section or § 45.735-11."

All of these matters relate to the functions of the Department of Justice, and particularly to the Attorney General, with respect to the impeachment investigation currently in progress against President Richard Nixon. The Department of Justice through Solicitor General Robert H. Bork took the position in a memorandum submitted in the Agnew case that the President was immune from indictment until the President had been impeached, convicted and removed by the Senate. See, Memorandum For the United States Concerning the Vice President's Claim of Constitutional Immunity, In Re Proceedings of the Grand Jury Impaneled December 5, 1972: Application of Spiro T. Agnew, Vice President of the United States, U.S. District Court, District of Maryland, Case Number Civil 73-965.

Clearly, the deferral of possible indictment until the culmination of impeachment proceedings could create a serious conflict, particularly if the Attorney General (or even a former Attorney General) as the chief legal officer of the United States were to appear at a Senate impeachment trial in defense of the President of the United States. It is not well settled that a President is not indictable despite arguments advanced around *Mississippi* v. *Johnson*, 4 Wall. (71 U.S.) 475 (1867). See, "The President, Congress, and the Courts," by Raoul Berger, 83 Yale L. J. 1111, at 1123.

ATTORNEY GENERAL SAXBE'S POSITION

It appears that a number of these considerations have been contemplated by the present Attorney General, William B. Saxbe, regarding his possible role in the impeachment proceedings under way against President Richard Nixon. Shortly after his appointment, Mr. Saxbe was asked a number of questions at his first press conference on January 11, 1974 relating to impeachment. The following is an excerpt from the question and answers given at the press conference:

"QUESTION. Mr. Attorney General, how do you envisage your role in the continuing House impeachment investigation; and if it gets to the Floor of the House, what will your role be?

"Attorney General SAXBE. I have looked into this both before I came over here and since I have been here; and I find no role for the Attorney General in this area.

"Now, certainly, any evidence that Mr. Jaworski comes up with, working under the Department of Justice, which is a part of this office, will be involved. But other than that, I see no role, either on the prosecution, if it happens or on the defense.

"Traditionally, as you know, the Attorney General is the official lawyer for all agencies of government, including the President. But in this particular area, a situation arises which divorces itself from the traditional role of government.

"QUESTION. You would be entirely neutral?

"Attorney General SAXBE. I don't think I have any choice; and I think that I have to draw the line very carefully, and I intend to.

"The Department of Justice is—could be in a prosecutorial situation if the Jaworski Committee or if the impeachment committee comes up with crimes that would have to be prosecuted.

"Now, the services that can be afforded the White House under the role of the lawyer available to all government agencies is not going to be shirked.

"At the same time, if it reaches that point, of impeachment, I think that it would traditionally and should go to independent defenders, defenders of the President.

"QUESTION. Sir, can I ask you to elaborate on that? I believe there are three Justice Department lawyers now working in the so-called legal group in the White House, which would defend the President if impeachment proceedings go forward.

"Are you saying those three will be pulled out of that group?

Attorney General SAXBE. As I recall these—and this is something that I have learned of this week—these are three lawyers that are not—they are research lawyers that are doing research and are being supplied—and I am not even sure they are in the White House—but they are doing work over there and have been there for some time.

QUESTION. Well, my question is, are they going to help the President in his defense in impeachment proceedings?

Attorney General SAXBE. I think not. I think not; if it reaches that point.

QUESTION. May I then ask you about other lawyers from other agencies of the government, the Department of Justice—of Defense and such. Would it be proper for them to be loaned to the White House to defend the President?

Attorney General SAXBE. I think when it comes down to defense, you are presuming that it proceeds to impeachment. I think at that time, there will have to be set up an independent defense lawyers group; and it would not be proper to take them from any other department of government.

QUESTION. Pardon me, sir.

And finally, is it proper for the taxpayers to pay for those lawyers through the White House budget?

Attorney General SAXBE. At the time of impeachment, of an impeachment trial?

QUESTION. Yes, sir.

Attorney General SAXBE. No; and I don't think they would be.

QUESTION. You mean the President would have to pay it out of his own pocket?

Attorney General SAXBE. I think there would have to be established a defense fund.

QUESTION. Could you give us some idea of how this public defender, if that's the term—the concern of how you might function or how you envision this sort of office or official—

Attorney General SAXBE. A public defender?

QUESTION. That seemed to be what you were pointing to in the case of possible impeachment.

Now, how——

Attorney General SAXBE. Oh.

QUESTION. Now, how—what type of man himself is that?

Attorney General SAXBE. Well, at the time of our only Presidential impeachment, which was Andrew Johnson, the then Attorney General resigned from his office as Attorney General and as a private citizen, put together a defense group that were not paid by government, and operated separately.

QUESTION. Now, how could you see that function as of today? Do you think that it would still be private?

Attorney General SAXBE. I would think so, at that point of an impeachment trial; yes.

QUESTION. Mr. Attorney General, would you consider resigning yourself and set up the President's defense and, if so—if not, why not?

Attorney General SAXBE. Well, for one thing, I am not qualified to be that kind of a lawyer, I don't believe. I think that this is a particular area of law which demands substantial experience. I have usually been involved in the side that I am in right now. My—I have had criminal trials, but I am certainly not qualified to go into an impeach-

ment trial, nor would I feel called upon to do so.

QUESTION. So you would not consider resigning?

Attorney General SAXBE. No.

President Nixon responded to this and other statements of the Attorney General Saxbe. In his News Conference of March 6, 1974 President Nixon was asked:

"Mr. President, Attorney General Saxbe has expressed the opinion that at some point in the impeachment procedure you might have to start paying for your own legal defense. Sir, do you have any plans to hire your own lawyers at your own, rather than public, expense?"

President Nixon responded to that question as follows:

"If the Attorney General should rule that I should pay for my own defense, I shall, of course, do so.

"I should point out, however, that I am not a defendant until the House passes a bill of impeachment. I would then be a defendant, and if the Attorney General of the United States should rule that the President should pay for his defense, I will find somebody to loan me the money." (Laughter) See, Weekly Compilation of Presidential Documents, Monday, March 11, 1974, Volume 10, Number 10, at 295.

It would appear that Attorney General Saxbe has given thought to many of the considerations about the role of the Attorney General which may have been made in the impeachment trial defense of Andrew Johnson.

WHITE HOUSE STAFF LAWYERS

Beyond the Attorney General, there are certainly a number of other attorneys in the employ of the United States Government who might be capable or available to provide a defense for President Nixon in an impeachment trial.

There is statutory authority for the detail of various Governmental employees to the White House under the provision of 3 U.S.C. Section 107:

"Employees of the executive departments and independent establishments of the executive branch of the Government may be detailed from time to time to the White House Office for temporary assistance."

Although this authority is somewhat ambigous in that it fails to specify who may direct such a detail, it would seem that as a practical matter, if not as a matter of law, that this authority may be exercised by the President.

Just how this detail process actually works is not specified under the statutory authority, but it is clear that detail of executive departmental personnel has been and is made to the White House. In Senate Hearings Before the Committee on Appropriations, on Supplemental Appropriations for Fiscal Year 1974, H.R. 11576, 93d Congress, First Session, Part 1, at pages 349–351 a list of personnel on detail to the White House in 1973 listed 92 employees who had been detailed to the White House in 1973. Although no explanation is given as to whether these persons were on full-time detail or only partial detail to the White House, 28 of the personnel are indicated to have been detailed in such a manner so as to provide reimbursements to the parent agency, and the remainder were listed as nonreimbursable personnel on detail. Among the nonreimbursable personnel on detail was listed the name of J. Fred Buzhardt on detail from Office of Secretary of Defense. This may be of interest to the immediate discussion because Mr. Buzhardt also served at that time, and apparently continues to serve, as legal counsel to the President.

What all of this means in terms of impeachment defense counsel is that the President appears to possess the authority to detail executive personnel to the White House without reason and to assign them background research or other duties in connection with the preparation of a defense at an impeachment trial.

Whether or not limitations on appropriations or other limitations would prevent these detailed persons from actually appearing before the Senate as counsel for an impeached President is not clear.

In addition to those executive department personnel who might be detailed to the White House, there is of course the regular staff of the White House. Here again whether or not limitation on appropriations or other limitations would prevent White House staff members from actually appearing before the Senate as counsel for an impeachment trial is not clear. What is clear, however, is that White House staff could be, and probably is being, used for the purpose of advising on various legal matters related to possible impeachment.

One source of interesting information regarding the expenditure for White House staff is the information included in the Appendixes to the Budget of the United States Government for the Fiscal Years 1974 and 1975.

EXECUTIVE OFFICE OF THE PRESIDENT

FISCAL 1974 BUDGET, AT 57, APPENDIX

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

	1972 actual	1973 estimate	1974 estimate
Personnel compensation:			
Permanent positions	7,169	7,408	6,797
Positions other than permanent	76	100	100
Other personnel compensation	476	541	541
Total personnel compensation	7,721	8,049	7,438
Personnel benefits: Civilian	582	600	552
Travel and transportation of persons	166	138	138
President's travel	58	75	75
Transportation of things	2	1	2
Rent, communications, and utilities	311	294	294
Printing and reproduction	351	320	350
Other services		16	16
Supplies and materials	145	179	150
Equipment	6	95	95
Total obligations	9,342	9,767	9,110

PERSONNEL SUMMARY

Total number of permanent positions	540	510	480
Full-time equivalent or other positions	4	5	5
Average paid employment	519	510	480
Average GS grade	7.5	7.6	7.6
Average GS salary	$10,425	$10,825	$11,112

FISCAL 1975 BUDGET, AT 57, APPENDIX

OBJECT CLASSIFICATION (IN THOUSANDS OF DOLLARS)

	1973 actual	1974 estimate	1975 estimate
Personnel compensation:			
Permanent positions	7,380	8,491	9,664
Positions other than permanent	105	200	300
Other personnel compensation	585	600	725
Special personal services payments		86	203
Total personnel compensation	8,070	9,377	10,892
Personnel benefits: Civilian	589	695	842
President's travel	75	100	100
Travel and transportation of persons	154	200	200
Transportation of things	3	4	4
Rent, communications, and utilities	311	335	2,680
Printing and reproduction	371	385	550
Other services	2	16	35
Supplies and materials	138	150	175
Equipment	12	16	32
Total obligations	9,745	11,278	16,510

PERSONNEL SUMMARY

Total number of permanent positions	510	510	540
Full-time equivalent of other positions	15	15	15
Average paid employment	510	510	540
Average GS grade	7.6	7.8	7.8
Average GS salary	$10,825	$11,885	$12,470

Although these charts represent funds for the purpose of providing the President with staff assistance and for providing administrative services to the White House, they do not identify what functions or tasks may be assigned to persons whose salaries are paid out of these funds. It does appear that the President possesses a large degree of discretion with respect to work assignment of staff members.

There are however some interesting matters which might be noted with respect to these two similar charts from the Fiscal 1974 Budget and the Fiscal 1975 Budget. In the 1975 Budget an item identified as "11.8 Special personal service payments" appears for the first time and it is indicated that $86,000 is estimated to be spent this fiscal year and $203,000 is estimated for Fiscal 1975. It might also be noted that without exception all items listed under "Personnel compensation" in the 1975 Budget show a substantial increase in the 1975 estimates over previous years and also show an increase for the 1974 estimate in the 1975 Budget over the 1974 estimate in the 1974 Budget. What all of this means is that the White House appears to be spending more money for personnel now than it has since 1972.

Another source of information about the operation of White House staff with respect to impeachment activities is the published Hearing before the Committee on Post Office and Civil Service on H.R. 14715: "Authorization For Staff Support in the White House Office and for the Executive Duties of the Vice President," May 23, 1974, House of Representatives, 93rd Cong., 2d Sess.

That Hearing was held for the consideration of the administration proposal, H.R. 14715. Information about White House staffing, employees detailed from federal agencies and matters relating to the legal staff are included in the hearing. Mr. Roy Ash, Director of the Office of Management and Budget was the sole witness to testify at the hearing.

When asked about whether H.R. 14715 would authorize money for Presidential defense in impeachment proceedings, Mr. Ash responded, in part:

"These are not amounts to defend the President. These are amounts to provide information, a response generally to congressional and judicial requests for information from him (President Nixon). *Hearings, supra*, at 33."

One is left to conclude that money is possibly being used to pay persons hired on the staff or detailed as reimbursable personnel from executive agencies for work in connection with the impeachment investigation of President Nixon, and perhaps in preparation for possible impeachment trial in the Senate.

CONCLUSION

The amount of work necessary for the preparation of an impeachment trial in the Senate is likely to necessitate counsel with a rather sizable staff. In realistic terms that means the defense will cost a good deal of money.

There appears to be little question that certain members of the White House staff, detailed employees from executive departments, and perhaps the Attorney General by virtue of his statutory duties may advise the President on a wide range of matters relating to impeachment. Certainly all of the

above, except the Attorney General, could be used to marshall evidence, prepare memoranda of historical precedents, prepare briefs and all of those things preparatory to the actual appearance of defense counsel in the Senate.

However, with respect to the actual appearance of counsel at the Senate, the practice has been that only privately retained defense counsel, and not persons in the salary of the federal government, have appeared on behalf of the respondent. Certainly, the Andrew Johnson precedent is most relevant to Presidential impeachment. Adhering to that precedent would require the retention of private counsel after Articles of Impeachment are adopted by the House of Representatives and the payment of private counsel by the respondent.

APPENDIX A—COUNSEL FOR RESPONDENT IN SENATE IMPEACHMENT TRIALS

Officer, counsel, and Hinds' and Cannon's section:

William Blount, appeared through Jared Ingersoll, Esq., A. J. Dallas, Esq., section 2305.

John Pickering, no appearance entered,[1] section 2333.

Samuel Chase, appeared with Robert G. Harper, Luther Martin, Philip B. Key, Joseph Hopkinson, Esquires, as counsel, section 2351.

James H. Peck, appeared with William Wirt and Jonathan Meredith, section 2374.

West H. Humphreys, no appearance was made, section 2395.

Andrew Johnson, entered appearance by letter naming counsel Henry Stanbery, Benjamin R. Curtis, Jeremiah S. Black, William M. Evarts, Thomas A. R. Nelson, W. S. Groesbeck, of counsel,[2] section 2424.

William W. Belknap, appeared with counsel Matt H. Carpenter, Jeremiah S. Black, Montgomery Blair as counsel, section 2452.

Charles Swayne, appeared through counsel Anthony Higgins, John M. Thurston of counsel, section 2481.

Robert W. Archbald, appeared with Robert W. Archbald, Jr., M. J. Martin, Alexander Simpson, Jr., A. S. Worthington of counsel, section 458 Cannon's.

Harold Louderback, appeared with Counsel James M. Hanley, Esq., Walter H. Linforth, Esq., section 518 Cannon's.

Halsted L. Ritter, appeared with counsel Frank P. Walsh, Esq., Carl T. Hoffman, Esq., Senate Document No. 200, 74th Cong., 2d Sess. (1936), p. 27.

FOOTNOTES

[1] No appearance was made at the Senate trial by John Pickering or by counsel acting on his behalf. However, Jacob S. Pickering, son of John Pickering, appeared and submitted a petition with respect to the insanity of the accused.

[2] Mr. Black was designated originally as a counsel. See, Hinds' Precedents, Section 2424. Later, Mr. Groesbeck's name was added to pleadings and Mr. Black's omitted. See, Hinds' Precedents, Section 2430.

APPENDIX B—MANAGERS FROM THE HOUSE OF REPRESENTATIVES FOR SENATE IMPEACHMENT TRIALS

Respondent, Managers, and Citation:

William Blount, Messrs. Sitgreaves; James A. Bayard, of Delaware; Harper; William Gordon, of New Hampshire; Thomas Pinckney of South Carolina; Dana; Samuel Sewall, of Massachusetts; Hezekiah L. Hosmer, of New York; John Dennis, of Maryland; Thomas Evans, of Virginia; and James H. Imlay, of New Jersey, section 2299, Hinds' Precedents.

John Pickering, Messrs. Nicholson, Early, Caesar A. Rodney, of Delaware; William Eustis, of Massachusetts; John Randolph, Jr., of Virginia; Roger Griswold, of Connecticut; Samuel L. Mitchell, of New York; George W. Campbell, of Tennessee; William Blackledge, of North Carolina; John Boyle, of Kentucky; and Joseph Clay, of Pennsylvania. section 2323, Hinds' Precedents.

Samuel Chase, Messrs. John Randolph, Jr., of Virginia; Caesar A. Rodney, of Delaware; Joseph H. Nicholson, of Maryland; Peter Early, of Georgia; John Boyle, of Kentucky; Roger Nelson, of Maryland; and George W. Campbell, of Tennessee, section 2345, Hinds' Precedents.

James H. Peck, James Buchanan, of Pennsylvania; Henry Storrs, of New York; George McDuffie of South Carolina; Ambrose Spencer, of New York; and Charles Wickliffe, of Kentucky, section 2368, Hinds' Precedents.

West H. Humphreys, Messrs. Bingham, John Hickman, of Pennsylvania, George H. Pendleton, of Ohio; Charles R. Train, of Massachusetts; and Charles W. Walton, of Maine,[1] section 2386, Hinds' Precedents.

Andrew Johnson, Thaddeus Stevens, of Pennsylvania; Benjamin F. Butler, of Mass.; John A. Bingham, of Ohio; George S. Boutwell, of Masachusetts; James F. Wilson, of Iowa; Thomas Williams, of Pennsylvania; John A. Logan, of Illinois; section 2417, Hinds' Precedents.

William W. Belknap, Messers. J. Proctor Knott, of Kentucky; Scott Lord, of New York; William P. Lunde, of Wisconsin; John A. McMahon, of Ohio; George Jenks, of Pennsylvania William A. Wheeler,[2] of New York; and George F. Hoar, of Massachusetts,[3] section 2448, Hinds' Precedents.

Charles Swayne, Messers. Henry W. Palmer, of Pennsylvania; Samuel L. Powers, of Massachusetts; Marlin E. Olmsted, of Pennsylvania; James B. Perkins, of New York; Henry D. Clayton, of Alabama; David A. DeArmond, of Missouri; and David H. Smith, of Kentucky,[4] section 2475, Hinds' Precedents.

Robert W. Archbald, Henry D. Clayton, of Alabama; Edwin Y. Webb, of North Carolina; John C. Floyd, of Arkansas; John W. Davis, of West Virginia; John A. Sterling, of Illinois; Paul Howland, of Ohio; and George Norris, of Nebraska, section 500. Cannon's Precedents.

Harold Louderback, Hatton W. Sumners, Gordon Browning, Malcolm C. Tarver, Fiorello H. LaGuardia, and Charles I. Sparks,[5] section 517, Cannon's Precedents.

Halsted L. Ritter, Hatton W. Sumners of Texas; Randolph Perkins, of New Jersey; Sam Hobbs, of Alabama, Senate Document No. 200, 74th Cong., 2d Sess. (1936), p. 17.

FOOTNOTES

[1] All but Messrs. Train and Walton were members of the Judiciary Committee and all of the committee except Mr. Pendleton appear to have been of the majority party in the House.

[2] Mr. Wheeler, of New York asked to be excused from service and the request was granted by the House. Mr. Elbridge G. Lapham, of New York was nominated and chosen as a manager.

[3] Five managers were members of the majority party and two were members of the minority party.

[4] Four managers belonged to the majority party in the House and three to the minoirty. All but two were members of the Judiciary Committee.

[5] This list was appointed on February 27, 1933 in the 72nd Congress. On March 22, 1933 Randolph Perkins and U.S. Guyer were appointed to replace LaGuardia and Sparks who were no longer members of the House at the convening of the 73rd Congress. Malcolm C. Tarver resigned on March 27th, 1933 and J. Earl Major and Lawrence Lewis were added to the managers.

Mr. ABOUREZK. I think one of the salient positions here is, on page 28:

Whether or not limitation on appropriations or other limitations would prevent these detailed persons—meaning people detailed for the President's defense—from actually appearing before the Senate as counsel for an impeached President is not clear.

I think it is of critical importance that we realize what we are about to approve.

This bill will add 30 additional positions to the White House Office at the request of the White House to meet the demands being made of that office by various investigations and legal proceedings.

Now, Mr. President, my question is, is it to be the policy of the Senate that, in the event the Senate is later confronted with an impeachment trial, the President may retain defense counsel at the public expense?

Conceding that some of the persons employed in the legal group in the White House are engaged in responding to the legitimate requests for information made by the Special Prosecutor and various defense counsels for indicted former White House employees, the question still stands as to how much of the White House budget is going to pay for the preparation of the President's defense?

If the Senate votes the increase in personnel as proposed in the bill before us, does it not then follow that the Senate has acquiesced in the President's budgetary requests for defense funds, and in effect, permitted the establishment of a new precedent for future impeachment trials contrary to every prior impeachment trial—where counsel has been privately retained?

I should like the Senator to respond if he would.

I have one other question that I would like to ask.

Mr. MONTOYA. I might say, during the course of the hearings I went into this with the Director of the Office of Management and Budget:

GOVERNMENT VERSUS PRESIDENT'S FUND FOR LEGAL EXPENSES

Senator MONTOYA. At what point would you consider these legal expenses the President's personal expenses?

Mr. ASH. That is a judgment that probably ought to be left up to somebody more legally qualified than I, and I would think that even General Counsel Ebner would probably want to leave it to others as well; would you like to comment otherwise?

Mr. EBNER. I would prefer to leave it to others. Certainly up to this point, Mr. Chairman, we have no problem justifying the expenditure of these dollars for legal and support activities. There may come a point of course where it will have to be reconsidered.

Senator MONTOYA. There is quite a concern as to whether the President should have that many lawyers representing him at the present time. That has not been resolved anywhere.

Mr. ASH. As it does go on, we note the number asking the questions seems to be increasing. Sometimes it takes more time to answer the question than it does to ask one. So, there is a need to maintain a proper relationship between the lawyers asking questions and the lawyers answering questions, which is one of the things that is behind the request for 30 additional spaces because we think that relationship is not balanced at this time.

Then I proceeded to say:

DETAILS TO THE WHITE HOUSE OFFICE

Senator MONTOYA. I will insert in the record at this point a summary of employees detailed to the White House Office during fiscal 1974 through May 11, 1974. The summary shows that 25 employees are presently detailed to the White House staff offices from other agencies, seven persons are detailed to the President's Foreign Intelligence Board and two persons are detailed as White House Fellows.

So that was the substance of the colloquy which I had in the committee hearings with Mr. Ash. One of the main reasons why I am bringing this colloquy to a head here with respect to this is because I still have great concern that taxpayers' money's are being used by the President in his own defense. I am concerned about the legality of this.

Certainly, if the articles of impeachment are approved by the full House and the President is impeached and the trial then is necessary here in the Senate, I would not want the President to use one nickel of the funds allocated to the White House in this bill for use in his defense. I would certainly object to it.

As I stated before to my colleague from South Dakota, I will maintain surveillance over the employment of these funds and I will insist at all times that they be used for purposes outlined in the justifications and not for any other extraneous purpose.

Mr. ABOUREZK. I thank the Senator from New Mexico. I have one other general question on this line.

At what rate is James St. Claire being compensated by the White House Office for his services as Counsel to the President?

Mr. MONTOYA. $42,500.

Mr. ABOUREZK. Should not the Senate go on record as disapproving any compensation in excess of level V—$36,000—comparable to the rate of pay for counsel to the House Judiciary Committee, Doar?

Mr. MONTOYA. I might say to the Senator from South Dakota that I do not think it would be practical to limit the President to this salary limitation. The White House legislation that is in conference this afternoon would give him general authority to employ his assistants and to set their salaries, at not to exceed $42,500, of course. Perhaps the Senator might want to amend that one, but this is not the bill to place any limitation on any particular salaries.

Mr. ABOUREZK. I have one other question for the distinguished Senator from New Mexico.

J. Fred Buzhardt is apparently on loan from the Defense Department as nonreimbursable expense.

Should the White House legal group not be required by the committee to respond to the question of exactly who is being compensated from what funds, at what rate, and for what purpose, that is, detailed, on loan or direct employee?

Mr. MONTOYA. I asked for that information at the hearing and found that Mr. Buzhardt was put on the White House rolls effective January 4, 1974. That information appears in the hearings record. Unfortunately, I might say that we were unable to print the hearings this year. They will be printed eventually, but the Government Printing Office is so loaded with requests from the Watergate Committee for printing and from the House Judiciary Committee that our hearings have a low priority.

Before too long, we expect to have the full hearings record, but I do have the galley proof here for inspection.

Mr. WEICKER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 41, line 13, after the (a), insert the following:

Section 613. None of the funds available under this act shall be used for the purpose of obtaining copies of, or information contained in, the financial records of any customer from a financial institution by a subpoena not including notice to such customer.

Mr. WEICKER. Mr. President, I only wish to speak briefly, for a few minutes, but I wonder if I might have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

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

Mr. WEICKER. I yield to the distinguished Senator from New Mexico.

Mr. MONTOYA. I have read the Senator's amendment and I have consulted with the ranking minority member of our subcommittee. We are prepared to yield back the remainder of our time and accept the amendment.

The PRESIDING OFFICER. Does the Senator from Connecticut yield back his time?

Mr. WEICKER. I would like to speak for 1 minute, if I might.

Mr. President, the time has come to clamp down on Government investigators who rummage through bank accounts of American citizens behind their backs.

We have all witnessed the massive attempts in recent years to use the vast powers of Government against the individual citizen. All too often these attempts had some success, and much needs to be done to guarantee that they never be tried again. But that isn't the end of it.

Others on some future day will indeed try again. And when they do, every American must have the greatest possible opportunity to defend himself.

The greatest defense known to our system is the right to face your accuser, the right to be informed of the accusation made against you, thus guaranteeing a full opportunity to defend yourself.

Our Constitution clearly recognizes this right, in the words of the sixth amendment:

. . . The accused shall enjoy the right . . . to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him . . .

While the sixth amendment pertains specifically to criminal charges, the principle is more than appropriate for investigations such as those undertaken by the IRS.

The American taxpayer has every bit as much interest in defending himself against a reckless IRS investigation as an accused has in defending against a baseless criminal charge.

Even aside from the constitutional principle and the requirements of due process of law, this practice raises questions as to just what kind of government we want.

Today, field investigators from the IRS, other investigative branches of Treasury, the Post Office Department, and the Executive Office can subpena bank records of any citizen, organization, or corporation, enter the bank vaults, find out all about your personal transactions, use that information any way they please—and you will never be told about it.

The amendment I am offering today would stop that, absolutely. If the Government wants to examine your records, they would have to tell you.

We do not need, and we do not want, a government that sneaks around, doing business in the dark.

We not only do not want that kind of government, we also do not want a government that does not play by the same rules that apply to everybody else. I refer now to the whole history and scope of subpena practices.

In every other instance where subpenas are used to gather evidence, the target of that subpena knows full well what evidence he must hand over. Whether it be your personal property, or whether it be your testimony, you are extended the protection against someone going in the back door and gathering information of a personal nature.

Only bank records, records that contain some of the most personal information about you, are unprotected. Just because your confidential information resides in a bank vault is no reason to change the rules.

To those who say government has to hide its activities, I say what is there to hide. If our Government cannot explain what it is doing, then it has no business doing it. Above all, why should it only be allowed to hide when it comes to bank records. Apparently investigators in all other areas have been able to function; there is no reasonable basis for believing that normal investigative techniques would not work in the area of bank records.

To those who say it is no problem, let me refer them to the mass of evidence this Senator presented on April 8, 1974, before a joint hearing by three subcommittees of the Judiciary and Foreign Relations Committees. That testimony contained documentary proof that in mid-1969 the IRS set up an Activists Organizations Committee, to investigate "ideological" and "other" organizations.

One of the goals of that committee, according to a briefing paper dated August 20, 1969, was to: "Attempt to determine sources of funds flowing into the organizations."

To give an example of how such a technique works, on October 28, 1971, the entire bank records of the Unitarian Church, which records were held at the

New England Merchants Bank in Boston, were subpenaed. The Unitarians happen to own Beacon Press, which had recently published the Pentagon Papers. Their publication was based on the papers as read into the Senate RECORD by Senator GRAVEL, not on the basis of any contact with Dr. Ellsberg.

Nevertheless, 16,000 financial records of the church, including complete lists of all their contributors, were gone through before a bank official who knew an official of the Unitarian Church decided, on his own, to tell the church about the subpena. The church took immediate legal action and stopped the search.

In any event, one can imagine how nervous a member of the church would feel about giving a charitable contribution, upon learning that his act of charity would make him part of a Government investigation, with no chance to explain that his only interest was religious.

This is not some fiction. This is fact; it is real life; but it is not the kind of life Americans expect or deserve.

Mr. President, I ask that once and for all we act to bring the awesome investigative powers of the Federal Government out into the open, and that the rights of the individual be preserved even as we pursue the legitimate functions of government.

I do hope that the distinguished Senator from New Mexico and the distinguished Seantor from Oklahoma will do their best in the conference to carry this amendment. It is a small amendment, but I think it is enormously important in keeping government in proper perspective with the rights of privacy of the average citizen.

Mr. MONTOYA. Mr. President, I can assure the Senator from Connecticut that I will certainly insist on keeping this amendment in the bill if it is approved by the Senate and we go to conference with it.

Mr. WEICKER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments to the bill?

If no further amendments, the third reading of the bill.

Mr. DOLE. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I send to the desk a motion to recommit.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) moves that the appropriation bill for the Treasury Department and the Postal Service, H.R. 15544, be recommitted to the Senate Appropriations Committee with the following instructions to the committee:

That they reduce the total amount of expenditures under the act to $5,432,000.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I think it was demonstrated yesterday in voting on the agriculture appropriation bill that there are a great many Senators concerned about inflation and concerned about Federal spending as the cause of it. I think we all agree that something must be done.

Mr. President, we are in a period of severe inflation. Inflation and its economic and financial impact has become the issue of greatest concern in Kansas and throughout the Nation today. Recommendations have come from the administration and the Congress that Federal expenditures be curtailed to reduce inflation. If this objective is going to be accomplished, we must take a stand to limit expenditures now—on this bill and on the bills we consider in the future.

I move that the Treasury appropriation bill be recommitted to the committee with instructions to cut expenditures to 3.3 percent below the budget request, or to $5,432,796,000.

A 3.3-percent cut, if followed consistently on all appropriation bills, would result in the $10 billion reduction in Federal spending that has been recommended.

I say to my friends that if we believe what we say about reducing inflation, we should act according to what we say. And if we believe what we read about the necessity for cutting Federal spending, sooner or later we are going to have to start doing it. It is the position of the Senator from Kansas that the time to start is now.

According to the 1975 budget scorekeeping report published by the Joint Committee on Reduction of Federal Expenditures on June 21, 1974, the Congress has already enacted a $727 million increase over the budget request. The report also shows that appropriation and legislative bills already passed by the Senate would increase expendiutres above the budget request by $3,677,296,000. This level of increase is more than 10 percent above the budget request and in view of this, I believe a 5-percent reduction in the Treasury appropriation bill is not unrealistic.

Yesterday I voted against the Agriculture appropriations conference report. Nothing in my State is more important than agriculture. I know of nothing more painful politically than voting against an agriculture appropriation bill.

But if we are serious about inflation and about the impact it is having on farmers, consumers, and everyone else in America, we must stand up and say "No," however painful. We just cannot have it both ways.

The bill we are considering is already about $55 million less than the budget request. While I commend those on the Appropriations Committee for their efforts to hold down spending requests, I suggest they should have done more. They would cut the appropriation by another $131 million under this motion.

This year, with this budget, we have to start somewhere if we are really serious about doing something to combat inflation. I urge the Senators from every State to support this motion.

Mr. MONTOYA. Mr. President——

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. MONTOYA. I will state my position very briefly. This bill is perhaps the most important bill that we will pass in the Congress. Here we have the sinews and the muscle to collect the revenue and avoid the deficits and pay for the expenditures about which the Senator from Kansas seems to be so alarmed.

If this cut goes through, that means we are going to cut down on auditing functions of the Internal Revenue Service; we are going to cut down on compliance programs in the Internal Revenue Service; we are going to cut down on the collection of customs and duties. That is what this means. We are cutting the very fiber of our existence in this bill.

If the Senator wants to do anything about cutting expenditures, he ought to use another vehicle rather than this bill. This is a money-raising bill. He ought to resort to other appropriations where the emphasis is more on spending than raising the revenues.

Mr. President, I resist the motion to recommit, and I ask the Senate to vote it down.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I join with the distinguished chairman of the subcommittee in opposing this motion. I would like to list very briefly some of the activities that are funded by this bill, which are also described in the report which is on every Senator's desk.

We are talking about IRS, the Customs Service, the Bureau of Alcohol, Tobacco, and Firearms, and all the other agencies that go about raising the revenues that we have to have. It simply makes no sense to cripple those agencies and thereby reduce the flow of funds to the Federal Treasury, as well as increase the temptation for dishonest citizens to cheat on their tax payments.

This simply makes no sense at all. If we are going to cut, let us cut somewhere besides cutting the muscle out of Government agencies that help to provide the funds we need.

I yield back the remainder of my time.

Mr. MONTOYA. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Kansas yield back the remainder of his time?

Mr. DOLE. I do.

The PRESIDING OFFICER. All time has been yielded back. The question is on the motion of the Senator from Kansas.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG) and the Senator from Nebraska (Mr. HRUSKA), are necessarily absent.

The result was announced—yeas 42, nays 56, as follows:

[No. 339 Leg.]

YEAS—42

Abourezk	Curtis	Metzenbaum
Bartlett	Dole	Nelson
Beall	Domenici	Nunn
Bentsen	Dominick	Pearson
Biden	Fannin	Proxmire
Brock	Fulbright	Ribicoff
Brooke	Goldwater	Roth
Buckley	Gurney	Schweiker
Burdick	Hansen	Scott, William L.
Byrd, Harry F., Jr.	Helms	Taft
Chiles	Hollings	Thurmond
Church	Hughes	Tower
Cook	Johnston	Tunney
Cotton	McClure	
	McGovern	

NAYS—56

Aiken	Haskell	Moss
Allen	Hatfield	Muskie
Baker	Hathaway	Packwood
Bayh	Huddleston	Pastore
Bellmon	Humphrey	Pell
Bennett	Inouye	Percy
Bible	Jackson	Randolph
Byrd, Robert C.	Javits	Scott, Hugh
Cannon	Kennedy	Sparkman
Case	Long	Stafford
Clark	Magnuson	Stennis
Cranston	Mansfield	Stevens
Eagleton	Mathias	Stevenson
Eastland	McClellan	Symington
Ervin	McGee	Talmadge
Gravel	McIntyre	Weicker
Griffin	Metcalf	Williams
Hart	Mondale	Young
Hartke	Montoya	

NOT VOTING—2

Fong	Hruska

So the motion to recommit was rejected.

Mr. BUCKLEY. Mr. President, the Dole motion to recommit with instructions to reduce the appropriation by 3 percent was a reasonable, responsible measure. Because it failed to carry, because individual items within the appropriations bill reflect "fat" in the form of increases well beyond those attributable to inflation—the inflation that is a direct result of the reckless refusal to reexamine and economize that is reflected by this appropriation bill.

Mr. BIDEN. Mr. President, I rise today to voice a complaint frequently heard in this body. I hope to refrain from the boilerplate language which usually is part and parcel of critiques of the mail service provided in this country. Yet, by the same token, I cannot accept the logic that the issue of ineptitude and insolvency at the Post Office should be left alone because it has become such a perennial pincushion that criticism of the mail service has totally demoralized the Nation's second largest bureaucracy. The very consistency of complaints from every part of the country ought to be compelling proof of the need for concern about the state of the mail by every Member of Congress.

It is now more than 200 years since the colonial legislature of the counties of Delaware, on October 23, 1773, created a Committee of Correspondence, by which to gather and transmit news of the growing discontent with English rule among similarly appointed colonial legislatures. These bodies, whose efforts led directly to the popular uprising of the patriots whose Bicentennial we anticipate in 1976, achieved their ends entirely through determined letter-writing. This crucial correspondence between the colonists, according to the contemporary historian, Jared Sparks,

> . . . increased their mutual intelligence, gave them confidence and encouragement, harmonized their sentiments, and sowed the seeds of union.

For this reason, the Founding Fathers took care to establish a Post Office as one of the first Cabinet Departments, and elevated their most respected elder statesmen, Benjamin Franklin, to be the first Postmaster General. Since that time, Mr. President, the government monopoly which provides us with mail service has burgeoned into the Federal Government's second largest bureaucracy. As Ronald Kessler pointed out in his seven-part essay on the U.S. Postal Service in the Washington Post,

> To most Americans, the Postal Service is the only branch of Federal Government that touches them directly each day. The mailman walking his route on a tree-lined residential street has become a symbol of America.

Indeed, Mr. President, for many Americans, elderly retirees and lonely students, homesick travelers and the ones they left behind alike, the arrival of the mail constitutes the high point of the day. The four or five deliveries per day to the offices of Senators are the prime source of constituent contact for the Members of this body. Yet, the vital exchange of ideas by mail, after decades of political manipulation of the administration of the agency, and a classic failure of the oversight responsibilities of Congress, resulted in 1966 in the closing of the Chicago Post Office because of a mail glut with which the U.S. Post Office as then constituted and managed, was unable to cope.

This collapse had long been forecast, and resulted in 1970 in the authorization of a tax-supported, privately governed government corporation, the U.S. Postal Service, similar to the Tennessee Valley Authority. Today, the Senate is being asked to appropriate $1.5 billion to pay the debt that this $700,000-man, $9.8 billion postal operation will run up in the 1975 fiscal year.

The concept of overnight delivery, embodied by Paul Revere's ride through Middlesex County has been abandoned by the new Postal Service. Two surveys, both this year and last, conducted by my staff found that letters traversing the 100 miles from points in Delaware to Washington, D.C. took 3 to 6 days to make the journey. The concept of an efficient national postal service by which to speed the flow of ideas and information, a concept specifically contained in the Constitution, has, I am afraid, gone by the board as well. The subsidization of certain classes of mail, through an inequitable postage rating system has driven the Postal Service into perennial deficits which show no signs of abating. And, finally, most unfortunately the concept of a reformed, nonpartisan Postal Service, for which many Members of Congress held so much hope, has seemingly vanished in the gleam of the plush new headquarters of the USPS at L'Enfant Plaza.

Insensitivity at the management levels of the Postal Service to the fact that their organization is a largely black, labor-intensive operation, combined with the disregard for personal property consigned to the near-vandalous trusteeship of the parcel post system, has shattered not only a good many valuable packages, from chocolate chip cookies to family heirlooms, but also the hopes of many of the most ardent supporters of the reformed Postal Service. Mr. President, at this point in my remarks, I would like to insert seven articles from the Washington Post, written about the Postal Service by Ronald Kessler, and the remarks of an esteemed colleague from the House side, MO UDALL, the father of postal reform in that body, from a speech he delivered to the National Press Club day before last. Together, they provide a damning indictment of the agency which today asks Congress for a billion and a half dollars.

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

(See exhibit 1.)

Mr. BIDEN. Mr. President, the Postal Service is protected by law from competition by other firms in the carrying of letters, which is fortunate, since their inefficiency would lose them that business, as it has the parcel business, were it the other way. Furthermore the USPS is allowed to raise funds by sale of bonds to the public, unlike any other agency. Even so, service in the Postal Service has declined by around 20 percent, while postal rates have doubled the rate of inflation to increase by 66 percent in the last 5 years, since the inception of the Federal corporation. And still, the Postmaster General cannot break even, and still the Congress has to bail out the USPS. I cannot support this blank-check subsidy of ineptitude, and have introduced a bill S. 2134 on behalf of the victims of the Postal Service all over the Nation. It would require the agency to return to the Congress each year and put its head on the fiscal chopping block to justify the need for taxpayer support of its supposedly improving and increasingly self-sufficient operation.

Mr. President, I intend to vote against this appropriation. There are a number of good reasons to do so. It is a $54 billion bill. Yet less than 10 percent of the funds contained in this item, though it represents nearly one-sixth of the entire Federal budget, are controllable by the Congress. The Appropriations Subcommittee, led by my able colleague Senator JOSEPH MONTOYA, in its scrupulous analysis of the bill, could make cuts in only about $5 billion worth of the total amount requested by the administration. Thirty-one billion dollars of this bill is earmarked to pay the interest on the national debt for this year.

Congress has no say about that, since inflation and the Nixon budget for 1975 will drive the Nation into the red by about $18 billion more, to near the legal limit of $490 billion by next June 30. Another billion and a half will be required by the Civil Service Commission to pension off its retired and disabled workers, and to pay for public servants' health benefits. This too, is beyond the ability of the Appropriations Committee to do anything about, except act as a rubber

stamp. The costs of this item by 1980 are feared to range up to $11 billion a year, assuming only 3 per cent inflation. As a member of the newly-appointed Committee on the Budget, I cannot in conscience vote to continue this madness, which will surely bankrupt the Treasury unless Congress can somehow control bills such as this one.

There is $16.3 million in the White House salary fund to hire 30 additional staff to help defend the President against impeachment at public expense. Though there has been a reduction of 4 people from the staff of the National Security Council's 79 members, their salaries and expenses item has increased by $88,000 to $2.9 billion this year. This does not include the pay for the numerous staff persons who have been assigned on temporary duty to the NSC for periods of years, and are still at work there. Similarly, the President's Commission on Personnel Interchange has been funded with an additional $353,000 for 12 more positions.

Mr. President, I cannot justify a vote for such appropriations to my constituents, and intend to cast my vote "nay" on final passage of H.R. 15544.

EXHIBIT 1

[From the Washington Post, June 9, 1974]

FIRST-CLASS LETTER WRITERS PAY JUNK MAIL USERS' DEFICIT

(By Ronald Kessler)

The new U.S. Postal Service has deliberately slowed delivery of first class mail and has overcharged first class mail users by an apparent $1 billion a year while undercharging commercial mail users, a Washington Post investigation has found.

Delivery of first class mail—the class used by most Americans for letters—has been slowed by a Postal Service policy of putting aside mail arriving from out of town during the night for sorting during the day.

The policy, which delays mail by a full day, was put into effect largely to avoid paying extra salary for night work. But the total cost of extra night salary is about 1 per cent of the postal budget, and the new policy has saved only a fraction of this cost.

While the Postal Service saves night salary by allowing sacks of first class mail to pile up in post offices throughout the country, it continues to pay the extra salary for sorting non-priority mail carrying less postage than first class letters. This includes slow-moving fourth class parcel post and commercially oriented junk mail and second class newspapers and magazines.

A transcript of a high-level meeting of postal officials in 1969, when the new policy for first class mail was begun, shows a decision was made to no longer strive for overnight mail delivery and to keep this a secret from Congress and the public.

The transcript shows that Frank J. Nunlist, then an assistant postmaster general, told regional postal officials:

"Now if we announce that we are going to do this (lower overnight standards) there are 700,000 guys (postal workers) that are going to run to their congressmen and say, "You can't have a postal corporation these guys are not going to serve the American people."

"So," Nunlist continued, "we have got to be a little tight about this, and you can't even say to your employees in the post office, 'Don't promise prompt service.' We have got to play this game pretty carefully."

While the Postal Service has slowed first class delivery, the agency also has overcharged this class of mail and undercharged those classes generally used by special commercial interests, six postal cost studies, including two by the Postal Service show.

One study, by the U.S. Postal Rate Commission staff that represents the public shows an over-charge to first class mail users in fiscal 1972 of about $1 billion, or 2 cents per letter. (The figure does not include the overall postal deficit for which no particular class of mail pays).

The study shows undercharges to third class, so-called junk mail, second class newspapers and magazines, and fourth class parcel post.

The Postal Service is required by law to avoid favoring or discriminating against any mail user and to charge rates that cover all costs reasonably assigned to each class of mail.

The Postal Service denies it overcharges, and it cities as evidence a seventh study it has performed, which shows that third class junk mail pays for itself. This study has been rejected as failing to show true postal costs by both the chief administrative law judge of the separate U.S. Postal Rate Commission, which helps set postal rates, and by the General Accounting Office, the audit arm of Congress.

Some postal officials who have publicly defended the official Postal Service cost study say privately it was designed to cover-up losses run up by cheaper classes of mail generally used by commercial interests. The reason, they say, is that users of more expensive first class mail, who include both individuals and businesses, do not have the political clout of the special interests.

The Washington Post investigation has also found that:

Since the new policies of the Postal Service were established in 1969, first class mail has been slowed 14 per cent to 23 per cent, according to the agency's own mail sampling system. During about the same time, the price for first class service has risen 66 per cent, or about double the rate of inflation.

A $1 billion parcel sorting network being built by the Postal Service to try to stop loss of business to its private industry competitor, United Parcel Service (UPS) promises to offer slower service than UPS. The Postal Service has acknowledged internally that a chief reason for the success of UPS is a package damage rate a fifth that of the Postal Service. But sorting equipment in the new parcel network will, in the course of processing parcels, drop them a foot, compared with what UPS says is no drop during its processing.

A mechanized letter sorting system said by the Postal Service to produce savings of billions of dollars has been found by the GAO to be more costly than the existing, old-fashioned system. The Postal Service internal auditors have reported confidentially that the new system sorts letters at a rate slower than the system used by Benjamin Franklin, the first postmaster general, who placed letters, one by one, in pigeon holes.

The Postal Service has spent more than $140 million on contract cost overruns since the assertedly cost conscious policies of the new agency were established in 1969. About half the contracts for $5,000 or more awarded by the Postal Service in 1973 were let without competitive bidding involving formal advertising. Although competitive bidding is not required by law, it is the method considered cheapest and fairest by the GAO and the Postal Service itself.

These and other findings resulted from a four-month Washington Post investigation of the Postal Service. The investigation included visits to five of the six largest post offices in the country, interviews with hundreds of present and former postal officials, technical experts, mail users, and postal oversight officials, and examination of hundreds of internal Postal Service memos, reports, studies, and letters, as well as congressional and rate hearings, government audit reports, and private consultants' reports.

What emerges is a portrait of how one of the largest government agencies works—or doesn't work—for the tax- and postage-paying citizens it is supposed to serve.

Asked for a comment on The Post's findings, Postmaster General Elmer T. Klassen said he would defer to comments made by his deputies on specific matters because he is not familiar with all the details of postal operations.

E. V. Dorsey, senior assistant postmaster general for operations, acknowledged that first class mail arriving from distant points at night is not sorted until daytime. He disputed, however, that this delayed mail.

"We have priorities," he said. "We have other things to do." He said the policy saves the 10 per cent extra night pay and some equipment costs.

Arthur Eden, director of rates and classification, denied first class mail users are overcharged. He said rates are set in accordance with law, and cited a Columbia University professor who agrees with the agency's method of determining costs of various classes of mail.

Asked to cite improvements since the Postal Service was created, Klassen said in a letter it has "improved the speed and reliability of service." He said productivity has increased, field managers have been made accountable for service and costs, and postmasters are no longer selected because of their political connections.

"In short," Klassen said in the letter, "we've come a long way. We have made some mistakes, but they are far outnumbered by the things we have done right. Through the diligence of a great number of dedicated men and women, we are well on the road to making the Postal Service an organization of which every American can be proud."

To most Americans, the Postal Service is the only branch of federal government that touches them directly each day. The mailman walking his route on a tree-lined residential street, as depicted by Norman Rockwell on covers of the old Saturday Evening Post, has become a symbol of America.

To the nation's businesses, the Postal Service is essential. Without it, the economy would quickly become paralyzed. Recognizing this, the Founding Fathers specifically provided in the Constitution for operation of a national postal service.

The present Postal Service is a big business. Its $9.8 billion budget would rank it among the nation's 10 largest industrial firms. Its 700,000 employees make it second only to the Defense Department as the federal government's largest employer.

Although the Postal Service is a big business, it has never had the same incentives to achieve efficiency that a business has. If its service was slow and customers complained, there was no reason to think they would turn to a competitor. Congress historically had prohibited private companies from competing with the Postal Service for first class mail delivery.

If the postal agency wasted money, its employees did not fear losing their jobs in a bankruptcy proceeding. Congress would always bail the agency out with more subsidies.

Public dissatisfaction with this method of doing business reached a head in 1966, when the Chicago post office became so glutted with mail that it closed down.

Lawrence F. O'Brien, then postmaster general, proposed that a presidential commission study reform of the old Post Office Department. In 1968, the panel, headed by former American Telephone & Telegraph Co. chairman Frederick R. Kappel, recommended reorganization of the department as an independent branch of government.

The idea, the commission's report said, was that the agency could use modern business methods to move the mail if it were insulated from politics and given independent control over its funds. Such methods would save at least 20 per cent of the agency's costs, the commission estimated.

The agency that evolved from this recommendation is a branch of government with certain special privileges. Unlike other government departments, it does have control of its own funds and may raise additional money by selling bonds to the public. It is prohibited from making appointments based on political considerations.

Finally, it is required to become financially self-sufficient—free of subsidy from Congress—in 1984.

The agency does not report to the President. Instead it is run by a board of governors whose members are appointed by the President with the consent of the Senate, much as the Federal Trade Commission is run.

Although Congress enacted the Kappel Commission proposals into law in 1970, and the new agency chose to change its name in 1971, most of the new policies followed today by the Postal Service did not require legislation and were implemented in 1969 by Winston M. Blount, President Nixon's appointee as postmaster general.

But five years later, a key finding of the Kappel Commission remains true:

"The commission has found a pattern of public concern over the quality of mail service. Delayed letters, erroneous deliveries, damaged parcels, and lost magazines and newspapers are everyday experiences."

Rep. Thaddeus J. Dulski, chairman of the House Post Office Committee, wrote to Postmaster General Klassen last December, "No one expected the transition from the Post Office Department to the U.S. Postal Service to be easy, but on the other hand, neither did any one expect it to be catastrophic."

Dulski and others have charged that rather than improving mail service, the new agency has spent millions of dollars on advertising and public relations efforts to make the public think it is getting better service.

This approach was illustrated by an internal Postal Service memorandum written last year by James L. Schorr, director of advertising.

Schorr, whose department spent $2.5 million on advertising last year, argued in the memo that advertising being tested in St. Louis should be extended nationally.

The reason, Schorr wrote, was that although the advertising promoted such special postal products as money orders and stamp collecting supplies, it had the effect in St. Louis of improving the public's overall view of the Postal Service.

"This is particularly significant," he wrote, "in that the actual level of (mail) service in St. Louis fell off worse during Christmastime than in the rest of the country."

Indeed, Schorr wrote, favorable opinions of the Postal Service were found to be higher in St. Louis than in cities with better service that had not been exposed to the advertising.

Like a number of other postal officials, Schorr declined to be interviewed by this reporter.

Instead, Schorr said questions would be answered by the agency's public relations department. But one can learn little about the Postal Service and why the mail is so slow by going through official channels.

Klassen, in testimony before the Senate postal committee last year, said service was actually "somewhat better than on July 1, 1971, when the Postal Service came into being."

What Klassen did not tell the committee was that nearly all the mail processing policies followed by the new agency were started in 1969, and the 1971 date he used for comparison represented little more than a change in the name of the department.

He did not say that when compared with the last year of the old Post Office policies, service had deteriorated.

"The method of presenting statistics is highly selective," said a former postal official who helped write some of Klassen's speeches and congressional testimony.

"We're always desperate to find something good to say about service," said a current postal official who has gathered information for Klassen's statements in agency annual reports.

The difficulty is not surprising. The agency's internal mail sampling system confirms what thousands of complaints to the agency and Congress have charged; that rather than improving service, the new Postal Service has made it worse.

Nor does the sampling system, known as Origin-Destination Information System (ODIS), necessarily portray the full extent of the deterioration.

The system records postmarks before letters are given to carriers for delivery to homes and businesses.

This means it does not measure delays that occur before letters are postmarked—when they are picked up from collection boxes, trucked to post offices, and initially sorted. It also means the system does not measure delays after letters are received by letter carriers.

In one test, the GAO found the ODIS figures would show a 10 per cent longer delivery span if it measured time from deposit of letters to delivery.

The postmarks used in the ODIS system are recorded by clerks who work for local postmasters. Since the postmaster's performance is being measured by the system, this arrangement does not necessarily provide incentives for doing an accurate job.

"The standard procedure is to disregard late mail," says Melvin Wilson, a Los Angeles postal clerk who recorded ODIS mail until 1970.

If late mail were included in daily reports, Wilson said, "They'd call you down and say, 'Do they (the figures) look right to you.' That means change it."

Carolynne M. Seeman, the statistician in charge of ODIS, acknowledged that cheating occurred. "We've seen information erased (from reports) to make the service look better," she said.

She said she does not have the staff to question the accuracy of the reports, and she said she does not believe cheating is a "major problem."

Despite the opportunities for cheating the ODIS figures show a 23 percent increase in average first class mail delivery time from the last three quarters of fiscal 1969—the last year of the old Post Office—to the same quarters in fiscal 1973. (The first quarter was not tabulated.)

The figures show service improved slightly in fiscal 1974 but remained 14 percent slower than under the old Post Office.

The agency handled 89.7 billion pieces of mail in fiscal 1973, compared with 82 billion pieces in fiscal 1969.

What the figures mean to the average user of the mails is that there is no assurance that a letter will be delivered overnight anywhere in the country.

The chances of overnight delivery of out-of-town mail in the most recent fiscal quarter were only two in five for local mail, the chances were about nine in 10.

There is, of course, no way of knowing whether a particular letter will be one of those delivered overnight, and the chances of getting overnight delivery are slimmer when letters are addressed to cities in distant states.

ODIS figures show that in the postal fiscal quarter ended March 29, first class letters mailed from Washington, D.C., and from Manhattan, N.Y. received overnight delivery to specific cities in these proportions:

[In percent]

To:	From Washington	From Manhattan
Akron	9	4
Boston	19	14
Brooklyn, N.Y	17	60
Chicago	9	6
Cincinnati	17	2
Detroit	17	6
Los Angeles	10	2
Miami	5	1
Richmond	74	7
San Francisco	15	2
Manhattan, N.Y	44	73
Washington, D.C	90	21

Despite this performance, the Postal Service periodically tells Congress and the public that it is meeting or nearly meeting its overnight delivery standards. What the Postal Service defines as overnight delivery is often quite different from what one would expect.

Overnight delivery of air mail is promised only if it meets certain tests. It must be deposited in special, white-topped collection boxes; it must be zip coded; it must be mailed before 4 p.m. and it must be addressed to certain cities generally not farther away than 600 miles.

Since the identity of these cities is known only to the Postal Service and is constantly changing, a mail user has little chance of knowing whether his letter will be delivered the next day.

Indeed, says Miss Seeman of the ODIS system, only about 2 per cent of total air mail volume meets the overnight standard of the Postal Service.

For first class mail, the Postal Service has established a standard for local delivery that represents an erosion of service when compared with the standard of the old Post Office Department.

The old standard promised overnight delivery within a state. The new one promises it only within local delivery areas, only if letters are mailed before 5 p.m., and only for 95 per cent of the mail.

A substantial portion of business mail is deposited after 5 p.m., postal officials said, and some question whether a 95 per cent standard is good enough for the mailer who wants to know his letter will get there the next day.

For out-of-town mail, the Postal Service standard allows as many as three days for delivery. In part because of this generous time span, the agency was able to claim that a historic subpoena requesting President Nixon's appearance in a Los Angeles courtroom arrived only a day late—although it took six days to make the trip from Los Angeles to the D.C. Superior Court.

The Postal Service did not count two of the days because they were holidays.

Despite the leniency of the standards, the ODIS figures show they often are not met. This has not deterred the Postal Service from claiming they are.

The basis for the claims is often a different measuring system that uses specially prepared envelopes sent through the mails by postal employees. These envelopes—called test letters—generally portray service in a more favorable light than the ODIS system.

The GAO has reported that air mail test letters bore markings that made them readily indentifiable as test letters to the clerks who sorted the mail. The clerks singled them out and gave them speedy treatment, including dispatching them in specially marked pouches.

On the basis of these purported tests, Klassen claimed in the fiscal 1971 report the agency was "close to the attainment of its performance standards for air mail." Postal officials made similar claims in 1972 Senate hearings.

The unreliability of the tests is no secret. Marie D. Eldridge, former statistical director of the Postal Service, said internal auditors periodically reported that clerks ran across work room floors carrying the special letters.

Nevertheless, the Postal Service spent $4 million in a little over a year to send air mail test letters, GAO reported. Although these tests have been stopped, local post offices continue to send test letters to measure the service they provide local residents.

The D.C. post office sends about 600 of the letters a week. They are small prestamped envelopes that bear the notation, "MAS," which stands for Methods and Standards, the department that sends them out.

Robert H. Brown Sr., a clerk in the D.C. post office, said supervisors instruct employes to look for the letters and speed them on their way. "It is a farce," he said.

A supervisor whose suburban Washington home is a recipient of the letters said they have never taken more than a day to be delivered.

L. A. Hasbrouck, who sends the letters from the D.C. post office, said, "I don't deny that the mailings could be identified as test letters."

Asked why taxpayer money is being spent to send them, Hasbrouck did not reply directly. Instead, he said the "MAS" notation is gradually being removed from plates used to print adresses on the letters.

If the test letters appear to be a dubious expenditure, the $200 million spent by Americans last year on air mail represent, in the view of Rep. Lester L. Wolff (D-N.Y.), a "fraud."

When air mail was first flown in 1918, paying the extra postage for an air mail stamp was the only way to get air service. Today, nearly all mail sent outside local delivery areas goes by air.

The Postal Service claims the extra 3 cents for an air mail stamp buys the fastest possible service to any point. Special, white-topped air mail collection boxes bear stickers promising overnight service even in local delivery areas.

But the ODIS figures show the extra air mail postage generally buys slower service. Air Mail was delivered overnight 21 per cent of the time in the most recent postal fiscal quarter, or about a third as often as first class.

Even local mail that carries air mail postage—as suggested by air mail collection boxes—gets there far slower than first class, the ODIS figures show.

The figures also show that air mail has a slight advantage over first class if it goes more than about 400 miles, but the Postal Service promises speedy air mail service over any distance.

The answer to the mystery of slow air mail service, according to postal experts, is that the special, costlier treatment given air mail has the effect of slowing it.

"You divert air mail to a separate center, and in the meantime the first class is running like hell through the system," says M. Lile Stover, who was director of distribution and delivery until 1969.

In addition, Stover and others said air mail addressed to nearby cities with no air service is sent back to the first class section for delivery.

Indeed, said Mrs. Eldridge, the former statistical director, "Air mail often goes back and forth several times."

Terming air mail a "fraud on the American consumer," Rep. Wolff of New York last year asked the Federal Trade Commission to investigate the Postal Service for possible violation of deceptive advertising laws.

The FTC declined on the grounds it cannot investigate another government agency.

"A government agency should be more responsible than companies in the private sector," Wolff said. "It seems to me incredible that a government agency is allowed to get away with defrauding the American public."

Those who pay 60 cents extra for special delivery service also might not get what they pay for.

Clerks in the special delivery section of the D.C. post office said special delivery for downtown businesses is delivered with regular mail, and special delivery for residences is specially delivered only if the regular carrier has already left.

In New York, only 35 per cent of special delivery mail received special service on a typical Tuesday, a House postal subcommittee was told in 1970. Most of the special deliveries were of packages.

"If a private company charged extra for special delivery and didn't specially deliver, it would be referred to the Attorney General for investigation," said Rep. Edward I. Koch (D-N.Y.). "As far as I'm concerned, it's fraud."

[From the Washington Post, June 10, 1973]

LETTER PROCESSED IN 47 STEPS—AND EACH CAN DELAY IT

(By Ronald Kessler)

If you get a sinking feeling that the letter you deposit in a mail box might not reach its destination the next day or even the next week, your apprehension is well founded.

When your letter will be delivered will depend largely on luck as it goes through 47 processing steps, each capable of delaying it. During its journey, your letter will be sacked, dumped, culled, sorted, flown, unloaded, sorted, and sorted again.

It could get chewed by machines. It could get missent. Or it could get lost.

If it reaches its destination, the arrival date could be a day, a week, or even a month or more after it is sent.

It is this uncertainty about when a letter will be delivered that was identified by the Kappel Commission, which recommended postal reform, as the public's primary concern about mail service.

A businessman or housewife who needs overnight delivery but cannot feel assured he or she will get it from the Postal Service must turn to more costly alternatives—telephones, telegrams, private messengers and special delivery systems.

In recent years, the use of these alternatives has grown rapidly while the letter mail volume has risen an average of 2 per cent a year.

At the same time, the cost of delivering a letter has risen 66 per cent faster than the increase in inflation. This has been caused largely by a second problem identified by the Kappel Commission—the Postal Service's almost total reliance on human labor, rather than machines, to move the mail.

In a comment that could be made today, the Kappel Commission observed in 1968:

"The Post Office's inefficiency is starkly apparent to anyone who walks across a workroom floor. In most offices, men and women lift, haul, and push mail sacks and boxes with little more mechanical assistance than the handcart available centuries ago. In this electronic era, the basic sorting device remains the pigeonhole case, into which letters are placed, by hand, one by one."

In contrast to the Postal Service, the telephone company has automated so that all local calls, and more than 80 per cent of long distance, calls, are dialed by customers without assistance from operators.

This saves customers' time and the telephone company's money. Indeed, American Telephone & Telegraph Co. estimated it would need a million operators if it had not introduced dial telephones.

Each letter handled by the Postal Service, on the other hand, is sorted by humans as many as seven times before it is delivered.

The Postal Service has installed an increasing number of machines for sorting letters, but they still generally require humans to read addresses.

Jacob Rabinow, chief of invention and innovation for the National Bureau of Standards, said Postal Service mechanization is still in the Dark Ages. Rabinow, who has testified before the Postal Rate Commission on what he calls his personal views, said the agency uses "stupid, horrible equipment."

"If you can collect, clean, and inspect eggs by machine, there is no excuse for not being able to sort mail entirely by machine." Rabinow charged. "It's just that private manufacturers care, and the Postal Service doesn't."

The agency's machines have had little effect on its degree of labor intensiveness. Rather than decreasing the proportion of the postal budget devoted to salaries and benefits—a measure of labor intensiveness—has increased under the new postal management from 82 per cent to 85 per cent.

To find out why costs are high and service slow, your letter can be followed from its deposit in a D.C. mail box to a destination on the West Coast.

Your letter faces an immediate delay of a day if it is mailed after the last collection for the day.

Residential mail boxes were generally collected three times a day under the old Post Office according to a report by the General Accounting Office, the audit branch of government. The new Postal Service has reduced most pickups to one a day, the GAO said.

Since these pickups are generally in the morning, your letter will be delayed a day if it is mailed in the afternoon.

It will be delayed if it is mailed after the 5 p.m. or 6 p.m. pickup from business collection boxes. The GAO found the old Post Office generally picked up as late as 9 p.m. from business areas.

When it is picked up, your letter is stuffed in a canvas bag or sack, a container that a number of industry experts said increases costs and delays letters.

Coleman W. Hoyt, distribution manager of Reader's Digest, said that while industry generally transports goods on wooden pallets that can be loaded by fork-lift trucks. Postal Service bags must be lifted by hand.

Hoyt said letters sometimes become lost in the folds of the sacks for weeks at a time and often become damaged so they cannot be handled by labor-saving machines. "Letters should never go in bags," Hoyt said in an interview.

The problem is exacerbated by a Postal Service policy requiring that empty mail sacks be shipped in tightly rolled wads. Each sack is individually rolled, and 19 of the rolled sacks are stuffed into a 20th sack. The Postal Service said the policy keeps bags from going astray, but the number of jobs created by the need to roll and unroll the sacks each day can easily be imagined.

The sack with your letter is trucked in the early evening to the columned D.C. Post Office at Massachusetts Avenue and North Capitol Street, where mail is sorted for D.C., Bethesda, and Chevy Chase.

To anyone who has visited an automation manufacturing plant, where ingredients go in raw one end and come out the other as finished products, a postal sorting operation comes as a shock. "I was appalled," said James E. Josendale, a businessman who was deputy assistant postmaster general for operations from 1969 to 1971, of his first visit to a post office. "Everything was done by hand."

Four or five men drag the sack containing your letter from the back of a truck and throw it on a hand cart. Another crew of men throws the sack from the cart down a chute in the loading platform at the back of the D.C. Post Office.

The process continues on the main floor, where the sack emerges. Crews of men lift, throw, push, and dump the sacks until your letter ends up on a conveyor belt.

By installing equipment used by industry to move mail within post offices, productivity of many post offices could be raised 50 per cent, the Kappel Commission estimated in 1968.

The conveyor belt on which your letter is thrown is tended by some eight employees, who sift the mail to pick out special rate classes, such as air mail, special delivery, and third class, so-called junk mail. The special classes are thrown in bins for separate handling.

The Postal Service has some 40 rate categories, each with its own regulations and requirements, often requiring extra labor to verify that the regulations are met and the proper service given. The Kappel Commission recommended reducing the number of classes to four, but the Postal Service has plans to complicate the system further by adding more classes.

The rates charged for each of the classes have little to do with the cost of handling the mail. A magazine may be charged rates varying by 100 per cent and more depending on how much advertising it carries, whether it goes over a county line, what type of subscription list it has, and whether its publisher makes profits.

Letters are charged according to their weight, even though weight has little or nothing to do with the cost of delivering mail.

What does affect cost is whether a piece of mail is too large, bulky, or irregular in shape to be handled by machines. An internal Postal Service study showed last year, for example, that the cost of handling a large envelope, which cannot be handled by a machine, is about double the cost of handling an ordinary letter, which goes through machines. Yet the charge is the same for both. (The agency proposed charging extra for large envelopes, but the request has not yet been approved by the Postal Rate Commission.)

The emphasis on weight makes it easy for postal customers to cheat, since the cost of weighing each letter would probably wipe out any extra postage collected. As a result, the Postal Service has no regular procedure for weighing letters.

Indeed, letters with no postage at all are not returned to the sender. Instead, they are stamped "postage due" and forwarded to the person to whom they are addressed. Whether the postage is collected depends largely on whether the recipient is at home and the mood of the letter carrier.

In a test, the GAO found postage due was not collected by letter carriers on half the letters it mailed with no postage or insufficient postage. By contrast, the telephone company will not complete a pay telephone call unless a customer first pays for it.

The GAO has also found abuses of the complicated rules governing rates for other mail classes. For example, the Postal Service lost $1.5 million in postage because 115 mailers improperly claimed they were nonprofit organizations, GAO reported.

After the special rate classes are removed from the mail stream in the D.C. post office, your letter is piled on a hand cart and pushed to another conveyor.

Unlike production lines in manufacturing plants, postal sorting operations generally are not physically connected, and the capacity of the machines is not necessarily the same as others in the sorting process.

As a result, mail often is delayed or machines are not operated at full capacity, increasing costs as much as 20 per cent, Communications & Systems Inc., a private consulting firm, told the Postal Service in 1969.

The second conveyor where your letter is dumped is manned by additional workers, who pick out mail too bulky to go through the canceling machine. These items, which include bank statements, tissue-thin air mail envelopes, and circulars, must be canceled on slower machines or by hand with rubber stamps.

The canceling machine imprints postmarks on letters faster than the eye can see, but in visits to post offices from Boston to Chicago and New York to Los Angeles, these machines were observed to jam on an average of every 10 to 15 minutes. When the machines jam, a handful of letters are ripped, and these letters must be mended by hand in a separate section.

"It was a beautiful machine when it was invented over 30 years ago," said Rabinow, the National Bureau of Standards official, of the canceling machine. "It's now obsolete."

For one thing, noted Rabinow, the machines cannot tell if a stamp has previously been canceled. This means stamps can be re-used, he said. Some say that canceling stamps is obsolete and could be replaced with a variety of more efficient procedures.

After being canceled, your letter is sent to be sorted by clerks who place letters in pigeon holes according to zip codes. Those letters without zip codes—about 7 per cent of the total handled in D.C. last year—are sorted by special clerks who have memorized the postal distribution system.

An Associated Press mail test last year found using zip codes does not speed your mail. However, postal experts say that if a significant portion of the population stopped using them, the mail system would collapse, since most clerks do not know the distribution system and rely on the codes when sorting mail.

In D.C., your letter has a one in three chance of being sorted by machine. The letter sorting machine is described by the Postal Service as "the equipment of the future".

The 91-foot-long sorting device is far from being automated, however. It is manned by 20 employees, most of whom read zip codes on each envelope and punch the codes into keyboards. The machine shunts letters to appropriate bins.

Nor is the principle behind the machines new. The Postal Service experimented with a keyboard device in 1918 and installed such devices in a Providence, R.I., post office in 1960. The Providence post office, which was characterized by the postal officials as a "mechanized" operation, did not work because of mechanical failures.

Postal Service figures show that the present machines handle slightly more mail per man hour than hand sorting. The machines sort to more bins, and this can save subsequent sorting.

But the GAO said the machines also are an important cause of erratic mail delivery. The reason is that they have an error rate as high as 17 per cent, which means that letters are routed to the wrong place 17 per cent of the time.

Each time a letter is missent—say, to Chicago instead of Miami—it can be delayed as many as five days while being re-routed, in addition to regular delivery time, GAO said. In addition, missorting adds to costs by requiring nearly twice as many handlings in the process of routing letters back to their proper destinations, GAO said.

The GAO found that in recent six-month periods, 13 million letters were missorted by the machines in a New York City post office, 56 million letters were missorted by the Boston post office, and 8 million letters were missorted by two Florida post offices.

Dr. James C. Armstrong, a former postal official who is manager of corporate planning for AT&T, said this and other problems of the Postal Service would be eliminated if the agency required mail users to write zip codes in boxes printed on standard-size envelopes.

Dr. Armstrong said the envelopes could be made by commercial envelope manufacturers and sold in stores just as envelopes are sold now. Similar systems are used by Japan and Russia, he said.

Those persons who wanted to use conventional envelopes without zip code boxes would be charged extra, Dr. Armstrong added.

Because the envelopes would come in a standard size easily handled by machines and would show zip codes in the same place on each envelope, the letters could be sorted by relatively inexpensive machines, Dr. Armstrong said. These machines would read the zip codes through optical scanners without need of human operators.

Rabinow estimated each such machine would cost $350,000, compared with $300,000 for the current machines that require 20 operators. He said another machine that the Postal Service has been testing for sorting costs $3 million. This machine handles about twice the mail as one of the conventional machines.

Rabinow, who invented the current letter sorting machine in 1956, said that in addition to reducing the Postal Service's labor intensiveness, preprinted zip code boxes would eliminate missent letters. Because human operators would not read zip codes, he said, there would be no errors.

These and other experts said further savings would occur if zip codes had 10 digits so that each residence would have a number.

Although most of the technical experts interviewed for this series agreed such a system would be the best solution to rising costs and declining service, the Postal Service said it does not believe the method would work.

J. T. Ellington Jr., assistant postmaster general for planning, said he doubted the public would accept the constraint of using special envelopes.

Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971, contended the public would accept zip code boxes as easily as it accepted direct long distance dialing.

"People soon learned to dial direct on telephones because of the extreme saving in cost and time," Hayden said. "The present mechanization (in the Postal Service) is so costly because of the lack of standardization."

Josendale, the former deputy assistant postmaster general, who is chairman of Wire Rope Corp. of America in St. Joseph, Mo., said use of zip code envelopes would mean "all the mail could be delivered overnight."

Many postal experts, such as M. Lile Stover, who was director of distribution and delivery until 1969, believe nearly all the mail could be delivered overnight—if the Postal Service had the will to do it.

But a Postal Service policy begun in 1969 dictated that first class mail arriving in post offices during the night from distant points should not be sorted until daytime to save extra night pay and some equipment costs.

As a result your letter from D.C., although it generally arrives in California during the early morning hours, is not delivered until the third day after it is mailed—assuming it is not missent or encounters other delays.

"It hurts me," said Stover, "that I spent 30 years trying to get the mail to move the fastest way, and now they're slowing the mail."

A transcript of a meeting of postal officials in 1969, when the new policy was established, shows they were not unaware that the idea of slowing the mail would not sit well with the American public.

Although the purpose of the new Postal Service was to speed rather than slow the mail, Winston M. Blount, President Nixon's appointee as postmaster general, told the officials at the meeting:

"I don't give a damn if 90 per cent of my mail doesn't get there for a week or three or four days, anyway, but that other 10 per cent, I want to know it is getting there."

Blount then cautioned the others, accord-

ing to the transcript: "We have been talking about that enough around here . . . Anything you talk about around this area gets in the paper."

The discussion was continued by Blount's deputy, Frank J. Nunlist, a former president of Studebaker-Worthington Inc., which once made Studebaker cars. The transcript shows that Nunlist, who died recently, made it clear there were no plans to establish a fast and a slow service for first class mail. Instead, he said, the idea was to cut costs by educating the public not to expect "prompt" service.

"I must point out to you," Nunlist said, "that there is an area here where, whether we like it or not, we are not yet a postal corporation. And we want to get that bill passed. And then we can do a lot of other things. So you tread a little bit diplomatically to get the Congress to vote for your reorganization bill."

He added, "I am afraid that we probably have got to be careful and not publicly announce that we are not going to be striving for perfection."

Two months after the meeting, Postmaster General Blount testified before a House postal subcommittee:

"I have been asked whether the new U.S. Postal Service would jeopardize the level of postal services existing today. Let me make it clear that nothing could be further from the truth . . ."

Following is a sampling of complaints from the files of the House Postal Committee:

". . . To say the USPS is less than satisfactory is putting it mildly. I mailed an insurance payment from National City, Calif., to San Diego, Calif., (seven miles away), and three weeks later it arrived in San Diego, and needless to say the insurance agent was beginning to doubt my word that payment had been made . . ."—Iva McLaughlin, Jamul, Calif.

". . . Within the past month, it required three weeks to get a small book from Sacramento to Paradise (Calif.), 100 miles. Three weeks ago it took four days to get a bank deposit from Paradise to Chico (Calif.)—15 miles in a zip-coded letter. . . ."—Paul H. Finch, Paradise, Calif.

". . . I want to add my voice to those who must certainly be writing to you every day to protest the deterioration of our postal service. It took five days for a letter mailed here in Butler (Pa.) to be delivered in New York City. . . . It took four days for a letter from Butler to be delivered in Pittsburgh, Pa., 35 miles away. . . ."—La Monte Crape, Butler, Pa.

". . . It . . . takes four days for a letter to get there from Washington (D.C.) which is outrageous. The Pony Express did better than the U.S. Postal Service today, and we didn't pay the taxes we do now . . ."—Margaret Hildt, Hobe Sound, Fla.

". . . The higher rates have come along but the service has dropped to such a low point that every now and then I think it can't get any worse, and then it does . . . A small parcel post package mailed to me from New York took more than three weeks for delivery.

"Material mailed to my office building containing information on a meeting held March 11 (1974) and mailed from Jacksonville, Fla., the last week in February arrived in Shreveport the last week in April. Bulletins mailed to my office from Chicago took more than three weeks for delivery . . ."—Sam B. Hicks III, Shreveport, La.

". . . I would like to know why it takes five long days for an airmail letter to get from Denver to Prescott, Ariz., a distance of around 600 miles? . . .—John L. Parker, Prescott, Ariz.

". . . It is my understanding that the Postal Service is being or has been reorganized to insure more efficient and expeditious service, but you would never guess it from my experience and those I have heard from others. I find that the postal service is worse today then it has been ever during my lifetime of 62 years . . ."—Russell S. Garner, Arlington, Va.

". . . Congressman (Morris K.) Udall (D.-Ariz.) mentioned the claim of the Post Office that, 'Airmail provides a service advantage over first class mail, and it is believed that many postal customers are not using it to their advantage.' As demonstrated by a survey we have conducted. . . . this claim is manifestly erroneous . . ."—Rolland Bushner, Council on Foreign Relations Inc., New York, N.Y.

". . . About two (2) months ago, our firm mailed a bid for a project in Castelberry, Fla. It was mailed ten (10) days prior to the specified arrival date. It was certified mail, return receipt requested. It did not arrive on time (and) therefore was not accepted. . . . This sale was valued at over $10,000 . . ."—Frank Costello, President, Slurry Seal Pavements Inc., Newington, Conn.

[From the Washington Post, June 11, 1974]

ACCOUNTING SYSTEM CHANGED: PROFIT CLAIMED FOR THIRD CLASS MAIL

(By Ronald Kessler)

At first glance, it appeared to be a miracle. Third class, so-called junk mail which had been causing a loss to the Postal Service of $152 million a year, was suddenly bringing in a tidy profit of $407 million a year.

Even more startling was that the actual revenues and costs of third class mail had not changed.

Indeed, the conflicting versions of whether third class mail made money or not applied to the same year—fiscal 1970. What had changed was the Postal Service's method of showing those costs.

On the basis of the new method, the Postal Service claims that third class mail paid for itself and that first class mail—the class used by most Americans—is not overcharged to subsidize it.

The agency has cited the new cost system to justify recent increases in the price of a first class stamp from 8 cents to 10 cents.

But the agency's claims are contradicted by six other postal cost studies, including two by the Postal Service itself. They showed first class mail was overcharged and subsidizes all, or nearly all, of the other classes, which are generally used by special commercial interests.

One of these studies, by the U.S. Postal Rate Commission staff assigned to represent the public in rate questions, showed an overcharge to first class mail in fiscal 1972 of about $1 billion, after the overall postal deficit, for which no class of mail pays, is eliminated.

This means first class mail users are paying an extra 2 cents a letter to subsidize others.

The Postal Service denied it overcharges any mail class, and it said its official cost study is the correct one. But one postal rate expert who has publicly defended the new system said it was designed to hide costs. "The purpose of the system," the expert said, "was to cover up losses on second, third, and fourth class mail for political and economic reasons."

Second class is used by newspapers and magazines, third class by so-called junk mailers, and fourth class by parcel post mailers, who include the general public and large mail order houses. First class is used by individuals and by business.

The expert added, "First class was just Joe Doaks. They weren't worried about first class."

Postmaster General Elmer T. Klassen said in a Wall Street Journal interview that when postage rates are raised, first class mail would bear the brunt. "To the housewife mailing six or eight letters and bills a month, that's insignificant," Klassen said, referring to a possible first class increase from 8 cents to 10 cents.

"I'm more concerned about the big mail user. . . . Big mail users are much more vocal" than consumers in fighting rate rises, Klassen said.

Klassen recently discounted the interview as "misrepresenting" his views. He said he could not recall what he had said.

The question of overcharges and undercharges has long been a point of contention. Through the years, third class mailers had been accused of not paying their way, but they argued they saved the post office money because they presorted their mail. One industry consultant figured third class mail requires 30 fewer handlings than does first class.

To those not familiar with the Postal Service's old method of determining its costs, the argument made sense. Third class mail is presorted, and does save costs.

But as Congress was told by the General Accounting Office, its audit branch, the old method took presorting into account.

The cost figures were based on observations of time spent by clerks handling the various mail classes. If clerks spent less time on third class mail, it showed up in the cost figures, GAO said.

The figures still showed third class was losing money, and the issue became of more than academic interest when Congress, in creating the new Postal Service in 1970, said all classes must pay their full costs.

This meant third-class rates would have to be substantially raised. But during the debate on the postal reform bill, the cost system was changed.

Where third class had been losing money, it was now making money. Indeed, Winton M. Blount, President Nixon's appointee as postmaster general, called third class mail the agency's "most profitable class of business."

Was a deal made to change the cost system for third class mailers if they would support the Nixon administration's bill?

Robert M. Huse, executive director of the Mail Advertising Services Association, a third class industry group, said, "I think the promise to change the cost system made reform a little more palatable. The new cost system showed that third class mail was not only paying its way but making a profit."

What the new system did, in effect, was to change the rules defining costs.

The old system—known as a fully allocated system—charged all the costs of running the Postal Service to the various classes of mail.

Time spent by clerks sorting third class mail was charged, based on salaries, to third class mail. The cost of maintaining sections of buildings used for sorting parcels was allocated to fourth class parcel post. A postmaster's time tending to first class mail was assigned to first class.

The new Postal Service system—called short-run incremental costs—allocates to the various classes of mail only about half the expenses of running the agency. The remaining costs are charged to the mail classes largely according to the Postal Service's judgment of how much they can be charged without driving customers away.

Since first class mail customers have nowhere else to go because the Postal Service has a legal monopoly on the delivery of letters, the Postal Service has allocated the highest proportion of these extra costs to first class mail.

Economists and accountants interviewed for this series said most companies, federal regulatory agencies, and government agencies use the Postal Service's old cost system—fully allocated costs—for determining their expenses. They said some companies use another cost method, called long-range incremental costs.

But they said the Postal Service's new system—using short-run incremental costs—is

rarely used. When it is, they say, it is only for special, limited purposes.

For example, a manufacturer may have extra plant space available for a year. He might use a short-run system to figure his extra cost for making a new product line in the extra space while it is free. For this purpose, he would estimate the extra costs of salaries and equipment, but would exclude the cost of building and maintaining the plant, since this cost would continue regardless.

Obviously, if the manufacturer decides to continue making the new product line, he would have to take a long-range approach and figure in his plant costs. If he did not, he might think he is making money when he is losing it.

The new Postal Service method does not include the cost of buildings. It includes only costs that the Postal Service believes would increase or decrease within a period of a year if mail volume increased or decreased in the same period.

Since an increase in mail volume would not produce a new building within a year, buildings are not considered costs caused by any particular mail class, said Nathan W. Schachter, the Postal Service accountant who developed the new cost system. Schachter recently retired from the agency but continues as a consultant on rate matters.

For similar reasons, Schachter said, the new system does not charge to individual mail classes the costs of supplies, building maintenance, stamps, or most salaries of letter carriers, postmasters, and clerks who sell stamps.

A $1 billion expenditure on new buildings for sorting second, third, and fourth class bulk mail will be charged to first class mail users as well, said Arthur Eden, the agency's director of rates and classification.

If a home owner planned to charge rent for his home only on the basis of annual maintenance costs without including the cost of a paint job every five years, would he lose money?

Yes, Eden said.

Will the Postal Service lose money if it does not charge bulk mail users with the cost of painting buildings that sort bulk mail?

No, Eden said. Using an analogy, he said that if an apartment owner had difficulty renting his apartments, he would forget about the cost of constructing them and charge rents low enough to attract tenants.

Does this mean the new bulk mail facilities will lose money? No, Eden said, they will save money.

Seymour Wenner, chief administrative law judge of the U.S. Postal Rate Commission, found much of the Postal Service's reasoning to be anomalous. He ruled the agency's cost system does not show "the real costs the various classes impose on the system's capacity."

Wenner said the agency must change its cost system, but to date it has not done so. While six cost studies show first class mail is overcharged, the Postal Service has continued to base its rates on its new cost study, which shows first class is not overcharged.

In addition to Wenner's ruling, the new study has been found lacking by the GAO, which is expected to report this year that it fails to show the true costs of the mail classes.

Asked to cite any experts who agree with the Postal Service cost system for rate-setting, Eden of the Postal Service named two economists.

One, Dr. William S. Vickry, a Columbia University economics professor, said he generally agrees with the Postal Service method, but acknowledged that all of the federal rate-setting agencies that have heard his views—including the Federal Communications Commission and Interstate Commerce Commission—have rejected them.

"I'm a voice crying in the widerness," said Dr. Vickry, who is a paid Postal Service consultant.

The second expert, Dr. Alfred E. Kahn, a Cornell University economics professor, said he did not agree with the Postal Service method. To use short-run costs for setting rates, Dr. Kahn said, "would mean that you could be losing money when you think you are making it."

He added, "To fail to put the bulk mail costs on the bulk mail users is to subsidize bulk mail at the expense of first class mail users."

Since the new U.S. Postal Service was established, it has been engaged in a running battle with magazine and newspaper publishers over the issue of second class postage rates.

Government policy since the founding of the country had encouraged preferential rates for newspapers and magazines as a way of stimulating the flow of ideas and information. Benjamin Franklin, the first postmaster general, himself took advantage of this policy to send his own publications through the mails.

When Congress passed the act establishing the new Postal Service in 1970, it said the new agency should charge rates that cover as much as possible all the costs of a class of mail.

As a result, the newly established U.S. Postal Rates Commission approved increases in second class rates charged newspapers and magazines by an average of 138 per cent. Because of the sharpness of the increase, the new rates were to be phased over five years beginning in 1971.

Publishers, stung by increases amounting to millions of dollars, attacked the rate rises as an invitation to bankruptcy for some publications and an infringement of freedom of the press. They lobbied for legislation which recently passed the Senate, to delay the rate increases for a longer period.

The New Republic, which had traditionally opposed government subsidies of private industry, editorialized that what was at stake was whether "a multiplicity and diversity of periodicals is in the public interest."

Robert J. Myers, publisher of The New Republic, said he saw no conflict in the magazine's positions on subsidies. He said each subsidy must be evaluated on a "case-by-case basis."

"You either believe dissemination of free ideas in a free society is important or you don't," Myers said.

Not all publishers saw the issue that clearly, and some questioned the cries of financial doom.

"If the press' existence is determined by a government handout that can be taken away at will, I don't see that we've got much freedom of the press," said William G. Mullen, secretary and general counsel of the National Newspaper Association, which represents publishers of some 6,000 small daily and weekly newspapers.

According to James Milholland Jr., chairman of American Business Press, which represents business magazine publishers, "Postage rates, in our opinion, have not put any newspaper or magazine out of business."

Disagreeing, Stephen E. Kelley, president of the Magazine Publishers Association, cited the deaths of Life and Look as examples of the effect of the postal rate increases. The increases will "restrict the dissemination of information, ideas, opinions and education matter" and will stifle the birth of new magazines, Kelley told a congressional committee last year.

But a number of publishing industry executives said the mass circulation magazines were in trouble long before the Postal Service was established, and they said they often lacked the successful editorial focus of such magazines as Time, Newsweek, Cosmopolitan, New Yorker, Reader's Digest, Psychology Today, and Playboy.

While the rate increases were steep by any standard, they do not appear as large items in publishers' budgets.

Newsweek magazine, published by The Washington Post Co., owner of this newspaper, spent about 4 per cent of its 1973 budget on second class postage. This was one percentage point higher than in 1970, before the rate raises.

Second class postage for the average copy of Time magazine will increase to 4.7 cents after the five-year phased rate increase from 1.8 cents before, Andrew Heiskell, chairman of Time, Inc., told a House postal subcommittee.

The additional cost to a subscriber of Time, if the full increase were passed along to readers rather than advertisers, would be $1.50 a year. Heiskell said. He predicted, however, that the added cost would come to more than this figure because of an expected drop-off of circulation caused by higher subscription prices.

The rate increases have been stiffened further since the estimate was made.

Kelly of the Magazine Publishers Association has warned that if the second class rate increases had been in effect in 1970, the magazine industry's average pretax profit of 3.1 per cent would have turned into a $59 million loss.

But magazine industry consultant James B. Kobak, in a speech distributed by Kelly's group, pointed out the 3.1 per cent profit margin came from a survey whose results were heavily weighted by the losses of magazines such as Look. Other, profitable magazines were not included in the survey, he said.

In a forum less public than congressional testimony, Kelly has been more sanguine.

"We in the magazine field," he was quoted last year as saying in Folio, a magazine industry trade publication, "look ahead with strong convictions of further growth within the industry."

Figures compiled by Kelly's organization lend weight to his optimism. Thirteen consumer magazines ceased publication in 1973, while 128 new ones were started, they show.

[From the Washington Post, June 12, 1974]

$1 BILLION FOR SECOND-RATE PARCEL POST

(By Ronald Kessler)

The new U.S. Postal Service is spending $1 billion to build parcel sorting facilities that promise slower and more damage-prone service than the agency's parcel post competitor, United Parcel Service.

The network of new facilities, called the bulk mail system, are under construction and are expected to be finished in 1975. One of the buildings is now in operation in Jersey City, N.J., and the parcel sorting center for the Washington area is expected to be completed in Largo, Md., in September.

The Postal Service has promised that the new facilities will give the public "vastly improved service" by reducing parcel damage and speeding deliveries.

Presently, although the Postal Service does not disclose the fact to persons mailing packages, the average parcel mailed from Washington to Los Angeles takes more than eight days to be delivered, according to internal reports for the latest fiscal quarter for which figures are available. This is longer than the Pony Express trip from Missouri to California in 1861.

The Postal Service also does not tell the public that the chances of a package arriving at its destination unscathed are less reassuring. Internal reports show that, in a Postal Service test, about half the fragile items mailed by parcel post arrived broken.

The reason for the breakage is not hard to find. Although the new Postal Service told the press in 1972 it is "no longer throwing packages," visits to post offices from Boston to Cincinnati and from Miami to Los Angeles reveal it is rare when a package is not thrown.

Since sorting bins are placed 5 to 25 feet from clerks who sort the parcels, the alternative to throwing a package is a long walk to sort each one.

In the Chicago post office, clerks throw packages under a sign warning, "The parcel you toss may be your last." Clerks in the New York general post office are told, "Parcels must not be thrown more than five feet."

Although another sign warns that packages marked "fragile" are not to be thrown, these parcels were observed to be treated like any other.

"A private company that did that wouldn't last in business or would be investigated for consumer fraud," said John D. Swygert, executive assistant to the deputy postmaster general until 1969 and a consultant to large mailers.

If the shortcomings of the Postal Service's parcel post are obvious, so are the advantages of the private United Parcel Service (UPS).

Although the Postal Service publicly denies it, the government agency's internal reports show that one important reason for building the $1 billion bulk mail system was to attempt to stop an accelerating loss of business to UPS.

UPS, a private company started in 1907 as a messenger firm and owned largely by its managers, now handles about twice as many parcels as the public Postal Service. Seven years ago, the situation was reversed.

Internal Postal Service studies list the reasons for this success. UPS service is faster and more reliable than parcel post; its rates are generally cheaper; and its damage rate is one-fifth that of the Postal Service.

In addition, the studies say, UPS offers services the Postal Service does not: it gives free insurance on every parcel up to $100, it keeps a record on each parcel, and it picks up from homes and offices for an extra $2 fee.

While the Postal Service makes one attempt to deliver, the reports say, UPS makes three.

The Postal Service at times has publicly attributed UPS' success to what it calls "cream skimming" of the most profitable business. Unlike UPS, the public agency said, it must deliver every package of crumbling cookies and fruit cakes to every point in the nation, no matter how out-of-the-way.

There is some truth to this. The less profitable parcel business generated by households accounts for one-quarter of the Postal Service's volume, compared with less than 5 per cent of UPS'.

On the other hand, the majority of both entities' business comes from large, commercial mailers, and the Postal Service has never presented evidence to contradict UPS' claim that it picks up and delivers anywhere in the 43 states it is authorized by the Interstate Commerce Commission to serve.

"For the many reasons, disclosed on this record," John B. Drury, ICC administrative law judge, ruled last year on a UPS application to expand its jurisdiction, "it is abundantly clear that UPS is providing the American people with a broad service, designed to meet the public need, that is far superior to that of the (Postal Service's) parcel post or of any other carrier herein of record at a comparable, and oftentimes lower, cost."

Despite UPS' lower rates, it made an after-tax profit in 1972 of $77 million, or about 7 per cent of its $1 billion revenue. In about the same year, the Postal Service, which does not pay taxes, had a loss on its fourth class, largely parcel post, business of nearly $300 million, as calculated by the U.S. Postal Rate Commission's staff assigned to represent the public.

The Postal Service proposed in 1969 to change all this. To carry out the mechanization recommendations of the Kappel Commission, Winton M. Blount, President Nixon's appointee as postmaster general, said the Postal Service would build separate, modern systems for handling letter and bulk mail.

Processing both types of mail under the same roof, he said, was like "trying to manufacture tractors and sports cars on the same assembly line."

Blount said the bulk mail network would handle second-class newspapers and magazines that do not require speedy delivery, third-class mail, and fourth-class parcel post.

They would use modern sorting machinery designed to keep damage to a minimum. They would be located outside congested areas and near major transportation lines. To reduce handling and speed the mail, they would consolidate sorting now done in more than 500 post offices into 33 centers, including 12 auxiliary stations.

Five years later, the bulk mail system is being built under the direction of Blount's successor, Elmer T. Klassen. Despite Blount's original claims, the GAO has found the $1 billion network promises to give slower service than UPS and, in some instances, than the existing parcel post system.

While the Postal Service has claimed the new system would save money when compared with the existing system, the GAO has found the agency has no evidence to support its contention.

While UPS has designed its facilities to keep damage to a minimum by eliminating any free-fall drops of parcels, the Postal Service has designed its new buildings with drops of at least a foot.

When they designed the new bulk mail system, postal officials had before them the successful UPS facilities as models, but there is little resemblance between the two systems.

While the new bulk mail system will handle a large portion of parcels in canvas sacks, UPS uses no sacks.

"One of the problems with a canvas sack," said a UPS spokesman, "is that corrugated boxes are designed to withstand pressure if they're on their bases; in a sack, packages may or may not be sitting on their bases."

To empty parcels from the sacks, the bulk mail system uses a machine that tips them upside down and allows parcels to fall on a flat conveyor with impact-absorbing cones. Parcels near the lip of the sacks drop a foot. Those near the tops of the sacks drop as much as four feet.

A Postal Service analyst who helped design the system said, "There are an awful lot of ways to handle parcels besides dropping them from sacks. It's madness."

Employees in the Jersey City facility, which sorts parcels for the New York metropolitan area, said some parcels get caught in the folds of the sacks and later drop seven feet to the floor. They say other parcels are crushed in the sorting machinery or burst open when bounced against other parcels by high-speed sorting equipment.

"Parcels are breaking open like crazy," said an operator of one of the machines. Others say glassware, clothing, and books often spew on the floor, and extra workers have been assigned to rewrap damaged packages.

Repeated requests to tour the $130 million Jersey City facility were turned down by the Postal Service on the grounds the employees were too busy to give tours and the plant is not fully operational.

George R. Cavell, manager of the facility, did not return a reporter's telephone calls. Cavell selected the company that made the sorting equipment after he had been paid as a consultant to the company. He also determined that no other companies should be allowed to bid on the $8.4 million contract.

Cavell's secretary referred calls to Julie B. McCarthy, a headquarters employee, who said that although she had not seen the equipment sort parcels, the damage rate in the plant "has not been a problem which has occurred in any general sense."

She said parcels that drop four feet from sack-shaker machines are cushioned because they slide out on top of other packages. She said other machines are still be tested and improved.

In an interview, E. S. Brower, assistant postmaster general for bulk mail, acknowledged he did not know what the maximum drop in a UPS facility is.

When told it was zero, Brower, who claimed in 1972 that the Postal Service no longer throws packages, said he did not think the one-foot, designed-in drop in the new bulk mail facilities is unreasonable.

Brower said many parcels that do not arrive in sacks will drop only nine inches. He said tests have shown the equipment does not significantly damage parcels. He would not make available copies of the study, however.

Brower said the new system will offer service "as good or better than UPS." However, the GAO has found the new system promises slower service than UPS.

For example, UPS promises to deliver packages locally in one day, compared with two days promised by the bulk mail system. (The Postal Service recently amended its standard to call for one-day delivery of 76 per cent of local parcels.)

From Washington to New York, UPS promises two-day delivery, while the bulk mail network promises to make the trip in three days.

The Postal Service found in a 1971 test that UPS does not always adhere to its standards. Parcels that were supposed to be delivered to one area in three days took an average of 3.3 days, the test determined.

The bulk mail standard for the same distance is four days.

Much of the slower service of the new bulk mail system will be caused by its consolidation of more than 500 sorting centers into 33, the GAO has reported.

To Americans brought up on the proposition that bigness means efficiency, the consolidation makes sense. But in service industries like the Postal Service, bigness often means delays and higher costs. The largest post offices in the country, for example, have productivity rates as much as 50 per cent lower than smaller post offices.

In the bulk mail system, packages will often be slowed because they will travel longer distances before being sorted at the consolidated centers, GAO says. A parcel mailed the 103 miles from Pensacola to Panama City, Fla., will travel 1,536 miles through New Orleans, Memphis, and Jacksonville, GAO has reported.

Brower called GAO's conclusion that the new system will in some instances offer slower delivery than the present system "not true." He said the degree of consolidation of the new sorting facilities is "really not different from UPS."

However, Charles W. L. Forman, executive vice president of UPS, said that UPS has three times more sorting centers to serve 43 states than the Postal Service will have for 48 states. In the New York metropolitan area, he said, UPS has five centers, compared with the Postal Service's one in Jersey City.

Large centers, Foreman said, have been found by UPS to reduce productivity and increase service time.

Although the Postal Service has told Congress the new bulk mail centers would use modern sorting equipment, Brower acknowledged the machines work on the same principle as those used in post offices in 1968. They route parcels to appropriate bins based on address information punched into keyboards by clerks who read labels on packages.

Brower said the new equipment would cut costs because they sort to more bins than the old machines, reducing the number of addition sortings needed.

The Postal Service did not attempt to develop new sorting devices because "we wanted to make sure it would work," Brower

said. He indicated new machines might not work because they would be untried.

The GAO has found that much of the sorting equipment installed in Jersey City still does not work.

An internal agency memorandum by Robert E. Ruckman, a research analyst, says the equipment was designed on a rush basis. The official in charge of the project, Harold F. Faught, formerly a senior assistant postmaster general, was committed to starting construction of the system "too soon—before he could locate or design them (the buildings) with valid systems data," the memo says.

The number and location of sorting centers was determined by a computer based on "obsolescent" information, the memo said. Because of the "strange locations" chosen by the computer, the 12 auxiliary stations had to be added to fill in blank spaces on the map, the memo added.

Cavell, who was then in charge of the national bulk mail system, wanted the network designed in three months, ". . . other things, such as how the system would work, being add-on details later," the memo said.

Cavell, the memo said, decided to use "current processing hardware—no new development of machinery . . ."

The memo quoted Cavell as suggesting the new buildings could be used for five to seven years, then "write it off and ask for new facilities . . ."

The system was designed, the memo said, by "the blind leading the blind."

Asked why a mailer would want to switch his business from UPS to the Postal Service after the facilities are built, Brower said, "The main advantage over UPS is that they (persons mailing packages) can mail (parcels) with their other mailings."

Like other postal officials, Brower disclaimed any intention of building the facilities to compete with UPS. In part, postal sources said, this position is a reaction to congressional criticism of the unseemly appearance of spending $1 billion in public funds to compete with a private business that is, by all accounts, doing a good job.

"Is there any reason," postal officials were asked in 1972 hearings by Rep. Robert N. C. Nix (D-Pa.), "for the public to be concerned about the fact that a private company has taken parcel business from the Postal Service? Is there any reason to spend $1 billion on such an enterprise?"

Despite the claim that this was not its purpose, the Postal Service's internal reports devoted considerable space to charts depicting how the new system will stop the loss of business to UPS. Postal officials said that if the system does not do so, it will have no parcels to sort.

The system's capacity of 1.2 billion parcels is the combined volume of the Postal Service and UPS in 1971. Postal Service volume since slid to 475 million parcels, or less than half the capacity of the bulk mail network.

Brower said the new system will save money when compared with the present network even if parcel volume dropped further to 230 million packages. He declined to make available a copy of the study predicting the savings.

Brower said it had been reviewed by GAO, which "agreed" with it. However, GAO, it was learned, had told Brower that the study represented "speculation." Brower did not return subsequent telephone calls from a reporter.

A number of postal officials said the agency knew almost from the start that the new system might not justify its $1 billion cost. They said Blount, and later Klassen, were intent on showing visible improvement in the form of bricks and mortar.

"It was a shell game," said Dr. James A. Armstrong, a former postal official who is director of corporate planning for American Telephone & Telegraph Co. "No one knew when it was going to blow up."

James E. Josendale, who was deputy assistant postmaster general for operations from 1969 to 1971 and is now chairman of Wire Rope Corp. of America, said: "If I did that in my company and didn't show where I'm going to receive the money (to justify the investment), they'd throw me out."

[From the Washington Post, June 13, 1974]

MECHANICAL BUGS FOIL MAIL DELIVERY

(By Ronald Kessler)

A maintenance man recently stood on top of a letter sorting machine in a Cincinnati post office and poked it with a broom handle in an effort to make it work. A half hour later, the man was still poking the machine, while a second worker fed it letters one by one.

The machine was not a leftover from the old politics ridden Post Office Department. It was part of a new computerized letter sorting system that the new U.S. Postal Service claimed last year would save $1 billion annually.

Despite the claim the difficulty observed on a recent visit to the new letter sorting machine system in use in Cincinnati was not unusual.

Government audits have detailed a series of horror stories about the new equipment, from a high rate of missent letters to frequent jamming of letters in the machinery.

Last year, the General Accounting Office, the audit branch of Congress, reported that rather than saving money, the new system would be more costly than the present, largely manual system.

A confidential report by the Postal Service's internal auditors concluded that the system correctly sorted 1,100 letters per man hour. In contrast, the agency says about 1,700 letters per manhour were sorted by the D.C. post office last year using the method employed in 1775 by Benjamin Franklin, the first postmaster general: manually placing letters, one by one, in pigeon holes.

Ever since Franklin's time, postal officials have dreamed of replacing the pigeon holes with modern machinery.

While the telephone company replaced operators with dial equipment and manufacturers built automated plants, the Postal Service found itself largely bypassed by the industrial revolution.

Today, a majority of the mail continues to be sorted by hand. The Kappel Commission, which proposed postal reform, identified this reliance on hand labor as a chief cause of poor service and rising rates. The commission said the new Postal Service must be established as an independent government agency so it can raise money for mechanization.

In 1969, Winton M. Blount, President Nixon's appointee as postmaster general, promised he would give the public "sharply improved service" by building two mechanized systems—one for bulk mail, the other for letter mail.

Five years later, the bulk mail system, which will largely benefit special commercial interests, is being built, while the letter mail system, which would benefit individual citizens and all businesses, is not.

Without referring to the critical audit reports, Postmaster General Elmer T. Klassen told postal managers in a February, 1973, memorandum that a decision on implementing the letter mail system would be delayed until the Postal Service establishes it can successfully operate the bulk mail system.

While he calls the letter mail system that had been planned by the Postal Service "ill-conceived," Murray Comarow, who was senior assistant postmaster general for policy until earlier this year, said the lack of any mechanized system means "a continuation of the rising costs and erratic service that the new Postal Service was supposed to stop." Comarow was executive director of the Kappel Commission, which recommended postal reform in 1968.

Many postal officials are talking privately about the possibility of a 15-cent first class stamp, and congressional committees are talking about an increase in government appropriations to close the widening gap between revenues and costs.

The story of how the Postal Service arrived at this impasse illustrates what many postal officials say are some of the agency's most basic problems. It also sheds light on what mail service might be like in the future, since the Cincinnati equipment may one day be installed in post offices throughout the country.

At the heart of the Cincinnati project—the prototype of the proposed mechanized letter mail system—are two machines that sort letters into bins according to zip code.

One relies on human operators to read the code on each envelope and punch the information into keyboards. The second replaces the operators with computerized, optical scanners that read the codes.

Both machines imprint bar codes on letters to enable machines at subsequent points in the mail system to sort them more easily. The codes, which may be seen on some return envelopes oil and credit card companies provide for paying bills, contain address and zip code information.

Both machines currently are used in other post offices outside Cincinnati, and both have their shortcomings.

The machine that relies on human operators has an error rate as high as 17 per cent, the GAO has found. Each time a letter is missorted. It might be delayed as many as five days in addition to normal delivery time, the GAO said.

The optical scanner does not read handwritten or typewritten mail. It will not read mail addressed by machine if the addresses are in the wrong type face or ink, if the envelopes are the wrong color or carry printing or if anything besides the address shows up in a transparent address window.

A more sophisticated version of this machine being tested in New York reads typewritten mail but costs $3 million per copy and still requires 16 operators.

In contrast, the conventional letter-sorter reads all mail, costs about $600,000, and requires about 40 operators to handle about the same volume of mail as the computerized machine in New York.

The two machines used in Cincinnati were developed in the 1950s after then Postmaster General Arthur L. Summerfield began a policy of attempting to mechanize the mails.

Jacob Rabinow, chief of invention and innovation for the National Bureau of Standards, said no effort was made to develop a better machine when the Cincinnati project was started in 1969. "They decided they wanted something quick off the shelf because they wanted results to show the public," he said.

"An awful lot of planning (for the letter mail system) was done in a vacuum in the sense that they looked at isolated engineering possibilities rather than looking at the whole system," said Dr. James C. Armstrong, a postal official at the time who is now manager of corporate planning for American Telephone & Telegraph Co.

"The research and development effort at the Postal Service was largely a collection of hobby shops where people worked on pet projects that interested them," Armstrong added. "The idea of putting all the machinery under one roof hadn't occurred to them."

Indeed, the Cincinnati project is, in effect, half a post office. It does not sort letters until they have been initially sorted and canceled by a conventional post office on a different floor.

The Postal Service poured $49 million into

developing the Cincinnati project, and according to the outside consultants hired to evaluate the system, the expenditure was well worth it.

A study by Computer Sciences Corp. showed the system, if installed in 180 new postal buildings, would bring the Postal Service a net savings of $12 billion over 10 years with a $4 billion investment.

The system would even save money if installed in the 588 existing mail sorting post offices, the report, a one-inch thick document bound with the Postal Service seal, said.

The report, however, was based on a computer analysis and a computer analysis is only as good as the figures put into it. The GAO found they left much to be desired.

The figures did not include half the cost of erecting the new buildings, GAO said. They did not include additional transportation costs caused by carrying the mail further to reach consolidated sorting centers. And GAO said they were based on the system's theoretical, rather than actual performance.

The gap between theory and practice was wide. An internal Postal Service audit report said last year that the system rejected 20 per cent of the mail fed into it, even though the mail generally was selected as it would be handled easily by machines.

Rejected mail is delayed and adds to costs because it must be handled a second time by conventional sorters.

Because of frequent breakdowns, about 75 per cent of the cost of operating the Cincinnati project was spent on maintenance, the audit report said.

Often postal management did not know why machines were broken. It also did not know the total costs of operating the project, the report stamped "limited official use," said.

As recently as July, Ralph W. Nicholson, senior assistant postmaster general for finance, asked in an internal memo if the Postal Service knew exactly what the system consists of and what is expected of it.

The GAO found that about one-third of the letters sorted by the system could not be sorted according to plan at subsequent points in the mail network because they had been missorted, miscoded, or jammed in machinery.

Rather than speeding mail service, the GAO found the system might slow it in many areas because mail would be concentrated at large sorting centers.

This would mean longer trips before mail reached sorting centers, GAO said. In addition Postal Service internal figures show the productivity of larger post offices such as Chicago and New York is often half that of smaller post offices.

Despite the audit findings, Alden J. Schneider, assistant postmaster general for research and engineering, said recently that the Cincinnati project is not dead. He said further improvements are being made, some of the equipment is being replaced, and fewer maintenance men are now needed.

Schneider recently resigned, and no successor has been named.

Internal memos also show the agency has considered constructing new mail-sorting buildings even if it is not sure what will go in them. This plan was questioned in a 1972 memo by J. T. Ellington Jr., assistant postmaster general for planning. He pointed out that the computer analysis predicting savings from new buildings was based on the assumption they would contain the equipment used in Cincinnati.

"If so," Ellington wrote to other high-ranking postal officials, "we would appear to be deploying facilities to house equipment we may not use . . ."

By April, 1973, Ellington's doubts had been resolved. "I am satisfied," he wrote in another memo, "that the location of the facilities as currently developed is not materially affected by the type of mechanization," assuming it is not far different from equipment in Cincinnati.

Ellington said recently some of the new buildings planned would be necessary, anyway, to replace outmoded facilities. Asked what would happen if new machines that might be developed could not be used in the new buildings, Ellington said they would not be installed.

An official of Computer Sciences, which predicted savings from a network of new buildings, called the Postal Service reasoning "poor thinking." The official who asked not to be named, said, "First you choose the system then you build the buildings."

[From the Washington Post, June 14, 1974]

NEW POSTAL CONTRACTS COST $140 MILLION IN OVERRUNS

(By Ronald Kessler)

The new U.S. Postal Service has spent more than $140 million on contract cost overruns since the assertedly cost conscious policies of the new agency were adopted in 1969, a computer print out obtained by The Washington Post shows.

The print-out shows that overruns amounting to $128 million occurred on contracts that had not been competitively bid through formal advertising. The overruns on these contracts amounted to 40 per cent of the original contract prices.

In fiscal 1973, Postal Service figures show, only about half the contracts let by postal headquarters for $3,000 or more were given after formal, competitive bidding. The items purchased without bidding ranged from fork-lift trucks to carpeting for Postmaster General Elmer T. Klassen's office.

The law that created the new postal agency does not require competitive bidding. It does require it to operate efficiently. Both the postal agency and the General Accounting Office, the audit branch of Congress, have said competitive bidding is generally the cheapest and fairest way of procuring goods and services.

When it was informed of The Post's findings on Postal Service contracting, the GAO said it would begin an investigation of the agency's procurement practices.

Robert H. McCutcheon, assistant postmaster general for procurement and supply, said, "I don't feel the figures (from the computer printout) are an objective portrayal of procurement in the Postal Service." He added, "I'm not trying to cover up any messes."

McCutcheon contended that formal advertising is not the only way of securing competitive bidding. He said a different procurement method—called "negotiated" contracting—is also competitive.

Under the "negotiated" method, the agency selects companies to submit bids. The bids are not sealed, and the agency is not bound to accept the lowest one.

McCutcheon said two-thirds of the negotiated contracts let by the postal agency in a recent period were first listed in a publication that is read by potential contractors.

Asked about McCutcheon's comments, a GAO official cited by the agency as an expert in government procurement said, "Negotiation is not pure competition the way we would like to see it."

Although he was singled out by the GAO public information office as an official spokesman, the expert asked not to be named.

McCutcheon also said many cost overruns apparently had occurred because the Postal Service had changed the requirements of some of the contracts in question. He said other increases might have occurred because the agency ordered additional quantities under a contract allowing extra items to be purchased at the original price.

McCutcheon cited two examples of these contracts, but both turned out to be with another government agency rather than with a company. Those contracts were not included in The Post's analysis. A postal contracting source called the number and value of such contracts "minimal" and McCutcheon declined to cite the total amount of such contracts, saying it would require too much manpower.

In general, the GAO official said, any increase in the price of contract is an overrun and should not occur. It does not make any difference, he said, if the increase is caused by the contractor or the Postal Service. If changes occur often, he said, "It's poor management and poor planning."

Even a price increase caused by an increase in quantities ordered may not represent efficient procurement, the GAO official said. If each quantity desired were bid as a separate contract, he said, the agency should get a better price.

Almost from its inception, the Postal Service has been engaged in controversy over its contracting methods.

For example, the postal agency chose an underwriter to handle the sale of $250 million in bonds it sold to the public in 1971 without competitive bidding.

Congressional hearings later revealed that the underwriter, Salomon Bros. in New York, hired the former law firm of President Nixon and former Attorney General John N. Mitchell to handle the legal work for the offering.

The law firm was hired by William E. Simon, then a Salomon Bros. partner and more recently federal energy chief and Treasury Department secretary. Simon has acknowledged he is a friend of Mitchell.

Another contract for $8.4 million was given without competitive bidding to the Speaker Sortation Division of ATO Inc. by a postal official who had been a paid consultant to the company.

The Postal Service official, George R. Cavell, justified giving the contract to Speaker on the grounds it had the required equipment without the need for substantial development work. The GAO later said the postal agency knew at the time that Speaker's equipment—package sorting machinery for a bulk mail facility at Jersey City, N.J.—required further development.

Indeed, the GAO said much of the equipment has continued to require modifications even after it was installed. The Postal Service refused to allow this reporter to see the machinery.

More recently, the Postal Service spent $32 million to buy a new headquarters building in Washington's L'Enfant Plaza because its old building on Pennsylvania Avenue was too large and inefficient. Many postal officials now complain that the new building is too small.

Just before he took over as postmaster general on Jan. 1, 1972, Klassen pledged to tighten contract procedures. "We must do something from inside to provide better controls to avoid this kind of criticism from Congress," he said.

Since that time, Klassen himself has been found to be involved in giving contracts to acquaintances without competitive bidding.

Postal Service files show Klassen instructed postal officials to give contracts eventually amounting to more than $700,000 to a New York marketing firm headed by Charles N. Burnaford, a longtime Klassen business associate.

Burnaford said recently that Postal Service auditors had disallowed $135,000 in payments to his company. "The government steps on you," he said.

Although the Postal Service's contracting manual provides that goods and services should be purchased through competitive bidding with formal advertising unless it would interfere with "prompt, reliable, and efficient postal service," a memo in the

Burnaford file shows how the requirements are circumvented.

The memo, between postal contracting officers says a $43,000 contract must be given to Burnaford without competitive bidding because of the "crash nature" of the work to be done.

The project preparation of documentary films for the 1973 Postal Week program.

Another method of avoiding competition is illustrated by a $3.7 million contract given by the Postal Service in 1971 to Westinghouse Electric Co.

Why the job was given to an outside contractor is not clear. The job—to evaluate job positions to determine if they fit job duties—had previously been performed by postal employes.

"The feeling," said one postal official who asked to remain unidentified, "is you have to cover your ass, and if you give work assigned to you to someone else outside the agency), you can't be blamed if something goes wrong."

On the surface, the Westinghouse contract appeared to be routine. Indeed, then Postmaster General Winton M. Blount claimed in 1971 congressional hearings it had been competitively bid with formal advertising.

As a House postal subcommittee later reported, the contract was far from routine. "The evidence is overwhelming," it said, "that the Postal Service made up its mind long before the bids were solicited that the contract was going to Westinghouse."

How this happened provides a fascinating case history of procurement methods sometimes used by the Postal Service.

The House subcommittee found that more than a month before bids were solicited, the agency approached Westinghouse and began drawing up a contract to do the job. Robert W. Eidson, the postal official who gave the contract, told his superiors in a memo, "I can now say this will be Westinghouse for the contractor . . ."

The postal agency's legal department, however, blocked the attempt to give the contract without bidding.

Eidson then solicited bids from six companies, including Westinghouse. By soliciting bids, rather than advertising for them, Eidson was using the negotiated contract method.

The subcommittee reported that specifications in the solicitations for bids were tailored to fit the proposal already submitted by Westinghouse. It also found that the firms were given less than a week to submit bids after being told the agency's requirements.

When the bids were received, the one from Westinghouse turned out to be the highest in price. It exceeded the lowest bid by $1.8 million.

Eidson justified giving the contract to Westinghouse on the grounds it was most experienced in doing job evaluations and had the necessary qualified personnel.

However, a Westinghouse official later testified that his firm, which makes electrical equipment and appliances, had previously performed only one job evaluation. In contrast, several of the other bidders considered by Eidson to be less experienced had performed thousands of such evaluations, the subcommittee reported.

Eidson had also acknowledged before he rated the bids that Westinghouse was "not knowledgeable in the job evaluation area," according to the testimony of a former postal official, Anne P. Flory. She said Eidson told her Westinghouse would have to be trained by another firm to do the job.

Another firm was hired to train Westinghouse—at Postal Service expense. An official of that firm. Fry Consultants Inc., testified it could have performed the entire job evaluation contract for $2.2 million less than Westinghouse charged.

The official said his firm had never heard of an organization hiring a company to train another company to complete a contract.

Eidson also said the Westinghouse bid was superior because it complied with one particular requirement of the solicitation: that the contract be performed in 3,132 man weeks.

One of the bidders, Booz, Allen & Hamilton, was eliminated because it said it could do the job in about 2,000 man weeks.

Eidson acknowledged under subcommittee questioning that he did not know how many jobs the Postal Service had to evaluate when he arrived at the requirement of 3,132 man weeks.

"Yet you come up with not an approximation, not approximately 3,000 or approximately 2,000, but you come up with a figure of exactly 3,132 man weeks?" Eidson was asked rhetorically at subcommittee hearings.

The subcommittee referred its findings to the Justice Department for "appropriate action," but no action has been taken by Justice.

Westinghouse defended the Postal Service decision to give it the contract on the grounds that its bid complied with the man-weeks requirement. In addition, Westinghouse said previous experience in job evaluations was not necessary, so long as those assigned to the job had intelligence and general industrial experience.

Eidson, asked for comment recently, declined to say why he chose Westinghouse. He then refused to discuss any aspect of the episode.

When Eidson gave the contract to Westinghouse, he was in a department headed by Harold F. Faught, who had previously been employed by Westinghouse for 21 years and continued to receive deferred compensation from Westinghouse.

Faught said in subcommittee hearings that Eidson was temporarily detached from his staff while the Westinghouse contract was being negotiated. Although Eidson knew Faught had worked for Westinghouse, and the two men saw each other often, Eidson never mentioned the contract, Faught testified.

Last summer, Faught left the Postal Service as senior assistant postmaster general to become a vice president of Emerson Electric Co., which has a $4 million competitively bid contract with the Postal Service.

Emerson's chief executive, Charles F. Knight, is the son of the chairman of Lester B. Knight & Associates, an architectural engineering firm that has received nearly $6 million in postal contracts without competitive bidding.

Faught acknowledged recently that while at the Postal Service, he had helped select the Knight firm as a contractor, but he said any claim of a connection between the contracts and his jobs is "ridiculous."

[From the Washington Post, June 15, 1974]

POSTAL WOES START AT TOP

(By Ronald Kessler)

"The will of the Congress, and the will of the people, is clear," President Nixon declared in 1969, when he proposed reform of the Post Office Department. "They want fast, dependable, and low-cost mail service. They want an end to the continuing cycle of higher deficits and increasing costs."

Five years later, the record of the new Postal Service shows mail service has become slower rather than faster, deliveries more erratic rather than more dependable, and costs and government subsidies larger rather than smaller.

The new U.S. Postal Service has not been without achievements. It has appointed postmasters on merit rather than political considerations. It has decentralized operations to allow field managers to make more decisions based on local needs. And it has encouraged managers to think for themselves instead of relying on rule books.

But the agency has failed to fulfill its mandate of improving service and reducing costs and much of the debate over this failure has centered on a philosophical argument: Is the Postal Service a government agency created to serve the people or a business created to make a profit."

The debate stems from the agency's own congressional mandate—it must operate as a "service to the people" and strive to become financially self-sufficient by 1984.

The argument largely misses the point. A private company that gives poor service will eventually lose its customers, and with them, its profits in business as in government, service comes first and cost-cutting second.

The Postal Service has often forgotten this, but a majority of the present and former postal officials, congressmen and their aides, technical experts, and mail users interviewed for this series of articles said they believe the agency's problems go deeper than a reversal of priorities.

The problem, in their view, is not the basic legislation creating the Post Service. Although the legislation could be improved, they said, a return to the old Post Office Department would be a step backward.

Instead, the problem, in the view of most of those interviewed, is a lack of direction by the postal agency's management and the lack of a remedy in the congressional act for dealing with poor management.

The postal management does not see it this way. It contends that service has improved and costs have been cut, but there is less to these claims than meets the eye.

The agency said the postal deficit has been reduced, but a look at the annual report shows this has been accomplished because government appropriations have been increased.

It said productivity has gone up, but internal agency memos show the improvements have often been at the expense of service—for example, reducing collections from mail boxes. The 14 per cent increase in productivity—pieces of mail handled per man-year—has been offset by a 48 per cent increase in average compensation paid per man-year.

The agency said it has avoided crippling strikes, but union and postal officials said this has been achieved by giving the unions almost everything they demanded.

It said it has cut its work force by 5 per cent, but the reductions have been of temporary workers in response to union demands, while the number of costly, full-time workers has gone up. While the work force has been cut, payment of overtime has risen 13 per cent under the new management of the agency.

The Postal Service said it now treats mail users as "customers," but when it decided to strive no longer for overnight delivery of all mail, the agency made a deliberate decision not to tell the public or Congress.

The agency said improvements in service should now begin to show up, but it has been making similar claims almost since it was created.

Rep. Thaddeus J. Dulski (D-N.Y.), chairman of the House Post Office and Civil Service Committee, wrote to Postmaster General Elmer T. Klassen last December:

"I have been given repeated assurances that solutions to the collapsing postal system were at hand. But the promises keep falling by the wayside; instead of improvements, new complications arise, and things grow steadily worse."

Some of the reasons are relatively easy to pinpoint.

Service reached its lowest point since the agency began to measure it on a consistent basis in 1968 after Klassen ordered a hiring freeze in 1972.

The freeze applied equally to post offices with rising and declining mail volume. Since the agency is almost totally dependent on human labor to move the mails the resulting decline in service was not a surprise.

The lesson was not new. Although the old post office publicly blamed the historic pile-up of mail in the Chicago Post Office in 1966 on factors largely beyond its control,

former high-ranking postal officials said it was caused by a refusal by then-Postmaster General Lawrence F. O'Brien to soften a freeze on overtime. O'Brien said recently he could not recall his decisions on the matter.

Klassen now concedes his freeze was "wrong," but he blames aides for not warning him. One former aide said he told Klassen, but the advice was ignored.

Although the reasons for imposing a hiring freeze are readily understandable, many of the postal management's decisions outlined in this service are more difficult to explain.

How does one explain a decision to deliberately slow down first-class mail delivery? Or to spend $1 billion for parcel sorting facilities that promise slower service than one's competitor? Or to spend five years and $49 million on new mechanized letter sorting equipment without knowing what the equipment is supposed to do or what its full costs are? Or to charge first-class mail users for buildings not used by first-class mail?

Perhaps the most perplexing decision is a non-decision not to seriously explore requiring the public to use envelopes preprinted with boxes for zip codes. Most experts interviewed said these envelopes would solve most of the Postal Service's problems because they could be sorted easily by relatively inexpensive machines. Those who did not wish to use the envelopes could pay extra postage, the experts said.

The Postal Service said it does not believe the public would accept such a system, but it acknowledges that it has not asked.

Many present and former postal officials explained these shortcomings by citing the effects of a bureucracy, of the Postal Service's lack of either public accountability or a profit motive, of its inability to attract the top government job applicants, and of its lack of direction from the top.

"The basic inclination is to destroy intelligence and initiative," said a consultant who has worked closely with what he calls the "postal bureaucracy."

"There are more Ph.D.s, analysts, economists, and mathematicians on my floor at AT&T than in the whole Postal Service," said Dr. James C. Armstrong, a former postal executive who is manager of corporate planning for American Telephone & Telegraph Co. in New York.

"Nobody at the Postal Service looks at the whole picture," said Merrill A. Hayden, a former Sperry Rand Corp. executive vice president who was deputy postmaster general in 1971. He said each department within the agency goes its own way, and no one coordinates them.

Most of those interviewed said that rather than solving these problems, Klassen, the 65-year-old head of the Postal Service, has exacerbated them.

Klassen had risen from office boy to president of American Can Co. when he was named deputy postmaster general by President Nixon in 1969. He was subsequently appointed by Mr. Nixon to the newly created Postal Service board of governors, and in 1971, the board named him to succeed Winton M. Blount as postmaster general.

Critics, who refused to be identified, said Klassen does not take time to learn the workings of the Postal Service, inhibits aides from giving candid advice, gives short-shrift to long-range planning, and blames others for problems he often creates himself.

Former aides, who also insisted on anonymity, said Klassen takes frequent vacations and spends long weekends at his summer home.

Klassen's apparent lack of knowledge of postal operations has not gone unnoticed in Congress, where he is quizzed periodically on why the mails are so slow.

Referring to aides Klassen brought to help answer questions at a hearing last year, Rep. Charles H. Wilson (D-Calif.), said, "You have 40 or 50 people here, and yet you seem to have difficulty answering some of the questions."

Present and former aides of Klassen said his lack of attention to detail is aggravated by eyesight that becomes strained when reading normal-size print. Because of this, they say, reports given to him are often in large-size type, or he is given oral reports illustrated with slides.

Klassen denies he has a reading problem, and he has said he has been given bad advice by his subordinates. "There are too many people who want to tell the boss what they think he would like to hear," he said at a Senate postal hearing.

"Klassen says he's lied to. He's right. The reason is they're frightened of him. He says you do something, and I'm going to fire your ———," a former aide said.

Klassen denied he intimidates aides, and he cited meetings he initiated in February, 1973, to elicit criticism from postal managers. However, when the criticism turned to him, recalled a former aide. "He chewed them out."

While Klassen often talks of cost-cutting and modern management techniques, he has been criticized for lavishly furnishing his office ($1,500 for a receptionist desk $11,000 for carpeting) and his performance at American Can has come in for attack on Wall Street.

Under the structure established by an analyst for Merrill Lynch, Pierce, Fenner & Smith, the stock brokerage firm, American Can was "poorly managed" and "lacked a sense of direction."

An analyst for Smith, Barney & Co., a New York investment banking firm, said American Can was "one of the worst managed companies in existence" under Klassen. "They just did everything wrong," he said.

In recent interviews, Klassen, a gruff plain-spoken man who towers above most of his visitors, said, "I agree that American Can is poorly managed now. I brought the company from $2.70 per share to $4.18 per share."

(Earnings rose from $3.57 a share when Klassen became president in 1955 to $4.24 a share when he left in 1963.)

American Can's chairman did not respond to telephone calls.

Alternately hostile and conciliatory, Klassen said, "All you're really trying to do is smear the Postal Service, including Klassen." Softening, he offered, apparently only half in jest, to hire this reporter as a consultant.

Klassen denied subordinates are afraid to tell him the truth. "People speak their ——— piece," he said.

"Sure I'm impatient," he said. "I want to turn this thing around."

Under the structure established by Congress, Klassen reports to a board of governors, whose members are appointed to nine-year terms by the President. The board alone has the power to hire or fire a postmaster general. If service is slow, only the board can take action to correct it.

Those who have worked with the board said it has little understanding of how the Postal Service operates and is dependent on Klassen and his staff for information.

The board cannot take action if it does not think service is slow, and whether it is aware that service has declined under the policies of the new Postal Service is an open question.

Board members are paid $10,000 a year plus expenses and $300 per meeting. They make decisions affecting billions of dollars in public funds. But half the board members did not return telephone calls made to determine if they were aware service had declined.

Of those who did return calls, one said he would answer only questions in writing and the remaining members talked only in generalities or praised the Postal Service.

"I think the management is doing a good job," said Crocker Nevin, a former chairman of Marine Midland Grace Trust Co. in New York. He declined to discuss service.

Dr. John Y. Ing, a Honolulu oral surgeon, said he thought service had improved "considerably" since Klassen became postmaster general. (Postal Service sampling figures show it has remained unchanged—far worse than in fiscal 1969, the last year of the old Post Office management.)

Asked about Postal Service plans to spend $1 billion on bulk mail sorting facilities and $4 billion on letter sorting centers, Dr. Ing confessed he was "not too familiar" with the letter system and had not received "detailed" information on the bulk mail system.

The vice chairman of the board, Myron A. Wright, chairman of Exxon Company, U.S.A. the oil company, was among those who did not return calls.

The board chairman, Frederick R. Kappel, the former AT&T chairman whose report led to postal reform, said he would grant a personal interview only if it would "help" the Postal Service.

Kappell, 72, continues to maintain an infrequently used office at AT&T headquarters and owns AT&T stock and pension rights. In a brief telephone conversation from his Bronxville, N.Y., home, Kappel referred to "they" in the Postal Service and "we" in the telephone company.

Asked if he is aware postal service has declined. Kappel said he was not familiar with the figures but believes Klassen has provided proper leadership and "turned around" the agency.

He said, "If the Postal Service had spent less time sitting before congressional committees, they'd have better service."

MEMO SENT TO POSTAL MANAGERS

PHILADELPHIA, PA.
Jan. 1, 1974.

To: District Managers:

Please be alert to the fact that Washington Post investigative reporter Ron Kessler is visiting major offices. He just hit Cincinnati, apparently looking for trouble spots.

Between incessant and detailed questions posed about the Washington, D.C. Post Office, he did an expose on the President's real estate in San Clement, CA.

Kessler could well show up at a post office under tour jurisdiction. Do not tell him we won't furnish him any information. Do alert your key people to tell him that the post office is a restricted area and that the postmaster has certain regulations to follow. After he has been ushered in to see the postmaster, it should be very tactfully suggested he should take his inquiries through the office of assistant postmaster general for communications Jim Byrne at headquarters.

———.

Director, Public & Employee Communications.

BOARD OF GOVERNORS—10 SHAPE POSTAL POLICY

Following is a list of the board of governors of the Postal Service:

Frederick R. Kappel of Bronxville, N.Y.; chairman; former chairman of American Telephone & Telegraph Co. and of the Kappel Commission, which recommended postal reform.

Myron A. Wright of Houston, Tex.: vice chairman; chairman of Exxon Company, U.S.A.

Elmer T. Klassen of Bethesda; postmaster general; former president of American Can Co.

Charles H. Codding Jr. of Foraker, Okla.; owner of a cattle ranch and cattle breeding research firm.

Robert E. Holding of Cheyenne, Wyo.;

president and general manager of Little America Refining Co.

Andrew D. Holt of Knoxville, Tenn.; retired president of the University of Tennessee.

Dr. John Y. Ing, Honolulu, Hawaii; oral surgeon.

George E. Johnson of Chicago; president of Johnson Products Co.

Crocker Nevin of New York, N.Y.; consultant to Marine Midland Grace Trust Co.

Hayes Robertson of Flossmoor, Ill.; attorney.

(The 11th position on the board is vacant because the position of deputy postmaster general is unfilled.)

[From the Washington Post, June 15, 1974]

REPORTER ON POSTAL TRAIL PLODS THROUGH "RAIN, SLEET, SNOW"

(By Ronald Kessler)

In theory the new U.S. Postal Service is a government agency whose policies and operations are open to public scrutiny. In practice, a reporter who attempts to probe behind the agency's official claims can learn little by asking questions directly of officially designated spokesmen.

A Postal Service source familiar with its public information policies said, "They're cooperative when they think it will help them, and they verge on secrecy if they think they can get away with it when you're getting into areas that could embarrass them."

A request for operating and financial statistics on the D.C. Post Office was met with a claim by Carlton G. Beall, Washington district manager, that most of the figures requested do not exist.

Beall said in a letter that figures on salaries and number of workers per shift "is not the type that is needed or compiled in the day-to-day operations of the Washington Post Office."

He said the information "could only be supplied as a result of in-depth statistical studies." The studies would require "considerable" extra expense for which the D.C. Post Office is not budgeted, he said.

When postal headquarters was informed that this reporter had seen much of the information that Beall said did not exist, Herbert L. Wurth, a news information officer, acknowledged the information did exist but would have to be obtained from a computer in Philadelphia.

Wurth promised the information would be supplied, but several months later, it had not arrived. Additional complaints elicited statistics that had not been requested.

When the requested information eventually arrived after new complaints were made, the Postal Service refused to make available for questioning those persons who had prepared it.

The Postal Service allowed this reporter to see files on a postal contract given to an old business associate of Postmaster General Elmer T. Klassen.

But Bernard J. Roswig, director of public and media communications, requested that this reporter return copies made of documents in the file. The reason, he said, was that they had to be reviewed by the agency's legal counsel to determine if they should be given out under the Freedom of Information Act.

James H. Byrne, assistant postmaster general for public and employee communications, did not respond to a request that the agency cite an exception from the act to justify its refusal to make public the documents.

Charles J. Kidwell, an attorney in the legal department, later said his department had reviewed the documents and ruled they should be given out under the Freedom of Information Act.

During preparation of this series, Byrne issued a teletyped instruction warning the major post offices in the country that they might be visited by this reporter.

"Do not tell him we won't furnish him with any information," the memo said. "Do alert your key people to tell him that the post office is a restricted area and that the postmaster has certain regulations to follow. After he has been ushered in to see the postmaster, it should be very tactfully suggested he should take his inquiries through the office of assistant postmaster general for communications, Jim Byrne, at headquarters."

When this reporter attempted to tour a new bulk mail sorting facility at Jersey City, N.J., he was turned away by guards at the gate on the orders of E. S. Brower, assistant postmaster general for bulk mail.

Brower said employees in the $100 million installation were too busy to give tours, and he said it was not fully operational. A request that Brower cite a legal authority for refusing to allow a citizen into a public building was ignored.

When a reporter is permitted to tour a postal facility, he does not necessarily see what its employees see.

Prior to this reporter's planned visit to the Fort Worth, Tex., post office, for example, a local postal official warned his employees in a memo:

. . . Mr. Kessler, a columnist from a large newspaper, will be here for two days and two nights to criticize this office. The building will be cleaned thoroughly, and all supervisors will see that all employees are kept busy.

"Also, each employee must be prepared to answer any questions that might be asked. The maintenance unit will be kept in shipshape. If a work order is needed to correct a deficiency please ask for one."

Melvin Wilson, a Los Angeles post office tour guide said the agency generally prepares for visits by cleaning buildings and telling supervisors to make their employees "look alive."

"They do it for professors, reporters, film makers, and anyone from Washington," he said.

A reporter who wishes to get first-hand information from Postal Service employees responsible for key decisions often finds it difficult.

During preparation of this series, many high-ranking postal officials did not return telephone calls. Instead, the calls were returned by a public information officer, who said questions would be answered by the public relations department.

In this way, the officials avoided taking personal responsibility for the comments made about their own actions.

Those who would not talk ranged from Benjamin F. Bailar, a former American Can Co. official who is Postmaster General Klassen's top aide, to Paul N. Carlin, a former senior assistant postmaster general whose present title and duties for the postal agency could not be determined. Carlin would say only that he is doing a "special project for the postmaster general."

Other assistant postmasters general who declined to be interviewed included Robert E. Isaacs, who headed real estate and building until his recent resignation; William D. Dunlap, customer services; James C. Gildea, labor relations; and Darrell F. Brown, employee and labor relations.

Asked for comment, Byrne who is in charge of public information, did not respond to specific instances of non-cooperation. Instead, he said in a letter, "We have gone out of our way over the last three months to deal with Mr. Kessler on an almost daily basis in a spirit of openness and cooperation."

Byrne charged that this reporter had used "unprofessional and unethical tactics" that included calling postal officials "liars," acting as "an advocate rather than as a reporter seeking the facts," and "vowing to hold us up to ridicule in his story if we did not jump at his commands."

The charges were denied by The Post's executive editor, Benjamin C. Bradlee.

[From the Washington Post, June 11, 1974]

REPRESENTATIVE WRIGHT ASKS POSTAL ACTION

(By Barbara Bright-Sagnier)

Rep. James M. Wright (D-Tex.), author of one of the 20 bills introduced in the House that would abolish the semi-private U.S. Postal Service and re-establish close Federal control over the Nation's mail system, called for congressional action yesterday against what he called the postal service's "cavalier disdain" for the public.

Citing the current series in The Washington Post, The Great Mail Bungle, Wright said on the House floor that "one of the biggest mistakes Congress has made in recent years was surrendering its authority over the postal service and turning this vital public function over to a semi-secret private group."

Richard Barton, staff director of the postal service subcommittee of the House Post Office and Civil Service Committee, said Wright's bill of May, 1972, is one of 20 that would repeal the Postal Reorganization Act of 1970 establishing the present postal system.

Barton said the subcommittee is "trying to work out amendments to improve" that act rather than to repeal it.

He said Rep. James C. Hanley (D-N.Y.) would introduce within two to three weeks a series of amendments that would change the organizational structure of the Postal Rate Commission, increase the public service subsidy to the Postal Service, and clarify what may be sent through the mails.

Barton said an increase in the subsidy "would give Congress more control over how the Postal Service spends its money." A bill calling for annual congressional authorization of all appropriations to the Postal Service passed the House last year and is pending in the Senate, he said. The appropriation for fiscal year 1975 is about $1.5 billion.

Barton said the House subcommittee also is considering legislation that would allow the Postal Rate Commission, an independent government agency, to make the final decision on how much is to be charged for various classes of mail. The board of governors of the Postal Service currently has the final authority.

Other bills before the postal service subcommittee, said Barton, would establish nationwide standards of postal service and extend rural mail delivery.

He said the subcommittee expects to hold hearings in mid-July on recommended changes in the Postal Reorganization Act.

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL BEFORE NATIONAL PRESS CLUB

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. HENDERSON) is recognized for 15 minutes.

Mr. HENDERSON. Mr. Speaker, at noon today, my good friend MORRIS UDALL, a senior member of the Post Office and Civil Service Committee addressed the National Press Club here in Washington on the subject of the U.S. Postal Service. I ask unanimous consent that his address be printed here in its entirety in that it contains information of considerable import to this body.

I want to associate myself with the statement made and opinions expressed by my colleague, the gentleman from Arizona. Like him, I labored in the vineyard in support of postal reorganization. Like him, I supported this measure during a Republican administration, taking in good faith assurances given to us that it was the aim and goal of that administration to remove politics completely from the Postal Service.

Some people now suggest that maybe we should put the politics back in. Mr. UDALL does not buy that proposition and neither do I; but I agree with him that without substantial alteration of the present administrative framework, changes can and should be made to improve the Postal Service.

To the extent that legislative action may be required to accomplish these changes, I will work with Mr. UDALL and other like-minded colleagues on the House Post Office and Civil Service Committee to bring such legislation promptly to the House floor. The address follows:

ADDRESS BY REPRESENTATIVE MORRIS K. UDALL, NATIONAL PRESS CLUB, WASHINGTON, D.C., JULY 29, 1974

Somewhere, I ran across the anguished prayer of an anonymous politician: "Oh, Lord, give us the wisdom to speak gentle and tender words, for tomorrow we may have to eat them."

The subject I will address today is one I approach in sadness, humility, and a touch of anger.

Sadness because of a broken dream.

Anger, because a few men have lacked the vision and dedication that might have brought the dream closer to reality.

And humility—because I must admit I was too optimistic.

In just two weeks, we will mark the fourth anniversary of the signing of the Postal Reorganization Act of 1970.

August 12, 1970, was a day of optimism for me. The President's signature on the Act marked the climax of more than two years of intensive work, in which I was an enthusiastic participant. Many persons, inside and outside of Congress and the Post Office Department, private citizens and spokesmen for two Administrations, had contributed to what was a truly bipartisan reform effort. Though we had approached the problem from many different angles, we had converged on a common point that emerged as the Reorganization Act.

Our dream was somewhat like that of Franklin Roosevelt's in proposing the Tennessee Valley Authority: In 1933 he said Congress should create "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise."

We did not exactly achieve such a plan. But we thought we had come close. We felt we had devised a mechanism that had great potential.

The best minds in the field had faith in what we had done. Postmaster General Winston M. Blount, and most of his living predecessors, were present for the bill-signing. Hopes were high.

Nobody predicted either overnight miracles or long-term perfection. But we did expect measurable improvement within a reasonable period of time.

During debate in the House on August 6, 1970, I told my colleagues, "There are cynics and skeptics who believe this new postal organization will fail. No one can say it will not. But I have high hopes."

I said the main thing was that the old system was not working and we had no choice but to try something else. Then I predicted, "During the coming years, I am sure modifications will be necessary, omissions will be discovered and corrected." But Congress could take care of that when the time came, I said.

Well, the time has come. It was three years ago this month that the United States Postal Service came into being. Three years of the new management team is a long enough trial period. And my disappointment cannot be contained.

During the past three years, I have often kept silent when I felt like speaking out. I have given my support when my doubts were rising. I have felt the sting from colleagues who followed my advice in those days of 1970, and who now feel misled and cheated by a postal service which seems to get ever worse. I have counseled patience when my own patience was nearly exhausted.

I wanted—and still want—to believe in the system we had created. After all, it was the product of one of the most intensive examinations of a government service ever conducted, involving the work of a highly talented Presidential Commission, aided by numerous private consultants, endorsed by nearly every living Postmaster General, and by two Administrations of opposite parties. I was impressed by these people—people like Lawrence O'Brien, who gave the problems of the Post Office Department his greatest effort and dedication, both as Postmaster General and later as co-chairman, with Thruston Morton, of a citizens' committee dedicated to reform.

I believed that the House Post Office and Civil Service Committee had done an outstanding job, and that the final product, hammered out on the floors of the House and Senate, represented the best combination of the ideal and the possible that the legislative process could produce.

So, I have waited and watched. And now the time has come to speak out.

Four years have gone by and I no longer have much hope. The time has come to say that the system we created isn't working, and it is now painfully clear to me that there are no solid improvements in prospect. This bright new machinery, under this present management, simply isn't flying.

It is as if we had built an engine with eight cylinders, four ran beautifully but the other four blew out, and the operator had never looked at the manual.

We designed politics out of the system, and insofar as we eliminated the political appointment of postmasters and, promotion of upper level supervisors, we largely succeeded. But when it came time to issue the first quarter-million dollars in bonds, I was horrified and felt almost betrayed to discover that the old Wall Street firm of Peter Flanagan, White House business liaison and operator-at-large, got part of the business. And then when they picked the lawyers to handle the lucrative legal work related to the deal, they blatantly picked none other than the old Nixon-Mitchell law firm. And when I complained, they behaved as though they couldn't understand what I was talking about!

This was one of the early jabs of disillusionment I felt, but there were to be more. It was the first clear sign of politics and cronyism, of a far more vicious and destructive sort than the lower-level kind we tried to eliminate, creeping in the back door.

We gave postal workers collective bargaining, and we have avoided much of the widespread employee discontent that plagued the latter days of the old system. But we have yet to see the emergence of the truly well-motivated work force that is essential if we are ever to achieve the kinds of productivity increases that we need so badly.

We have seen some progress in construction of new postal plants and in the introduction of some modern equipment. But there has been a stubborn inability to approach any meaningful level of automated efficiency.

I should add that the merits of some of these construction projects are somewhat dubious. For example, one feature of the bulk-mail program is that the building company headed by former Postmaster-General Wilson Blount is sharing in them to the tune of 90 million dollars, about 10% of the total construction program.

We took rate-setting procedures out of the hands of Congress. But the public still considers postal rates to be too high for the quality of service received.

It seems that for every success there has been at least one failure—and some of the failures have lacked a redeeming success.

So, what are the choices? What do we do? I can see a number of alternatives, but I have to say none of them is very good. We can't turn back the clock. My optimism of 1970 won't rise again.

For one thing, I now have deep doubts that any public service monopoly can function efficently in a society and an economy as complex and dynamic as ours. The forces of powerful labor unions and the pressures of rapid changes in society's needs and demands may be too great.

The Postal Service and all its troubles aren't, after all, unique. Those who've tried to get a plumber or have had a TV or washer repaired know that even in straight private enterprise fields service is lousy. And a casual look at the other more-or-less monopolistic public or quasi-public service industries that serve us—or which we wish would serve us—tell the same doleful tale.

The nation's railroad system; public education; law enforcement; sanitation; urban bus and taxi systems; some of the privately owned utility monopolies; even fire departments and the mundane agencies of urban government—each has shown a tendency in recent years to become balky, inefficient, heavy bureaucratic, unresponsive, even rebellious. Why? I doubt that anyone has all the answers—if they have, why have they not come forward with the solutions?

But I see some common denominators here that may help explain some of the basic causes of trouble. One is that these are all monopolies. And, true to all our capitalistic phobias about monopolies, they tend to do as they please when they discover they have no real competition—and this is compounded, the bigger and more vital they get.

A second common-denominator I see is that these public service monopolies tend to be highly labor-intensive. When we say the public service agencies and utilities are monopolies, what we are saying in large part is that the workers in those fields have a monopoly. They know, on one hand, that they can put tremendous pressure on public executives and legislators when they want to, usually when they want their way in a dispute over a labor contract. At the same time, given the lack of competition, they have no really effective source of outside pressure to make them perform in the most responsive manner for the public. The only way they can be brought to act responsively and responsibly is by making them feel motivated to do so. And the necessary motivations and incentives have too seldom been provided.

So, one possibility is to chuck the whole thing overboard and go back to the old system. There are those among my colleagues who would like to go this route. Some of them, in nostalgia, think those were really the good, old days when a presidential patronage system and its corresponding party in Congress substantially controlled and managed such a major enterprise.

But we have been down that road already. And the results were disastrous. No evidence can persuade me that a 535 headed Congress can exert effective control and make the system work now, when congressional control failed so miserably before.

Back in the "good, old days," we had severe and repeated labor discontent. We had politics intruding in all sorts of places where it didn't belong. We had annual rate battles and bottom-of-the-barrel financing of postal construction and improvement projects.

One of the men who had the burden of trying to run the system. Larry O'Brien, said during those days that the Post Office was "in a race with catastrophe." He was right, and despite reorganization, the system still is not winning the race.

Think of the problems we would have today if we had not changed.

We would have continued to have all the problems I just mentioned, and on top of that, the present Administration (or a Humphrey Administration, had 1968 gone differently) would have had time to load the system with 12,000 patronage postmasters!

There is a commonly made assumption that is never challenged and should be. That is, that if we had kept the bankrupt old system, it would somehow be giving us good or at least better service than we're now seeing, The critics of the new system simply forget how bad things were deteriorating when we tried to change them. We knew the old system was wrong, and it would have been wrong to keep it. The critics seem to imply that two wrongs would have made a right.

I think we can agree that things would not have been better if we had left things as they were—my guess is they might well have gotten worse. The problem is that they have not gotten enough better—quickly enough.

So, if the old way is not the solution, what about the other extreme? We have gone part-way to independence, creating a special agency of the Federal Government, not cut loose from government apron-strings, but on a longer tether. Why not follow the advice of the free-enterprisers and completely sever most of those strings?

Take the suggestion of Congressman Crane, for instance, and invite competition and free enterprise. After all, some priavte carriers are doing quite well, despite (or perhaps because of) the presence of the near-monopoly of government in this field.

In some areas of mail service, private enterprise probably could do a better job. But at what price? The rural areas where customers are far-flung would suffer immense cost increases. Many publications and non-profit organizations, which the present system subsidizes, would also suffer dearly. I see these as serious arguments againt putting postal services entirely in the hands of private enterpirse.

Yet, if what we had in the past didn't work, and what we have now isn't doing any better, we should not rule out any other alternative without at least giving it a full and fair hearing. We have come to a point where we must keep an open mind, reevaluate all the old assumptions, and make room for some new approaches. I won't accept private enterprise right now as a solution; but I won't entirely rule it out as an eventual option, either.

There is also a third choice; it isn't very promising either. It is to take this new, malfunctioning machine that we build four years ago and remodel it—redesign some of it, give it some new working parts.

And, one more very important change—give it a new pilot and flight crew, a new management team that understands, better than the present one, what we are trying to accomplish and how to operate it.

A central reason for the failure of the new postal system to rise to our expectations has been, I am convinced, the failure of those who were placed in charge of it to fully understand how it was to function and what would make it go. Its managers never really grasped the concept we had.

Neither the present Postmaster General nor his predecessor, with both of whom I had good personal relations, demonstrated the range and depth of vision that I believe was called for, to translate the blueprints we drew in Congress into a fully and efficiently operating system.

The managers who were put in charge of it were mostly good capable men with commendable records as managers of private industry. They were honest, decent men; but, they never fully understood what we were trying to do. They never were able to shift gears, and make the change, from running a business to running a public service.

They and the board of directors that were brought in with them suffered from terribly narrow conceptions of the postal system. They were unable to grasp the central fact that they were running a highly labor-intensive industry. Labor accounts for something like 85 per cent of the dollar cost of the Postal Service. This they have failed to understand. Under these circumstances, the central, most vital single job of management is to devise methods of bolstering employee morale, incentive and productivity.

Yet, who has been in charge, attempting to lead this army of nearly three-quarters of a million people? The present Board of Governors includes a rancher, the head of a refining company, a former university president, a dentist and real estate developer, the head of a cosmetics company, a retired telephone company director, a banker and financier, and an oil company executive, plus the Postmaster General, the retired head of a container manufacturing firm. The experience value of these backgrounds appears to be of little relevance to trying to run the Postal Service.

These are men who have experience of essentially two kinds: they either come from highly mechanized industries, or from the financial world. They know how to manage machines and money, but not enough about managing men.

Their backgrounds seem to have hindered more than helped.

Most of these people are beyond their most active and productive years. They had given their best efforts to their private pursuits before coming to the Postal Service.

They come from the same narrow world of the big corporation. At the top of an organization that counts heavily on blacks and females as employees, there is not one female and the one black member is hardly representative of the rank-and-file blacks who handle the mail every day and who make up 40 per cent of the postal work force.

Such a lack of breadth and depth at the top is a severe handicap. But narrowness and shallowness are not the greatest handicaps that have hobbled the Postal Service's leadership. The last couple of appointments of the Board of Governors have carried the unmistakable taint of political influence. It is well known that powerful Members of Congress have in effect nominated, and the White House, through its ability to pull the strings and control appointments, has confirmed selections of members of the board.

So, what are the rewards of this kind of manipulation and political cronyism? For one thing, we get a leadership that totally lacks the ability to try new methods and explore new approaches to the difficult tasks that confront the Postal Service. The leaders of this sluggish army fail even to consider methods that others have tried and have found to work.

Consider, for example, the business management techniques lately being employed in other industries and in other countries. To cite just one example that has captured attention not only in business circles but in the popular media, the Japanese have developed management techniques that might potentially be highly effective in the Postal Service, but which to the average American corporate executive turns everything upside-down. It goes against the very grain and current of American management practice to give the initiative to people at the bottom of the management ladder, yet that is exactly what Japanese managers do, and at least one recent study has shown their methods significantly superior to ours.

Newsweek magazine recently published a report on the differences between the two systems and the successes the Japanese have had, even when using their methods in the United States, with American workers. To quote one management specialist named in the article, "The Japanese simply outmanage us when it comes to people. We've done very well coping with the inanimate elements of management. But a shocking number of American managers are really inept in dealing with people."

I don't know that the methods of the Japanese, or of other countries or industries that could be examined, would bring big, immediate improvements in the performance of our postal system. But it reveals a basic narrow-mindedness that the managers of the system have failed even to give the thought some serious consideration, and perhaps a field trial or two.

Another glaring deficiency, which indicates to me how the present management has failed to recognize the dominance of the human side of the Postal Service, is the lack of emphasis on having a good staff, or a director or two, who fully understand public service labor unions and how they work.

No matter how many billions of dollars are spent on machines and buildings, they won't do the job without also dealing with the human side that is 85 per cent of the system.

Besides being too homogenous, too lacking in the kinds of background, experience and perspective that were called for, the board of director has fallen down in fulfilling what should be one of its main functions: to stand up to the management of the system, to challenge its judgments, to stimulate new thinking, and to continually press for creative and appropriate solutions.

One reason for this is that the board of governors has been in effect, hand-picked by the White House and management—with the unfortunate help of some congressional stringpullers. As a result, it has served as a rubberstamp, a tool of the management it instead should be prodding and challenging.

I doubt that any of these men have ever been out in the work room when the mail rush is on, or has known a postal worker as a friend.

The board of governors should be part gadfly, part guiding light. Part coach and part umpire. It should include men who understand managing a system such as this; but it also should include spokesmen for the interests the system is there to serve and with whom it must deal—mail users, citizens, postal workers.

But the Board of Governors can not carry the load alone. They must have top managers who also understand what we are seeking and know how to achieve it. There have been some excellent appointments among the top managers to date—but these have been the exception rather than the rule. Too many of our senior managers both past and present, do not seem to understand the mission of the public service, which is precisely: to serve the public with efficient, reliable mail service. The Postmaster General and his main aides must understand that this isn't American Can Company, but a public service arm of government. An agency that is not here to turn a profit, but which hopefully can break even, and which has as its chief task to deliver the best possible service.

There have been lesser problems which also have contributed to the overall difficulties.

One has been an extremely high turnover rate among management personnel. We all have experienced the effect when there is a new letter carrier on our route—it slows down the mail for a few days. When there is constant change in personnel at the top, it has a similar effect, but with far wider ramifications.

Finally, we have seen some cases of extremely bad judgment on the part of top-level management. If the reports that have become public in recent weeks about cronyism and favoritism in the sales of bonds, the

buying of equipment, the letting of contracts, are true, then it is a double tragedy.

It is a tragedy because it is yet another rip in the lately tattered moral fabric of our government. And it is a tragedy because men who were entrusted with a job that is vital to the commerce and communications of their country placed self-interest above that trust and thereby held it in contempt. Had they been dedicated to getting the job done the best possible way, they would have acted otherwise.

But hand-wringing and mourning the failures of the Postal Service will not correct its problems. We need strong practical measures.

Many men have worked hard and with great dedication to try to reform this postal system, to create the new agency and start it down the road. Men like Chairman Dulski and Congressmen Jim Hanley and Charles Wilson of the Post Office Committee, and Tom Steed and Howard Robinson of the Appropriations Subcommittee on the Post Office, who supported passage of the bill, wished it well and worked hard to give it the financial tools to work with in its infancy.

In the Postal Service itself, we have had the full support and dedication of some fine and able men as well. General Counsel Lou Cox, Senior Assistant Postmasters General Ralph Nicholson and Edward Dorsey, Assistant Postmaster General Norman Halliday—these men and others have struggled against great handicaps to try to make the new Postal Service fulfill the hopes and intentions of its authors and supporters.

These men deserve every effort we can put forth, in recognition of what they have given, to try to correct the flaws that have become evident over the past four years, to try to make right what they believed in.

I for one feel a strong obligation to make what suggestions I have, if only because of my share of the responsibility for shaping the Reorganization Act.

Here are some steps I believe might improve upon the present structure and functioning of the Postal Service:

First, I have never been satisfied with the composition of the Board of Governors. We should keep it at its present size—nine members plus the Postmaster General and his Deputy. But I believe we should diversify the backgrounds of those members. We should consider including representatives of labor, mail users, perhaps Congress. While I have pointed out the Postal Service's heavy dependence upon human labor, it is important further to recognize that a large portion of that work force has been traditionally black. We should consider this, too, in choosing members of the Board of Governors.

In connection with this reform, I believe the independence of the board is essential to a healthy spirit of creativity and openmindedness. Giving the board its own small independent staff would be a step toward this objective.

Second, we must clarify and tighten up the rules for recruiting, hiring and compensating high-level management personnel. Though local postmasters are now recruited from the ranks of the work force, too few career postal workers have been placed in top management positions at the headquarters level.

Congress should specify the number of employees that are permitted in the $36,000-and-up salary ranges and require more strict justification for placement of personnel at those levels, and for outside recruitment.

Third, there should be Congressional action mandating that the Postal Service follow the contract-letting procedures required of other federal agencies under present law. When we wrote the Postal Reorganization Act, we deliberately exempted the Postal Service from these requirements. For the most part, I am told they are followed anyway, and I assume they are.

But the past four years or so have brought to American government some of the most discouraging examples of cronyism in a long, long time. We have learned of case after case in which public officials apparently just didn't understand that a public servant doesn't give government business to a favorite friend, just because he is a friend. Sadly, the Postal Service has not escaped these subversions of the public trust.

I have already mentioned how Peter Flanagan and the old Nixon-Mitchell law firm got a piece of the action when that first quarter million dollar bond issue was sold. The buddy system was at work with a vengence. James Hargrove, at the time a senior postal official, admitted that he and Flanagan were pals.

But I wouldn't want to leave out the fact that William Simon, who has risen from Nixon fund-raiser to manager of the public purse as Treasury Secretary, was previously connected with another firm that was favored with a chunk of the business.

There have been lesser examples; instances of contracts being let to firms that either previously or subsequently employed Postal Service officials.

In recent weeks we have seen a stream of news articles alleging a variety of questionable acts by high officials. These charges and revelations only serve to send employee morale plummeting lower while heightening the public's sense that it isn't service that counts after all, but promotion of personal gain.

When Congress exempted the Postal Service from the usual contracting and procurement restraints, it was done in the hope that this would provide a flexibility that would promote faster improvement in service. We gave freedom, but we did not intend free wheeling and dealing. It is time to pull in the reins.

Even if we could be assured that only the highest principles would govern future business transactions by the Postal Service, we must show the public and the postal work force that Congress won't stand for any more favoritism. Giving your pals the contracts may be the way private businesses operate—it may even be alright in the private sector. But public agencies can not be allowed to run that way.

It is disturbing that we turned to business to provide the management and leadership, and business has let us down. The reason may be that the Postal Service is a hybrid, only part business and the rest government bureaucracy, existing chiefly as a public service institution. This is a far more difficult kind of institution to manage than a private corporation. Being confined by requirements such as competitive bidding doesn't make it any easier.

But this only demonstrates and underscores the need for top-flight management that possesses a rare combination of know-how in both business and government, that understands politics, and has the knack—so critical in labor-intensive organization—of managing and motivating people.

Fourth, Congress should adopt the rate-setting safeguards contained in the House version of the Reorganization Act, but modified in conference with the Senate. The Congress, under this provision, would retain veto-power over rate increases. This is one of the most emotional aspects of postal operations, and one in which I feel the public wants its elected representatives to have a final say.

Fifth, I believe the time has come for the American people to decide whether they want total freedom of variety in the form of the mail they send or whether they are willing to sacrifice some of this freedom—which seems to verge at times on anarchy—in exchange for greater efficiency.

We should carefully explore the feasibility of creating a new type of First Class Mail, which would be sent in standardized envelopes, possibly containing pre-printed Zip Code spaces that a machine could find and read. This would be strictly a private-letter class of mail.

This is not a new idea. Great Britain uses a standardized mail system somewhat of this sort. It is optional, but it goes at a reduced rate. We already follow a plan somewhat like this in the International Postal Union's letter system, with the dimensions of letters required to fall within a standardized range.

What logic is there in having hundreds of possible sizes and shapes of envelopes, and then wondering why we can not have automation? Variety may keep life interesting, but it keeps the life of the postal worker confusing and frustrating. Americans should decide whether they want good service or every size and shape of envelope the human mind can devise.

Please note that I am not even suggesting that all mail should be standardized. I am only talking about what is sometimes referred to as "Aunt Minnie Mail," personal letters. Yet, this accounts for fully one-fifth of all 1st class mail—about 10 billion letters a year. It would seem that finding a way to automate its handling would not only speed its delivery, but ease the burden of handling the other four-fifths.

While investigating this proposal, we should also consider freezing the postal rate for this kind of mail at the present 10 cent rate, for a fixed period of time, to avoid further increases in the cost of writing to Aunt Minnie.

Sixth, I believe we should seek the support of the postal workers in trying out, on a limited, pilot-test basis, a variety of incentive plans. These could range from piecework incentives (extra pay or benefits for handling or delivering more than some reasonable average number of pieces) to off-the-job benefits such as family recreation programs, group vacation plans and other ideas that would serve as fringe-benefits while building esprit de corps.

The Postal Service is not designed to make a profit—Heaven knows, we wish it would break even—so it would be difficult to attempt a profit-sharing incentive plan. But perhaps there are ways we could tie some employee benefits to improvements in efficiency and reduction of costs. This, too, should be at least explored.

Seventh, I believe both the Postal Service and the public deserve to know where Congress stands on the question of postal service standards. Congress should adopt a clear-cut statement on the levels of service it expects, both in speed of mail delivery in the various classes and in the services delivered at the Post Office window and to customers along the route.

True, writing this down in the book won't guarantee that these service levels will be met. But they will provide a guideline and a yardstick that should help the Postal Service in its attempts to raise its levels of performance, and help the public measure its success.

Eighth, finally, the general public is doubly frustrated in attempting to cope with the problems it perceives in the Postal Service.

Besides being frustrated when the system doesn't perform as well as the public thinks it should, citizens are frustrated when they attempt to express their frustration.

They complain to the local letter carrier and the hometown postmaster, who say they are doing the best they can, but policy is set in Washington. So the citizen writes his Congressman, and is told that Congress doesn't run the Post Office anymore. There was good reason for getting Congress out of the everyday operations of the postal system. But the Citizen still deserves to have a voice in the system.

To achieve this, I would suggest creating local citizen mail-users' councils, to meet regularly and discuss the operations of the

system, to have a say in changes in policy and procedures before they are put into effect—in short, put to a productive use the public's desire to have a say in the system.

We already do this to improve business mail service. The ordinary citizen deserves at least equal treatment.

Besides bringing the public into the picture in an orderly and constructive fashion, these councils would give postal officials a chance to express their frustrations and explain their problems. The result at a minimum would be greater understanding on both sides, and at best could bring some real improvements in service.

I also raise a suggestion that I approach with regret and reluctance. It deals with Postmaster-General Klassen, the man where the bucks stops.

I know Ted Klassen and I like him. His life story is one of struggle and success. I consider him a friend who would welcome forthright advice. He undertook a trying, difficult, second career when he could have the luxury of a leisurely retirement. With bluntness and courage, he has stood up to political pressures, including a good number from the White House. His stewardship at the Postal Service is not without success. I firmly believe him when he explains that the recent disclosures about a consulting fee he received in the interim between his two tours of duty in high Postal Service posts were in good faith—though I do fault him for a mistake in judgment and for not seeing how the transaction would appear to the public.

And so, not in rancor, but in friendship and with reluctance, I call on him to pick an appropriate time in the next six months when his pending projects are in order—and then to step aside. Not under fire . . . but with gratitude for giving his best, and in the best interest of the things he was worked for. I ask him to go at a time of his choosing—not in failure . . . but in recognition of the limitations of what he can hope to do.

For I am convinced that if the Postal Service is to surmount the unique challenges, it needs a new leader who can see things in a fresh perspective. If the United States Postal Service is to succeed it will take new concepts, attitudes, vigor, fresh thinking, and enthusiasm which he cannot be expected to provide.

The resignation of the present Postmaster General could open the way for an intensive search for an executive of proven talent and experience in a field which may have provided the kind of background needed in this extremely difficult position. We could search for someone with the peak of his—or her—career still ahead. Someone who could bring fresh ideas and vigorous leadership to the task. Someone capable of dealing with the needs of a highly labor-intensive industry that cries out for innovative thinking, new technology, new methods. Surely, somewhere in America, there is a man or woman in their 30's or 40's who can bring a sense of excitement, innovation, newness, change, enthusiasm to this troubled and extremely vital public service. Someone ready to give the best ten years of his or her life to the task, and to show us that we are wrong—to demonstrate that public service monopolies can find new ways to overcome their own handicaps and weaknesses, and can give us efficiency and service.

I am convinced that the choice of the person at the controls is among the most important factors in determining how the machine functions.

So, those are my modest suggestions:

A newly constituted Board of Governors, with wider diversity and viewpoint, greater independence and influence;

Tightened rules for recruiting, hiring and paying top management personnel, with more stress on drawing on career employees of the Service;

Tougher control over the contracting and procurement procedures;

Congressional veto-power over postal rates;

A new, optional, standardized class of mail for personal letters, with automation as a major goal;

Experiments with employee incentive plans;

Congressionally mandated standards of service;

A system of local private citizen mail-users' councils; and

A new, vigorous, innovative Postmaster General.

I am sure others also have ideas, and I would hope that Congress, in the coming months, would give full, open-minded consideration to all of them. I am pleased that the House Committee hearings are now underway and we must not leave any possible solutions outside our investigations. We must not accept any of the old assumptions without challenging them. We have replaced one system that didn't work with a new system, and found it doesn't work much better. We can't afford strike three.

As long as men write laws, laws will be imperfect. If that weren't true, we would have legislated ourselves out of business long ago.

We can only do our best, and then try to improve on it. We did our best with our postal reorganization plan. Now it is time to do better.

CUSTOMS SERVICE

Mr. HUMPHREY. Mr. President, I wish to commend the Appropriations Committee for including in this bill language specifically prohibiting the use of any funds available in this bill for the transfer of any functions, personnel or equipment out of the U.S. Customs Service or from the Bureau of Customs to any other agency of the Federal Government without the express consent of Congress.

This requirement relates, of course, to the efforts of the Office of Management and Budget to transfer the functions of the Customs Service between ports of entry along the Mexican border to the Immigration and Naturalization Service, and to carry out this transfer of statutorily assigned functions without the benefit of congressional approval. Last year the OMB was unable to obtain approval for all the transfers they wished to accomplish, so this year—lacking the power to transmit reorganization proposals any longer—they decided to carry out the transfer unilaterally, and to label it a "management" decision.

Last month, I introduced Senate Concurrent Resolution 92, which calls upon the Office of Management and Budget to desist from any actions intended to execute the planned transfer. In introducing that resolution, I noted that only Congress has the right to alter statutorily assigned functions, and that the OMB was attempting to bypass the Congress illegally. The chairmen and members of the Treasury Appropriations subcommittees in both the House and the Senate sent letters to OMB Director Roy Ash pointing to the illegality of his proposed actions, and demanding that he refrain from any further actions.

The limitations against the use of any funds appropriated in this bill for carrying out any facets of such a transfer are a further step in our effort to prevent this capricious avoidance of congressional authority by the OMB. It is not at all clear to me why the OMB should have found it necessary at a time like the present to engage in such an attack on the constitutional prerogatives of the Congress. But I would sincerely hope that the message we are sending to the OMB in this bill will be clearly heard and thoroughly understood.

Mr. MATHIAS. Mr. President, as the full Senate today considers passage of H.R. 15544, the Treasury, Postal Service, and general Government appropriation bill for fiscal year 1975, I am pleased to rise in strong support for this bill as reported by the Committee on Appropriations.

The bill we have before us represents the product of careful deliberation and close scrutiny by the subcommittee chaired by the distinguished Senator from New Mexico (Mr. MONTOYA) and by the full committee, on which I am privileged to serve. At a time of great inflationary pressure, I am particularly pleased that we have succeeded in trimming a total of $54,688,000 from the amount requested in the President's budget, and a total of $679,659,000 below the amounts we appropriated for the same agencies and programs in the last fiscal year.

I believe this is clear evidence of the commitment of the Appropriations Committee—and the Congress as a whole—to keep a close watch on every taxpayer's dollar and to hold the line on excessive Government spending. At the same time, I am also convinced that these represent responsible cuts, so that the Government will not be hobbled or hindered from functioning efficiently and smoothly.

I would also like to commend the committee action with respect to two items of particular interest to me, both of which relate to the appropriation for the General Services Administration. The bill which passed the House, Mr. President, included two cuts or limitations in the GSA budget which were of grave concern to me.

The first was a substantial cut of $101.6 million in the request for real property operations. This cut, if not restored by the Senate, would have resulted in a critical reduction in the level of protection, cleaning and maintenance available for Federal buildings, and might have required the firing of as many as 8,500 blue collar workers responsible for providing these services.

For this reason, I strongly protested this House cut in a letter to Chairman MONTOYA and urged a full restoration of these funds. It seemed to me that we would be most ill-advised to make a cut so deep that we would, in effect, be asking our dedicated Federal employees to carry out their tasks in a steadily deteriorating work environment—which would hardly have been a useful way to encourage increased productivity by our civil servants.

While this view did not completely prevail in our committee deliberations, I am happy to note that we did at least succeed in restoring all but $25 million of this cut—which will be sufficient to

avoid laying off any existing employees, and to provide at least a minimal level of protection, cleaning and maintenance for Federal buildings.

Another issue of importance raised by this bill as passed by the House concerned the provision written into the bill which would have limited GSA's authority to execute purchase contracts—which finance the construction of Federal buildings—to a maximum of $250 million during this fiscal year. The Senate committee has wisely recommended an increase in this limitation to a level of $350 million, specifically pointing out in its report that this will allow a full go-ahead for financing of the construction of a much-needed new national headquarters building for the Social Security Administration in Woodlawn, Md.

For these reasons, Mr. President, I want to commend my fellow members of the Committee on Appropriations for reporting out a bill which is both fully responsive to the needs of our Federal employees and programs and at the same time fiscally responsible during this period of crucial Federal belt-tightening.

The PRESIDING OFFICER (Mr. BARTLETT). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. MONTOYA. I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG) and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) would vote "yea."

The result was announced—yeas 82, nays 15, as follows:

[No. 340 Leg.]

YEAS—82

Aiken	Case	Hart
Allen	Church	Hartke
Baker	Clark	Haskell
Bayh	Cook	Hatfield
Beall	Cranston	Hathaway
Bellmon	Curtis	Hughes
Bennett	Domenici	Humphrey
Bentsen	Dominick	Inouye
Bible	Eagleton	Jackson
Brock	Eastland	Javits
Brooke	Ervin	Johnston
Burdick	Fannin	Kennedy
Byrd,	Fulbright	Long
Harry F., Jr.	Goldwater	Magnuson
Byrd, Robert C.	Griffin	Mansfield
Cannon	Hansen	Mathias
McClellan	Pastore	Stevens
McClure	Pearson	Stevenson
McGee	Pell	Symington
McGovern	Percy	Taft
McIntyre	Randolph	Talmadge
Metcalf	Ribicoff	Thurmond
Metzenbaum	Roth	Tower
Mondale	Schweiker	Tunney
Montoya	Scott, Hugh	Weicker
Moss	Sparkman	Williams
Muskie	Stafford	Young
Packwood	Stennis	

NAYS—15

Abourezk	Dole	Nunn
Bartlett	Gurney	Proxmire
Biden	Helms	Scott,
Buckley	Hollings	William L.
Chiles	Huddleston	
Cotton	Nelson	

NOT VOTING—3

Fong	Gravel	Hruska

So the bill (H.R. 15544) was passed.

Mr. MONTOYA. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. MONTOYA. Mr. President, I ask unanimus consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of H.R. 15544.

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

Mr. MONTOYA. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MONTOYA, Mr. BAYH, Mr. EAGLETON, Mr. CHILES, Mr. MCGEE, Mr. MCCLELLAN, Mr. BELLMON, Mr. HATFIELD, and Mr. YOUNG conferees on the part of the Senate.

PRIVILEGE OF THE FLOOR ON H.R. 15323

Mr. PASTORE. Mr. President, I ask unanimous consent that the following members of the Joint Committee on Atomic Energy staff be allowed to be present during the debate and voting on H.R. 15323 being considered tomorrow: Edward J. Bauser, James B. Graham, Randall C. Stephens, and James T. Ramey.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 11108) to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

H.R. 5094. An act to amend title 5, United States Code, to provide for the reclassification of positions of deputy United States marshal, and for other purposes; and

H.R. 14592. An act to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research development, test and evaluation for the Armed Forces, and to prescribe that authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 11108) to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970 was read twice by its title and referred to the Committee on the District of Columbia.

ORDER FOR PRINTING OF S. 821, JUVENILE JUSTICE BILL

Mr. BAYH. Mr. President, I ask unanimous consent that S. 821, the Juvenile Justice and Delinquency Prevention Act of 1974, be printed as passed by the Senate on July 25, 1974.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 2510) to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes; disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOLIFIELD, Mr. ST GERMAIN, Mr. FUQUA, Mr. HORTON, and Mr. ERLENBORN were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

ENROLLED BILL SIGNED

The message also announced that the Speaker has affixed his signature to the enrolled bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

The message further announced that the House has agreed to House Concurrent Resolution 566 to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 566) to provide additional copies of hearings and the final report of the Judiciary Committee on the impeachment inquiry was referred to the Committee on Rules and Administration.

EXEMPTION FROM DUTY CERTAIN EQUIPMENT AND REPAIRS FOR VESSELS

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8217.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Rpresentatives to the amendment of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, which was: In lieu of the matter proposed to be inserted by said amendment, insert:

SEC. 3. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93-233 and amended by section 2 of Public Law 93-256 and by section 2 of Public Law 93-329) is amended by striking out "August 1, 1974" and inserting in lieu thereof "April 30, 1975".

SEC. 4. (a) The second sentence of section 204(b) of the Emergency Unemployment Compensation Act of 1971 is amended to read as follows: "Amounts appropriated as repayable advances and paid to the States under section 203 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act."

(b) Section 903(b) of the Social Security Act is amended by striking out paragraph (3).

SEC. 5. Section 1631 of the Social Security Act is amended by adding the following at the end thereof:

"REIMBURSEMENT TO STATES FOR INTERIM ASSISTANCE PAYMENTS

"(g)(1) Notwithstanding subsection (d)(1) and subsection (b) as it relates to the payment of less than the correct amount of benefits, the Secretary may, upon written authorization by an individual, withhold benefits due with respect to that individual and may pay to a State (or a political subdivision thereof if agreed to by the Secretary and the State) from the benefits withheld an amount sufficient to reimburse the State (or political subdivision) for interim assistance furnished on behalf of the individual by the State (or political subdivision).

"(2) For purposes of this subsection, the term benefits' with respect to any individual means supplemental security income benefits under this title, and any State supplementary payments under section 1616 or under section 212 of Public Law 93-66 which the Secretary makes on behalf of a State (or political subdivision thereof), that the Secretary has determined to be due with respect to the individual at the time the Secretary makes the first payment of benefits. A cash advance made pursuant to subsection (a)(4)(A) shall not be considered as the first payment of benefits for purposes of the preceding sentence.

"(3) For purposes of this subsection, the term 'interim assistance' with respect to any individual means assistance financed from State or local funds and furnished for meeting basic needs during the period, beginning with the month in which the individual filed an application for benefits (as defined in paragraph (2)), for which he was eligible for such benefits.

"(4) In order for a State to receive reimbursement under the provisions of paragraph (1), the State shall have in effect an agreement with the Secretary which shall provide—

"(A) that if the Secretary makes payment to the State (or a political subdivision of the State as provided for under the agreement) in reimbursement for interim assistance (as defined in paragraph (3)) for any individual in an amount greater than the reimbursable amount authorized by paragraph (1), the State (or political subdivision) shall pay to the individual the balance of such payment in excess of the reimbursable amount as expeditiously as possible, but in any event within ten working days or a shorter period specified in the agreement; and

"(B) that the State will comply with such other rules as the Secretary finds necessary to achive efficient and effective administration of this subsection and to carry out the purposes of the program established by this title, including protection of hearing rights for any individual aggrieved by action taken by the State (or political subdivision) pursuant to this subsection.

"(5) The provisions of subsection (c) shall not be applicable to any disagreement concerning payment by the Secretary to a State pursuant to the preceding provisions of this subsection nor the amount retained by the State (or political subdivision).

"(6) The provisions of this subsection shall expire on June 30, 1976. At least sixty days prior to such expiration date, the Secretary shall submit to Congress a report assessing the effects of actions taken pursuant to this subsection, including the adequacy of interim assistance provided and the efficiency and effectiveness of the administration of such provisions. Such report may include such recommendations as the Secretary deems appropriate.".

SEC. 6. (a) Section 1611 of the Social Security Act is amended—

(1) in subsection (a)(1)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of such Act is further amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"SEC. 1617. Whenever benefit amounts under title II are increased by any percentage effective with any month as a result of determination made under section 215(i), each of the dollar amounts in effect for such month under subsections (a)(1)(A), (a)(2)(A), (b)(1), (b)(2) of section 1611, and subsection (a)(1)(A) of section 211 of Public Law 93-66, as specified in such subsections or as previously increased under this section, shall be increased by the same percentage (and rounded, when not a multiple of $1.20, to the next higher multiple of $1.20), effective with respect to benefits for months after such month; and such dollar amounts as so increased shall be published in the Federal Register together with, and at the same time as, the material required by section 215(i)(2)(D) to be published therein by reason of such determination."

SEC. 7. (a) Section 15(c)(2) of Public Law 93-233 is amended by striking out "December 1, 1974" and inserting in lieu thereof "March 1, 1975", and by striking out "July 1, 1975" and inserting in lieu thereof "March 1, 1976".

(b) Section 15(c)(5) of Public Law 93-233 is amended by striking out "March 1, 1975" and inserting in lieu thereof "June 1, 1975" and by striking out "October 1, 1975" and inserting in lieu thereof "June 1, 1976".

(c) Section 15(d) of Public Law 93-233 is amended by striking out "January 1, 1975, except that if the Secretary of Health, Education, and Welfare determines that additional time is required to prepare the report required by subsection (c), he may, by regulation, extend the applicability of the provisions of subsection (a) to cost accounting periods beginning after June 30, 1975" and inserting in lieu thereof "July 1, 1976".

SEC. 8. Section 249B of the Social Security Amendments of 1972 is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1977".

SEC. 9. (a) Section 1902(a)(14)(B)(i) of the Social Security Act (relating to certain cost-sharing fees required to be paid by some individuals under medicaid) is amended by striking out "shall" and inserting in lieu thereof "may".

(b) The amendment made by subsection (a) shall be effective January 1, 1973.

SEC. 10. (a) Section 211(a)(1) of the Social Security Act is amended by inserting after "material participation by the owner or tenant" each time it occurs the following: "(as determined without regard to any activities of an agent of such owner or tenant)".

(b) Section 1402(a)(1) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended by inserting after "material participation by the owner or tenant" each time it occurs the following: "(as determined without regard to any activities of an agent of such owner or tenant)".

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973.

SEC. 11. (a) The staff of the Joint Committee on Internal Revenue Taxation shall conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act of 1951, as amended, with a view to determining whether such Act should be extended beyond December 31, 1975, and, if so, how the administration of such Act can be improved. The Joint Committee staff shall specifically consider whether exemption criteria and the statutory factors for determining excessive profits should be changed to make the Act fairer and more effective and more objective. The Joint Committee staff shall also consider whether the Renegotiation Board should be restructured.

(b) In conducting such study and investigation the staff of the Joint Committee on Internal Revenue Taxation shall consult with the staffs of the Renegotiation Board, the General Accounting Office, the Cost Accounting Standards Board, and the Joint Economic Committee.

(c) The staff of the Joint Committee on Internal Revenue Taxation shall submit the results of its study and investigation to the

Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on or before September 30, 1975, together with such recommendations as it deems appropriate.

Mr. TALMADGE. Mr. President, I believe the Senate can be quite pleased with the House action on H.R. 8217. The Senate added 11 provisions to this bill. The House has accepted all or a significant part of nine of the Senate provisions. Of the three amendments with the greatest cost impact, the House has accepted the major part of two of the Senate provisions, concerning supplemental security income and unemployment benefits. The House was unwilling to accept at this time the third provision, relating to the retirement income credit, because the Ways and Means Committee has already proposed its own retirement income credit provision as a part of the tax reform bill they are working on now.

Let me describe briefly how the provisions in the House substitute amendment relate to the provisions in the Senate-passed bill.

RETIREMENT INCOME CREDIT

Under present law a retirement income credit of up to $1,524 multiplied by 15 percent—that is, $229—is allowed for single persons age 65 or over having retirement income. The credit is reduced by social security and certain other pension income, and it is reduced for persons under age 72 by 50 percent of earnings over $1,200 and 100 percent of earnings over $1,700. Under the Senate provision, the credit for a single person would be based on $2,500 instead of $1,524, and the credit would be reduced by 50 percent of all earnings above $2,100. The House was unwilling to accept this provision at this time because the Ways and Means Committee has already incorporated a provision liberalizing the retirement test in the tax reform bill they are now working on.

SUPPLEMENTAL SECURITY INCOME PROVISIONS

The Senate amendment included a provision which would make it possible for the Social Security Administration and the States to enter into arrangements whereby the States would provide payments to meet the basic needs of aged, blind, and disabled persons during the time while the Social Security Administration is processing their claims for benefits under the supplemental security income program.

Social security would then reimburse the States for these interim payments out of any retroactive SSI benefits otherwise due the applicant. The Senate amendment would have authorized these arrangements for a temporary period ending June 30, 1975, with a requirement that the Secretary of Health, Education, and Welfare report to Congress his recommendations concerning this provision 60 days prior to that date. The House agreed to this Senate provision with a modification which would move the expiration date from June 30, 1975, to June 30, 1976.

The Senate amendment also contained a provision which would provide for automatic cost-of-living increases in supplemental security income benefits starting in July 1975. Under this provision SSI benefits will be increased whenever social security benefits are increased automatically because the cost of living has risen. The Senate amendment would also have required States which provide additional State benefits over and above the Federal SSI benefits to pass on these automatic increases in SSI to the beneficiaries rather than offsetting them by reducing the amount of the State benefits. The Senate provision also included some Federal funding for States which would have incurred additional costs because of this requirement. The House of Representatives accepted that part of the Senate amendment which provides for automatic cost-of-living increases in the Federal SSI benefits, but rejected the requirement that States pass through these increases to beneficiaries without offsetting reductions in State benefits.

UNEMPLOYMENT BENEFITS PROVISIONS

Under existing law, extended unemployment benefits are payable for up to 13 weeks over and above the 26 weeks of benefits under the regular unemployment programs in States experiencing high rates of unemployment. To be eligible for 50 percent Federal matching, States must have both a 4-percent or higher rate of insured unemployment and a rate of insured unemployment which is at least 120 percent of the rate prevailing in the State in a comparable period of the prior 2 years. Because of persistent unemployment in certain areas of the country, however, many States which meet the first requirement of a 4-percent insured unemployment rate no longer are able to meet the second factor. Consequently, Congress has on several occasions acted to allow States, on an optional basis, to waive the 120 percent requirement. The most recent enactment permitting such a waiver will expire at the end of this month.

Under the Senate amendment, the authority for the States to receive Federal matching for extended benefits without meeting the 120 percent requirement would have been extended through the end of June, 1975. The House accepted this amendment with a modification under which the provision will expire on April 30, 1975 rather than on June 30, 1975.

The House also accepted, without change, a Senate amendment which would modify the procedure for reimbursing the general fund for certain advances which were made to the Unemployment Trust Fund to cover the cost of benefits under the Emergency Unemployment Compensation Act of 1971.

MEDICARE AND MEDICAID AMENDMENTS IN H.R. 8217

The House has accepted the three Senate provisions relating to the medicare and medicaid programs. The first provision extends for an additional 3 years 100 percent Federal funding of the costs for training and compensation of inspectors of long-term care institutions participating in medicaid. These inspectors determine compliance of skilled nursing facilities and intermediate care facilities with health and safety standards.

The second provision removes a requirement that States impose a premium or enrollment fee on medically needy persons using medicaid. The provision makes this premium optional with the State rather than mandatory.

The third provision extends the period for a study of appropriate and fair reimbursement for physicians in teaching hospitals until March 1976. The original study requirement was included in Public Law 93-233. Both the Department of Health, Education, and Welfare and the National Institute of Medicine, which is doing the study for HEW, indicated that a longer study period was needed to do a thorough job.

SOCIAL SECURITY COVERAGE OF FARM INCOME

The Senate amendment included a provision to make clear that a farm owner who does not himself participate in the operations of the farm will not be subject to social security tax on farm rental income because of actions taken by a farm management company which acts as his agent in leasing the farm to the tenant. The House of Representatives agreed to the Senate amendment with modifications of a technical nature.

PROVISIONS RELATING TO THE RENEGOTIATION ACT

The Renegotiation Act was recently extended for 18 months, through December 31, 1975. The Senate bill would have provided for an extension only through June 30, 1975, and it directed the staff of the Joint Committee on Internal Revenue Taxation to conduct a comprehensive study and investigation of the operation and effect of the Renegotiation Act. The House would not accept a modification in the expiration date of the Renegotiation Act, but they did agree to the Senate provision directing a comprehensive study of the act. This study must be submitted to the Committee on Finance and the Committee on Ways and Means by September 30, 1975.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, I wonder if the Senator will tell me who on their side is primarily concerned with this.

Mr. TALMADGE. It went to conference in the House, and was reported in technical disagreement. The House and Senate conferees were unanimous in their report. The House will propose certain amendments which embodied about 80 to 85 percent of the Senate amendments to the bill.

It was agreed to by the conferees on the part of the Senate, which I believe were Senator BENNETT, Senator CURTIS, and one other I do not recall at the moment. Senator BENNETT can speak for himself.

Mr. BENNETT. So far as I am concerned, I see no reason why we should not concur in the House amendment.

Mr. TALMADGE. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ORDER FOR CONSIDERATION OF DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, 1975—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I should like to make a request while the distinguished Republican leader is on the floor. I ask unanimous consent that the Department of Transportation appropriation bill be the first order of business at the conclusion of morning business on Friday, with the time limitation being 1 hour, equally divided between the Senator from West Virginia and the Senator from New Jersey; that there be a time limitation on any amendment, debatable motion, or appeal of 30 minutes, and the division with regard to the control of time be in the usual form.

The PRESIDING OFFICER. Is there objection? If not, it is ordered.

INCREASED U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the papers on S. 2665 be messaged to the House of Representatives.

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

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to consideration of S. 3792, the Export Administration Act.

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate bill 3792, which the clerk will report by title.

The legislative clerk read as follows:

S. 3792, a bill to amend and extend the Export Administration Act of 1969.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Is further discussion of the pending business under a time limitation?

The PRESIDING OFFICER. Yes, the Senator is correct. The time for debate on this bill shall be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders or their designees, with 30 minutes on any amendment except one to be offered by the Senator from New York (Mr. JAVITS) on which there shall be 40 minutes, and with no time limitation on any debatable motion or appeal.

The pending question is on agreeing to the amendment of the Senator from Washington (Mr. JACKSON).

The amendment is as follows:

Section 4 of the Export Administration Act of 1969, as amended, is further amended by adding at the end thereof a new subsection 4(j) as follows:

On page 13, after line 13, insert a new section as follows:

"(j) (1) The Secretary of Commerce, after consulting with the Secretary of the Treasury, the Attorney General, and the Secretary of State, shall establish regulations for the licensing of exports of all police, law enforcement, or security equipment manufactured for use in surveillance, eavesdropping, crowd control, interrogations, or penal retribution.

"(2) Any license proposed to be issued under this subsection shall be reviewed by the Attorney General and shall be submitted to the Congress. The Congress shall have a period of sixty calendar days of continuous session of both Houses after the date on which the license is transmitted to the Congress to disapprove the issuance of a license by the adoption in either House of a resolution disapproving the proposed license.

"(3) The Secretary of Commerce, with the concurrence of the Secretary of the Treasury, the Attorney General, and the Secretary of State, may by regulation exempt individual countries and specific categories of police, law enforcement, or security equipment from the congressional review and disapproval authority set forth in paragraph (2) if he finds and determines export of the equipment would not threaten fundamental human and civil liberties."

The PRESIDING OFFICER. What is the pleasure of the Senate? Who yields time?

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

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

The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I believe my amendment is pending, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. JACKSON. Mr. President, this amendment arises out of the investigation conducted by a subcommittee that I chair, the Permanent Subcommittee on Investigations. Approximately two weeks ago it came to our attention that U.S. firms were scheduled to display in the Soviet Union, and offer for sale to the Soviets, sophisticated criminological devices. I directed the staff of the Permanent Subcommittee on Investigations to investigate this matter and establish, through sworn statements and other documentation, that this incredible report was, in fact, true. It was.

The investigation developed the fact that in the case of each company we interviewed that was scheduled to participate in the exhibition, the Commerce Department had been contacted and had advised either that no export license was required or that the materials would not fall under export control.

As I stated then, I feel that it is outrageous for American technology to be used to assist the Soviet security services in repressing the Soviet people. I feel it is essential, even though the Commerce Department has now issued instructions that such items are subject to license, that the Congress of the United States formally establish a position that we will not allow American technology to be used in this manner by any nation that engages in repressive police practices which deny their citizens due process and fundamental human and civil liberties.

Mr. President, what we are really doing here is to write into the law the requirement that this type of export must be licensed, and subject to congressional review.

I believe that anyone who is deeply committed—and I think all Senators are—to the preservation of civil liberties should support this amendment. The last thing the United States should do is to be a party to an effort to make more efficient the secret police services of any totalitarian state. This is the heart of the effort here. I hope the Senate will adopt this amendment.

Mr. STEVENSON. Mr. President, I support this amendment. The United States has no business aiding the oppressive activities of foreign countries. The amendment permits the Secretary of Commerce, with the concurrence of the Secretary of the Treasury, the Attorney General, and the Secretary of State, to exempt individual categories of equipment and individual countries, from the review provisions of the amendment. This would permit an exception for exports to friendly and democratic countries. I think it is a good amendment and would be glad to accept it.

Mr. President, I will yield the remainder of the time in opposition to this amendment to the Senator from Oregon.

Mr. PACKWOOD. Would the Senator from Washington yield for a question?

Mr. JACKSON. Yes.

Mr. PACKWOOD. I am confused by the third section, under which the Secretary of Commerce concurs with the Secretary of the Treasury and the Secretary of State and may, by regulations, exempt individual countries and specific categories, but has to make the finding that these countries do not threaten fundamental human or civil liberties. Is that correct?

Mr. JACKSON. That is correct.

Mr. PACKWOOD. In other words, if he does not make the finding that these countries fit within that definition, of not threatening fundamental human and civil liberties, then there can be no export?

Mr. JACKSON. There could be an export, but we would have the right of congressional review. There are totalitarian countries in addition to the Soviet Union that should not get this equipment. This is what we are aiming at.

Mr. PACKWOOD. As I read the amendment, we are going to have the right of review in any State.

Mr. JACKSON. No. It is confined to subsection (3) that says the Secretary of Commerce, with the concurrence of the Secretary of the Treasury, the Attorney General, and the Secretary of State, may, by regulation, exempt individual countries from congressional review, and disapproval authority set forth in paragraph 2 if they find—and this is the crucial part—and determine that the export of such equipment would not threaten fundamental human and civil liberties.

There is no problem in selling this equipment to democratic countries, but there are obviously certain countries in the world where I do not think we should

be a party to aiding and abetting repression.

Mr. PACKWOOD. I am still trying to understand how this works. I understand that these different Secretaries must confer and then the Secretary of Commerce will issue a statement that England does not threaten fundamental human and civil liberties, and then we could export this equipment to England. Is that right?

Mr. JACKSON. The way it works is that when an application for the export of the specific equipment comes in, they then make a judgment regarding whether the sale of the equipment would threaten fundamental human and civil liberties.

I believe I know what concerns the Senator from Oregon. That is the question of whether the Federal agency must immediately list the countries that meet the test of not denying human and civil liberties.

As I see it, that is not the way it would work. The way it would work is that when applications come in, for example, with respect to a totalitarian government in South America, and they want to get police equipment, the administration would be required, under this section, to state whether or not that country does in fact deny and threaten fundamental human and civil liberties.

Mr. PACKWOOD. My problem goes a little deeper than that, because what to me are fundamental human and civil liberties would include freedom of the press, freedom of assembly, and many of the things we would take for granted that are in our Bill of Rights.

The Senator's definition would probably include all the countries of Africa that are under military dictatorships, most of the countries of Asia, and most of the countries of the world, I think, because in one form or another they threaten fundamental human and civil liberties, as the Senator and I would cherish and understand them. At least, that is my understanding of the amendment.

Mr. JACKSON. If they do, why should we aid and abet the denial of civil liberties?

Mr. PACKWOOD. That is where I want to make sure we understand. What does the Senator mean by freedom of the press?

Mr. JACKSON. One has to make an overall judgment. There may be conduct in certain areas that would not necessarily put it in that category.

Let me restate it. All equipment, first of all, requires a license. All licenses—this is the key point—are subject to congressional review, unless pursuant to subsection (3)—that is what we have been talking about—exemption from review may be granted to certain countries on the specific categories of goods.

In other words, as one illustration, handcuffs could be sold, I suppose, to many countries.

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

Mr. JACKSON. I yield.

Mr. STEVENSON. In reading this amendment, if I understand it correctly, paragraph 3, which permits the exemptions, permits exemptions to the congressional review procedures in paragraph 2.

If, to take the Senator from Oregon's case, the administration did propose to permit the export of police equipment to a totalitarian state in Africa, or any place else in the world, it would mean that Congress would have to approve. The export would not be absolutely prohibited by anything I can see in this amendment.

Mr. PACKWOOD. If I understand the amendment, if the Secretary of Commerce makes a decision that the Government does not threaten fundamental human and civil liberties, they go ahead with the license and sell it. From the standpoint of diplomacy, if they do not want to say that, they are going to put the monkey on Congress back.

It means making a decision, country by country; and we are going to support many of our allies who perhaps do not give any greater degree of protection to fundamental and human civil liberties than many of our opponents, and we are going to do it on a country by country, irrational, and ad hoc basis.

Mr. JACKSON. I do not agree with that conclusion.

I believe we are outlining here a rational course to follow.

I sponsored the amendment with Senator PELL to cut off aid to the military junta in Greece, and it was adopted by the Senate unanimously. We have called on the House not to act on this matter, in light of the fact that Greece is now in the process of restoring civil rule and is going to hold elections. But I do not think the United States ought to be sending highly sophisticated police equipment to any regime that practices the techniques that are followed in a totalitarian state. Let the Senate decide that.

Mr. PACKWOOD. Let me ask the Senator's opinion. I am trying to get a grasp of the types of countries.

Let us assume that the administration does not make its finding, so that they do not say to a country, "You are totalitarian." So the license is issued, and the matter comes to us. In the estimation of the Senator from Washington, would a country such as South Korea threaten fundamental human and civil liberties?

Mr. JACKSON. I do not know the details of the immediate situation, but it is possible they are engaged in repressive conduct. We can make available military equipment to support Korean independence, but why should we make available equipment to further aid and abet the repression of their people? I do not have any compunction about stopping that.

Mr. PACKWOOD. What about the Philippines? Does it repress?

Mr. JACKSON. They have martial law. Why should we aid and abet them in that effort?

Mr. PACKWOOD. What we are saying, really, is that, for all practical purposes, we will go ahead and export military material to those countries, but we are not going to send them police revolvers or handcuffs or whatever they might use in normal police work in a totalitarian or nontotalitarian country.

Most of the countries, I think, from the answer of the Senator from Washington—and I probably would agree with him—will not fit the definition or pass the definition of fundamental human and civil liberties.

Mr. JACKSON. In total numbers, the Senator may be correct. I just do not want my country to be a party to making more efficient the practices they engage in that aid the repression of liberty and freedom. That is all I am saying.

Mr. PACKWOOD. I find a fine line between the military equipment we have sent many of these military dictatorships around the world—some of them are allies—and police equipment.

Mr. JACKSON. The Senator knows that we have treaty commitments with many countries; but the treaty commitments relate to a common concern about our own security and the security of the Western World. We have treaty commitments with Spain, which has a totalitarian government. That does not mean that we ought to eliminate the treaty. But in the meantime, we want to do everything we can to encourage freedom. I think that is what our foreign policy should be about.

I do not believe we are far apart. I have great respect for the Senator from Oregon. I think he is raising the question here of whether or not this is onerous and difficult to handle.

I was horrified to find that GS-10's and GS-11's, career people, down in the Commerce Department—and this has happened under all administrations—are willy-nilly granting the right to sell equipment used for repression. I do not think we ought to be a party to that kind of conduct.

In all the time I have been in Congress, I am very proud of my record on civil liberties. No one in the House or the Senate has had a longer, more consistent record in this regard. I have always taken that position. I have taken that position on Rhodesia, where they practice racial discrimination, and I have taken that position in the case of South Africa. I also took that position with respect to Greece.

I am taking that position now in insisting that we ought to try to implement the United Nations Universal Declaration of Human Rights, adopted in 1948, article 13, providing for free emigration.

I am just explaining my position. I do not think we ought to be a party to repression.

I hope the Senator will accept the amendment.

Mr. PACKWOOD I am going to move to table.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PACKWOOD. Mr. President, I move to table the amendment.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The motion is not in order. The Senator has 10 minutes remaining.

Mr. JACKSON. I yield back my time, Mr. President.

The PRESIDING OFFICER. The time yielded back.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. 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. HUDDLESTON. Mr. President, I commend the Senator from Washington (Mr. JACKSON) for offering this amendment.

The Permanent Investigations Subcommittee, of which the Senator from Washington is chairman and on which I serve, held an executive session on July 19, 1974, on the planned exhibition by U.S. firms of law-enforcement equipment at a fair, Krimtekhnika–74, to be held in Moscow during the August 14–28 period.

Equipment scheduled to be exhibited included fingerprint detection and analysis, voice identification, psychological stress valuation machinery—machinery which could be used not only against minority groups and political dissidents of the Soviet Union but in espionage and counterespionage activities.

In questioning during the executive session, I elicited what I consider to be several extremely significant facts. First, in many cases, the sophisticated equipment to be displayed is not available from sources other than those in the United States. Second, once a machine is obtained, it can usually be duplicated.

In my opinion, this raises serious question about the advisability of exhibiting such equipment in the Soviet Union, where the most logical purchaser is the KGB, the state police. I do not believe we either want to or should place ourselves in the position of making available equipment which could be used by a government to deprive its citizens of what we could consider basic civil rights or perhaps be used against us. Such a move is not justifiable. It does not make sense.

I appreciate the fact that the Secretary of Commerce has acted to restrict the movement of such equipment. I believe his decision was the correct one. But, I also believe that the fact that we came so close to sending sophisticated crime detection to a country with rigid state controls and well-documented surveillance of its people and to a country which is involved in intellegence operations against our country points up the obvious need for this amendment and for a review of the entire export control activities of our Government.

American technology is superior technology. It has traditionally been much desired by foreign nations. But, it is also an American resource which must be used carefully, judiciously, and for the benefit of our Nation. And, I am not at all convinced that the possible transfer of detection technology to the Soviet Union would be a careful, judicious, or beneficial use of that technology.

Mr. PACKWOOD. Mr. President, I move to lay on the table the amendment of the Senator from Washington.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. In announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New Hampshire (Mr. COTTON), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), the Senator from Maryland (Mr. MATHIAS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 21, nays 73, as follows:

[No. 341 Leg.]

YEAS—21

Aiken	Curtis	Scott, William L.
Baker	Fannin	Sparkman
Bartlett	Fulbright	Stafford
Beall	Goldwater	Thurmond
Bellmon	Griffin	Tower
Bennett	Gurney	
Brooke	McClure	
Cook	Packwood	

NAYS—73

Abourezk	Hart	Montoya
Allen	Hartke	Moss
Bayh	Haskell	Muskie
Bentsen	Hatfield	Nelson
Bible	Hathaway	Nunn
Biden	Helms	Pastore
Brock	Hollings	Pearson
Buckley	Huddleston	Pell
Burdick	Hughes	Percy
Byrd, Harry F., Jr.	Humphrey	Proxmire
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Ribicoff
Case	Javits	Roth
Chiles	Johnston	Schweiker
Church	Kennedy	Scott, Hugh
Clark	Long	Stennis
Cranston	Magnuson	Stevens
Dole	Mansfield	Stevenson
Domenici	McClellan	Symington
Dominick	McGee	Talmadge
Eagleton	McGovern	Tunney
Eastland	McIntyre	Weicker
Ervin	Metcalf	Williams
Hansen	Metzenbaum	Young
	Mondale	

NOT VOTING—6

Cotton	Gravel	Mathias
Fong	Hruska	Taft

So the motion to lay on the table was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. STEVENSON. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Washington (Mr. JACKSON). (Putting the question.)

The amendment was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENSON. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I call up my amendment covering a number of conforming amendments to the act, which is at the desk.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk.

The clerk will report.

The assistant legislative clerk read as follows:

At page 10, lines 1 and 2, deletes the phrase "(2) Notwithstanding any other provision of law, whenever"; and insert in lieu thereof the following: "(2) Whenever"

At page 11, line 9, strike the word "decision." and insert the following: "decision together with the recommendation of the Secretary of Defense."

At page 11, lines 12 and 13, strike the phrase "by majority vote of both Houses, the action of the President.", and insert the following: "the action of the President by adopting a concurrent resolution disapproving the application for the export of such goods, technology or techniques."

At page 12, strike lines 24 and 25. At page 13, strike lines 1 and 2 and insert the following:

"(C) the term 'controlled country' means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic (East Germany), and such other countries as may be designated by the Secretary of Defense."

At page 13, strike lines 3 through 5 and insert the following:

"(8) The Secretary of Defense shall submit to the Congress a written report on his implementation of this section not later than 30 days after the close of each quarter of each fiscal year. Each such report shall, among other things, identify each instance in which the Secretary recommended to the President that exports be disapproved and the action finally taken by the executive branch on the matter."

At page 13, add a new subsection (9) as follows:

"(9) Whenever the President exercises his authority under subsections (5) and (6) he shall, having first solicited the recommendation of the Secretary of Defense, transmit his decision, together with the recommendation of the Secretary of Defense, to the Congress. The review and disapproval provisions of subsection (3) shall be applicable to actions taken under subsections (5) and (6)."

At the end of Section (9) add a new subsection as follows:

"(10) The authority granted to the President in subsection (5) and (6) of this section shall be non-delegable."

Mr. JACKSON. Mr. President, all of the conforming amendments are intended to bring the provisions of the Export Administration Act into conformity with the comparable provisions of the Defense Procurement Act and to make congressional review procedures applicable to changes in the lists of licensed items and the so-called COCOM lists and procedures.

The PRESIDING OFFICER. Will the Senator suspend? The Senate will come to order. The Senator from Washington is entitled to be heard. It is difficult for him to speak with the noise that is going on. Will Senators please take their seats?

The Senator from Washington.

Mr. JACKSON. Mr. President, the Members of the Senate will recall that we passed in the Defense Procurement Act a provision which gave to Congress the right to veto, in effect, transfers of technology that might affect the security of this Nation with respect to the Warsaw Pact countries.

At the time of that debate, in colloquy with the Senator who is handling the bill, the able Senator from Illinois (Mr. STEVENSON), we made it clear that we would, when the Export Control Act was up, move to add these controls to the Export Control Act. It is now pending before the Senate, and that is what we do in these conforming amendments.

I would point out that modifications 1, 2, 3, and 4 are of a technical nature, the effect of which is to bring the language of the act into conformity with the Defense Procurement Act.

Modification No. 5, which is also made to conform to the Defense Procurement Act language, adds Romania and Poland to the list of controlled countries. A substantial number of technology transfers of critical defense technology has taken place through these two countries.

Whatever the merits of treating Romania and Poland separately for general trade purposes, where technology with profound military implications is concerned, they ought to be included under stringent controls.

The reporting section is required in any case under the Defense Procurement Act, and that is in there.

Modification No. 7 would clarify the act by making it explicit that the recommendation of the Secretary of Defense and a review by Congress applies to any alteration of our lists of controlled items or to the COCOM lists.

Without subsection (10), which makes the authority granted to the President nondelegable, the basic purpose of the section cannot be effected. As the Senator from Illinois (Mr. STEVENSON) and, I think, the Senator from Oregon (Mr. PACKWOOD) will recall, we discussed this on the floor of the Senate, and I hope that the amendments would be accepted, because this is an important matter.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. STEVENSON. Mr. President, as the Senator from Washington has already indicated, these amendments simply conform the provisions of the Export Administration Act to those already approved by Congress in the Military Procurement Act, so I am quite prepared to accept the amendments, and to yield back time to the Senator from Oregon.

Mr. PACKWOOD. We will accept the amendments and I yield back the time.

Mr. JACKSON. We are ready to vote. I yield back my time.

The PRESIDING OFFICER. All time is yielded back, and the question is on agreeing to the amendments of the Senator from Washington. (Putting the question.)

The amendments were agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, would the Senator yield 30 seconds?

The PRESIDING OFFICER. The Senator from Washington.

Mr. STEVENSON. I yield.

Mr. JACKSON. Mr. President, I want to take this opportunity to express my deep appreciation to the chairman of the subcommittee, the floor manager of the bill, the distinguished Senator from Illinois (Mr. STEVENSON), for his leadership in dealing with this very difficult and intricate problem. He is to be commended most highly for the time and effort he has put into it to bring about some rationality in the handling of exports at a time when there are so many policy conflicts in the granting of these licenses.

I want to express my deep appreciation to him because he has spent many days trying to work out some sensible solution to these problems.

I want to express, too, my appreciation to the ranking minority member, Mr. PACKWOOD, for while we have not agreed on every item, he has been most cooperative in working out these amendments that relate to export controls.

Mr. STEVENSON. Mr. President, I thank the Senator from Washington. He deserves our commendation for bringing these important matters before the Senate. He has my gratitude for his very able cooperation.

Mr. President, I yield 2 minutes on the bill to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, I ask unanimous consent to reconsider the previous action of the Senate in adopting my amendment No. 1609.

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

Mr. BAYH. Mr. President, I send to the desk a modification of amendment No. 1609.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

At the end of amendment No. 1609 add the following new language: "to the United States petroleum purchaser."

The PRESIDING OFFICER. The amendment, No. 1609, is so modified.

Mr. BAYH. Mr. President, this is an effort to try to resolve some different interpretations that the Senator from Alaska (Mr. STEVENS) and I have regarding the impact on the consumer of the oil exchange procedure, which we anticipate will follow the construction of the Alaskan pipeline. I do not want cheap Alaskan oil to be exchanged for expensive Saudi Arabian crude which would be brought into the Eastern and the Midwestern parts of the country at significantly higher prices than Alaskan crude would sell for domestically.

This language change, which does not offset the substance of the amendment, apparently is acceptable to the Senator from Alaska and is acceptable to the Senator from Indiana.

Mr. PACKWOOD. Will the Senator yield?

Mr. BAYH. I will be glad to yield.

Mr. PACKWOOD. I would appreciate it, because the Senator from Alaska wants to comment on this, if the Senator could explain the difficulty or the confusion that led to the adoption of this amendment and the harmonizing of his views and those of the Senator from Alaska.

Mr. BAYH. I can suggest that the Senator from Alaska was concerned that the previous language would prohibit the exchange from taking place, as it deals with wellhead price, transportation costs, how the base price is established, and all of these things that one almost needs a Ph. D degree to understand. But we are in agreement on this language and we are in agreement that neither one of us wants a policy of buying Alaskan oil at price x and shipping it through Saudi Arabia at a price of x plus $5 a barrel. This language would prohibit Alaskan oil from being exchanged, if indeed that would require consumers to purchase the foreign oil for which Alaskan oil has been exchanged at a higher price than Alaskan oil would command within the United States.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time not be taken out of the time on either side. I think the Senator from Alaska should be here.

Mr. CHILES. Will the Senator yield?

May we delay the consideration of this amendment until the Senator from Alaska gets here, and take up another amendment?

Mr. BAYH. I apologize to the Senator from Florida. If I had not thought this had been worked out to everybody's satisfaction, I would not have proposed the modification to my amendment.

Mr. PACKWOOD. The Senator from Alaska (Mr. STEVENS) is on his way. He will be here in 2 or 3 minutes, but he wanted to be here to participate in this colloquy.

Mr. JACKSON. Mr. President, I withdraw my unanimous-consent request.

The PRESIDING OFFICER. The unanimous-consent request is withdrawn.

Mr. STEVENS addressed the chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I wish to make certain that the record shows that the purpose of this amendment is to assure that the U.S. purchaser of the petroleum will not pay any increased price as a result of an exchange which might take place pursuant to the authorization that is contained in the Alaskan pipeline amendment. It is my understanding that the Senator from Indiana has offered the amendment that we have discussed off the floor and that he agrees to this interpretation at this time.

Mr. BAYH. Yes, I think the words speak for themselves.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to have the amendment read again so that the Senator from Alaska may hear it and make sure it is exactly what he wants.

The PRESIDING OFFICER. Is the request to have the amendment 1609 read in its entirety?

Mr. PACKWOOD. No, just the addition.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

At the end of Amendment No. 1609 proposed by Mr. BAYH, add the following new language: "to the United States petroleum purchaser."

Mr. STEVENS. Mr. President, that eliminates my concern over the amendment that was offered and adopted yesterday by the Senator from Indiana and agreed to. We still have a disagreement in terms of the interpretation of the basic law. I think that if we intended to use the word, "contiguous," in that amendment to the Federal Leasing Act, we would have done so. We used the word, "adjacent." Japan is adjacent to Alaska; Japan is not contiguous to Alaska. Under the circumstances, that concern still remains between the Senator from Indiana and myself.

I am appreciative of his willingness to clarify the intent of the amendment that was adopted yesterday, and I concur heartily in what he has done. I thank him for his courtesy.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. I appreciate the cooperative spirit of my friend from Alaska. I think I should also note that we have agreed to disagree. The previous record in which we have discussed this in some length will define the differences of opinion that we have on the whole thrust of how to handle the Alaskan oil in this exchange process.

We have agreed on the substance of this language, and I think that is probably the best we can do right now.

Mr. JACKSON. Mr. President, last April the distinguished Senator from Indiana requested me to investigate reports that the owners of the trans-Alaska pipeline planned to export significant quantities of crude oil from the North Slope to Japan, despite this Nation's overall deficit in domestic energy.

As chairman of the Interior Committee, I addressed a series of questions to the companies and the administration regarding west coast supply and demand for crude oil, the likelihood of a west coast oil surplus after completion of the trans-Alaska pipeline, and the companies' plans for marketing any such surplus, either in other parts of the United States or abroad.

Committee staff have prepared a memorandum summarizing the results of this inquiry to date. A more complete report, including the detailed responses to my questionnaire by Federal agencies and the oil companies, will be published soon as a committee print.

The preliminary findings of my inquiry, in summary, are the following:

First, that there is great uncertainty about both supply and demand on the west coast of the United States in the early 1980's, and considerable disagreement among the companies and the agencies about the most probable supply-demand balance;

Second, that most of the parties, nevertheless, project as their most probable estimate, a substantial and growing excess of west coast supply over west coast demand for crude oil;

Third, that the most attractive market to the companies for this excess would be in Japan, rather than the Eastern and Midwestern United States, if the law authorizing the trans-Alaska pipeline had not placed crude oil exports under strict control;

Fourth, that a swap of Alaska crude oil exported to Japan for Persian Gulf or Carribbean crude oil imported into the Eastern United States may well make sense economically, and may benefit both the companies and the State of Alaska, but they are not likely to benefit U.S. consumers in price terms, and

Finally, that the provision of pipelines or other facilities to move west coast crude oil to other parts of the United States raises serious environmental and economic issues that ought to be addressed by Congress.

Senator BAYH's amendment, No. 1609, is intended to close one possible loophole in the Alaska Pipeline Act's provision controlling crude oil exports. That law prohibits exports that cause a net reduction in the quantity or quality of petroleum available to U.S. consumers. The Senator from Indiana proposes to tighten this provision by precluding exports—including exchanges—which would increase the prices of petroleum products in U.S. markets. The staff report I cited questions whether such exports are very likely under existing law. Nevertheless, circumstances can be imagined in which exports or exchanges could be used to evade domestic price regulations, or otherwise to increase prices. I endorse the Senator's proposed amendment to close this loophole.

I ask unanimous consent, Mr. President, to insert into the RECORD at this point, the staff memorandum on "The Alaska Pipeline, West Coast Oil Surpluses, and Crude Oil Exports."

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

MEMORANDUM, JULY 30, 1974

Re Preliminary Report—The Alaska Pipeline, West Coast Oil Surpluses, and Crude Oil Exports.

To: Henry M. Jackson, Chairman, Committee on Interior and Insular Affairs.

From: Arlon R. Tussing, Chief Economist.

SUMMARY

Reduced growth of West Coast oil demand and increased supplies are expected to flow both from recent crude oil price increases and from changes in public policy. These developments increase the likelihood that the West Coast of the United States will be more than self-sufficient in crude oil and have an exportable surplus by the early 1980's.

Companies that control most of the pipeline's potential throughput as yet have no concrete plans for marketing volumes excess to West Coast demand, but Section 28 (u) of the Mineral Leasing Act makes significant exports (other than exchanges with Canada) improbable. Adequate safeguards exist to prevent exports which are not in the national interest, with one exception: The Mineral Leasing Act's export restrictions apply only to oil carried through a pipeline across federal lands.

The prospect of a crude oil surplus on the West Coast does, however, raise important issues regarding the relative environmental, economic and security implications of alternative systems for transporting West Coast crude oil to other parts of the United States.

BACKGROUND

In 1973, as Congress debated legislation to authorize construction of the Trans Alaska pipeline, it was widely suspected and alleged that the oil companies which controlled reserves on the North Slope of Alaska favored the Trans Alaska pipeline-tanker route (as opposed to an overland pipeline through Canada) at least in part to be in a position to export some of its throughput to Japan. Spokesmen for the companies and the Interior Department maintained, however, that—

(1) domestic demand in District V (the West Coast) would be more than sufficient to absorb the added production from Northern Alaska in addition to the crude oil expected to be produced elsewhere in District V; and that

(2) even if a temporary excess developed in District V during the early years of pipeline operation. U.S. crude oil prices were sufficiently greater than world market levels that exports would not be economically attractive to the companies.

Notwithstanding such assurances from the companies and the Administration, Congress, in authorizing construction of the Trans-Alaska pipeline, foresaw a possibility of circumstances in which crude oil exports might be advantageous to the oil companies but detrimental to United States interests. The reasoning of Congress in this matter was set out clearly in the section Major Issues: "2. Exports of Alaskan Oil," in the report of the Committee on Interior and Insular Affairs on S. 1081, the Federal Lands Right of Way Act of 1973, a copy of which follows this memorandum as appendix I.

Section 28 (u) of the Mineral Leasing Act of 1920 as amended by the law authorizing the Trans-Alaska pipeline, now reads as follows:

"Limitations on Export

"(u) Any domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to section 28 of the Mineral Leasing Act of 1920, except such crude oil which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not diminish the total quantity or quality of petroleum available to the United States, and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

In adopting this language, Congress did not intend to proscribe crude oil exports absolutely. Firstly, it was recognized that significant economies—to the nation as well as to the owners of the oil—might under

some circumstances be achieved by appropriate "import-for-export" arrangements. Secondly, a categorical prohibition might set a precedent, and encourage retaliation, by countries on which we depend for imports. Thirdly, such a ban might prevent or handicap arrangements among oil importing countries to share secure supplies in the event of economically or politically inspired curtailments by exporting countries. Finally, it was recognized that the United States might again, at some time in the future, become substantially self-sufficient in energy and develop a surplus whose export would benefit the balance of payments and the national economy.

Subsection (u) was adopted to assure that any such exports would indeed be in the national interest, (1) by placing crude oil exports under the licensing requirements under the Export Administration Act; (2) by prohibiting exports that would reduce net U. S. supplies; (3) by requiring an express Presidential finding that proposed exports conform to the preceding criteria and are in the national interest, and (4) by allowing Congress sixty days in which to disapprove any such Presidential finding.

The violent upheavals of domestic and world crude oil prices resulting from the Arab embargo in late 1973 have led to a reconsideration of all earlier supply and demand projections. Higher oil prices plus policies promoting energy conservation and the use of other fuels, particularly coal, are certain to restrain the growth of West Coast demand for petroleum products. At the same time, high prices plus public policies encouraging more rapid development of domestic petroleum resources (for example, accelerated leasing of the Outer Continental Shelf) can reasonably be expected to increase District V crude oil production above what it would have been if the embargo and the price leaps had not occurred. Finally, the relationship of domestic and world crude oil prices has been reversed over the course of a year, and Persian Gulf crude oil is now being landed in Japan at prices more than twice that of price-controlled domestic crude oil on the United States West Coast.

In these circumstances, the issue of possible exports of North Slope crude oil to Japan was raised anew by an April 12, 1974, Associated Press dispatch from Spokane, as follows:

"A large portion of oil transported through the Trans-Alaska Pipeline will be exported probably to Japan during the line's early years of operation, Jack B. Robertson, Regional Administrator of the Federal Energy Office, said yesterday.

"Robertson said West Coast markets originally earmarked for as many as two million barrels of Alaskan crude oil daily would not be able to absorb that quantity until 1985.

"'Much of it probably will be sent to Japan. That in turn will free foreign supplies for shipment in exchange to United States Markets,' Robertson told a combined meeting of the Radio-Television News Directors Association and the Society of Professional Journalists.

"He said there would be 'an awful lot of swapping' of oil between nations and, in effect, most of the Alaskan oil traded away eventually would return to the domestic market."

An article in the March 18 Oil and Gas Journal ("Prudhoe Oil Will Bring Profound Change to West Coast Crude-Flow Patterns") also speculated about what would happen to the "surplus" of crude oil that is expected on the West Coast as a result of full-capacity utilization of the pipeline. The author mentions exports to Japan as one of the "three alternatives most discussed" for dealing with this surplus. He does, however, suggest it is considered unlikely for political reasons.

As a result of national publicity regarding Robertson's statement, E. E. Patton, President of the Alyeska Pipeline Service Company, issued a press release stating that none of the oil "is scheduled to be exported." This legalistic formulation was not particularly definitive because it is not likely that the disposition of any of the crude oil had, strictly speaking, been "scheduled" yet. On the same day, Charles Spahr, President of SOHIO, issued a less-than-categorical statement that SOHIO "has no intention" of shipping oil to Japan from Alaska.

Later in April, Senator Bayh expressed on the Senate floor his concern that even a barrel-for-barrel import-for-export arrangement would leave American consumers worse off (and the owner companies with higher profits) by creating a mechanism for avoiding domestic price regulations on crude oil.

At Senator Bayh's request, Senator Jackson (as Chairman of the Committee on Interior and Insular Affairs, which has oversight responsibility concerning the Mineral Leasing Act including its Alaska pipeline provisions), initiated an inquiry into (1) the likelihood of a crude oil surplus in District V, (2) the intentions of the owner companies with respect to transportation and marketing of crude oil from Alaska's North Slope (or with respect to any District V crude oil excess to District V demand), and (3) the need for further legislation to regulate or prohibit crude oil exports.

A detailed questionnaire regarding projected West Coast supply and demand, and plans for transporting and marketing North Slope oil were sent to the Interior Department, Federal Energy Administration, State of Alaska, BP Alaska and SOHIO, ARCO, and EXXON.

The three producer groups on the list (plus the State of Alaska) are believed to control about 93 percent of the oil reserves in the Prudhoe Bay field.

Copies of the questionnaires are attached to this memorandum as appendix 2. Responses were received from each of the foregoing agencies and companies and in some cases initial responses were followed with further questions. On certain issues additional clarification or elaboration is required, so that the present memorandum should be regarded as only a preliminary report.

SUMMARY AND ANALYSIS OF RESPONSES TO COMMITTEE'S QUESTIONNAIRES

The following is a summary of the most important conclusions from the agency and company responses.

(1) *Uncertainty.* Great and unavoidable uncertainty exists regarding both supply and demand on the West Coast in the 1977–1982 period. Firm projections are not possible regarding

(a) the effect of higher oil prices on the growth of consumer demands;

(b) the effect of higher prices in encouraging greater recovery from known reserves;

(c) the size and timing of future discoveries; and

(d) the volumes of crude oil available to the West Coast from Canada.

There are, in addition, significant differences over the production potential of the Prudhoe Bay field itself and over the probable timing of successive increases in North Slope production.

Several respondents gave a wide range of projections in answer to questions, rather than a single figure. Combining projections from different sources for individual elements of the West Coast supply-demand balance, it is possible to forecast a 1982 *deficit* in District V of as much as 500,000 barrels per day, or a *surplus* of as much as 1,900,000 barrels per day (or 2,300,000 barrels per day if Canadian supply is included).

There are plausible scenarios consistent with some elements of the projections that might result in even greater deficits or surpluses.

(2) *Most Likely Projections.* Combining the projections for each agency or company regarding

(a) Trans-Alaska pipeline throughput,

(b) District V production outside Northern Alaska, and

(c) District V demand,

most individual sets of projections show a West Coast deficit until about 1979, and a surplus beginning about 1980. Only Exxon projects a deficit over the whole period. The 1982 projections for West Coast Crude Oil surpluses are as follows:

Interior Department, 1.0–1.5 MMB/D.

BP/SOHIO, 0.6–0.8 MMB/D.

ARCO, 0.9 MMB/D.

EXXON, —.1 MMB/D (Deficit).

Each of these projections assumes no net imports from Canada, and no production from major new discoveries in either Alaska or California. In each case, the surplus increases (or the deficit diminishes) over the time of inquiry.

(3) *Individual Company Status.* The following summarizes the supply-demand status of individual producers at the end of the first five years of operation of the Alaska pipeline, as inferred from their own and (to the extent necessary) other projections:

(a) *BP/Sohio* now has no West Coast refineries and does not intend to build or acquire any. Sohio's entire production (almost one million barrels per day) will be surplus to the company's West Coast needs, and would have to be sold or exchanged to others.

(b) *Exxon* has only one small refinery (87 MB/D) on the West Coast and does not plan to expand it; Exxon's own West Coast surplus will reach 300,000 to 400,000 barrels.

(c) *ARCO* expects to increase its own West Coast refinery capacity from 281,000 B/D to 401,000 B/D, and is expected to be roughly in balance on the West Coast.

(d) *The State of Alaska* can be expected to market its own royalty oil. It will have a marketable surplus (over present commitments to Tesoro) on the order of 250,000 B/D, and all but 50–60,000 can be expected to be sold outside Alaska.

4. *Marketing Plans.*

Sohio has made sales on commitments to Columbia Gas and FINA for a small proportion of its production, but very little of the projected supply (except for that of ARCO, which will primarily supply its own refineries) is now committed to specific customers or markets. Each producer who expects to be in a surplus position intends first to sell or exchange its excess to other West Coast refiners. No concrete plans yet exist to transport North Slope crude oil beyond the West Coast. SOHIO, however, has announced plans for a feasibility study of a pipeline from the West Coast across the Rockies to the Midwest.

(5) *Exports to Japan.*

The companies each insist that they have got the message from Congress regarding exports and are planning to market exclusively or principally in the U.S. SOHIO claims its own studies show transshipping to the Midwest is economically superior to an exchange with Japan for Persian Gulf Oil.

In any case, the companies seem to recognize the political hazards of any major exports of Alaska oil as long as the United States faces a crude oil deficit.

CONCLUSIONS

The following are my preliminary conclusions based upon results of the Committee inquiry to date.

(1) *District V excess.*

The domestic supply of crude oil in District V is likely to exceed District V demand under present price relationships by about 1980.

(2) *Relative attractiveness of exports.*

(a) Exports of domestic oil to Japan will not be attractive to the companies until all U.S. West Coast demand at prevailing prices is met. Both U.S. and Japanese market prices

will be determined, in the absence of price controls, by Persian Gulf prices plus transportation, which will slightly favor the U.S. West Coast as a market for Alaska oil.

(b) If present relationships continue among uncontrolled domestic crude oil prices, Persian Gulf prices and transportation costs, exports to Japan appear to result in higher netback prices (and hence higher profits and state royalties) than transshipment East of the Rockies by any new transportation system. (This conclusion may be at odds with the reported implication of the Sohio study mentioned above, which we have not yet seen). In the absence of legal restraints, it is likely that some or all District V production excess to District V demand (at prices equal to Persian Gulf plus transportation) would be exported.

(3) *Avoidance of price controls.*

It would of course be attractive to producers of domestic price controlled crude oil to be able to export it at world market prices. Senator Bayh's explicit concern in April was the possibility that Alaska crude oil would be exported in exchange for foreign crude, imported at a price free from U.S. price controls, in order to avoid the effect of those controls.

This does not seem to be a real possibility, however. Under current regulations, North Slope crude oil would be *new oil*, exempt from price controls, and would be marketed in the United States at the same price as comparable grades of imported crude. In any case, the present authority for control of petroleum prices expires on February 28, 1975.

(4) *Adequacy of existing legal controls on exports.*

Existing law makes the export of crude oil carried through interstate pipelines exceedingly difficult, as the three requirements in section 28 (u) are additive rather than alternative. It is improbable that any company would base any long term marketing or investment plans upon the assumption that export applications would be approved, and the procedure required by the law is too slow and unwieldy to encourage short term export transactions.

There is no contingency that I can forsee which is not adequately controlled under the present language, with the following qualification:

(5) *Loophole for oil not transported by pipelines across federal lands.*

Present export restrictions under Section 28(u) apply only to crude oil "transported by pipeline over rights-of-way granted pursuant to Section 28. . ." Although the law clearly controls all exports of oil carried by the Trans-Alaska pipeline, that crude oil could in effect still be exported by *displacement*. That is, all North Slope crude oil could be delivered to domestic refineries, but the California oil it backed out could, in equivalent volumes, be exported without invoking the law, if that oil had never been carried through a pipeline across federal lands. Also, it might be noted, there are no restrictions in present law on exports of oil even from Northern Alaska if it were carried directly by tanker, without an intervening pipeline whose right-of-way was granted pursuant to Section 28.

Congress may in the future want to consider amending the law to deal with these potential loopholes. Inasmuch, however, as circumstances making major crude oil exports from the West Coast commercially attractive are not likely to develop for five to six years, the urgency of closing this loophole is not apparent.

(6) *Collateral issues.*

There are several collateral issues that depend upon expected West Coast oil supply-demand relationships, and which may be of greater importance than the prospect *per se* of significant crude oil exports to Japan. Some of these issues are clearly appropriate for further inquiry by the Committee. Among them are the relative economic and environmental consequences of alternative systems for moving oil that is surplus to West Coast demand to other parts of the United States.

(a) If there will be a West Coast surplus on the order of 1 million B/D it would clearly support a pipeline from Pacific Coast ports to the Midwest. One consequence could be a four to five-fold increase in Puget Sound tanker traffic over that necessary to serve the Cherry Point refinery alone. Such a development would probably provoke severe opposition both within Washington, State and from Canada.

(b) Existing pipelines (Transmountain and Four Corners) are already capable of carrying about 650 MB/D into District V (and the Canadian West Coast). Question could well be raised about the economic and environmental wisdom of building a wholly new pipeline, when the net effect of reversing the flow of two existing installations could be equivalent to an eastward flow of as much as 1,300 MB/D. Any consideration of reversing the Transmountain pipeline, however, depends upon agreement with Canada, which in turn probably hinges upon arrangements to keep crude oil tankers out of Puget Sound and the Strait of Georgia. Collaboration between the United States and Canada would be necessary for a deepwater port offshore the West side of the Olympic Peninsula or Vancouver Island. Another requirement might be a general pipeline treaty between the United States and Canada.

Arctic Gas Pipeline. The struggle over competing routes for a natural gas pipeline from the North Slope may well become more protracted and more bitter than over the oil pipeline. The prospect of a crude oil surplus on the West Coast will be argued as additional grounds for choosing a trans Canada route to deliver natural gas directly into the Midwest.

OCS Leasing. There will be strong opposition from environmentalists and local interests to reviving activity on existing Santa Barbara leases and to new leasing off California and in the Gulf of Alaska. As I have set out elsewhere, oil and gas production from the OCS is, from a national perspective, probably the least environmentally damaging energy alternative. Nevertheless its adverse local impacts will tend to exceed by far its local benefits. A key argument of leasing opponents in California and Alaska will be the oil surplus already in prospect for the West Coast.

APPENDIX I

("Major Issues," from Report of S. 1081, Federal Lands Right of Way Act of 1973. (June 12, 1973)).

2. EXPORTS OF ALASKAN OIL

The question of possible exports of crude oil produced on Alaska's North Slope has been raised repeatedly before this Committee and elsewhere in connection with consideration of alternative pipeline routes for that oil. Some have contended that, despite the national deficiency in crude oil supply, the oil companies with major reserve interests on the North Slope chose the Trans-Alaska alternative in order to be in a position to export a significant fraction of its throughput to Japan.

Despite strong denials by spokesmen for the companies and the National Administration, these allegations have not been *totally* implausible. Their most important foundation has been the possibility of a crude oil surplus on the West Coast. The throughput schedules announced for the Trans-Alaska pipeline in 1969 and 1970 considerably exceeded the anticipated domestic supply deficiency in P.A.D. District V (the West Coast) for several years after the pipeline's completion date. Notwithstanding this expected crude oil surplus on the West Coast, the owner companies indicated no clear plans for shipping Alaska oil to other United States markets.

With the prolonged delays in authorization of a Trans-Alaska pipeline right-of-way, and the repeated slippage of the expected completion date, however, projected West Coast oil demand in the early years of pipeline operation has greatly increased; at the same time, projected onshore production in California has declined. Current estimates by both the Interior Department and industry groups now indicate that demand in P.A.D. District V would substantially exceed domestic production in the District, even including North Slope production.

These recent projections from government and industry sources do not completely dismiss the possibility of crude oil surpluses on the West Coast after the pipeline is completed, however, because these projections assume that no major reserve additions will occur in the region. Areas in which there could be significant reserve additions include the Gulf of Alaska, Lower Cook Inlet and Santa Barbara Channel provinces, where major new lease sales are scheduled or are under active consideration.

Public suspicions that exports were to be a significant function for the Trans-Alaska pipeline have been rekindled from time to time by a number of circumstantial indications. Premier Sato suggested in a 1971 interview in Anchorage that Japan was looking forward to receiving crude oil by way of the pipeline; a corsortium of Japanese companies obtained a part interest in some (as yet unproved) North Slope leases; and Phillips Petroleum Co. proposed to the Cabinet Task Force on Oil Import Control that barrel-for-barrel import quotas be granted to producers who exported crude oil from the United States.

The "import-for-export" proposal envisioned a crude oil excess in one part of the United States, presumably the West Coast, in the context of a general national deficiency, and was aimed at reducing transportation costs. Alaska crude oil could be sold in Japan, for example, offsetting Carribbean or Middle Eastern imports to the East Coast. Not only would the total tanker distance be less than an Alaska-East Coast route, but the shippers could reduce costs further by using tankers of foreign registry, rather than the domestic vessels required in the United States coastal trade. The importance of this proposal was probably exaggerated at the time, however. Phillips did not (and does not) control significant North Slope reserves. The proposal was not pressed nor endorsed by the companies that have such reserves, and it was never seriously entertained by the Task Force.

Price relationships argued strongly in the past against the existence of plans to export Alaskan crude oil. Because of United States quota restrictions on oil imports, the prices of crude oil on the West Coast of the United States were until 1972 about $1.50 higher than landed costs of comparable Middle Eastern crudes in Japan, and U.S. Midwestern prices were on the order of two dollars higher. If these differentials continued, there would be little incentive to export Alaskan oil without the import-for-export allowance; it would clearly be worth while to transship any oil surplus in District V to the Gulf or East Coasts or even to the Midwest, rather than to export it.

Alternatives considered by the companies (but not actively prosecuted) for getting North Slope oil to Midwestern or Eastern U.S. markets included a tanker route around the Horn; a pipeline across Panama linking two tanker segments; reversing the direction of the Four Corners pipeline in order to carry crude oil from Southern California to Texas and thence to the Midwest; reversing the

direction of the Transmountain Pipeline between Alberta and Puget Sound, then using the Interprovincial Pipeline to deliver crude oil to the Midwest; and construction of a new pipeline from Puget Sound to the Midwest along the Burlington Northern or Milwaukee Railroad right-of-way.

Although the prospect of significant crude oil surpluses on the West Coast of the United States in the late 1970's and early 1980's have diminished somewhat (but not completely), the rising world prices of oil and devaluation of the dollar have increased the comparative attractiveness of export markets. If crude oil prices in both markets (Japan and Southern California) are determined in the future by transportation costs from the Persian Gulf, so that landed prices per barrel in Japan remain 25 to 50 cents lower than in California, this differential plus the 21-cent license fee announced in April 1973 (when the quota restrictions were removed) would seemingly more than offset the transportation cost advantage of shipping Alaska oil to Japan. But if the past two years' trends in exchange rates and world oil prices were to continue, North Slope oil would be marketable in Japan at considerably higher prices than on the West Coast of the United States by the time a Trans-Alaska pipeline could be on stream.

Three companies control more than 90 percent of the proved reserves of the Prudhoe Bay field, the largest in North America. This field, whose production will dominate West Coast oil supplies will be developed and produced as a single unit pursuant to state conservation law. The same companies will also own 82 percent of the Trans-Alaska pipeline, which is organized as an undivided interest joint venture. West Coast crude oil prices, the companies' profits and the state's revenues, and fuel prices for West Coast consumers, will all be affected powerfully by the amount of oil that the companies and the state permit to be delivered to District V markets. There is no assurance that all the oil which is "surplus" to the West Coast (and thereby "available for export") in the companies' eyes will be truly in excess from the standpoint of consumers, national security or national economic efficiency.

Because of uncertainty regarding the volume of District V crude oil production and the imponderable but almost surely enhanced commercial attractiveness of oil exports to Japan in future years, the Committee is of the view that even though it has had repeated assurances from the oil companies and the Administration that the former "have no intention" to export crude oil produced on Alaska's North Slope, there should, nevertheless, be a statutory check upon such exports.

Section 114 of the Act expresses the Committee's concern that the companies that control the North Slope oil reserves might decide on the basis of private commercial advantage, to make export sales or exchanges that result in a net reduction of crude oil supplies available to the United States, or an increased dependence of the United States upon insecure foreign supplies.

The Committee did not believe that a categorical prohibition of oil exports would be wise, however. There might well be a situation in which export-for-import arrangements would be of benefit to both the United States and its trading partners. For example, the export to Japan of Alaskan crude oil supplies to west coast needs in exchange for Latin American or Eastern Hemisphere crude (which would otherwise have been transported to Japan) for the Northeast could, under some circumstances, be a better arrangement to bring the Northeast region additional crude oil supplies than either transcontinental pipelines or a tanker route around the Horn. A total prohibition might, in addition, encourage other countries to restrict exports to the United States, or cripple efforts to provide cooperation or sharing of restricted supplies among consuming countries.

Section 114 provides that any export arrangement be critically examined in light of the national interest to assure that a few pennies per barrel in private transportation expense are not saved only at a great cost to the total security of national energy supplies. Issues that might be scrutinized in any such examination include whether any export at all is in the national interest, the duration of the export contract, the international consequences of diverting such exports to domestic use in an emergency, the availability of transport capacity to do so, and the net impact of any sale or exchange upon the United States balance of payments.

The provisions of the Section effectively place the burden upon an applicant for an export license to demonstrate that exports of North Slope crude oil are indeed in the national interest, and by requiring an express Presidential finding, compel an examination of that interest at the highest levels.

APPENDIX II

QUESTIONS REGARDING POSSIBLE EXPORTS OF ALASKA NORTH SLOPE CRUDE OIL

To Agencies:

Please prepare for the Committee's use the following information:

1. What are your present projections for total production of crude oil and natural gas liquids on the North Slope of Alaska for each of the first five years (by quarter, if possible) of operation of the Trans Alaska Pipeline? If these figures differ significantly from your projects for pipeline throughput or tanker cargoes from Valdez, please indicate the latter figures as well, and explain any disparity between them.

2. How much of this production, throughput and/or cargoes expected to be owned or controlled by each of the companies with a producing interest on the North Slope or with an equity interest in the Trans Alaska Pipeline? (Indicate whether these figures are gross or net of the state's royalty interest.)

3. What are your current projections for each year of the same five-year period of total demand for (a) refined petroleum products and (b) crude oil and natural gas liquids in P.A.D. District V?

4. What are (a) the total current refinery capacity and (b) projected refinery capacity and throughput in P.A.D. District V for each year of the five-year period for each of the companies either with a producing interest on the North Slope or with an equity interest in the Trans Alaska Pipeline?

5. What is the current volume of, and what are your present projections for each year of the five-year period for, total P.A.D. District V production of crude oil and natural gas liquids other than from the North Slope? If possible, subdivide these by region (e.g., California onshore, California offshore, Cook Inlet, etc.).

6. What is the current net production in P.A.D. District V, by region, of crude oil and natural gas liquids by each of the companies with a producing interest on the North Slope Alaska or with an equity interest in the pipeline, and what is the projected production for each of these companies for each year of the five-year period?

7. To what extent, if at all, is any North Slope crude oil production already under contract or otherwise committed tentatively or otherwise to specific destinations or purchasers?

8. If the projections in response to questions 1, 3, 4 and 5 imply a supply deficit in P.A.D. District V, what are the expected sources for the balance of demand, and in what projected volumes; if the projections indicate an excess supply, what are the expected destinations of the excess, and in what projected volumes?

9. What plans exist, or are under active consideration, for transporting any crude oil produced on Alaska's North Slope or anywhere in P.A.D. District V, to markets outside District V.

10. In your opinion will limitations of demand in District V or in general be, or might they ever be, a constraint or delaying factor in raising the throughput of the Trans Alaska Pipeline from its planned initial throughput of 600,000 barrels per day to its planned capacity of 2 million barrels per day?

11. What, if any, agreements are required among the pipeline owner companies to increase the pipeline's operating capacity? What would happen if one or more companies favor an increase in capacity and others oppose it? What arrangements exist with respect to a company which wishes to ship through the pipeline a volume of oil in excess of its equity in existing capacity?

12. What authority, if any, has the Interstate Commerce Commission or the State of Alaska to require the owners (a) to expand producing capacity up to 2 million barrels per day, or (b) to loop the pipeline for throughputs greater than 2 million barrels? Is there any circumstances in which a shipper who is not one of the owners of the pipeline might have a valid cause of action to compel the owners to expand pipeline capacity?

13. What, if any, authority has the State of Alaska to employ either market demand prorationing, or regulation of pipeline throughput, to prevent the development of crude oil surpluses or softening of prices in markets for the state's oil? Under what circumstances, if any, can you anticipate exercise of such authority?

To Companies:

I would appreciate it if you would prepare for the Committee's use the following information:

1. What are your company's present projections for total production of crude oil and natural gas liquids on the North Slope of Alaska for each of the first five years (by quarter, if possible) of operation of the Trans Alaska Pipeline? If these figures differ significantly from your projections for pipeline throughput or tanker cargoes from Valdez, please indicate the latter figures as well, and explain any disparity between them.

2. What are your company's present projections over the same five-year period of net volume of crude oil and natural gas liquids (a) produced by your company and its affiliates on the North Slope, (b) shipped through their share of the pipeline, and (c) loaded by them at Valdez? (Indicate whether these figures are inclusive or exclusive of state royalty oil.)

3. What are your current projections over the same five-year period of total demand for (a) refined petroleum products and (b) crude oil and natural gas liquids in P.A.D. District V?

4. What is the present capacity of your company's P.A.D. District V refineries and those of its affiliates, and what are your current projections or plans for refinery capacity and throughput for each year of the five-year period?

5. What is the current volume of, and what are your company's present projections for each year of the five-year period for total P.A.D. District V production of crude oil and natural gas liquids other than from the North Slope? If possible, subdivide these by region (e.g., California onshore, California offshore, Cook Inlet, etc.).

6. What is the current net production of crude oil and natural gas liquids controlled by your company and its affiliates in P.A.D. District V, by region, and what are your projections for this production for each year of the five-year period?

7. What portion, if any, of your company's

projected North Slope production and/or that of its affiliates is already sold or under sale contract, or otherwise committed, tentatively or otherwise, to specific destinations or purchasers (including your own refineries and/or those of your affiliates)? How much of this supply is committed to P.A.D. District V?

8. If the projections in response to questions 1, 3, 4 and 5 imply a supply deficit in P.A.D. District V, what are the expected sources of the balance of demand and in what projected volumes; if the projections indicate an excess supply, what are the expected destinations of the excess, and in what projected volumes?

9. If the responses to questions 2, 4 and 6 indicate a supply deficit for your company and its affiliates in P.A.D. District V, from what sources do you expect to fill the deficit and in what volumes; if the responses indicate a surplus, what are the expected or planned destinations of the surplus, and in what volumes?

10. What plans exist, or are under active consideration by your company or its affiliates, for transporting any crude oil produced on Alaska's North Slope or elsewhere in P.A.D. District V to markets outside District V.

11. In your opinion will limitations of demand in District V or in general be, or might they ever be, a constraint or delaying factor in raising the throughout of the Trans Alaska Pipeline from its planned initial throughput of 600,000 barrels per day to its planned capacity of 2 million barrels per day?

12. What, if any, agreements are required among the pipeline owner companies to increase the pipeline's operating capacity? What would happen if one or more companies favor an increase in capacity and others oppose it? What arrangements exist with respect to a company which wishes to ship through the pipeline a volume of oil in excess of its equity in existing capacity?

13. What authority, if any, has the Interstate Commerce Commission or the State of Alaska to require the owners (a) to expand producing capacity up to 2 million barrels per day, or (b) to loop the pipeline for throughputs greater than 2 million barrels? Is there any circumstance in which a shipper who is not one of the owners of the pipeline might have a valid cause of action to compel the owners to expand pipeline capacity?

14. What, if any, authority has the State of Alaska to employ either market demand prorationing, or regulation of pipeline throughput, to prevent the development of crude oil surpluses or softening of prices in markets for the State's oil? Under what circumstances, if any, can you anticipate exercise of such authority? Under what circumstances, if any, can you anticipate a request (or endorsement) by your company for such action to limit production?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana, as modified.

The amendment (No. 1609), as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CHILES. Mr. President, I send to the desk a modified version of my amendment No. 1646 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment (No. 1646), as modified, is as follows:

ECONOMIC POLICY ACTIONS

SEC. . (a) Section 3 of the Export Administration Act of 1969, as amended by section 4 of this Act, is amended by adding at the end thereof the following new paragraph:

"(7) It is the policy of the United States to use export controls to secure the removal by foreign countries of restrictions on access to supplies (a) where such restrictions which have had or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have had or may have a serious adverse effect on employment in the United States, or (b) where such restrictions have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies or actions through international cooperation and agreement before resorting to the imposition of controls on the export of materials from the United States: *Provided*, That no action shall be taken in fulfillment of the policy set forth in this subsection to restrict the export of medicine, and medical supplies."

(b) Section 4 of such Act, as amended by sections 3, 4, 9, and 10 of this Act, is amended by adding at the end thereof the following new subsection:

"(j) Before exercising the authority conferred by this Act to implement the policy set forth in section 3(7), the President shall—

"(1) request and receive from the Tariff Commission its views on the probable impact on the domestic economy of such exercise of authority: *Provided, however*. That such views are transmitted to the President within 30 days of the request therefor; and

"(2) consult with the appropriate committees of the Congress with respect to such exercise of authority."

Mr. CHILES. Mr. President, the amendment as modified contains several changes from the printed amendment. Primarily, it now contains some language that would provide for a new section B. Where such instructions have been imposed for the purpose of influencing the foreign policy of the United States, in effecting this policy the President shall make reasonable effort to secure the removal or reduction of such restrictions. That is in addition to the amendment as it was printed.

In addition to that, we have stricken the reporting language on the amendment as it was originally printed because there is reporting language in the bill.

The thrust of this amendment is to provide that it is the policy of the United States to use export controls to secure the removal by foreign countries of restrictions on access to supplies where such restrictions would have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have or may have a serious adverse effect on employment in the United States.

It further provides that if these appear to be conditions, that the President shall request and receive a report from the Tariff Commission of its views on the probable impact on the domestic economy of the exercise of such authority.

What we are attempting to do with this amendment is to provide the tools in the bill wherein if a country attempts to restrict supplies or access of supplies to the United States, and if that restriction is adversely going to affect our economy, cause inflation, cause severe inflationary hardship, cause severe unemployment, we would be able to at least have at our disposal the tool of determining whether we were going to restrict the access of our exports to a country that was engaging in policies that would affect us in that way.

I think we have to recognize that today we are living in an era in which we are going to see perhaps more and more boycotts; combinations of countries that would attempt to use restrictions on their exports to the United States, and exports to other countries, in a manner that could cause severe economic hardship to this country. While I do not believe that is the way we should play the trade game—I believe there should be free access to trade where possible—I believe that we have to be prepared and have to have the capability to be able to respond to that kind of action.

I have a feeling that if we are prepared, if we have the capability, and if other countries realize that we have the capability and the determination to respond to these kinds of actions, then there is less of a chance that we will be brought into this kind of a protectionism and this kind of economic warfare which appears to be on the horizon, and which has already been used in some instances.

I have discussed the amendment at length with the floor leader (Mr. STEVENSON) who is handling the bill, and also with the leader from the minority. I think this is a tool that would be in the best interest of this country, if we had this tool.

Mr. STEVENSON. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. STEVENSON. This amendment is intended to strengthen the bargaining position of the President for the purpose of reducing barriers that deny the United States access to supplies.

The international economic debate has been shifting in recent years from import controls and access to markets to export controls and access to supplies. The concern which we all face in the industrialized world is dramatized by the recent action of the oil-producing countries when they imposed an embargo. Acting jointly through the OPEC, the oil-producing countries caused severe economic consequences in other countries for the purpose of influencing the foreign policies of those countries. Without such power as this amendment affords the President, the United States is virtually powerless. Its military power and its economic power are not exercisable.

The purpose of this amendment is not to encourage the use of export controls. Its purpose, on the contrary, is to discourage resort by governments to export controls and such other devices which deny access to supplies.

This amendment is carefully drawn to permit resort to export controls by the President only when a foreign country has imposed restrictions on supply which have a serious domestic inflationary impact in the United States or have caused a serious domestic shortage or a serious adverse effect on employment. That is the one test.

The other test offers the President the opportunity to impose export controls when the purpose of the restriction by the foreign country is to influence the foreign policy of the United States.

Even this authority, the authority to impose controls in these carefully circumscribed circumstances, is further limited.

The amendment requires that the President first make every reasonable effort to secure the removal or reduction of such restrictions through international cooperation and agreement, before resorting to the imposition of controls.

I want to emphasize, Mr. President, that the purpose of this amendment is not protectionism. The purpose of this amendment is to give the President the authority by which to bring down trade barriers which deny the United States access to essential supplies. Oil is the obvious example, but there are other possibilities lying in wait for us down the road.

We have and produce in this country such high-technology products and agricultural commodities which gives us economic power, which could be used under this amendment to bring down unreasonable trade barriers and permit us access to essential commodities produced by foreign countries.

Without this power we are on a one-way street. Other countries resort to export controls, but the United States does not. We take it lying down.

I will support this amendment, Mr. President.

Mr. PACKWOOD. Mr. President, will the Senator from Florida yield for a question?

Mr. CHILES. I yield.

Mr. PACKWOOD. I want to make sure of the specific intent of the amendment. One, it is permissive, not mandatory, on the part of the President using this; is that correct?

Mr. CHILES. That is right. It is permissive. It requires, as in other sections of the bill, reporting to the Congress of his actions.

Mr. PACKWOOD. But this amendment is not the basis for a legal action on somebody's part to force the President to act?

Mr. CHILES. It is not self-acting, no.

Mr. PACKWOOD. Second, you have used the word "serious" on three occasions. I take it that would mean exactly what it means, that it must cause a serious domestic inflation.

Mr. CHILES. In addition, the Tariff Commission makes a report of the consequences.

Mr. PACKWOOD. Third, as I read the amendment, it would not apply if a country raises the price on a material that it might be selling in the world, because that is not denying access to supplies; it is simply raising the price of them.

Mr. CHILES. I think it could. I think it would be possible. If the raising of that price was to the extent that it was denying access and if a report showed that, then it would be possible.

Mr. PACKWOOD. But that would have to be a raising of a price to such an extent that it would be, in essence, pricing the community out of the world market and nobody wants to buy it.

Mr. CHILES. Again, it would have to be such that it would be causing this kind of A, B, C—that it would be causing serious unemployment, economic distress, or an inflationary impact; and it would take a report of the Commission.

To be frank with the Senator, I would envision that it would certainly be possible that price could do that, if the raise was of that amount. That would depend, again, upon the seriousness of it and upon the report.

Mr. PACKWOOD. What the Senator is saying, then—now I understand—is that, realistically, the countries that have control of tin or copper or bauxite would trigger this permissive retaliation, if they were to raise their price high enough to the world community, not just to the United States, so as to cause the serious short supply or the serious inflation. In that case, we can say to Bolivia or Jamaica, "We are going to retaliate. You cannot raise your price that high on your tin or your bauxite."

Mr. CHILES. I think the price raise would have to be sufficient so that findings could be made that it amounted to a restriction on access. There are a number of ways that you could restrict access. One way would be to price your material at such a price that it amounted to that, which caused a diminished demand, to the extent that you restricted access of the supplies.

Mr. PACKWOOD. I do not understand the answer. I cannot think of any commodity that any foreign country sells that has ever been priced so high that it restricted access to it. Even in the petroleum boycott, it was the fact that it was a boycott by the Arab countries and they would not sell it to us, not the price, that prohibited our access to it.

Mr. CHILES. I think that high price always is possible to restrict access to supplies, if that price is high enough.

Mr. PACKWOOD. I yield the floor, Mr. President.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. On whose time?

Mr. PACKWOOD. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. 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. WEICKER. Mr. President, on November 30, 1973, I introduced an amendment to H.R. 8547, which dealt with the devastating impact of the Arab oil embargo. This amendment read as follows:

> During any period during which a foreign country prohibits the export of crude oil or refined petroleum products from such country to the United States, the President shall prohibit the export from the United States to such foreign country of all articles, materials, and supplies, other than food, medicine, and medical supplies.

My rationale for precluding the President from ordering retaliatory embargos on exports of food, medicine, and medical supplies, lay in the belief that America should never play politics with people's lives.

At a time when petroleum was in critical short supply around the world, the Arab nations saw fit to pursue their political goals by exerting economic blackmail against the United States and other countries. In shutting off their exports of crude oil and refined products, the Arab leaders thought that by endangering the health and safety of the poor, the elderly and the sick, they could bring about changes in our foreign policy.

This was clearly blackmail on the part of the Arab leaders and I felt then, as I do now, that our Nation must reject this diplomacy of calculated human suffering.

I felt it was essential to put heads of state on notice that we do not consider blackmail a valid tool of international policy.

That is why, though I did not believe we should keep on selling the Arabs items such as power machinery, motorized vehicles, and the very drills they use to produce the oil they embargoed last winter, I, nevertheless, am concerned that America not exercise retaliatory export authority to withhold food and medical supplies from the Arab people.

As the pending Chiles amendment is another attempt to authorize the President to impose retaliatory export controls, I am introducing my modifying amendment to indicate that blackmail is not an acceptable policy for export controls by the United States.

I thank my esteemed colleague from Florida for accepting this modification to his amendment.

Mr. PACKWOOD. Mr. President, I am prepared to accept the amendment of the Senator from Florida and yield back our time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CHILES. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I ask unanimous consent that the name of the Senator from Georgia (Mr. NUNN) be listed as a cosponsor of the amendment.

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

The bill is open to further amendment.

Mr. DOLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 1, strike out line 6 through line 8. Redesignate the succeeding sections accordingly.

Mr. DOLE. Mr. President, section 2 of the bill we are considering, S. 3792, to extend the Export Administration Act of 1969, significantly liberalizes the conditions under which the President may impose export controls. This change, if adopted, could be detrimental to the agriculture industry and to the Nation

as a whole. I offer this amendment to keep the conditions for imposing export controls as they exist under present law.

Under the existing language of the Export Administration Act of 1969, one condition which must be satisfied before the President may impose export controls is that the measure must be necessary "to reduce the serious inflationary impact of abnormal foreign demand." The bill we are considering deletes the word "abnormal."

The change proposed in the bill would permit misguided and misinformed advocates of export controls to force the President, through court action, to institute export controls at a time when it could be detrimental to the entire Nation.

FOREIGN DEMAND IS BENEFICIAL

Last year, agricultural exports kept our balance of trade in the black in spite of increased costs for oil and other foreign materials we import and depend on greatly. Foreign demand is expected to remain strong and continue to give us a favorable balance of trade. Agricultural exports are expected to amount to $21 billion in fiscal year 1975, and they were even higher than that in fiscal year 1974. Clearly, this additional income is advantageous to the entire Nation and to agriculture as well.

The continuation of strong foreign demand is expected to keep prices for agricultural commodities at a profitable level. This is healthy for the entire economy. However, some advocates of depression level prices for farm commodities could press for export controls under any type of foreign demand. If the bill is adopted in its present form. Such advocates, by acting under the guise of "consumer interests," have nearly forced us into export controls in the past under existing law. For example, there was the "$1 per loaf" scare on wheat supplies last winter.

My argument is simply that strong foreign demand for our commodities is a healthy situation and the present bill would permit export controls to be implemented even in such circumstances. My amendment would prevent this from happening since strong foreign demand is not necessarily abnormal demand.

I urge the adoption of this very important but rather technical amendment.

I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, in the past, one of the impediments to the effective use of export controls has been the need to show abnormal foreign demand which produced an excessive drain of scarce materials and serious inflation. The term "abnormal" suggests the need to show, by reference to some earlier period, that the pattern or magnitude of foreign demand had changed.

However, the determination of an appropriate reference point for assessing whether foreign demand was normal or abnormal was impossible to do with any degree of certainty, since trade patterns fluctuate; and in some situations, an excessive drain of scarce materials and serious inflation can result even if foreign demand levels have not changed significantly.

In other words, what difference does it make if the foreign demand is abnormal or normal, so long as it is causing serious inflation and an excessive drain of scarce materials?

It was for those reasons that the committee unanimously supported this change to delete the reference to abnormal foreign demand.

For those reasons, I have to oppose the amendment offered by the Senator from Kansas.

Mr. PACKWOOD. Mr. President, I join the Senator from Illinois in opposition to this amendment. The committee, as I recall, was unanimous.

There is simply no standard of abnormality, whether it be on scrap metals or wheat exports. If we are going to insist upon the use of the term "abnormal," for all practical purposes, this has proved to be a useless clause. I support the export of agricultural commodities, I think, as much as the Senator from Kansas; but we are going to have to strike the use of the word "abnormal" if we are going to have any kind of standard we can look to from time to time.

We have been over and over it in committee. It is just a worse than useless word that causes an inoperative section.

Mr. DOLE. Will the Senator yield?

Had the word "abnormal" been stricken a few months ago, we probably would have had export controls because of all the scare talk about bread prices at $1 a loaf.

Does the Senator see it making any difference if we strike the word "abnormal"?

Mr. PACKWOOD. No, I doubt that, with or without the word, we would have had export controls based on that scare talk, but I can foresee a situation in any kind of commodity, be it scrap iron or otherwise, where, as the foreign demand increases and increases and as the supply in the United States is static, and as gradually foreign demand forces up our domestic prices, we would say at some stage, "Stop."

But to say abnormal foreign demand almost implies the kind of situation that you are only going to use this where the foreign demand is so extraordinary, so unusual, as to be almost unthought of.

We thought in committee that was too high a standard to subject domestic consumers to.

Mr. DOLE. Mr. President, it just seems to the junior Senator from Kansas that we make a serious mistake by removing the word "abnormal" from section 3 (2) (A):

> (2) It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of [abnormal] foreign demand.

It seems to this Senator to have the effect of significantly liberalizing conditions under which the President can impose controls on nonagricultural goods.

For agricultural commodities, as I understand it, the Export Administration Act provides an additional and more important test before the export controls may be imposed.

But there is a great feeling in this country, and not just for agricultural commodities, that, when market prices reach profitable levels, there are always great demands advocated in the name of consumerism or consumer interests which would, in effect, impose export controls having the ultimate effect of lowering prices on farm and other commodities.

We had an example somewhat over a year ago with export controls on soybeans. The market price on soybeans, I think, dropped from around $12 to $3 or $4. We did not have any more soybeans because of export controls and probably no lesser amount of soybeans, so the drastic fall in prices was about the sum and substance of the export controls.

They were later lifted and it was acknowledged at the time they were lifted that it probably was a mistake to impose the controls in the first instance.

So it seems clear that our farmers and others engaged in export need this protection.

I am willing to submit this measure to a voice vote. I want to call it to the attention of the Senate and would hope it might be accepted. The issue has been discussed in the committee. Can we have some assurance by the committee that it makes no significant difference?

Mr. STEVENSON. I share the Senator's concern and commend him for expressing it.

I represent the largest agricultural exporting State in the Union and I could not support this amendment if I thought it would have any adverse effect on our farmers or on our agricultural community in general.

The fact of the matter is that almost no matter how you look at it, demand for U.S. food, whether it is Kansas wheat or Illinois corn, is abnormal and is going to remain abnormal for a long time with the demand rising simultaneously at home and abroad.

So, the deletion of the word "abnormal" is very unlikely, in my judgment, to make any difference at all to farmers.

Certainly, in the case of the soybeans, with or without the word "abnormal," the Government would have had the authority with which to impose that embargo.

I thought the imposition of the soybean embargo was a terrible mistake. It is, however, possible in other circumstances that demand, whether it is for ferrous scrap or some other commodity, might not be abnormal by some test, yet could be causing very serious inflation and a drain of an essential commodity at home and, thus, require the imposition of controls.

It is for that reason that the committee recommends deleting the word "abnormal." It adds an element of uncertainty, of confusion. It is an unrealistic test, and one that is most unlikely to have any effect at all on the American farmer.

So I hope that on the basis of this colloquy, and the unanimity that has been expressed on this question here on the floor and also within the committee, that it might be possible for the Senator from Kansas to withdraw his amendment.

I certainly assure him that if under the changes in this act this or any other administration resorted arbitrarily to the use of export controls with adverse effect on our farmers, I would be among the first to join with him in changing the law to provide a different and perhaps more realistic standard than the now "abnormal" provides in the law.

Mr. DOLE. Will the Senator yield?

I do appreciate the expression by the distinguished Senator from Illinois and the distinguished Senator from Oregon.

I think we are in accord: we all represent agricultural States. There are large exports from the State of Oregon, from the State of Illinois, from the State of Kansas, and from other States across the country. Agricultural exports, of course, are very important to our States.

I do not intend to suggest either Senator would bring a bill to the floor that might impose any hardship or restriction on potential exports.

This exchange has been very helpful. It does make some guide to those who would have authority to impose export controls.

Under existing law as it deals with agriculture, before the President can impose export restrictions on any agricultural commodity, the Secretary of Agriculture must certify that the supply of such commodity is not in excess of requirements for the domestic economy.

It is my understanding that S. 3792 does not affect this latter provision relating to agriculture. So on the basis of the exchange with the Senators from Oregon and Illinois, I think it best not to withdraw the amendment. I would like to have the record show it was offered, but I am certainly willing to accept the decision on a voice vote of the Senate.

Mr. STEVENSON. I am glad the Senator made that point. He referred to the additional safeguard that does remain in the Export Administration Act for the farmers.

That provision has not been changed by this legislation.

The PRESIDING OFFICER. Do both sides yield back the remainder of their time?

Mr. DOLE. I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I do not yield yet.

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

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. What is the will of the Senate?

Mr. PACKWOOD. I yield back the remainder of our time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas (putting the question).

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed——

Mr. PACKWOOD. 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. JAVITS. 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. JAVITS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1 line 7, after "Sec. 2" insert "(a)".

On page 1, between lines 8 and 9, insert the following:

(b) Section 3(2)(A) of such Act is amended by striking out "and" and inserting in lieu thereof "or."

Mr. JAVITS. Mr. President, this is not the 40-minute amendment; it is an ordinary amendment, with a 30-minute limitation. I yield myself 3 minutes.

The purpose of this amendment is strictly to deal with the declaration of policy in the basic act which is here being dealt with. The basic act is a little out of date in terms of the problems which now face our country.

I wish to emphasize that my intercession in respect to this whole bill is only because inflation is very directly involved, now, in respect to food prices and food exports; otherwise I would leave it to the agricultural experts and the Committee on Banking, Housing and Urban Affairs. But under present circumstances, it really affects us all.

It will be noted that the particular section that I have in mind to deal with here in this rather brief but I think important amendment, in terms of the purposes which we are trying to serve, appears in the third line of sec. 3(2)(A) on page 12 of the committee report. That purpose reads as follows:

It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of . . . foreign demand.

My proposal would be to separate the two concepts, "to stop the excessive drain of scarce materials," or "to reduce the serious inflationary impact of foreign demand."

The reason for that, Mr. President, is that we would have a right to consider—that is why this would go in as a matter of policy, rather than as a mandatory direction—as one of the criteria for imposition of export controls, whether it drains scarce materials or gives us a serious inflationary impact, in the event that foreign demand creates that inflationary impact.

Second, Mr. President, as we stand now, joining these two requirements with the word "and," we have the problem that an excessive drain of scarce materials may not immediately cause a serious inflationary impact, but our situation is now so bad in respect to inflation that we cannot actually wait until the inflationary impact hits us before we deal with export controls.

Finally, Mr. President, on this particular matter, in the recent example of price controls there was an excessive drain, as we all know, based on the tremendous reduction which has taken place in even the minimal reserves which are now on hand respecting the major farm commodities like wheat; and there was no inflationary impact immediately, but an inflationary impact was delayed and occurred at a later time, so that this definition would not have been met then and there.

Yet, as we all know, and as, for example, the Investigations Subcommittee of the Committee on Government Operations, of which I am one of the two ranking members, has found, the inflationary impact, though deferred, of the Russian wheat deal, nonetheless was a serious stimulus to what could almost be characterized as a runaway price.

So for all of those reasons, Mr. President, and recognizing that we are now in a different kind of a world, and as so much of this act states that it has relation to the fundamental policy of the United States, I believe—and I am speaking now not in the sense of an agriculturist, but strictly in terms of the interests of consumers—that the policy of the United States ought to be both to deal with the danger of the excessive drain of scarce materials and to deal with the danger of the serious inflationary impact of foreign demand.

As I have pointed out, this is simply a declaration of the basic policy of the United States, which this amendment seeks to make cover both contingencies instead of the one with two criteria. That is the whole essence of the amendment, and I would hope very much that all of us would recognize that this is the idea.

I might point out that in the House of Representatives that construction prevailed. In the other body they did use the word "or."

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield myself 3 minutes. Will the Senator from New York yield?

Mr. JAVITS. Of course.

Mr. PACKWOOD. Again I want to be specific. Let us take wheat, for example. We will grow about 1,900,000,000 bushels this year in this country, give or take 50 million bushels, and will use only 700 million bushels domestically; so we are not short of wheat. It is not a scarce commodity.

But if we change the "and" to "or", does that mean we cannot export any wheat, or where do we trigger it? Does there have to be a serious inflationary increase in the price of wheat, or does it have to be a serious overall economic impact to the entire economic picture?

Mr. JAVITS. The latter.

Mr. PACKWOOD. The latter?

Mr. JAVITS. As the Senator knows, I am very deeply concerned with exports and maintaining exports, and our balance of trade demands it. As a matter of fact, today agricultural exports are critical. We are just mighty lucky that we have them, and that this is the great granary of the world.

The only thing I am trying to effect by the two amendments I propose—and I have separated them because they really have a thrust in different directions—the only thing I am trying to do is give us the tools with which to work, nothing else.

In other words, if Congress is persuaded that an export control is required to avoid a really substantial inflationary impact, which means an impact on price of whatever is our crop situation, for example, there is no question about the fact that if we have as low a carryover—and, Senator Packwood, I hope you will help me because I do not pretend to be an agricultural expert, I am not, but I do know something about economics and price, and that is the only area in which I speak—but, as I understand it, there could be a very major influence on price with a very low carryover, and that looks like it is indicated for our country, so I have no desire whatever—I do not think I am—of doing anything which in any way prejudices not only the idea of having agricultural exports but their great desirability, with which I thoroughly agree.

The only thing I am trying to do is establish criteria which deal with both shortages of supply and inflationary impact.

What we do with that will be up to Congress or whatever machinery we set up in this law which gives control either to the Secretary or to Congress.

I might say, in advance, that I have been much impressed with the fact that whatever is done in this field should be done by Congress, and the next amendment I will propose will be to vest that power in Congress rather than in any official, but to allow us to have the recommendations of the appropriate official. However, my purpose in this is solely to recognize that in the new shape we are in, a serious inflationary impact should also be a criterion. We may or may not follow it, but at least it should be recognized as a criterion, and I mean the latter part of your two-part definition, the overall economic situation, not strictly the question of what the size of our crop is, how much we have for export, and so forth.

Mr. PACKWOOD. If the Senator is talking about the entire national economy, we are going to be hard-pressed to find any export of a commodity, be it scrap iron or wheat, that has that dramatic effect on the overall economy.

Mr. JAVITS. That is right.

Mr. PACKWOOD. It would have to be an extraordinary event.

Mr. JAVITS. It really would, and that is what I have in mind; it would have to be extraordinary. But we went through one. I mean, when we look at the price of wheat at $6 a bushel from what it was when this grain deal was made, I would point out to the Senator that we really, until we begin to debate this bill, have had no reaction to that situation in terms of statutory tools.

Mr. PACKWOOD. But the point I would raise exactly on the wheat, when it hit $6, although it has fallen to——

Mr. CURTIS. $3.75.

Mr. PACKWOOD [continuing]. About $3.75, wheat is a very small part of the cost of bread, and I think you could not make a valid argument that you had a serious national inflation not just as it relates to the price of wheat but overall from the export of wheat to the Soviet Union.

The deal was unjustified. The Department of Agriculture got caught by surprise, and we got taken. But whether or not that caused a serious national inflation I think probably is not true.

Mr. JAVITS. If I could say to the Senator, I doubt very much—I thoroughly disagree with him—that in any one item you would run into that situation, but you could run into that situation if some price leader touched off an inflationary move in other directions as well or if, coupled with moves in other directions, that is, other agricultural commodities, et cetera, you did have a serious inflationary impact.

In any case, all I say is it should be a tool in our hands so that our policy says that we are going to look at this both from the point of view of shortage and from the point of view of serious inflationary impact, and we are not going to be blind to the fact that we are living in a new world situation.

Mr. PACKWOOD. Mr. President, I will yield to the Senator from Nebraska.

The PRESIDING OFFICER. Yield time on the bill?

Mr. PACKWOOD. Time on the bill.

Mr. CURTIS. Mr. President, my distinguished friend from New York (Mr. JAVITS) is so able and so persuasive that he almost persuades people when it is wrong, and he is wrong now.

This little change is contrary to the trade policy of the United States. It makes it easier, it is an inducement, to impose export controls.

The country got excited and pressured this government into imposing an export control on soybeans. What happened? Purchasers all around the world proceeded to find a new place they could buy. Acres upon acres of additional soybeans are planted in South America as a result of the blunder of this country imposing export controls.

This is contrary to the whole concept of our trade, which is to have a situation where there would be no Government export controls imposed.

Now, let us keep this in mind: About 100 people out of 100 consume food, and about 5 percent produce it, and so those who produce it will be the whipping boy all the time.

At the highest price of wheat it cost 8 cents to buy wheat for a loaf of bread, and the loaf of bread was selling for around 47 cents.

Someone asked me, saying, "What are you going to do if the price of bread goes to $1." Well, the thing to do is to put some city slickers in jail because wheat could not and would not go that high at all.

Let me say something about this Russian wheat deal. As a matter of fact, our exports of agricultural products were not something to be proud of in the days gone by. We had surpluses of everything. We were giving away food. We had the Public Law 480 plan, we had plans whereby we paid the freight and almost paid foreigners to take our surplus grain because we were spending hundreds of millions of dollars every year to store surpluses. So with that pattern over several years, along comes a chance to sell the Russians some wheat.

Nobody complained about the plan before, but the fact that we had a customer they said, "Oh, no, this is terrible."

Well, here is how terrible it was. The farmers of America have collectively enjoyed 80 percent as much prosperity as the nonfarm population. When the Russian wheat deal——

The PRESIDING OFFICER. The 3 minutes of the Senator from Nebraska have expired.

Mr. CURTIS. I was operating under time from the bill.

Mr. PACKWOOD. Time from the bill; I thought we had 2 hours. Fine, I yield 3 more minutes.

Mr. CURTIS. I thank my friend from Oregon.

At the time the so-called Russian wheat deal was made the price of wheat to farmers in my State was about $1.41. We got rid of all that surplus. The Government is not holding a big surplus to keep a cloud over the market. While the price then was just temporarily up to $5 or $6, it is about $3.75 now, where the price should be.

Agricultural prices are not too high. The cost of fertilizer has gone up two or three times. The cost of tractor fuel has gone up in the same proportion, as everybody knows, as the price of gasoline has gone up.

This is a proposal to place the burden for causing inflation upon the agricultural people of this country who traditionally have lived on a lower standard, had less income than the rest of the population.

Now, what do we do? At the present time, it provides that "to protect the domestic economy from the excessive drain of scarce materials, and to reduce the serious inflationary impact of foreign demand," it is proposed that we change "and" to "or" so we could have a situation where we have all sorts of supplies in this country but, if somebody, an economist, a bureaucrat or someone, says this is inflationary, the pressure starts for export controls.

Mr. President, the only bright spot we have in foreign exports is in agricultural products. Why do we want to send out word to the purchasers of agricultural products, "Do not buy from Uncle Sam," because in order to appease in this country an export control program might be slapped on at any time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

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

The PRESIDING OFFICER. On whose time?

Mr. CURTIS. It does not matter to me.

Mr. JAVITS. Mr. President, if the Senator will withhold his request I would

like to have the amendment debated slightly. We can always get the yeas and nays, unless the Senator particularly wishes to do so at this time.

Mr. CURTIS. No; it does not matter to me when we get them.

Mr. JAVITS. Mr. President, I yield myself 3 additional minutes on this particular amendment.

The PRESIDING OFFICER (Mr. TOWER). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I have heard the argument of the Senator from Nebraska with great interest, but all the Senator argues is that we should not do it, not that we should not give ourselves the authority if we wish it. All I am arguing is for the authority.

In short, we must exercise whatever authority we have providently, but that does not mean we should not have the authority.

The Senator argues that agricultural prices are not too high today and, therefore, let us not impose export controls. I do not say to impose export controls, but I do say that, having gone through the experience we have, the policy of the United States should take into contemplation what has occurred in terms of our difficulties.

It is very well known and there has been widespread discussion about the fact that, as far as farm commodities are concerned, the consumer has to have something to say in respect to them if there is going to be a balanced policy on the part of the United States. We cannot just go on pouring out resources of the United States, whatever may be the effect on the internal economy of the United States. Right now I think we have a right to balance our situation by at least giving us the necessary authority.

I might point out, too, that I think the House of Representatives is probably just as compassionate to the farmer as the Senate. The House, in its version of this very bill, has done exactly what I am urging upon the Senate. The House has provided that the Secretary of Commerce, in consultation with the appropriate U.S. departments and agencies and any technical advisory committee, shall undertake an investigation to determine which materials or commodities shall be subject to export controls because of the present or prospective domestic inflationary impact on short supply of such material.

That is exactly what I suggested, not even making it as strong as what is contained in the House bill, but just saying we should recognize now the equal interest of the consumer in inflation and the farmer. I am not trying to inhibit. I am just trying to give us the necessary policy that will be evenhanded in that regard.

I would like to point out that I am sustained in this by very considerable authority. A very distinguished newspaper like the London Economist, in its April 1974, issue reports the fact that in their opinion it is the unprecedented tripling of wheat prices and the doubling of soybeans, animal feed, and beef prices over the past 2 years more than any other factor that stoked up economic inflation.

I believe that is a widely held belief in the United States; that that has been the situation. I believe our farm people have been very cognizant of this. We should have a definition of our policy which at least calls for an even balance as between the demands of the farmer; and we are very proud to state that affirmatively, and the productivity, technology and tremendous contribution our farm people make to this whole country, but we should have some balance in the consumers' interests, in terms of inflation.

The reason I asked the Senator from Nebraska to wait a minute before asking for the yeas and nays is the following. I did not frankly think we would have any great problem about the policy.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. I yield myself 2 additional minutes.

I did not think we had any great problem about the policy. If we have, the essence of what I think ought to be our authority is contained in the second amendment which I was going to offer, which I would like to read to the Senate.

As the House has adopted this provision that I am contending for, and it is going to be in conference anyhow, it may well be that if there is less difficulty about the second provision, we can simply adopt that so that is in conference, and then go on to other business.

The provision which I would propose to add as a second amendment which I was going to propose deals with the reporting section of this bill, which is section 4. The provision calls for certain reports to be made to the Secretary and to add this requirement—to add, I emphasize; I am taking nothing out, I am just going to add—that within 90 days after the beginning of the crop year, the Secretary of Agriculture shall determine which commodities, if any, subject to the reporting requirements of section 812 of the Agricultural Act of 1970——

Mr. PACKWOOD. Will the Senator yield?

Mr. JAVITS. Yes, I yield.

Mr. PACKWOOD. Which section are you amending?

Mr. JAVITS. I am amending the reporting section, section 4.

Mr. PACKWOOD. I thank the Senator.

Mr. JAVITS. Within 90 days after the beginning of the crop year, the Secretary of Agriculture shall determine which commodities, if any, subject to the reporting requirement of section 812 of the Agricultural Act of 1970 are likely to be in short supply. A commodity shall be determined to be in short supply if the Secretary of Agriculture estimates that the total quantity of the commodity that will be produced in the crop year will be insufficient to provide for anticipated domestic consumption, commercial exports, programed food assistance commitments, disaster relief assistance and other emergency assistance, and for a reasonable carryover at the end of the crop year.

The Secretary of Agriculture, with the concurrence of the Secretary of Commerce, shall submit his findings to Congress, together with a plan or plans to cope with the anticipated shortage.

Now, Mr. President, if that would sound agreeable to the managers of the bill, I would be willing to forego the first amendment, because, as I say, it will be in conference anyhow.

The PRESIDING OFFICER. Who yields time?

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

Mr. JAVITS. I ask unanimous consent that the time be charged to neither side.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I withdraw the amendment which is pending.

The PRESIDING OFFICER. A quorum call is in progress.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be suspended.

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

Mr. JAVITS. Mr. President, I withdraw the amendment before the Senate and send another amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill, add the following:

AGRICULTURAL COMMODITIES

Sec. 4(f) of the Export Administration Act of 1969, as redesignated by section 3 of this Act, is amended by inserting "(1)" immediately after "(f)", and by adding at the end thereof the following:

"(2)" Within ninety days after the beginning of the crop year the Secretary of Agriculture shall determine which commodities, if any, subject to the reporting requirements of Section 812 of the Agricultural Act of 1970, are likely to be in short supply. A commodity shall be determinined to be in short supply if the Secretary of Agriculture estimates that the total quantity of the commodity that will be produced in the crop year will be insufficient to provide for anticipated domestic consumption, commercial exports, programed food assistance commitments, disaster relief assistance and other emergency assistance, and a reasonable carryover at the end of the crop year. The Secretary of Agriculture with the concurrence of the Secretary of Commerce shall submit his findings to Congress together with a plan or plans to cope with the anticipated shortage.

Mr. JAVITS. Mr. President, the amendment I am offering will require the Secretary of Agriculture to look ahead and estimate whether certain important raw agricultural commodities, now subject to the reporting requirements of the Agricultural Act of 1970, will be in short supply during the crop years. If the Secretary of Agriculture finds that certain commodities will be in short supply, he will transmit this information to Congress, together with a plan to cope with the shortages. The Secretary of Commerce would participate in this system.

Mr. President, it is scarcely believable that 2 years after the Russian wheat deal, which the Permanent Investigations Subcommittee just reported resulted in product shortages and higher prices for the U.S. consumer, we still do not have an advance warning mechanism and re-

quirement for planning to head off such events in the future. The amendment I am proposing would do nothing to require the imposition of export controls, which should be applied only as a last resort, but it would at least require that the Department of Agriculture develop a plan to cope with shortages and submit such a plan to Congress. This is a minimum requirement, and is the very least the American people should expect. We cannot afford either a repetition of the hurried and disruptive application of export controls, such as last year's export controls on soybeans which substantially damaged our relations with the Japanese and Europeans, or the unchecked purchase of one-fourth of our wheat crop by the Soviet Union.

We are approaching a critical condition with regard to the world food supplies, with starvation in Africa, very low levels of reserves, and sharply declining estimates of U.S. grain crops. We would be irresponsible if we allowed this situation to deteriorate without requiring a planned and responsible approach to commodities in short supply. Mr. President, there have been a large number of articles recently on these problems, and I ask unanimous consent that these be printed in the RECORD.

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

[From the New York Times, July 26, 1974]

EXPERTS ASK ACTION TO AVOID MILLIONS OF DEATHS IN FOOD CRISIS

(By Boyce Rensberger)

From drought-besieged Africa to the jittery Chicago grain market, from worried Government offices in Washington to the partly-filled granaries of teeming India, the long-predicted world food crisis is beginning to take shape as one of the greatest peacetime problems the world has had to face in modern times.

With growing frequency, a variety of leading individual experts and relevant organizations are coming forth to warn that a major global food shortage is developing.

They say it is almost certain to threaten the lives of many millions of people in the next year or two, and they urge international action to prevent a short-term crisis from becoming a chronic condition.

A DIFFERENT SITUATION

While there have always been famines and warnings of famine, food experts generally agree that the situation now is substantially different for these reasons:

World population is expanding by larger numbers each year, especially in the poor countries that are most susceptible of famine. Last year, the population increased by 76 million, the largest increase ever. The number of mouths to feed throughout the world has doubled since the end of World War II.

While agricultural production has generally kept pace, it has done so by increasing reliance on new, high-technology forms of farming that are now threatened by shortages of fertilizer and energy and soaring prices of raw materials.

The grain reserves that once made it possible to send emergency food to stricken areas are now largely depleted. The huge American farm "surpluses" that were such an item of controversy in the nineteen-sixties have long since been given away or sold and eaten. The world stockpile of grain that, in 1961, was equivalent to 95 days of world consumption has fallen to less than a 26-day supply now.

As the Arab oil embargo hastened the beginning of the energy crisis, so a major global shortage of fertilizer, precipitated by the oil squeeze, is cutting into this year's agricultural productivity in several populous countries.

SOONER THAN EXPECTED

The lack of fertilizer and rain and the untimely arrival of rains in some areas, are, in the view of many international food authorities, bringing the world to a food crisis sooner than had been expected a year or two ago.

The fertilizer shortage has already stunted the latest wheat crop in India and will likely reduce the succeeding crops so severely that by this autumn India could be experiencing a famine of sizeable proportions. Unless massive international aid is forthcoming, Norman Borlaug, the Nobel Prize-winning developer of high-yielding wheat, has forecast, from 10 million to 50 million persons could starve to death in India in the next 12 months.

His forecast is based on the calculated number of people the wheat shortfall would have fed plus a factor for the shortfalls expected in crops not yet harvested but lacking fertilizer and rain.

In other parts of Asia and in Latin America where supply has long barely met and sometimes failed to meet demand, people are beginning to experience unusually severe food shortages. The food that is available has become so costly that the meagerest of meals for millions of poor families take from 80 to 100 per cent of their incomes.

EXPERTS NOT OPTIMISTIC

And in Africa the long drought conditions. International relief agencies forecast that the effects in coming months could be more severe than ever because the people have been weakened by previous years of deprivation.

Before this year is out, many food experts fear, the soaring curve of food consumption will have overtaken the gentler slope of food production for the vast majority of the world's people, bringing more of mankind to hunger than ever before.

Many food and international relief experts say privately that they are not optimistic about how fast the rich countries will respond to a large famine. "It may take 50 or 100 million deaths before people are moved to find some kind of effective, long-term solution," one foundation official said.

A number of experts believe that the crisis may try the humanitarian potential of the American people—who control the world's largest source of food—as never before. Increasing social and political pressures within affected countries and growing stresses on "business as usual" international trading practices may test to the limit the ability of world leaders to cooperate.

Addeke Boerma, director general of the United Nations' Food and Agriculture Organization, said that the international community must soon come to terms with "the stark realities facing the people of this planet."

"Remember," Mr. Boerma said, "that, for one thing, prolonged deprivation leads people to desperation. Desperation often leads them to violence. And violence, as we all know, thrives on enlarged prospects of breaking down restraints including those of national frontiers."

Norman Borlaug often warns of the same thing when he says, "You can't build peace on empty stomaches."

The growing food shortage began to become critical in 1972, when a lack of rain in many countries led to poor crops. World grain production fell 4 per cent, a significant drop because the demand for food grows by 2 per cent each year. Drought in the Soviet Union caused that country to buy in 1973 one-fourth of the United States wheat crop.

"This small change was enough to cause violent responses in prices and shifting of foreign exchange expenditure and human suffering," said Lowell Hardin head of agricultural programs for the Ford Foundation, a major supporter of agricultural research.

Poor weather this year, coupled with the fertilizer shortage, is expected to limit crop yields sharply again. The effects will, of course, be felt most severely in countries where the nutrition levels are already inadequate.

Although areas of malnutrition exists in virtually all underdeveloped countries, by far the greatest food problems now exist among the 700 million people of India, Pakistan and Bangladesh. Other large problem areas are in the drought-stricken regions of Africa, in northeastern Brazil, among the Andean Indians, and in the poorer parts of Mexico and Central America.

The Overseas Development Council, a private "think tank" that studies the world food situation, estimates that one billion people suffer serious hunger at least part of the year. The F.A.O. estimates that 400 million people are malnourished, but adds that "a less conservative definition [of malnutrition] might double the figure."

According to the World Health Organization, ten million children under the age of 5 are now chronically and severely malnourished, and 90 million more are moderately affected. While undernourished children may remain alive for a while, they are extremely vulnerable to minor infectious diseases.

"Where death certificates are issued for preschool infants in the poor countries, death is generally attributed to measles, pneumonia, dysentery or some other disease when, in fact, these children were probably victims of malnutrition," said Lester Brown, senior fellow of the Overseas Development Council.

W.H.O. figures show that of all the deaths in the poor countries, more than half occur among children under five, and that the vast majority of these deaths, perhaps as many as 75 per cent, are due to malnutrition complicated by infection.

While most people recognize that protein deficiency is a major problem, few appreciate that many people also suffer from a lack of starchy foods, which supply calories for energy.

BELOW THE MINIMUM

"Average calorie intake in countries containing close to two-thirds of the world's people is below the nutritional minimum required for normal growth and activity," Dr. Brown said.

Even in countries where protein and calorie intake may be adequate, there can still be malnutrition due to deficiencies in one or more trace nutrients. W.H.O. authorities estimate that 700 million people now suffer iron deficiency anemia severely enough to impair their ability to work.

Every year hundreds of thousands of children, especially in Southeast Asia, go blind due to a lack of the leafy green or yellow vegetables that supply vitamin A.

Perhaps the most widely publicized recent hope for improving world food production is the controversial "Green Revolution," the use of new seed varieties that respond to irrigation and fertilizer with vastly increased crop yields.

Although the new, high-yielding strains involve mainly only two kinds of crops, wheat and rice, the potential benefits are significant because each of these grains supplies one-fifth of the world's food, more than any other source, plant or animal.

In Asia, where the situation is most critical, cereal grains, meaning wheat and rice almost exclusively, supply 74 per cent of the calories consumed. In North America, cereal grains supply only 24 per cent of the caloric intake. The difference is that North Americans and, increasingly Europeans and Japanese, consume large quantities of meat, milk and vegetables.

However, because much of the meat and dairy products consumed in the United States require grain for their production, the

average American diet requires about five times as much grain to be grown as does the average Indian diet.

The "Green Revolution" has been criticized as giving all the advantages of large-scale high-technology farmers who then squeeze out their smaller competitors. Because most of the world's farmers have been too poor to buy irrigating equipment and fertilizer and too isolated to get the needed technical advice, they have not taken advantage of the new farming methods as readily as have wealthier farmers.

NEW CREDIT SOUGHT

For these and other reasons, Green Revolution farming has not been practiced on one-half the arable land in any developing country, and in most of those countries it has been used on less than one-tenth the farmland.

Thus, agricultural researchers like Mr. Borlaug note, the full gains to be made through the Green Revolution have yet to be realized. Efforts are now under way through many agencies to develop credit mechanisms for small farmers to enable them to invest higher yields and to improve the teaching of new farming methods to small farmers.

In small countries where this has been done, such as Taiwan, where the average farm size is 2½ acres, it has been found that small farms outproduce the huge "agribusiness" farms of the United States. American farms yield an average of 3,050 pounds of grain per acre per year. Taiwanese farmers get 3,320 pounds.

While a long-term solution of the world food crisis depends on fundamental changes in the policies and practices of most small countries, the short-term solutions, many authorities feel, depend more on United States policy.

From the mid-nineteen-fifties to the nineteen-seventies, while the United States Government was buying surplus grain to keep market prices up, much of the developing world relied on this excess production to prevent famine. Through a change in Department of Agriculture policy, American grain reserves have now been largely eliminated.

To an extent greater than many people realized, it was American surpluses that stood as the world's buffer between enough to eat and famine. Now there is considerable controversy over whether the United States should reestablish large grain reserves or, as an alternative, contribute to a proposed world granary that famine-stricken nations could draw upon.

The debate includes concern over the impact of an American reserve on domestic prices, with the perennial conflict between farmers who want to sell for high prices and consumers who want to buy for low.

Although many food experts see a world grain reserve as essential in dealing with sporadic famines, most agree that, for the long range, even the vast productivity of American farms cannot forever make up the world's food deficits. Population is growing too large.

While every country produces all or most of the food it consumes only a handful produce much more than enough for domestic needs, thus providing large quantities for export. Besides the United States, the major food exporters include Canada, Australia and Argentina.

REALISTIC SOLUTION

For the long-term solutions, few experts see any realistic solution other than to intensify the agriculture within the developing countries, trying to make each country as nearly self sufficient as possible. The agronomists note that because agriculture in the United States and other developed countries is already operating near the limits of presently available technology, whatever gains that can be expected must come from improvement in the countries where agriculture remains poor.

However, the experts note, upgrading agriculture in the poor countries will not be easy, because that effort would depend on ample supplies of fertilizer (and the petroleum from which much fertilizer is made), irrigation equipment and know-how, new credit mechanisms and continuing plant-breeding programs to adapt the better strains to local climate conditions.

Much of this effort is becoming increasingly costly in a world of scarce resources and tight markets.

Many experts, such as George Harrar, a pioneer in breeding better food plants and a former president of the Rockefeller Foundation, see difficult conflicts between the humanitarian desire to rescue famine victims with food handouts and the need to increase incentives for poor countries to become more self-reliant in food.

"Why should we feed countries that won't feed themselves," Dr. Harrar often challenges.

While no one advocates abandoning innocent famile victims, many agree with Dr. Harrar that ways must be found to end the history of dependence on the United States for food that many small countries have had.

Because of the great complexity of the food problem, and because of the increasing interdependence of nations in matters of food, fertilizer, energy and raw materials, many authorities see a need to develop new world institutions to deal effectively with the problems.

Even then, most experts are not sanguine, for there remains the problem of population growth.

"I don't think there's any solution to the world food situation unless we get population stabilized," said Sterling Wortman, vice president of the Rockefeller Foundation. "Those of us who have been working to increase the food supply have never assumed we were doing any more than buying time."

[From the New York Times, July 26, 1974]

IN MIDWEST, DROUGHT WORSENS

(By Seth S. King)

CHICAGO, July 25.—A Midwestern drought has begun to reduce this year's corn and soybean crops and many farmers are hoping, some desperately, for rain this week to save them.

Hundred-degree temperatures have taken their toll on the crops and have shriveled the grass on the cattle ranges. Even if rain comes the price of beef is likely to rise later this year because the smaller crop will increase the cost of feeding the cattle.

In parts of the corn belt, crops that escaped the spring deluges were still thriving. Rain in the next week could save the corn and soybeans harvests in many other areas, though the yields would be below average.

But in eastern Nebraska, where about half of the corn crop is not irrigated, drought damage has been so severe that many farmers were giving up and cutting the stunted plants for silage.

In southwestern Iowa, where the corn is now in the delicate pollination phase, Agriculture Department agronomists say that the crop will be badly damaged if it does not rain within six days.

In many areas soybean crops were already behind schedule because rain delayed spring planting. But soybeans withstand heat and lack of rain better than corn. If it rains during the next two weeks, the soybean crops will survive.

OVER-ALL PICTURE BRIGHTER

While scattered drought conditions will result in serious losses for some grain farmers and a lower total corn and soybean crop than the Agriculture Department was expecting earlier this month, there was no threat of food shortages in the United States.

"It's certainly serious for some farmers, but it's by no means a catastrophe yet," said Rod Turnbull, spokesman for the Kansas City Board of Trade and a former farmer editor of The Kansas City Star.

"We've already harvested the biggest winter wheat crop in our history and while the spring-planted wheat may be hurt some, we could still get the biggest total wheat crop we're ever raised in this country," he said.

Only a fraction of the wheat crop is used for livestock or poultry feed. Corn and sorghum, supplemented with soybean meal, are the basic feeds. Smaller production of these crops will certainly mean higher feed costs for cattle, hog and poultry raisers.

Feed-grain prices are already at record levels and many cattle and hog feeders, to cut their losses, have been reducing the numbers of animals they are fattening.

HIGH HOPES DASHED

With all planting restrictions off this year, the Agriculture Department was hoping for bumper corn and soybeans crops, lower feed grain prices, and a resulting increase in cattle, hog, and poultry supplies this fall, which should have resulted in lower prices for the consumer.

But in many parts of the Middle West, torrential spring rains washed out some corn and delayed soybean plantings. Now some of these same areas are dangerously short of rain and the severe heat of the last two weeks has made the threat to the late-planted crops even greater.

The Agriculture Department, which had originally forecast a corn crop for October of 6.6 billion bushels, revised this in the middle of July to a range of 5.95 billion to 6.35 billion. The Department also reduced its soybean outlook from 1.5 billion bushels to a range of 1.39 billion to 1.47 billion bushels.

Today, private grain-trade forecasters thought the heat and drought could cut the corn crop to 5.5 billion bushels. They were more cautious in estimating the soybean crop, but believed it could still come within the Agriculture Department's outlook.

But even a drop to a 5.5 billion yield would mean a crop as large as that of 1970.

POSSIBLE EFFECT

If the heat and lack of rain continue to damage range grasses, many ranchers in western Nebraska and eastern Colorado will have to send unfattened cattle off their pastures and directly to the stockyards.

This would mean financial losses for them and a further decline in live beef prices. But it would also mean even fewer cattle going into feed lots and an even sharper drop in the supply of prime and choice grade beef for consumers this winter.

The grass is deteriorating badly all through the western Nebraska ranges," according to Duane Foote, a University of Nebraska agronomist. "We haven't as yet seen any big movement of cattle off these ranges," he said today. "But a lot of ranchers won't be able to hang onto them much longer if they don't get some good soaking rains soon."

[From Newsweek, Aug. 5, 1974]

AFRICA'S DISASTROUS DROUGHT

(By Andrew Jaffe)

On the outskirts of Niamey, the capital of Niger, 20,000 nomads cluster in a pocket of disease and pestilence that passes for a refugee camp. The smelly four-day-old carcass of a donkey rots in the sun near the camp's main waterhole, and children—their bellies bulging from untreated parasites—play nearby. "There is almost no malnutrition here," says a complacent Red Cross worker. But just then several mothers pass by carrying babies with yellowish hair and skin like papier mâché. They are suffering from marasmus—progressive emaciation.

At a camp in Dessiye, Ethiopia, 6,000 barefoot peasants huddle together for warmth as they wait for food. Some are half naked;

others cling to rags so filthy that they are alive with flies and lice. Many of the children show signs of pneumonia and tuberculosis, and much of the camp is afflicted with crippling diarrhea. To while away the time, the children make long whips out of hemp and then lash each other in cruel delight.

In camps across north-central Africa, 1.5 million men, women and children are leading a brink-of-death existence. They are refugees from the great drought that has scourged sixteen African nations for several years (map, page 59). At best the camps provide the barest food and health care; at worst, they are hellholes. But the Africans who inhabit the camps are, in a way, the lucky ones. Another million Africans have already died of hunger and disease. Five to 10 million more are starving in the African bush or the slums of drought-area towns. The African drought is one of the great catastrophes of the twentieth century. And the response of the world community and the African governments themselves has, in many ways, only compounded the tragedy.

The drought began in the Sahel—an arid savanna that stretches across six nations on the southern fringe of the Sahara desert. The natives of the Sahel are among the world's poorest people—ragged, cattle-raising nomads and subsistence farmers. When the region's meager rainfall failed in 1968—the result of a change in the global weather pattern—25 million Africans were soon hard pressed for a living. As the brutal dry spell continued and desperate nomads cut down trees and shrubs to feed their starving cattle, the Sahara itself moved southward at a rate of 30 miles a year. Eventually the drought spread east into the provinces of northern Ethiopia. "We have eaten more sand this year than in our thirteen years here," one European missionary in Western Niger told me. "There is not enough vegetation to hold back the desert." Today, in an area the size of the continental U.S., the streams and watersheds of north central Africa are dusty, rocky beds. Even Lake Chad, one of Africa's principal bodies of water, has been reduced to a sea of mud and small ponds.

The reaction to the drought is an unedifying tale of official incompetence and inactivity. As herds died, hungry Africans by the hundreds of thousands began to drift to the edges of towns and cities. But the pride—or terror—of the governments concerned kept them from admitting the scope of the problem or sounding a timely alarm. This was particularly true in Ethiopia, where local officials long ago reported to the Cabinet that a northern famine had begun. When frantic men, women and children fleeing drought-stricken Wollo province appeared near Addis Ababa, authorities locked them up and left them to starve. A military coup has since overthrown the government of Ethiopia, and an investigation of this official indifference to the famine is under way.

Hushed Up: To make matters worse, the vaunted "early warning system" of the U.N. Food and Agriculture Organization (FAO) first began reporting crop failures and food shortages in the Sahel in September 1972—years *after* they began. Though by then the situation was critical, it was a full eight months before FAO Director-General A. H. Boerma set up a five-man Office of Sahelian Relief Operations (OSRO) in Rome. In the case of Ethiopia, fear of offending Emperor Haile Selassie even led U.N. officials to hush up field reports that drought and hunger were affecting millions.

Not until last autumn did the FAO and experts from major industrial states survey the African drought region to determine the needs of each nation. The experts' figures—showing a need for nearly a million tons of food grain—were accurate enough. But the FAO failed to collate the data and organize a shipping schedule for donor nations until last February. Why the delay? OSRO chief J.V.A. Nehemiah's answer was candid if startling. "It's not such a long delay if you take into account that we had to break for the Christmas holiday," he explained. And U.N. coordinator in Niger Alexander Rotival lays blame at the door of the donor nations themselves. "In December and January we had almost no food coming in," he says. "Was it necessary for the donors to wait for us to finish before they started shipping?"

This delay has certainly cost lives. And it has increased the relief bill by millions of dollars. In June, for instance, the U.S. began an airlift of grain from Bamako to the wasted region of Mali around Timbuktu. Early this year, when the Niger River was navigable, supplies could have been moved for about $80 per ton. But now Mali's food needs are so urgent that emergency measures have become a necessity. According to the FAO, the airlift the U.S. has organized may come to $900 a ton. And a truck convoy that European nations have dispatched south across the Sahara from Algeria will cost more than $200 a ton.

BADGER

The relief effort that has been mounted is gigantic in scope. More than 120,000 tons of food a month are flowing from the U.S., Europe and Asia to the African interior. A small band of men share credit for finally getting the operation off the ground. One is former U.S. Ambassador to Mali Robert Blake. The State Department has never been overly concerned with the small and nonstrategic nations of north-central Africa, and Blake had to badger Washington for six months to shake loose funds for Malian disaster relief. Stephen Green, an American working for UNICEF, the U.N. children's agency, is the man responsible for first exposing the extent of starvation in northern Ethiopia. (The U.N. has since told Green, in effect, that his career as an international civil servant is probably finished.) And indefatigable Trevor Page, OSRO's 33-year-old British logistics officer, has managed to bully donors into line, break through bottlenecks all over Africa and personally set in motion the trans-Sahara truck convoy across Algeria.

But enormous problems remain. The food en route is grossly inadequate for the Africans' needs. And many drought victims are now so weakened from lack of nourishment that they are dying of simple afflictions like diarrhea. In the meantime, 200,000 tons of grain are stacked at the ports of West Africa waiting to be distributed. When I toured the area, some of the food had already rotted from improper warehousing. Much of the blame for this lies with the Africans themselves. Recently, for example, the FAO discovered that food bound for Chad was stalled at the Nigeria-Chad border. The reason: the wife of Chad's President owns the national truck monopoly and she wanted to ferry the food into Chad on her own trucks—at twice the going freight rate.

Furthermore, current relief projects deal only with short-term needs. In the view of experts, a coordinated master plan for water conservancy and land use is what north-central Africa really needs. That, of course, would be very costly. "What is required is probably $10 billion over a 25-year period," says Dr. Edward Fei, AID's regional coordinator for Africa. One partial solution would be to resettle nomadic tribes on newly developed farmland. But that idea is bound to meet with resistance from the nomads themselves. "We would rather die than leave the desert," the son of one Tuareg chief in Niger told me.

Reticent: African governments are not enthusiastic about joint, long-range planning either. Each is pursuing its own interest and when a master plan is suggested, officials react much like Senegal's Planning Minister, Ousmane Seck. "What we are afraid of," says Seck, "is that some of the developed countries will impose priorities on us that only benefit their economies".

Within the next few weeks, the need to solve Africa's water crisis will be dramatically highlighted by nature. The scanty rains that annually water the Sahel and neighboring regions will descend in a sudden flood. The torrent will wash out roads—and thus make the delivery of relief even harder. And ironically, if the rainy season amounts to anything this year, it may actually leave the Africans worse off than a continued drought would. For the chances are that a marginal crop will emerge from an extended rainfall. And then the world community, which is already tiring of its $500 million African relief effort, may seize the occasion to ignore the catastrophic drought and its victims. "What worries me," says one British relief worker in Upper Volta, "is that this year's rain may be a bit better. Then interest in the Sahel will dim. And people will forget the African drought before any permanent solution has got started."

[From the New York Times, July 29, 1974]

TWO U.S. AGENCIES SPLIT ON SUB-SAHARAN HUNGER

(By Leslie H. Gelb)

WASHINGTON, July 26.—Two major departments within the Nixon Administration cannot agree whether the hunger problem in sub-Saharan Africa is getting better or worse, and one of these agencies cannot even agree within itself.

An internal report of the Agency for International Development, released by Senator Edward M. Kennedy today, states that "the great drought is continuing to have catastrophic consequences." Yet a high Agriculture Department official told a Congressional committee last week that the situation was under control and "mass starvation averted."

To complicate matters, Donald S. Brown, deputy aid administrator for Africa, seems to disagree with his own staff's report. Calling it in a telephone interview a "draft report" that was going to be submitted to Congress anyway, Mr. Brown said that the problem of malnutrition and food distribution in sub-Sahara Africa had "vastly improved."

COMMENT BY KENNEDY

Senator Kennedy, Democrat of Massachusetts and chairman of the Senate subcommittee on refugees, said today in making public the report, "Famine conditions in Africa are spreading, and death and new catastrophe threaten millions of people in the Sahel and other parts of the continent."

He called on the Nixon Administration to "redouble its efforts in behalf of humanitarian relief and rehabilitation needs, and to speed up its use of special Congressional funds for this purpose."

According to the Senator's staff, the aid report was written on June 25 and is based upon United Nations surveys, American Government field studies, official cablegrams and reports of various voluntary agencies.

A copy of the report was made available to The New York Times. Its principal findings are the following:

While firm data are "almost impossible to obtain," the Health, Education and Welfare Department's center for disease control estimated that as many as 100,000 people may have died.

"It is obvious that this year the cumulative impact of inadequate or bare subsistence diets will leave many more susceptible to disease and more likely to succumb to it."

Seventy-six thousand metric tons of grain are currently backlogged at the port of Dakar, which serves Mali, Mauritania, Senegal and Niger. At the current rate of delivery of 13,000 tons a month, it will take six months to send this food to the country. Deliveries from Lagos in Nigeria will take over a year.

"The loss of livestock is uncalculable." The report goes on to state that known

amounts of grain allocated to the area so far in 1973–74 by all donors "total over a half a million tons, or only 85 per cent of the estimated needs prior to the October harvests." The United States is providing about 45 per cent of this total, but not all has been shipped, according to the report.

Mr. Brown, who initially could not recollect this specific report, said, "Disease and malnutrition are substantially less than a year ago."

This view was closer to the position taken by Don Paarlberg, director of agricultural economics in the Department of Agriculture, in his testimony on July 23, 1974, before the House Agricultural Subcommittee on Operations.

In his testimony, Mr. Paarlberg said that the situation "could have been much worse." Of the quarter-million tons that Washington has pledged to the afflicted countries, Mr. Paarlberg said, "90 per cent has already arrived in West African ports."

"Because of United States experience and assistance in dealing with such emergencies," he continued, "bottlenecks have been eliminated, large quantities made available and mass starvation averted."

Mr. Paarlberg cited sub-Saharan Africa to support the point that "famine is not new but our ability to do something about it is."

Senator Kennedy said "The sense of urgency dramatized by conditions in the field is not fully reflected in the policies, priorities and programs of aid." He continued, "Although the record shows some meaningful progress in recent months, the fact remains that our Government's actions are too often belated and bogged down in bureaucratic red tape and indecision."

[From the New York Times, July 29, 1974]

SOVIET WHEAT SALE "INEPTLY MANAGED" SENATE PANEL SAYS

WASHINGTON, July 28.—Senate investigators charged grain sale to the Soviet Union in 1972 was "ineptly managed" from start to finish.

As a result, they said, taxpayers' money went to waste, food prices increased and public confusion resulted.

The conclusion was reached by the Senate Permanent Investigations subcommittee on the basis of a long inquiry and a series of public hearings.

In the summer of 1972, the Soviet Union bought more than 700 million bushels of grain from the United States, including 25 per cent of the nation's wheat crop.

GREAT GRAIN ROBBERY

Henry M. Jackson, Democrat of Washington, chairman of the subcommittee, charged that "the great American grain robbery" was born, nurtured and consummated in a climate of secrecy and bureaucratic negligence. "The Russians and the large grain companies reaped the major benefits," he said.

Senator Charles H. Percy of Illinois, the ranking Republican on the panel, said that "out of the Russian grain deal, U.S. consumers got product shortages and higher prices."

The report said that Earl L. Butz, who was then Secretary of Agriculture, had seriously underestimated the impact of the sales.

The report said the deal had created a shortage in domestic supplies, which drove up the price of flour-based products. It also raised the price of feed grains, and thereby the costs of meat, poultry and dairy products.

[From the Wall Street Journal, July 29, 1974]

FARM EXPORT SUBSIDIES SHOULD HAVE TIGHTER CONTROLS, PANEL URGES

WASHINGTON.—A Senate subcommittee urged legislation tightening up the Agriculture Department's money spigot for farm export subsidies, based on a long investigation of the 1972 grain deal with the Russians.

The Senate Government Operations Investigating Subcommittee said it didn't find any evidence of conflict-of-interest or other wrongdoing on the part of federal officials in the massive sale of 700 million bushels of grain to the Soviet Union that year. But the subcommittee accused the Agriculture Department of plenty of bureaucratic bungling.

"At virtually every step," said the subcommittee's report, "from the initial planning of the sale to the subsidy that helped support them, the grain sales were ineptly managed. The result was public confusion, waste of taxpayers' dollars and higher food prices."

The subcommittee especially was critical of what it estimated as a $300 million payment in export subsidies to private U.S. grain traders that year. The subsidies, originally intended to encourage grain companies to sell wheat at "world" prices lower than the U.S. domestic price, were stopped after White House budget officials decided the heavy shipments to Russia made them unnecessary.

The Secretary of Agriculture currently decides whether to pay an export subsidy and how much it should be. While the wheat subsidy still isn't being paid, the subcommittee said a more formal decision-making method should be followed if an Agriculture Secretary ever wants to resume it.

The panel said legislation is needed requiring that the final decision be made in the form of a presidential Executive Order. Before the order is published, the new law would require the Agriculture Department to hold a public hearing to get opinions for and against the proposed subsidy. The subcommittee also said new government reporting systems are needed to help officials keep track of subsidies paid, and of private export deals that are in the works.

The subcommittee is chaired by Sen. Henry Jackson (D., Wash.). A skeptic of detente with the Soviet Union. Sen. Jackson in a separate statement was harshly critical of what he called "the Great American grain robbery" of 1972.

But the nine-member subcommittee's unanimous report used more restrained language.

"The subcommittee," said the report, "finds no fault with the decision made by President Nixon to use farm exports as a means to improve relations with the Soviet Union, and other nations, offset U.S. trade imbalances and enhance the financial position of American farmers. These are worthwhile goals. To the extent that they were achieved, the administration is to be commended."

[From the Wall Street Journal, July 29, 1974]

DROUGHT MAY KEEP CORN CROP BELOW 1973, PUTTING PRESSURE ON RETAIL FOOD PRICES

(By Norman H. Fischer)

CHICAGO.—Eight weeks ago, the nation's corn farmers were hoping the rain would stop. Now they wish it would start again.

Severe drought has taken a heavy toll on large parts of the Corn Belt, compounding the damage from earlier flooding. "Feed crops are burned up," lamented Alfred Bond, a manager for Goodpasture Inc., a feed-grain handler in Brownfield, Texas. "Farmers will be lucky to get 25% of last year's grain sorghum crop. This is the driest spell we've had in 20 years."

Before the rains came the Agriculture Department spoke optimistically of a record 6.7 billion-bushel corn crop. Thursday, the department said now it expects 5.95 billion to 6.22 billion bushels. But interviews with farm managers, agronomists, users and crop observers indicated the situation has deteriorated so much in the past two weeks that output may fall below last year's 5.6 billion bushels. At least, they said, the crop will come in at just under 5.9 billion bushels.

That spells trouble because corn is the most important feed ingredient in producing beef, pork, poultry, eggs and milk. Government economists were counting on a bumper crop this year to end sharply rising food costs.

But that hope has just about evaporated in the dry, 100-degree heat around the Midwest. Retail food prices once again may approach the record levels of last summer, economists said.

Corn prices at Chicago are already at record levels. Friday, No. 2 yellow corn, a key grade, was quoted at $3.66¼ a bushel, up $1.14 from early May and around 30 cents higher than the previous peak in February.

EXPECT $4 CORN BEFORE LONG

Traders and corn users said they believe that $4-a-bushel corn is likely before long and $4.50 corn isn't out of the question. Corn futures on the Chicago Board of Trade have moved up the daily 10-cent-a-bushed limit in seven of the past eight trading sessions because of deteriorating crop conditions.

As corn prices have climbed, so have prices of other feeds. Soybean meal, for instance, which was selling in Decatur, Ill., for about $93 a ton as recently as a month ago, has more than doubled in price. Two of the Midwest's biggest feed manufacturers, Ralston-Purina Co. and Allied Mills Inc., are raising prices another 10% today. Both have been boosting prices over the past few weeks. In spite of this, demand has held up surprisingly well, they said, with many livestock producers apparently building inventories in anticipation of still higher prices.

Livestock producers normally could have counted on larger supplies of corn left over from earlier crops to help ease their plight. But because of heavy export demand and large numbers of livestock on feed, the Agriculture Department predicts a carry-over of only about 425 million bushels at Sept. 30, when the new crop officially comes in; that would be the smallest carry-over in 26 years. The National Corn Growers Association is more pessimistic. It thinks the supply of "old corn" will be closer to 353 million bushels.

Feed generally accounts for 60% to 75% of the total cost of producing meat, poultry and the like. "If corn goes to $4, I'll have to get near $55 a hundredweight for my hogs to make any profit," estimated one central Illinois livestock farmer. "If I don't get it, I just won't produce." Live hog prices currently peaking at about $37 a hundredweight at Omaha and East St. Louis.

SOME TIMELY RAIN WOULD HELP

Farmers say some timely rain would ease their situation considerably.

There's little reason for optimism, though. There have been some scattered showers in the past week in the Corn Belt, but extended forecasts call for more hot weather. Some crop observers said rain at this time still wouldn't be likely to boost the crop size much beyond 5.7 billion bushels. "Things are just too far gone to make up the losses," said an official of the corn growers association.

Sections of Nebraka, Iowa, Illinois, Indiana and some other states all have been hurt by drought. Some of these areas were planted late because of spring flooding. Corn, whose growth was stunted by wet weather, now is only four to five feet high there when it should be at least seven feet.

Eastern Nebraska has been particularly hard hit. "Things looked pretty bright a few weeks ago, but that was a few weeks ago," said Hugh L. Tinley, vice president of Farmers National Co., an Omaha-based farm-management concern. Half of the state's 6.3 million planted acres aren't irrigated and are expected to yield a maximum of 25 bushels an acre, he said. As a result, the

state's corn crop may come in at about 380 million bushels, down from 544 million bushels last year, he predicted.

Things aren't all bad, however. Some areas still expect bumper crops, including parts of Ohio, Iowa and Minnesota.

[From the Washington Post, July 31, 1974]

CORN PRICE GAIN STOPS

(By Jack Egan)

Corn future prices broke their rapid advance yesterday dropping from record levels on the country's commodities exchanges. But continued drought conditions over large parts of the corn belt make further price increases likely for the nation's No. One feed grain, unless soon relieved by rain, traders said.

The Agriculture Department, in its weekly weather report, said development of the corn crop was retarded because "limited soil moisture and hot, dry weather, particularly in the western corn belt, continues to put stress" on the crop.

Corn is primarily used to feed hogs, cattle and poultry and only secondarily for direct human consumption. Corn prices are thus a major determinant of future meat, egg and dairy prices. It is estimated that feed accounts for anywhere from two-thirds to three-fourths of the cost of red meat production, for example.

Earlier this year, the Agriculture Department predicted a 6.7-billion-bushel corn crop, and anticipation of what would have been by far a record harvest dropped corn prices about $1 from their February peaks to about $2.50 a bushel by early May.

However, weather has played havoc with harvest prospects since then and corn has risen nearly 50 percent to more than $3.70 a bushel in both cash and futures markets. Excessive rains during May delayed plantings, not only of corn but also of soybeans. Hot and dry weather subsequently has lowered prospective yields and, as a result, harvest projections have been reduced steadily downward.

The USDA recently forecast a corn harvest in a range of 5.95 billion to 6.22 billion bushels. But the department's deputy chief economist, Dawson Ahalt, conceded yesterday that it was "getting more difficult every day" to meet even the low end of the prediction because of deterioration in crop prospects since the estimate came out.

Ahalt noted that a few days of rain in the Midwest farm areas could rapidly change the picture and bring corn prices down substantially. "If we get the moisture, we are still not in an irreversible position," Ahalt said.

The National Corn Growers Association has lowered its harvest projection to 5.2 billion bushels. Ahalt said this was far too low. Other crop watchers, however, say it is unlikely that this year's harvest will exceed last year's 5.6-billion-bushel record by very much.

One reason for the extreme price volatility of the grain markets, including corn, is that U.S. carryover stocks will be the lowest in more than a quarter of a century. The predicted 428-million-bushel corn carryover this fall would be the lowest in 26 years.

Corn prices on the Chicago Board of Trade, the country's biggest commodities exchange, yesterday dropped by 4.5 cents a bushel on the September delivery contract and by 10 cents a bushel on the December contract, the daily permissible limit. Trading in corn and soybeans swung over a wide range, going up and down the daily limit within a short period after the opening and fluctuating again afterward.

One source indicated that the primary reason for the price break in corn—after daily-limit 10-cent advances in eight of the last nine sessions—was primarily profit taking, and the rising trend could easily resume. Another source pointed to the possibility of rain in the corn belt by the weekend in the weather bureau's five-day forecast as another reason for the break.

An economist in the USDA economic research service pointed out that, while supply prospects for the corn harvest have been dwindling, demand also has been declining with a decrease in the number of hogs, cattle and other livestock currently on feed, partly because of recent high feed prices.

In addition, he noted that exports of corn also have been slack compared to last summer's torrid pace. "Demand is actually weak," he said, adding that the situation in the futures markets is "a little bit too wild."

He said that if corn and other feed prices remain at their present high levels, there would be resistance from the livestock and poultry industry which eventually could lead to smaller supplies of meat—and higher prices—as fewer cattle are put on feed, and hog farmers decide to breed fewer pigs. The effect would not be seen for many months.

Ahalt, however, said it was much too early to tell if the present high prices are having any effect yet on demand for corn.

[From the Washington Post, July 12, 1974]

U.S. LOWERS WHEAT ESTIMATE; HIGHER PRICES SEEN ENSUING

(By Jack Egan)

The Agriculture Department yesterday sharply lowered its estimate of this year's wheat harvest—by 150 million bushels or 7 per cent—because of recent bad weather in growing areas. It also cut the number of corn and soybean acres it expects U.S. farmers to harvest this fall.

The news contained in the eagerly awaited July crop production report is almost certain to increase prices for these fundamental food and feed grains in the short run. It also dims administration hopes for bumper harvests large enough to moderate the current rate of inflation.

The latest USDA wheat projection totals 1.925 billion bushels (including both winter and spring wheat harvests), up 12 per cent from last year's record but down significantly from the 2.074 billion bushels the Agriculture Department predicted only a few weeks ago. This in turn was down from the nearly 2.2 billion-bushel wheat harvest the USDA expected in May, when the winter wheat harvest started.

The department's crop reporting board said the revised figure was the result of "continued dry weather in some areas, excess moisture in others, and advancing disease damage."

Wheat, a staple in most diets in the form of baked goods, has fluctuated spectacularly in price in the last year. It rose from $2.50 a bushel last July to nearly $6.50 a bushel in the early part of 1974, largely on the basis of heavy export demand. Some groups expressed fears that exports could lead to a shortage of wheat in this country.

When it became apparent that there would be sufficient wheat for domestic needs and when this year's harvest came into view with early optimistic projections, the price plunged to around $3.50 a bushel in May. It has since returned to the neighborhood of $4.50 a bushel, still high by historical standards.

The USDA predicted that 67.6 million acres of corn will be harvested this fall, down from the 68.3 million acres projected earlier but up 9 per cent from 1973. Soybean acreage was put at 52.5 million acres, down from the earlier forecast of 55 million based on farmers' intentions in March and a decrease from last year's 57.3 million acres.

The Agriculture Department made no official harvest estimate for either corn or soybeans in yesterday's crop report. The first official forecast based on samplings of the condition of these crops in the field comes out a month from now. But the USDA is expected to issue a range of possible yields in today's supply and demand situation outlook report.

However, the department several weeks ago predicted a 6.4 billion-bushel corn harvest, down in turn from an earlier projection of 6.7 billion bushels. Bad weather in the corn belt during planting has caused both estimates to be greeted with skepticism by both farmers and those in the grain trade.

The head of the National Corn Growers Association Wednesday said this year's corn crop is in worse shape than any other in a decade because of losses from hail, water and erosion.

"I don't know anyone who would look at this crop that would estimate it would come out at 6.4 billion bushels," Washington agriculture consultant Howard J. Hjort, said, commenting on the corn situation. "People are estimating between 5.8 billion to 6.2 billion," he said. "Only the Agriculture Department sees 6.4 billion."

He added that recent downward revisions in corn and wheat estimates are "one of the most dramatic deteriorations in crop prospects that we've ever seen in the United States in such a short period."

Don Paarlberg, chief economist for the USDA, conceded that "delayed plantings are likely to reduce the yield below trend projections" for corn. He said that feared fuel and fertilizer shortages will not have a major impact. "The big difference is old man weather," he said, noting some improvement in weather in the corn belt in the past 10 days.

Last year's corn crop was a record 5.6 billion bushels.

[From the Washington Post, July 29, 1974]

BUTZ' JUDGMENT BLAMED IN WHEAT DEAL

(By Ralph Dannheisser)

Inefficiency and bad judgment by top officials of the Agriculture Department made the massive 1972 Russian wheat deal a disaster for the American public, a Senate panel charged yesterday.

In its final report on the controversial sale of U.S. grain to the Soviet Union, Sen. Henry M. Jackson's (D-Wash.) Permanent Investigations Subcommittee singled Earl L. Butz and two former assistant secretaries, Clarence Palmby and Carroll Brunthaver, for special responsibility for what it called a $300 million error in judgment."

That was the amount the government channeled to six grain trading firms in the form of export subsidies that never should have been paid, according to the subcommittee.

The report depicts the Commodity Exchange Authority as "derelict in its oversight responsibility" in mishandling the investigation of possible market manipulation by some of those companies in order to boost the subsidy level.

At issue is the purchase by the Soviet Union of more than 700 million tons of U.S. grains, including almost 440 million tons of wheat.

The subcommittee report follows hearings last summer and fall on the grain deal, which critics said depleted American reserves, created farm-product shortages and forced up food prices for American consumers.

Jackson endorsed that position in releasing the report, saying the grain deal was the cause of the present crisis in the livestock industry.

The Senate panel said it found no fault with President Nixon's decision to use U.S. farm exports as a means of improving relations with the Soviet Union, improving the U.S. trade balance and boosting American farm income.

But the sale became "an illustration of how, in pursuit of a worthwhile goal, govern-

ment programs and officials can go astray," it said.

"At virtually every step, from the initial planning of the sales to the subsidy that helped support them, the grain sales were ineptly managed. The result was public confusion, waste of taxpayers' dollars and higher food prices."

It charged the Agriculture Department showed "a total lack of planning . . . prior to the largest grain sale in American history.

The magnitude of the sale, unanticipated by Butz and other officials, created a shortage of domestic supplies which resulted not only in higher prices for bread and flour-based products in the United States, but also in price boosts for beef, pork, poultry, eggs and dairy products reflecting higher feed costs, the panel reported.

The subcommittee said wheat subsidies maintained by the Agriculture Department through August, 1972, were unjustified and had cost American taxpayers $300 million.

It found "the responsibility for this $300 million error in judgment lies first of all with . . . (Palmby), who failed to consider the wheat export subsidy in planning for the Russian grain sale, and secondly with . . . (Brunthaver), who made verbal commitments to the grain export companies in July, 1972, that the wheat export subsidy would be continued indefinitely without any consultation or evaluation of the effect of such a commitment.

But it added:

"The overall responsibility must, of course, fall on the Secretary of Agriculture, Earl Butz, who testified that he approved continuation of the subsidy."

Among the subcommittee's recommendations in its 67-page report are:

Passage of legislation to prohibit imposition of export subsidies on any agricultural commodity without a prior public hearing by the Agriculture Department;

Establishment of an independent commodity exchange commission patterned on the Securities and Exchange Commission, to replace the present Commodity Exchange Authority;

Creation of a task force, drawing its membership from all government agencies concerned with the nation's economy, to coordinate the federal role in any future transactions like the grain deal.

Preparation by the Agriculture Department and the Council of Economic Advisers of a five-year projection of U.S. supply and demand of all grains, to be submitted each year beginning in 1975.

[From the New York Times, July 31, 1974]

DROUGHT CONTINUES TO CUT PROSPECTS FOR GRAIN CROP

WASHINGTON, July 30—The drought that has sent crop prospects down and grain prices up continued to plague wide areas of the nation's grain belt last week, the Agriculture Department said today.

The agency's weekly crop weather report said rains and near-normal temperature helped corn in part of Illinois, Iowa, Michigan, Minnesota and Wisconsin last week. However, the report said more rain is needed to permit good development of the crop.

Over-all, the report added that progress of the corn crop—the key raw material for future supplies of meat and other livestock products—was slow because "limited soil moisture and hot, dry weather, particularly in the Western corn belt, continues to put stress on [the] crop."

POSSIBLE RECORD SEEN

"Corn in Western Iowa as well as dryland corn in Nebraska and Kansas has been hurt considerably by the prolonged dry spell . . . top soil moisture supplies are now rated mostly short from Nebraska to Ohio," the report said.

Earlier this year, Administration officials had forecast a possible record 6.7 billion bushel crop and a 2.2 billion bushel wheat crop to rebuild reserves, currently at levels considered dangerously low.

But on the heels of a wet spring, which reduced corn planting and a summer drought, which is cutting yields, the Agriculture Department has already cut its corn projection to a range of 5.950 billion to 6.220 billion bushels—still a record, but not as much above potential needs in the coming year as officials had hoped.

DROUGHT RAMIFICATIONS

The weekly crop-weather report also indicated that the 1974 wheat crop estimated currently at 1.925 billion bushels, may be reduced further. It said the drought is continuing to reduce yield prospects for late-planted spring grains, including spring wheat.

The report also said soybean development continued behind last year although gains were made last week.

The drought also is drying up pastures in the mid-part of the country and cows are being shipped to market from some pastures and ranges in part of Kansas, Oklahoma and Texas, experts said. In some areas, ranchers are having to haul water to their cattle on parched grazing lands.

Mr. JAVITS. Mr. President, I think we have debated this. If my colleagues are agreeable, I am prepared to yield back the remainder of my time.

Mr. YOUNG. Will the Senator yield?

Mr. PACKWOOD. I yield.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 3 minutes on the bill.

Mr. YOUNG. I am concerned about this amendment in that it would require the Secretary of Agriculture to make reports about the adequacy of any farm commodity. If the Secretary had to make a report that a certain commodity was in short supply, immediately futures prices would go up. Then the demand would be on to apply export controls. I think it works against what the Senator is trying to accomplish.

The farming industry is probably the only free enterprise we have. We have millions of farmers competing against each other. This year, if we had a good crop year, you would have a big crop and lower prices, much lower than they are now. Only lack of rain over a wide area this year prevented a big crop—surpluses and lower prices.

But the very fact the Secretary of Agriculture would have to report a crop in short supply, being on the free market, the futures would skyrocket. You would have high prices and a great demand for export controls. Export controls did not work on soybeans and they will not work on any other commodity.

Mr. JAVITS. Mr. President, I have not yielded my time. I yield myself 3 minutes.

Mr. President, may I say first——

Mr. YOUNG. Has my time expired?

Mr. JAVITS. I will yield to the Senator in a moment.

May I say first on this proposition that the reports are provided for in the bill every quarter. There is a tremendous amount of reporting done in this field. All the speculators figure out whatever they wish, whether they think there will be or will not be a shortage. All I am saying is that a shortage is clearly indicated—and I would like the Senator to note I do not say is in short supply, but I say is likely to be—at least the Congress should have an opportunity. That puts it on the highest level.

We cannot, after all, sweep all of these things under the rug and operate in camera. We have to take some risks with the fact that the public is to be informed in the sense that the consumer and the country need to be protected, too.

Mr. HUMPHREY. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. HUMPHREY. I think the Senator's amendment is meritorious. I spoke to the Senator earlier that I had a more precise amendment which I intended to offer.

It is a fact that the Department of Agriculture has been derelict in keeping track of the world food supply and the supply situation here at home. It is a fact that their estimates have not been accurate. Last year they estimated that the price of food would go up 3 percent; it went up 20 percent. They estimated at the start of this year that the corn crop would be 6.7 million bushels, and they will be lucky if it is 6 million bushels. I think what the Senator from New York is trying to do is commendable, but it needs to be done in more precise language.

I do not want to see embargos placed whether they are on agricultural or other commodities. I feel that the first duty of a Secretary of Agriculture is to the people of this country, and not somebody else.

May I say today that the rich Middle East countries could walk into the American market this afternoon and buy up the bulk of our crop, and leave us emptyhanded. It could happen right now, just as Iran bought a quarter of the Krupp firm the other day. They also may come in and decide to buy General Motors, the way it looks. They have the money.

But buying up our crops would be even worse, and they could do it before we got the information as to what had happened.

Mr. YOUNG. Would the Senator yield?

Mr. HUMPHREY. I think it is time we had some kind of monitoring and protection system for the American public. Of course, we could buy it back from them. They would raise the price on the wheat just as they did on the oil.

I yield, but I do not have control of the time.

The PRESIDING OFFICER. Who yields time? The Senator from New York has the floor.

Mr. JAVITS. I will yield to the Senator from North Dakota.

Mr. YOUNG. I have just one short question. The Middle East countries certainly do have the money to come in and buy up a lot of wheat, but the Secretary of Commerce would not issue export licenses. They would have to have export licenses.

Mr. HUMPHREY. No, they do not. There is no export license today required for wheat. The Cargill Co. or Continental Grain Co. could go ahead and sell as they did with the Russians.

What I want to offer is an amendment which will require that when your estimated crop carryover gets down to certain levels, you install a licensing system. A deal could be made in the back room of a hotel in New York City this afternoon for the export of 1 billion bushels of wheat, and we would be in serious trouble. The Senator knows it, and every Senator around knows it.

You would find out that it happened a couple of days or a week later, but in the meantime you might have to renege on your contract. I think that it is time that we had some protection for the American consumer and the American farmer.

Let me tell you, if they bought that wheat at $4.50 a bushel today, they would sell it back to us at $10. That is what they did with oil. The Russians can do the same thing. The price of gold has gone up and the Russians have a lot of gold.

I want some protection, and that is why I am going to offer an amendment. We need to find out whether this body is prepared to take care of the people of the United States of America, or whether we are more interested in the people of other nations.

The PRESIDING OFFICER. The gallery will be advised to observe the rules of the Senate. Occupants of the gallery are not allowed to demonstrate approval or disapproval.

Mr. JAVITS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining.

Mr. JAVITS. Mr. President, I yield 4 or 5 minutes to the Senator from California.

Mr. President, may I thank Senator HUMPHREY? He is very eloquent on the subject. He helps me. I do not pretend to be an agricultural expert. He is, Senator YOUNG is, and Senator CURTIS is. But I am trying in a most basic way to see what we can do to recognize the interest of the consumer, subject to congressional action, the Secretary's action, or whatever. But at least we should begin to see that interest.

I yield to the Senator from California.

Mr. TUNNEY. I want to thank my distinguished colleague from New York for yielding to me.

Mr. President, I want to say I strongly support this amendment and the next amendment that I understand the distinguished Senator is going to offer.

Despite a period of the most severe shortages and intense inflationary pressure in the history of peacetime America, it seems to me that the economic policy-making procedures of our country have become essentially inoperative. Unlike any other major nation in the world, the United States has no consistent policy to protect its domestic economy against the ravagement by foreign cartels and governments operating outside of the constraint of the market forces, which we know in this country to be the foundation of our economic system.

I commend the Senator from New York for offering this amendment—and his next amendment—to broaden the criteria for imposition of export controls and to require the Secretaries of Agriculture and Commerce to do advance planning and policy development, so that in the future we can avoid the kind of crises that we have had in food and material supplies, which have had such a severe impact upon our economy.

Mr. President, California and New York are the major importing States, and I dare say that the Senator from New York and I yield to no one in our desire to promote free world trade. But the issue today is not free trade. The issue is whether or not the ample resources of the Commerce and the Agriculture Departments will be used to protect the vital interests of the American consumers.

I think the Senator from Minnesota has expressed his view very clearly, in a very cogent fashion, about what could happen to this economy, when nations that have extraordinary surpluses in their balance of payments and in their monetary reserves are able to come into this country and buy up essential industries. As the Senator from Minnesota has indicated, they have the money to be able to buy up our entire wheat production. What would that do to the American consumer and the price that the American consumer would have to pay for food?

Last summer, I chaired some hearings in California on the impact of food price inflation. I brought back to the Senate a hearing record that was filled with unbelievable tales of the kind of suffering that existed in California—and obviously it exists all around the Nation—as a result of the increase in food prices.

There were unbelievable tales of elderly people surviving on dog food; extraordinary stories of our hospitals eliminating essential medical services in order to be able to provide food for the residents of those hospitals. Many people in these residential hospitals were living on 65 cents a day. It is absolutely impossible for anyone to live on 65 cents a day and have any idea that their Government is treating them fairly.

Not only that—we heard stories of elderly people living in these hospitals who wanted to die rather than continue indefinitely in the future on a budget of 65 cents a day for food. As a matter of fact, we heard that some people were refusing to eat because they just wanted to die.

It is an absolute outrage that we do not have a better means of monitoring what is going on in this country with respect to exports. We all know what happened to food costs and why. We all know of the failure of the Department of Agriculture to assess properly the impact of the Russian grain deal.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. TUNNEY. I am strongly in support of the Senator's amendment, and the next one I understand he is going to offer, and I hope it will be adopted overwhelmingly.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I intend to offer an amendment in the nature of a substitute.

Mr. JAVITS. A second amendment, after this one is disposed of?

Mr. HUMPHREY. I intend to offer an amendment in the nature of a substitute.

Mr. JAVITS. For this one?

Mr. HUMPHREY. Yes.

Mr. JAVITS. I certainly wish to facilitate that, so that we can get on with the business.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Illinois yield back his time in opposition to the amendment?

Mr. STEVENSON. Yes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AMENDMENT NO. 1758

Mr. HUMPHREY. Mr. President, I call up my amendment No. 1758.

The PRESIDING OFFICER (Mr. ABOUREZK). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. 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 13, between lines 13 and 14, insert the following:

EXPORT LICENSES REQUIRED FOR CRITICAL COMMODITIES; VALIDATED EXPORT LICENSING SYSTEM

SEC. 11. Section 4 of the Export Administration Act of 1969, as amended by sections 3, 4, 9, and 10 of this Act, is further amended by adding at the end thereof the following:

"(j)(1) Effective only with respect to the 1974 through 1977 crops of wheat, feed grains, cotton, and soybeans, whenever the Secretary of Agriculture finds and notifies the Secretary of Commerce that the combined domestic requirements and export sales of any such commodity threaten to reduce the carryover of such commodity at the close of the marketing year for such commodity below the level specified for such commodity in paragraph (4), he shall designate such commodity as a 'critical' commodity for the current marketing year, and thereafter, during such marketing year, no person may export any such commodity from the United States without an export license issued by the Secretary of Agriculture authorizing the export of such commodity by such person.

"(2) The Secretary of Agriculture is directed to maintain a weekly projection of foreign sales and domestic requirements in relation to available supplies for each designated critical commodity. Except for sales and other dispositions made to friendly countries under the Agricultural Trade Development and Assistance Act of 1954, as amended, at any time that the projected carryover stocks for any commodity in any marketing year fall below the level specified for such commodity in paragraph (4) the Commodity Credit Corporation may not, so long as the stocks of such 'critical' commodity remain below such level, sell any of its stocks of such commodity for export for less than 120 per centum of the weekly average cash price of the commodity in Chicago, Kansas City, and Minneapolis markets in the immediately preceding week, except that in the case of cotton, the minimum price at which such commodity may be sold shall be 120 per centum of the weekly average cash price in the desig-

nated spot markets reported by the United States Department of Agriculture in the immediately preceding week. None of the stocks of any commodity designated as a critical commodity under this subsection may be sold by the Commodity Credit Corporation to any buyer for domestic utilization unless such buyer agrees, in such manner as the Secretary of Agriculture may prescribe, that any stocks of such commodity sold to him will not be exported.

"(3) Whenever the projected carryover stocks of wheat, feed grains, cotton, or soybeans fall below the level specified for such commodity in paragraph (4)—

"(A) the Secretary of Agriculture is authorized to initiate a 100 per centum validated export licensing system with respect to such commodity if the President determines the initiation of such system with respect to such commodity is necessary to protect the United States against a future shortage thereof or is necessary to protect the economy of the United States. The Secretary of Agriculture is also authorized to initiate, either in conjunction with or independent of a 100 per centum validated export licensing system, any reporting system he deems appropriate with respect to any such commodity: and

"(B) no quantity of such commodity may be exported to any foreign country in an amount that would result in total export sales to such country (from the United States) during such year in excess of 120 per centum of the amount of export sales of such commodity to such country (from the United States) in the preceding marketing year, unless the Secretary of Agriculture specifically approves the export of such quantity to such country.

As used in this paragraph, the term '100 per centum validated export licensing system' means a licensing system under which (i) the Secretary of Agriculture authorizes the exportation of a quantity of wheat, feed grains, cotton, or soybeans only when the application for a license to export any such commodity is accompanied by a certified copy of a contract for the export from the United States of a quantity of such commodity equal to the quantity of such commodity for which the export license is requested, and (ii) licenses are issued, unless otherwise provided by the Secretary of Agriculture, to cover exports anticipated for the current month or the current and immediate succeeding month.

"(4) Notwithstanding any other provision of law, effective only with respect to the 1974 through 1977 crops of wheat, feed grains, cotton, and soybeans, the Commodity Credit Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, or cotton, respectively, at less than 135 per centum of the established price applicable by law to the current crop of any such commodity, or any of its stocks of soybeans at less than 150 per centum of the current national average loan rate for such commodity, adjusted (in the case of all such commodities) for such current market differentials reflecting grade, location, and other value factors as the Secretary determines appropriate, if the Secretary determines that the sale of such commodity will (A) cause the total estimated carryover of such commodity at the end of the current marketing year for such commodity to fall below six hundred millions bushels in the case of wheat, forty million tons (collectively) in the case of corn, grain sorghum, barley, and oats, five million bales in the case of cotton, or one hundred and fifty million bushels in the case of soybeans, or (B) reduce the stocks of the Commodity Credit Corporation below two hundred million bushels in the case of wheat, fifteen million tons (collectively) in the case of corn, grain sorghum, barley, and oats, one million five hundred thousand bales in the case of cotton, or fifty million bushels in the case of soybeans; and in no event may the Corporation sell any of its stocks of any such commodity in any marketing year at less than the established price applicable by law to the current crop of any such commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, whenever the total estimated carryover of such commodity in such marketing year is in excess of the amount specified for such commodity in clause (A) above. The provisions of this paragraph shall not apply to dispositions made to friendly foreign countries under the Agricultural Trade Development and Assistance Act of 1954.

"(5) The Secretary of Agriculture is authorized, to the maximum extent practicable, to administer the provisions of this subsection through the services and personnel of the Department of Commerce, and the Secretary of Commerce shall cooperate with the Secretary of Agriculture in the administration of this subsection and may perform, on a reimbursable basis, such services as the Secretary of Agriculture may request.

"(6) The Secretary of Agriculture is authorized to issue such rules and regulations as he deems necessary to provide for the effective administration of this subsection.

"(7) In determining the quantity of carryover of any commodity at the beginning of or during any crop-marketing year and the quantity of any commodity owned by the Commodity Credit Corporation, there shall be included any quantity of such commodity contained in the disaster reserve inventory maintained under the provisions of section 813 of the Agricultural Act of 1970.

"(8) Nothing in this subsection shall be construed to restrict the authority of the President under the Agricultural Trade Development and Assistance Act of 1954 except with respect to prices at which commodities may be sold under title I of such Act.

"(9) As used in this subsection, the term 'feed grains' means corn, grain sorghum, barley, and oats.

"(10) There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection.".

On page 13, line 15, strike out "Sec. 11" and insert in lieu thereof "Sec. 12".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Mr. Nelson Denlinger of my staff be permitted the privilege of the floor.

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

Mr. HUMPHREY. Mr. President, first of all, I want to say that the amendment offered by the Senator from New York is a very commendable amendment. I am in full agreement with its principle and purpose. I spoke earlier to the Senator from New York about his amendment and the fact that I had an amendment with a similar purpose, but which had more specific requirements.

Under present law relating to export sales, in section 812, it should be noted that on all exports of wheat and wheat flour, feed grains, cotton and products thereof, and other commodities the Secretary may designate, reports are to be made to the Secretary of Agriculture on a weekly basis.

It also states that the individual reports shall remain confidential but shall be compiled by the Secretary and published in compilation form each week following the week of reporting. All exported agricultural commodities produced in the United States shall, upon request of the Secretary of Agriculture, be reported to the Secretary.

This language was placed in the Agricultural Act of 1973, Public Law 93–86, so that section 812, which is referred to in the pending legislation, represents a substantial improvement in reporting over the situation that existed prior to 1972–1973.

We should note that the Committee on Agriculture and Forestry did look into the situation on export sales very carefully when we passed a bill, Public Law 93–86, on August 10, 1973. We do have a system now for reporting export sales.

But I make note of the fact that the reporting must be within a week. This means, quite obviously, that a number of sales can be made prior to the knowledge of the Secretary of Agriculture.

Mr. President, this amendment responds to a problem which still remains unmet. That problem is determining how we can make certain that our own domestic food requirements are not overlooked or ignored and especially when our food and fiber supplies are seriously reduced.

This problem was brought home to me very vividly by the recent report of Senator JACKSON's Permanent Investigations Subcommittee on the controversial Soviet wheat sale. The report was discussed by the Washington Post on July 29 in an article entitled "Butz Judgment Blamed in Wheat Deal." I ask unanimous consent that the article be printed at this point in the RECORD.

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

BUTZ' JUDGMENT BLAMED IN WHEAT DEAL

(By Ralph Danneheisser)

Inefficiency and bad judgment by top officials of the Agriculture Department made the massive 1972 Russian wheat deal a disaster for the American public, a Senate panel charged yesterday.

In its final report on the controversial sale of U.S. grain to the Soviet Union, Sen. Henry M. Jackson's (D-Wash.) Permanent Investigations Subcommittee singled Earl L. Butz and two former assistant secretaries, Clarence Palmby and Carroll Brunthaver, for special responsibility for what it called a $300 million error in judgment."

That was the amount the government channeled to six grain trading firms in the form of export subsidies that never should have been paid, according to the subcommittee.

The report depicts the Commodity Exchange Authority as "derelict in its oversight responsibility" in mishandling the investigation of possible market manipulation by some of those companies in order to boost the subsidy level.

At issue is the purchase by the Soviet Union of more than 700 million tons of U.S. grains, including almost 440 million tons of wheat.

The subcommittee report follows hearings last summer and fall on the grain deal, which critics said depleted American reserves, created farm-product shortages and forced up food prices for American consumers.

Jackson endorsed that position in releasing the report, saying the grain deal was the cause of the present crisis in the livestock industry.

The Senate panel said it found no fault with President Nixon's decision to use U.S.

farm exports as a means of improving relations with the Soviet Union, improving the U.S. trade balance and boosting American farm income.

But the sale became "an illustration of how, in pursuit of a worthwhile goal, government programs and officials can go astray," it said.

"At virtually every step, from the initial planning of the sales to the subsidy that helped support them, the grain sales were ineptly managed. The result was public confusion, waste of taxpayers' dollars and higher food prices."

It charged the Agriculture Department showed "a total lack of planning . . . prior to the largest grain sale in American history."

The magnitude of the sale, unanticipated by Butz and other officials, created a shortage of domestic supplies which resulted not only in higher prices for bread and flour-based products in the United States, but also in price boosts for beef, pork, poultry, eggs and dairy products reflecting higher feed costs, the panel reported.

The subcommittee said wheat subsidies maintained by the Agriculture Department through August 1972, were unjustified and had cost American taxpayers $300 million.

It found "the responsibility for this $300 million error in judgment lies first of all with . . . (Palmby), who failed to consider the wheat export subsidy in planning for the Russian grain sale, and secondly with . . . (Brunthaver), who made verbal commitments to the grain export companies in July, 1972, that the wheat export subsidy would be continued indefinitely without any consultation or evaluation of the effect of such a commitment.

But it added:

"The overall responsibility must, of course, fall on the Secretary of Agriculture, Earl Butz, who testified that he approved continuation of the subsidy."

Among the subcommittee's recommendations in its 67-page report are:

Passage of legislation to prohibit imposition of export subsidies on any agricultural commodity without a prior public hearing by the Agricultural Department;

Establishment of an independent commodity exchange commission patterned on the Securities and Exchange Commission, to replace the present Commodity Exchange Authority;

Creation of a task force, drawing its membership from all government agencies concerned with the nation's economy to coordinate the federal role in any future transactions like the grain deal.

Preparation by the Agriculture Department and the Council of Economic Advisers of a five-year projection of U.S. supply and demand of all grains, to be submitted each year beginning in 1975.

Mr. HUMPHREY. Mr. President, I think the point that was made in the investigation was simply to the effect that there was not sufficient monitoring by the Department of Agriculture as to the world food supply and the effect of a massive sale, the likes of which we had never before experienced. The American consumer has been reeling ever since as has our economy.

Mr. President, I feel compelled to offer this amendment because, although the Agriculture and Consumer Protection Act of 1973 did improve the reporting mechanisms on export sales, we still are vulnerable to the large export sale.

Our reporting information comes largely after the fact and, in a tight world market, we cannot afford to have a large part of our crops sold out from under us.

I should warn my colleagues that, with many of our Midwestern States facing drought conditions, commodity buyers are now out buying heavily.

The USDA has now scaled down its earlier optimistic crop estimates, but it still has not faced up to the problem of large purchases by foreign countries.

For example, as I indicated earlier today, the oil exporting countries, with billions of dollars pouring into their treasuries because of the high price of oil, could easily step into the American commodity market and buy up massive amounts of food and fiber and have that sale reported a week later. That is closing the barn door after the horse is gone; or, to put it more directly, closing the granary after it is empty.

What I think is necessary is for us to keep a watchful eye over sales and particularly in a tight world food supply market. We must prevent what happened in the case of soybeans—namely, embargoes.

We do not want to have commodity embargoes or export embargoes. We need a rational, sensible sales program.

One of the reasons we got into a bind on the soybean market was because we permitted the private companies to oversell, and when they started to look around they found out they were practically out of commodities. The price of soybeans in this country then zoomed to $11 and $12 a bushel.

The farmer did not get this price. Farmers out in the Midwest sold their soybeans for $3.50. The speculators and the manipulators got the $10 and $11. After the soybeans were sold, we found out we had inadequate supplies for our own people, and we had to put on an embargo. That embargo upset the world trading community no end.

I want to avoid embargoes. I think it is clear we all would like to avoid the imposition of an embargo as happened in the case of soybeans.

The farmers do not want to have us resort to embargoes, and I believe the same is also true of the major responsible trading companies.

Unfortunately, an administration which has declared that it will not resort to embargoes in the future, may be making such an action difficult to avoid by ignoring the need for more current export reporting information.

Mr. President, my amendment basically establishes a mechanism to enable us to pay closer attention to our export sales in a tight market, and to be more timely in reporting export sales. Mr. President, timeliness is the key in the reporting of export sales. You have got to be on the job on time. You have got to have reporting on time.

The Secretary has to know what is going on when those supplies are being drawn down. If our supplies are drawn down this year to where we have a carryover of 150 million bushels of wheat, which would be a dangerously low carryover, we would be in serious trouble here at home. This is barely adequate to meet our needs.

We also may have a very serious problem with the corn crop this year.

To be specific, when the Secretary of Agriculture under my amendment determines that the estimated total carryover of certain key commodities will fall below certain levels—wheat, 600 million bushels; feed grains, 40 million tons; cotton, 5 million bales; and soybeans, 150 million bushels—or that the stocks of the Commodity Credit Corporation are expected to drop below 200 million bushels of wheat, 15 million tons of feed grains, 1.5 million bales of cotton and 50 million bushels of soybeans—then certain steps are to be taken to more closely monitor and protect these remaining supplies.

For example, I think when we draw our wheat supply down to, let us say, 500 or 600 million bushels, we ought to do one thing. The Secretary ought to be watching to see that no one steps into the American market and cleans it all out. That is to the advantage of no one.

I am opposed to any kind of embargo, and the way to prevent an embargo is to have a sensible monitoring system of the supply. In that way we know what we have got to sell and we know what we ought to maintain back home. That is an important thing to keep in mind.

So I would provide in my amendment a figure of 600 million bushels of wheat, 40 million tons of feed grains, 5 million bales of cotton, and 150 million bushels of soybeans.

Now, that does not mean the Government owns it. It does not involve Government ownership at all. It is just simply this, that when we get down to where we have got 150 million bushels of soybeans, that is all there is left. The Secretary of Agriculture, before any more exports of soybeans are made, takes a look and monitors it carefully and requires a license so that he can keep track of the situation.

It does not mean we prohibit the export; it does not mean that the Government owns it. The private trade still owns it. It simply means we ask the private company to get a license at that point so that there is a reasonable protection for the American market.

My amendment provides that when the Secretary of Agriculture determines that combined domestic requirements and export sales threaten to reduce the commodity carryover levels below the amounts specified above, the Secretary shall designate such commodity or commodities as critical for the current marketing year, and no person may export any such commodity from the United States without an export license issued by the Secretary of Agriculture authorizing the export of such commodity by such person.

The Secretary of Agriculture also is directed to maintain a weekly projection of foreign sales and domestic requirements in relation to available supplies for each designated critical commodity.

Except for sales made to friendly countries under the Agricultural Trade Development and Assistance Act of 1954, at anytime that the projected carryover stocks for any commodity in any marketing year fall below the level specified for such commodity, the Commodity Credit Corporation may not, so long as the stocks of such "critical" commodity remain below such level, sell any of its stocks of the commodity for export for

less than 120 percent of the weekly average cash price for that commodity.

None of the stocks of any commodity designated as a critical commodity under this subsection may be sold by the Commodity Credit Corporation to any buyer for domestic utilization unless such buyer agrees, in such manner as the Secretary of Agriculture may prescribe, that any stocks of such commodity sold to him will not be exported.

The Secretary of Agriculture is authorized to initiate a 100 percent validated export licensing system with respect to such critical commodities if the President determines the initiation of such a system is necessary to protect the United States against a future shortage thereof or is necessary to protect the economy of the United States.

The Secretary of Agriculture is also authorized to initiate, either in conjunction with or independent of the 100 percent validated export licensing system, a commodity reporting system and no quantity of any commodity may be exported to any foreign country which would result in total export sales from the United States in excess of 120 percent of the previous year export sales of such commodity from the United States, unless the Secretary of Agriculture specifically approves the export sale.

Mr. President, this amendment does not seek to establish a rigid set of controls. The licensing system is most permissive, and it is designed to get better information on a current basis when we are in a tight market situation.

I regard this proposal as a device which sets off warning lights when our supplies begin to get low. Officials will have to pay closer attention to what is happening in our export market.

At that stage, as we know from last year's experience, more careful monitoring is a must, and the best current information is essential.

Mr. President, this amendment will be a useful step in avoiding more drastic embargoes which we all wish to avoid. I urge that it be adopted by the Senate.

Mr. YOUNG. Is the Senator indicating that when the supplies of wheat get below the 600 million bushels, say as of July 1, that there be no more exports?

Mr. HUMPHREY. Oh, no, not at all, Senator.

Mr. YOUNG. What would the Senator do?

Mr. HUMPHREY. All I am saying is that when the wheat supply gets down to 600 million bushels, sort of an alert would go up that would say "Mr. Secretary, wake up, something is happening." If there are going to be more exports, and there undoubtedly would be, we would need to know about them.

We would not want somebody to step into the market, such as Saudi Arabia or Iran, and buy up 550 million bushels and have the company report the sale a week later. We would be out of business.

All I am saying is that it is reasonable and right to ask the Secretary of Agriculture to keep an eye on the situation when supplies are low. When the exporter comes in with a sale he would report on the day he makes the sale. He would say to the Secretary, "Look, I have got a chance to sell 200 million bushels of wheat to Saudi Arabia or Iran." They are friendly countries, so let us use their names. The Secretary of Agriculture would say, "Well, we have 600 million bushels left, and we will give you a license."

But if somebody says that we are going to sell 550 million bushels, of our total 600 million bushels, to Kuwait or Iran or Saudi Arabia and they have got the money to pay for it, the Secretary would have to say, "Wait a minute, that would draw the supply down to where it was dangerous in this country. You cannot sell 550 million bushels. Sell only x number of bushels."

I think that is a reasonable protection for the American people.

Mr. YOUNG. Will the Senator yield for a minute?

Mr. HUMPHREY. Yes.

Mr. YOUNG. Does the Senator believe we should maintain a 600 million bushel supply on hand?

Mr. HUMPHREY. No.

Mr. YOUNG. If we did, I think——

Mr. HUMPHREY. No, Senator, wait a minute.

Mr. YOUNG. It would bring us back to where we were before.

Mr. HUMPHREY. Do not put those words in my mouth. I do not want 600 million bushels lying around here. I do not ask for that. I am simply using that figure as a trigger mechanism to alert the Secretary of Agriculture not to let the Soviet Union come in and buy all of our supplies.

Under the present law, Senator, they can do it. You know it, and I know it.

Mr. YOUNG. Will the Senator yield?

Mr. HUMPHREY. They can come in and buy it up.

Mr. YOUNG. Would the Senator yield for just a minute?

When the Russian wheat deal was made, the average farm price was $1.41 a bushel average farm price. Now, that is less than half what is deemed to be a fair price.

The Russians paid exactly the same as every other country, and maybe we oversold, but the people of our country had been complaining bitterly about all the wheat we had, costing a million dollars a day for storage.

Mr. HUMPHREY. You and I did not complain about that sale.

Look, I come from the same part of America you do. I was interested in the wheat farmers just as the Senator from North Dakota or the Senator from Nebraska. I do not want to see low prices, for wheat.

I am not trying to set up a reserve program here, let us get rid of that idea.

I am simply saying that under existing law that countries with money can go to any American company and buy up any amount they want to buy.

I think the Secretary of Agriculture should have a stop and alert signal. I only want the Secretary to look out for all of the American people, not just a couple of big companies.

I am willing to reduce these levels, I used these just as a triggering mechanism. Let us put it down to 500 or 400 million bushels so that we have a tighter market. I simply do not want to have some foreign government or some foreign buyer able to walk into the American market and buy it up. We would not know what happened until it had happened.

I do not want an embargo system. I do not want the Government to own large reserves. Later on I will talk about that subject.

But I do want protection for the American economy.

Believe me, we have been taken for a ride on oil and we can be taken for a ride on food.

I am here to tell the Senate that the Arab nations can buy up our food supply and sell it back to us.

Several Senators addressed the Chair.

Mr. TOWER. Mr. President, will the Senator yield me 3 minutes on the bill?

Mr. PACKWOOD. I yield 3 minutes on the bill to the Senator from Texas.

Mr. TOWER. Mr. President, I am really a little bit amused by this talk about Arab oil. I would be more amused were it not for the fact that I cry a lot about it. Because the fact of the matter is, a lot of the very people who want to proscribe the export of American farm products abroad are the people who would deny the incentives necessary to the oil and gas industry in this country to increase domestic exploration and production, and would make us even more reliant on Middle East sources of oil.

The people in the North apparently would rather pay a dollar and a half for liquified natural gas from Algeria than pay 75 cents for natural gas from Texas, Oklahoma and Louisiana.

Let us face it: We are the best farmers in the world. Food is one thing we produce that the world wants, and we produce it better, more efficently and cheaper than anyone else. We had better not place proscriptions on the export of agricultural products, or we will never absorb the dollar overhang abroad, which has been partially the result of our consciously and wittingly reducing ourselves to a state of dependence or those people for fuel and energy, power, at a time when their price was cheaper than the domestic price.

So let us get this thing in proper perspective: We had better be willing to export agricultural products, or we are going to have to be facing up to unfavorable balance-of-trade exports year after year.

Several Senators addressed the Chair.

Mr. STEVENSON. I yield 2 minutes on the bill to the Senator from Minnesota.

Mr. HUMPHREY. Let us not pettifog this issue, Mr. President. The Senator from Minnesota is not for export controls. I have held hearings on export controls, and I am opposed to them.

I simply said that the reason we have got export controls on soybeans is because we did not supervise and monitor the exports, and we got caught. Every Senator here knows that.

All that I am saying is that there has to be a better system of monitoring our supplies as they flow out of this country. I want commercial exports, but I want to tell you something: I want also to be sure that the American consumer has a supply of food here at home, and

I do not want us to be hijacked. I do not want some country to be able to walk in here and buy up our crop and then sell it back to us at twice what they paid for it.

I am here to tell the Senate that that can happen, and no Senator can prove to the contrary.

Surely, we need exports to pay for oil. The way we get them is to produce and to sell. But I would be a madman, if I ran a bank and I disposed of all of my reserves. We would be more than that, may I say, if we permit this country to dispose of all of its foodstuffs in the name of commercial exports.

Is it not interesting that we have reserves of bombs? We have $500 million worth of them stored in Asia. But we do not even want to watch what is happening to the market and the supply condition as far as foodstuffs are concerned.

Mr. President, I do not intend to press this amendment to a vote, because the purpose of the amendment was to buttress the argument of the Senator from New York. But I wanted very clearly to make the case as to why we need closer monitoring. The Senator from New York has an amendment which I think will suffice——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HUMPHREY. Though it does not go as far as it ought to.

I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Elinor Bachrach, Senator PROXMIRE's legislative assistant, be allowed to remain on the floor during the pendency of the pending bill.

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

The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. 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 is as follows:

S. 3792 is amended by redesignating section 11 on page 13, line 15 as section "912)" and inserting a new section 11 as follows:

"The Export Administration Act of 1969 as amended is further amended by inserting after section 4A as added by this bill, the following new section:

"4B. Notwithstanding any provision of this or any other law, for one year from the date of the enactment of this law, the United States shall not export any materials, supplies, articles, technical data or any other information relating to the design, development, fabrication, supply, repair or replacement of any nuclear facility or any part thereof, unless the country receiving such export has agreed (1) to subject all nuclear facilities within such country to the safeguards of the International Atomic Energy Agency, (2) to adopt such additional safeguards as the United States Arms Control and Disarmament Agency shall prescribe, and (3) has agreed not to reexport any nuclear supplies, articles, information and technical data. Exempted from this one year moratorium on nuclear exports, are existing commitments by the United States to supply fuel under contracts signed prior to June 30, 1974."

Mr. STEVENSON. Mr. President, I do not do this very often, but I want to warn my colleagues that I am going to take a little time and talk on a subject that I think is of great importance to the future of this country and the world, the subject of nuclear proliferation.

Mr. President, I offer this amendment on behalf of myself, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Idaho (Mr. CHURCH).

Twenty years ago the United States started, innocently enough, a program called "Atoms for Peace." In the intervening years, the United States has entered into cooperative agreements with 29 countries for the transfer of nuclear technology—technology ostensibly for peaceful purposes.

During that 20 years, other countries have acquired U.S. nuclear technology indirectly, some of them from France, which imports U.S. nuclear technology. Still other countries have developed their own nuclear technology, and in turn have exported it to even more nations.

Nuclear technology is now advancing at a rate that is far in excess of the rate at which peoples and governments can begin to comprehend and respond to in the interest of their ultimate safety. Nuclear reactors are being developed, including heavy-water reactors, which can use unenriched or slightly enriched uranium. Nuclear technology now also includes fast breeder reactors and high-temperature gas reactors. All of these reactors produce plutonium. And the technology to convert this plutonium into bombs is freely available.

The short of it, Mr. President, is simply that with the technology now available and the proliferation of nuclear equipment throughout the world, any country that wants to will soon be in a position to obtain an atomic bomb.

Not only has there been rapid advances in reactor technology, but also in technology for the processing of the fuel used in nuclear reactors. The Union of South Africa, for example, is reported to be developing a new laser for the processing of fuel for nuclear reactors.

The reactors themselves are of many varieties. Canada and the United Kingdom recently opted for the heavy water reactor. Canada is already exporting this reactor to many parts of the world. The Canadian reactor is virtually unpoliceable, particularly because it uses unenriched or raw uranium, which is abundant throughout the world.

Mr. President, this all means that every country that wants to can soon have some sort of nuclear capability, and that, in turn, means not only the countries themselves but terrorist groups.

The result in the world will be destabilizing in the extreme. Regional conflicts which were once limited to conventional warfare could escalate and go nuclear.

It is not coincidence that many of the countries acquiring a nuclear military capability are in such unstable regions of the world—South Asia, East Asia, the Middle East, and Latin America.

It means, Mr. President, that U.S. influence will diminish as the nuclear monopoly is broken up, as other countries acquire nuclear power for military as well as for peaceful purposes. It means that the terrorist organizations, which have resorted to hijacking, killings, and other forms of terrorism in the past for blackmail purposes will, in the future, have, if something is not done, access to nuclear technology, nuclear weapons for the same ugly purposes.

Mr. President, this proliferation of nuclear technology, ostensibly peaceful, but actually or inevitably for nonpeaceful purposes, was given momentum by the recent Moscow summit test ban agreement, which will surely convince all the nations of the world that the super powers, the United States and the Soviet Union, are not serious about controlling the testing of nuclear weapons.

It is given impetus by the energy crisis. Countries everywhere are seeking alternative sources of energy to expensive oil. It is given impetus by the desire of the major industrialized countries to export commodities of all kinds, including nuclear reactors, in order to generate the revenues with which to pay their growing oil bills.

Many countries fear that the U.S. nuclear umbrella is shaky; that its commitment of conventional forces to the defense of these countries is weak. Japan is but one example.

The political instability of many regions gives nuclear proliferation added momentum. It is no accident that India has already detonated a nuclear explosive device. Pakistan is now in the process of attempting to acquire a separator with which it will be able to process and produce the plutonium for the development of its own nuclear weapons. Iran will certainly not be content to remain a nonnuclear power in the Middle East. And the Canadians are now making efforts to sell heavy water reactors to South Korea. Thus, countries seeking a cheap source of energy can, at the same time, obtain a cheap source of what they perceive to be power and influence in the world.

So it is, Mr. President, that already 5 countries are known to have nuclear military capability. Others may have it or are close to developing it. Those countries include Japan, West Germany, Argentina, Brazil, Pakistan, South Korea, India, and Israel.

Still more countries have the capability for acquiring nuclear military potential within the next 10 years: Italy, South Africa, Spain, Portugal, Algeria, Chile, Saudi Arabia, North Korea, Egypt, the Netherlands, Belgium, Turkey, Colombia, Libya, Switzerland, Venezuela, and South Africa, to mention but a few.

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

Mr. STEVENSON. I yield to the Senator from Rhode Island.

Mr. PASTORE. I would like to ask several questions of the Senator. I think the spirit of this amendment is good.

First of all, let me ask this question: Why does the Senator limit this to one year? Is there any special reason for it?

Mr. STEVENSON. Yes, there is. I have not gotten to my explanation of the amendment yet, but I will tell the Senator the purpose is the same purpose which led to the Nuclear Test-Ban Treaty. The purpose is to give the nations of the world a breathing spell, an opportunity to sit down and begin to develop adequate bilateral and multilateral safeguards and the institutions with which to enforce and maintain those safeguards.

That world is looking to the United States now just as it did in 1956. There is no other country that can take that lead, that can say, "We will stop." Let us take a second look at what we are doing and give ourselves an opportunity to develop those safeguards, and the institutions with which to enforce them."

I point out also that in 7 months the nuclear proliferation conference required under the Nuclear Proliferation Treaty begins. That may be the last chance we have to get the cows back in the barn or to prevent all of the cows from getting out.

The purpose is simply that, to give us some time, perhaps a last chance, to develop those safeguards and those institutions with which to enforce them, and if this country does not take the lead, no other country will.

Mr. PASTORE. May I ask another question? In other words, this would eliminate that agreement with relation to Egypt on a reactor; is that correct?

Mr. STEVENSON. Well, it would for a year. The amendment is drafted in such a way that it would not interfere with any existing contracts. Of course, that contract is not yet in existence, but if it were, it would be postponed for a year unless, of course, Egypt agreed to the conditions.

If the Senator will look at the amendment——

Mr. PASTORE. That is the point I was going to raise.

Mr. STEVENSON. If they agree to international safeguards.

Mr. PASTORE. Then it is not a moratorium at all; it is a conditional——

Mr. STEVENSON. It is a partial moratorium. If the country will agree to adequate international safeguards and not to re-export nuclear technology, then the moratorium would not be applied. Then we would be confident that the safeguards were being adhered to.

Mr. PASTORE. What bothers me, if the Senator will permit, as to No. 1, I have no question at all, "subject all nuclear facilities within such country to the safeguards of the International Atomic Energy Agency." Now, that is already in existence. They already have safeguards, and every American reactor is under the International Atomic Energy Agency, so I have no question about that.

No. 2, "To adopt such additional safeguards as the U.S. Arms Control and Disarmament Agency shall prescribe."

That is a responsibility now within the jurisdiction of the AEC. That is exactly what their job is, to prescribe the proper safeguards.

I wonder why the Senator is shifting from the AEC over to the Arms Control and Disarmament Agency which has no expertise in this direction?

Mr. STEVENSON. Well, the reason is that the Atomic Energy Commission does not review the safeguards of the IAEA. This is aimed at the IAEA. Its safeguards do not apply to all nuclear facilities.

Mr. PASTORE. All the American ones.

Mr. STEVENSON. All the American ones.

Mr. PASTORE. Of course, we cannot govern other agencies, we cannot govern other countries. This Government follows the policy of every American reactor that goes under the international agency; I mean, we do that now. Of course, we cannot tell France what to do because France has now sold four reactors to Iran without any safeguards at all. We cannot tell France what to do. We can only tell America what to do.

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

What technology did France sell to Iran? Is that not Westinghouse technology? Is that not U.S. technology? What did we do to control it?

Mr. PASTORE. Well, now, wait a minute, but the control of that is in France. They have the majority stock. It is a French deal, and there is nothing, of course, that stops Westinghouse from opening up a plant and cooperating with the French Government. I mean I do not know how we are ever going to change that. But the point I am making there is——

The PRESIDING OFFICER. The time of the Senator from Illinois on the amendment has expired.

Mr. STEVENSON. Mr. President, I yield myself ten minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Is there time for the opposition to this amendment?

The PRESIDING OFFICER. The Senator from Oregon has 15 minutes.

Mr. PACKWOOD. I yield 5 minutes to the Senator from Rhode Island for the opposition.

Mr. PASTORE. I think this raises many international problems. I mean, the Senator already has admitted that this would block the agreement that there may be a reactor furnished to Egypt or to Israel. We are now negotiating with Iran. Iran has already bought four reactors from France. I am afraid that we are going to muddle up American export trade; that is about the size of it.

What we are going to do is just throw American industry right out of the international market and put it in the hands of other foreign governments—the British, the French.

If we have a provision here that America shall not export any technology or any reactor without it being placed under the safeguard of the international agency, I say fine. If we go on to say those safeguards must also be approved by the Atomic Energy Commission and recommended to the Congress, I say fine. But when we say that a peaceful reactor has to be charged by the Arms Control and Disarmament Agency, I am afraid we are going to break our relations diplomatically with the countries of the world; and what we are going to do is take a flourishing American industry and turn it over to foreign entrepreneurs. I say this would be a very serious mistake, and I do not think this matter ought to be resolved on the floor in 10 minutes.

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

Mr. PASTORE. I yield to the Senator from Vermont.

Mr. AIKEN. As this amendment is written, I think it would apply primarily to India, Israel, and Egypt.

Mr. PASTORE. That is the intention.

Mr. AIKEN. But there are 19 countries in which agreement has already been reached. The result would be that we would simply be concentrating all this nuclear business in the hands of France, which is sitting there, ready to take the business.

Mr. PASTORE. They are already doing it.

Mr. AIKEN. At present, it would prohibit doing business with Egypt and Israel, and I am sure that India would be involved, or quite upset, anyway. We have a reactor in India, although it was not our reactor that made the difficulties the other day. They were complying with our regulations, but the Canadians did not have them.

Mr. PASTORE. There is another matter here, also. I would make a provision here that there could not be any export of this technology unless they signed a nonproliferation treaty. I would buy that.

Mr. HUMPHREY. Will the Senator from Illinois yield?

Mr. STEVENSON. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I must say that I think some of the situations that have been suggested here by the Senator from Rhode Island carried great merit and I would hope the main sponsor of the bill would give them the most serious consideration.

I like, for example, the most recent suggestion of the Senator from Rhode Island which I believe would do a great deal to eliminate the danger of proliferation which is what we are worried about.

Secondly, where the amendment has reference to the U.S. Arms Control and Disarmament Agency, the main consideration needed here is to make sure that any country which receives an export shall at least be required to abide by the safeguards of the International Atomic Energy Agency.

Now, that is the first point in the amendment.

Mr. STEVENSON. That is already law, and it is totally ineffectual.

Mr. HUMPHREY. Well, that is the first——

Mr. STEVENSON. We have been hold-

ing hearings on this subject and the evidence is undisputed. The only standard safeguards that have any effect at all are the IAEA safeguards, plus whatever safeguards we get in the cooperation agreements with recipient countries. Even in the case of light water reactors, the IAEA standards are inadequate because the safeguards do not prevent diversion of nuclear materials. Their only purpose is to detect, and to that extent, they are inadequate, too, because the IAEA does not even have the personnel or the funds with which to enforce these safeguards throughout the world.

Mr. HUMPHREY. But, if the Senator will yield, the first provision in the amendment which I am privileged to join him in is to subject all nuclear facilities within such countries to the safeguards of the International Atomic Energy Agency. There is that No. 1.

Mr. STEVENSON. That is number one, and that goes beyond what is being done now.

Mr. HUMPHREY. That is right.

Mr. STEVENSON. So I say, before we sell in those countries, we should require that the recipient subject all of the nuclear facilities to the IAEA standards. That is the first one.

Mr. HUMPHREY. May I ask the Senator from Rhode Island, is that not a sensible requirement?

Mr. PASTORE. Well, that may be a sensible requirement, but the fact still remains that there is a situation here with Egypt and with Israel where there are going to be some big problems. I do not think that this matter that is so important and has so many ramifications and could have so many serious consequences ought to be settled this way. As a matter of fact, I would like to appear before the committee that considered this in order to present what I feel should be the answer to the problem.

I was the author of the nonproliferation resolution which led to the Non-Proliferation Treaty, and that passed by a vote of 84 to 0. I have lived with this for 21 years.

I realize we have to be very careful. No. 1, I would not sell a reactor to anyone who has not signed a nonproliferation treaty. Egypt has signed a nonproliferation treaty but has not ratified it. Israel has not signed it. India has not signed it.

If the Senator is telling me that we should not give them a reactor until they sign that nonproliferation treaty, I shall buy it.

Mr. HUMPHREY. I think the Senator's suggestion is very meritorious.

Mr. PASTORE. The argument that he is making is that we cannot sell to India a reactor unless India agrees to put all the reactors she has from France or Germany or Great Britain or anybody else, or from Canada—that she put that under the international agency. That might be all right, but I would like to hear from the Secretary of State before we agree to that.

What will that lead to? These are very fundamental questions. How do we decide it on an amendment that is limited to a 10-minute debate?

It is ridiculous because the ramifications and the consequences are so severe here that we could find ourselves right behind the eight ball.

Mr. HUMPHREY. Mr. President, I think the Senator makes a very valid point. I gather that one of the purposes in offering the amendment is to get this matter ventilated and to open up the subject. The Senator from Illinois has been holding hearings on nonproliferation and has gathered a great deal of information. I thought as one who wanted to support his effort that we should hear what he has to say. I think his proposal and debate today has been very valuable.

Mr. PASTORE. I would like to ask the Senator from Illinois whether the Secretary of State has been heard on this.

Mr. STEVENSON. The Secretary of State has been heard.

Mr. PASTORE. On this particular amendment?

Mr. STEVENSON. No, not on this particular amendment; of course not. I would not expect him to support it.

Mr. PASTORE. Is it not a shame that we cannot get the Department of State to support something that is good for this country. What are we going to do with Henry Kissinger; just kiss him goodbye, too?

Mr. STEVENSON. Mr. President, the principal purpose of this amendment is to begin debate with respect to a matter which is of vital importance to the United States.

The Government of the United States, like the Government of Canada, takes the view that it should promote the sale of nuclear reactors indiscriminately, everywhere in the world; in the case of the United States subjecting them to IAEA safeguards but in the case of Canada subjecting them to no adequate safeguards at all.

What I am trying to do is suggest that there are longer terms and more important considerations than the immediate effect on the balance of payments in the sale of nuclear reactors. I know there is widespread concern about it in the Department of State. There is a great deal of uncertainty in our Government today about what should be done, but a growing feeling that something should be done. I am not confident of the answer. All I know is that I feel very, very deeply that we should be seeking that answer because the existing safeguards of the IAEA are grossly inadequate.

They are not even intended to prevent the diversion of nuclear materials for military purposes. They are simply intended to detect the diversion after the fact. With the proliferation of nuclear technology throughout the world, and with the rapidity with which the technology is developing, including the technology for the processing of the fuels, it means that very soon any country that wants it will be able to acquire the nuclear device, the bomb—and the terrorists groups, too.

All I am saying, Mr. President, is that the safeguards now are inadequate. In many countries, of course, they do not even exist, or they only partially exist, as in the case of India. Even where IAEA has some jurisdiction, it does not have the personnel with which to police the agreements.

What I am suggesting, Mr. President, is that some country has to take the lead. The IAEA and the Nuclear Proliferation Treaty are not even addressed to the problem of reexports. That is how the Iranians acquired nuclear reactors. The United States exports to France which, in turn, exports to Iran. Nothing prevents one country from exporting to another.

To make matters worse, Mr. President, the only effective sanction or means of enforcing such safeguards as exist is the control of fuel. The United States can cut off fuel as a means of controlling the use of nuclear reactors for nonpeaceful purposes. But as countries develop their own sources of fuel or acqire access to alternative sorces of fuel—as technology advances—that sanction weakens.

This is particularly true in the case of the Canadian reactor, which uses unenriched uranium. Unenriched uranium, or raw uranium, is in abundant supply throughout the world. It may already be too late to get those cows back into the barn, but it is not too late to attempt some sanity.

The proliferation of nuclear technology, ostensibly for peaceful purposes but with the potential of use by governments and by nonnational groups—terrorist groups—for nonpeaceful purposes, is potentially the most serious threat to the peace of the world.

The Nuclear Proliferation Treaty recognized that threat, but it is not equal to the task. Since its adoption, nuclear technology has proliferated for peaceful purposes. Now we know that the technology for peaceful purposes can be used for nonpeaceful purposes.

The United States took the lead once before by suspending unilaterally the testing of nuclear devices in the atmosphere. That act led to the partial nuclear test ban treaty. What I am doing in this amendment is simply to suggest that we should do so again.

The world looks to the United States for leadership, as it has nowhere else to turn. All this amendment does is propose a 1-year moratorium on U.S. exports of nuclear technology and materials to countries which do not subject their nuclear facilities to the safeguards of the International Atomic Energy Agency, and safeguards that we know are adequate, namely the standards of the Arms Control and Disarmament Agency.

It would also forbid exports to such countries which do not, in turn, agree not to reexport nuclear material.

It is my hope that with the United States taking the lead, others will follow, as they did in the case of the unilateral suspension of nuclear weapons the testing by the United States years ago.

If, of course, other countries did not follow, the United States could resume exports of nuclear reactors and other materials in competition with other countries.

Mr. President, all nations, both recipients and suppliers, share an interest in controlling this menace. The conference required by the Nuclear Proliferation Treaty meets in February. That Conference will afford all the supplier countries, as well as the recipients, an opportunity to take some time to develop safeguards

against proliferation of nuclear technolgy for nonpeaceful purposes and to review the international institutions wish to enforce such safeguards.

All I am suggesting, Mr. President, is that the supplier countries now take time, just a little time—1 year—to develop realistic safeguards and those international institutions, neither of which are available now to protect the world from the proliferation of nuclear technology for nonpeaceful purposes.

If we do not take that lead, no one will. Soon it could be too late.

Mr. PASTORE. Will the Senator yield?

Mr. PACKWOOD. How much time does the Senator wish? I will yield all the time I have on the amendment.

Mr. PASTORE. Mr. President, only this past week, as chairman of the Subcommittee on Appropriations for the State Department, I invited the members of the State Department to come and address our committee. I invited all the members of the Appropriations Committee, and there was a very, very fine attendance on the part of the members.

I am not revealing any secrets at all, but Mr. Kissinger, when he was asked about the situation in the Middle East, informed the committee that the Russians were sending in massive military aid to Syria, and that because the Israelis had more or less built their settlements up to the line of occupation, that this raised a very, very delicate question as to whether or not this matter can be resolved, and be resolved amicably in a short time.

He went on to indicate that the one key that we have in the Middle East at the present time, insofar as the leaders of the Arab world are concerned, is Sadat.

This amendment, if it is passed tonight and becomes law, will bar and postpone for 1 year whatever agreement is made with Egypt on furnishing them technology on a nuclear reactor for peaceful purposes.

I am not going to argue the merits of whether or not we should grant this to Egypt or not. All I am saying is this: That if we summarily block that agreement here tonight, without knowing what the world repercussions will be, we might lose the key and we might have that part of the world inflamed once again.

All I am saying is that this is a very, very serious and important problem, and it is one that needs to be explored in detail; that the consequences have to be considered.

I hope that something will be worked out in the future and that my good friend, the Senator from Illinois, will not press this amendment at this time.

If this matter is to be studied, I am all for a study. But if we pass a law tonight blocking any agreements with Egypt or with Israel, we may spoil in 10 minutes what it took Henry Kissinger to put together in 5 or 6 months. I hope we do not do that tonight.

I hope that the Senator from Illinois, as sincere and devoted as he is, will understand that the ramifications might come back to haunt us. It might again start a shooting war in the Middle East; and perhaps with a little calmness, a little commonsense, and a little understanding, we can avoid that. That, to me, is the important thing tonight.

I hope the Senator from Illinois will withdraw this amendment. Otherwise, I will be compelled to move to lay it on the table.

Mr. STEVENSON. Mr. President, I do not intend to press for a vote of this amendment tonight.

I do point out, once again, that the amendment would not bar, even for the 1-year period, the transfer of nuclear technology to either Egypt or Israel—or, for that matter, to any country in the world. All it would do would be to ban the transfer by the United States of nuclear technology to those countries if they did not agree to international safeguards against diversion of nuclear materials for nonpeaceful purposes. If the Egyptians and the Israelis will not agree to those terms, why should we supply them with this technology?

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

Mr. STEVENSON. I yield.

Mr. PASTORE. The Senator knows that the Arms Control and Disarmament Agency has not considered safeguards. It might take them a year to explore that.

According to the Senators' amendment, the whole world will have to wait until that agency begins to hold hearings and institutes and enacts safeguards which we do not have.

This problem is so immediate that we might have to decide the Egyptian question within a week. I do not know. But negotiations have been going on.

We have already reached an agreement with Egypt that if they do get a reactor, over and above the international agency, they will have to account to us on a bilateral basis, and that we intend to take the fuel rods out and make sure they get into another sovereignty and not remain in Egypt. All this is being worked out. With this amendment, the Senator is going to kill it all off tonight.

I am saying that these repercussions may be so serious that we could even be starting a war tonight.

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

Mr. PASTORE. I yield.

Mr. MANSFIELD. I understood the manager of the bill to say that he did not intend to press this amendment, just before the Senator took the floor.

Mr. PASTORE. He said he did not press for a vote tonight. I do not know what this means. We will do it tomorrow.

Mr. STEVENSON. Mr. President, I do intend to withdraw this amendment and to offer a second amendment, which I am very hopeful that the distinguished Senator from Rhode Island, my good friend, will accept.

Mr. PASTORE. Mr. President, I want to congratulate the Senator. I will support his second amendment.

Mr. STEVENSON. Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. MUSKIE). The amendment is withdrawn.

Mr. STEVENSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The 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; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Redesignate section 11 on page 13, line 15 as section "(12)" and insert a new section 11 as follows:

The Export Administration Act of 1969 as amended is further amended by inserting after section 4A as added by this bill, the following new section:

"4B. The President is directed to review all laws and regulations issued thereunder by the Atomic Energy Commission, the Department of Commerce, and other government agencies, governing the export and re-export of materials, supplies, articles, technical data or other information relating to the design, fabrication, development, supply, repair or replacement of any nuclear facility or any part thereof, and to report within six months to the Congress on the adequacy of such regulations to prevent the proliferation of the nuclear capability for nonpeaceful purposes. The President is also directed to review domestic and international nuclear safeguards and to report within six months to the Congress on the adequacy of such safeguards to prevent the proliferation, diversion, or theft of all such nuclear materials and on efforts by the United States and other countries to strengthen international nuclear safeguards in anticipation of the Review Conference scheduled to be held in February 1975 pursuant to Article VIII, section 3 of the Treaty on the Non-Proliferation of Nuclear Weapons."

Mr. STEVENSON. Mr. President, the hour is late. I do not intend to press this any longer on the Senate's time.

This amendment would simply require the President to review existing bilateral safeguards and the adequacy of international safeguards and report back to Congress within 6 months on the adequacy of all such safeguards. I have chosen the period of 6 months because in about 7 months, the Conference on the Review of the Nuclear Proliferation Treaty begins.

The resolution would also require the President, in effect, to prepare for that conference.

Mr. President, as I suggested earlier, my purpose is basically twofold: to begin a consideration of nuclear proliferation and the threat which the proliferation of nuclear technology poses for the world; also, to try to encourage the executive branch to give its attention to this problem and to prepare for the conference which begins in February. That is the entire purpose of this amendment. I urge its adoption.

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

Mr. STEVENSON. I yield.

Mr. PASTORE. Mr. President, I congratulate the Senator for this amendment. I think this matter calls for a study that is very timely. I believe the President of the United States has that responsibility, and we in Congress should be informed to that extent. I congratulate the Senator.

Let the record show that I am supporting this amendment.

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

Mr. STEVENSON. I thank the Senator from Rhode Island.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I commend the Senator from Illinois for his very constructive approach on both these amendments. The first one, which he withdrew, was an amendment designed to promote constructive debate, and it did just that. We have been talking here privately about the dangers of proliferation of nuclear weapons.

The distinguished Presiding Officer, the Senator from Maine (Mr. MUSKIE), is chairman of the Arms Control Subcommittee, and he has scheduled hearings on this subject. It is a matter of deep concern for the Committee on Foreign Relations and, I imagine, for every Member of Congress.

The Senator from Illinois has shown the initiative to hold hearings and to give us the benefit of his counsel. I thank him. That is why I associated myself with him in this endeavor.

The second amendment is highly commendable and desirable. I hope the RECORD will indicate that Congress, itself, should be looking into all laws and regulations relating to nuclear energy, its peaceful uses, and any dangers or problems that might ensue or follow from the sale of nuclear reactors.

I am very pleased to have an amendment that asks the President and the agencies of the executive branch to do this. But I would gather that, as a result of that study, we would have some responsibility of our own to follow through, to utilize the information that comes from the President and from the Executive offices and to make our own assessments; because we are going to be confronted every year, from here on out, with a continuing export problem or export sales of nuclear reactors for the purposes of energy.

I am hopeful that we will see to it that the safeguards to which the Senator from Illinois has given his attention are properly designed and enforced, lest we find that we have opened up the world to the expansion of nuclear weaponry to a point where there is no return, and no one is safe.

I thank the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Minnesota. I heartily approve his suggestion that it behooves Congress and all its appropriate committees to begin a thorough airing of this subject. So far as the Subcommittee on International Finance is concerned, of which I am the chairman, it will do so.

Mr. President, I yield back the remainder of my time on the amendment.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PACKWOOD. 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. PACKWOOD. 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. PACKWOOD. I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to read the amendment.

Mr. PACKWOOD. 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 the amendment will be printed in the RECORD.

The amendment is as follows:

On page 8, lines 2 and 15, insert "unique" immediately before "hardship".

Beginning on page 8, line 19, strike all through page 9, line 8 and insert in lieu thereof the following:

"(1) Whether denial would cause a unique hardship to the applicant which can be alleviated only by granting an exception to the applicable regulations.

In determining whether relief shall be granted the Secretary will take into account:

"(A) Ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

"(B) Potential serious financial loss to the applicant if not granted an exception;

"(C) Inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

"(D) The extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

"(E) Possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

"(F) Other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity.

"(2) The effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the appellant.

Mr. PACKWOOD. Mr. President, this is an amendment which Senator PROXMIRE, the Department of Commerce, Senator STEVENSON, and I have drafted and agreed to tighten up the language allowing for exceptions in unique hardship situations.

The language that came out of the committee we felt was loose, and we would rather have this tighter language and take it to conference in this fashion.

Mr. PROXMIRE. Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Would the Senator yield me a little time?

Mr. PACKWOOD. Yes.

Mr. PROXMIRE. Mr. President, I am willing to accept the Senator's language amending section 8 of S. 3792. This language has been worked out in consultation with the Department of Commerce, and I am satisfied that it will deal with the problem addressed in that section of the bill.

Let me describe the nature of that problem and clarify the understanding reached with the Department of Commerce.

In the course of the committee's consideration of this legislation, it was brought to my attention that the imposition of short supply controls by the Commerce Department on exports of ferrous scrap, pursuant to the Export of Administration Act of 1969, created a unique hardship on the operations of certain segments of the U.S. automobile industry. The adverse impact of the controls in this instance is largely the result of the economic relationship of domestic automobile manufacturers with Canadian subsidiaries, affiliated producers, and contract suppliers, who produce critical components for automobiles assembled in this country. In some cases, the foreign firm is the sole supplier of the component to the U.S. manufacturer. These relationships have developed principally as a result of the U.S. Government's policy of encouraging the integration of the U.S. automobile industry on both sides of the United States-Canadian border, a policy that has been in effect since the signing of the United States-Canadian Automotive Products Agreement in 1965.

The advent of export controls on ferrous scrap has had the effect of restricting the ability of some Canadian producers that are historic suppliers of automotive components used in assembly operations in the United States, to obtain adequate ferrous scrap to meet their supply commitments to the U.S. automobile industry. This situation could ultimately lead to instances of plant shutdowns or curtailed assembly operations by automobile manufacturers in the United States.

To avoid disruption of automobile production schedules in the United States, with attendant adverse impact on domestic employment, and considering that the dependency of U.S. automobile manufacturers on Canadian components has been encouraged and fostered by the U.S. Government pursuant to the United States-Canadian Automotive Products Agreement, I have been assured by the Secretary of Commerce that it is consistent with the objective of the export control program and with the national interest to give favorable consideration to granting hardship licenses for the export of ferrous scrap to historic Canadian manufacturers of U.S. automobile components. Such licenses would be granted on a case-by-case basis upon receiving satisfactory evidence that the amount of ferrous scrap available to the Canadian manufacturer from U.S. sources under historic export quota allocations, coupled with the amount of scrap obtainable by him from Canadian sources, is insufficient to enable him to supply the components needed to maintain automobile production schedules in

the United States. Is this the understanding of the managers of the bill?

Mr. PACKWOOD. Yes, this is exactly the understanding that we worked out with the Department of Commerce on the problem involved.

Mr. PROXMIRE. May I ask the Senator from Illinois if this is his understanding also?

Mr. STEVENSON. Yes, it is.

Mr. PROXMIRE. I thank the Senator.

Mr. President, then I agree to accepting the amendment as proposed.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, 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 Oregon (Mr. PACKWOOD).

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on S. 3792 occur not later than the hour of 6:30 p.m., and that rule XII be waived.

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

The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. STEVENSON. 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 is as follows:

On page 12, line 1, strike the word "disagree". and insert in lieu thereof the word "agree".

On page 12, line 3, insert the word "not" immediately after the word "would".

Mr. STEVENSON. Mr. President, this is a technical amendment. It simply changes the word "disagree" on page 12 to "agree," and adds, after the word "would" on line 3 on page 12, the word "not." It makes no substantive change in the language of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER (Mr. MUSKIE). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from Hawaii (Mr. FONG), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The result was announced—yeas 79, nays 7, as follows:

[No. 342 Leg.]

YEAS—79

Abourezk	Goldwater	Muskie
Aiken	Griffin	Nelson
Allen	Gurney	Nunn
Bartlett	Hart	Packwood
Bayh	Hartke	Pastore
Beall	Haskell	Pearson
Bellmon	Hatfield	Pell
Bentsen	Hathaway	Percy
Bible	Hollings	Proxmire
Biden	Huddleston	Randolph
Brooke	Hughes	Ribicoff
Burdick	Humphrey	Roth
Byrd, Harry F., Jr.	Inouye	Schweiker
Byrd, Robert C.	Jackson	Scott, Hugh
Cannon	Javits	Sparkman
Case	Johnston	Stafford
Chiles	Kennedy	Stevens
Church	Magnuson	Stevenson
Clark	Mansfield	Symington
Cook	McClellan	Taft
Cranston	McGee	Talmadge
Dole	McGovern	Thurmond
Domenici	McIntyre	Tower
Dominick	Metzenbaum	Tunney
Eagleton	Mondale	Weicker
Ervin	Montoya	Williams
	Moss	

NAYS—7

Buckley	Helms	Scott, William L.
Fannin	McClure	
Hansen		Young

NOT VOTING—14

Baker	Eastland	Long
Bennett	Fong	Mathias
Brock	Fulbright	Metcalf
Cotton	Gravel	Stennis
Curtis	Hruska	

So the bill (S. 3792) was passed as follows:

An Act to amend and extend the Export Administration Act of 1969

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Amendments of 1974".

SHORT SUPPLY POLICY

SEC. 2. Section 3(2)(A) of the Export Administration Act of 1969 is amended by striking out "abnormal".

MONITORING

SEC. 3. (a) Section 4 of the Export Administration Act of 1969 is amended by redesignating subsections (c) through (e) thereof as subsections (d) through (f), respectively, and by inserting after subsection (b) a new subsection (c) as follows:

"(c)(1) To effectuate the policy set forth in section 3(2)(A) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any article, material, or supply (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection.

"(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each article, material, or supply monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports."

(b) Section 10 of such Act is amended—

(1) by inserting "(a)" after "SEC. 10."; and

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

"(b)(1) The quarterly report required for the first quarter of 1975 and every second report thereafter shall include summaries of the information contained in the reports required by section 4(c)(2) of this Act, together with an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for articles, materials, or supplies subject to monitoring under this Act, (B) the probable duration of such shortages or increased prices, (C) the worldwide supply of such articles, materials, and supplies, and (D) actions taken by other nations in response to such shortages or increased prices.

"(2) Each such quarterly report shall also contain an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for commodities subject to the reporting requirements of section 812 of the Agricultural Act of 1970, (B) the probable duration of such shortages or increased prices, (C) the worldwide supply of such commodities, and (D) actions being taken by other nations in response to such shortages or increased prices. The Secretary of Agriculture shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce in making such analysis.".

(c) Section 5(a) of such Act is amended—

(1) by striking out "hereunder" in the first sentence and inserting in lieu thereof the words "or monitored under this Act"; and

(2) by inserting immediately after such first sentence the following: "Such departments and agencies shall fully cooperate in rendering such advice and information.".

(d) Section 5(a) of the Act is further amended by the following at the end thereof: "In addition, the Secretary of Commerce shall consult with the Federal Energy Administration to determine whether monitoring under section 4 of the Act is warranted with respect to exports of facilities, machinery or equipment normally and principally used, or intended to be used, in the production, conversion or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms and equipment; petroleum refineries, natural gas processing, liquefication and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations and associated equipment and vessels for transporting oil, gas, coal and other fuels.".

INTERNATIONAL COOPERATION TO SECURE ACCESS TO SUPPLIES

SEC. 4. (a) Section 2 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new paragraph:

"(5) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations."

(b) Section 3(3)(A) of such Act is amended by striking out "with which the United States has defense treaty commitments".

(c) Section 3(5) of such Act is amended—

(1) by striking out the word "and" immediately preceding clause (B); and

(2) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.".

HIGH TECHNOLOGY EXPORTS

SEC. 5. (a) Section 4 of the Export Administration Act of 1969, as amended by section 3 of this Act, is amended by adding at the end thereof the following new subsection:

"(g) Any export license application required by the exercise of authority under this Act to effectuate the policies of section 3(1)(B) or 3(2)(C) shall be approved or disapproved not later than ninety days after its submission. If additional time is required, the Secretary of Commerce or other official exercising authority under this Act shall inform the applicant of the circumstances requiring such additional time and give an estimate of when his decision will be made."

(b) Section 5(c)(1) of such Act is amended by striking out the next to the last sentence thereof and inserting in lieu thereof the following: "Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State, and, when appropriate, other Government departments and agencies.".

(c) Section 5(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of articles, materials, and supplies with respect to which that committee furnishes advice.".

(d) Not later than one year after the date of enactment of this Act, the Secretary of Commerce shall include in a quarterly report under section 10 of the Export Administration Act of 1969 an accounting of actions taken to expedite the processing of export license applications as required under section 4(g) of the Export Administration Act of 1969.

OPPORTUNITY TO COMMENT ON LICENSING

SEC. 6. Section 5(b) of the Export Administration Act of 1969 is amended—

(1) by inserting "(1)" after "(b)"; and

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

"(2) Upon imposing quantitative restrictions on exports of any article, material, or supply to carry out the policy stated in section 3(2)(A) of this Act, the Secretary of Commerce shall publish a notice in the Federal Register inviting all interested parties to submit written comments within fifteen days from the date of publication on the impact of such restrictions and the method of licensing used to implement them.".

TECHNICAL AND CONFORMING CHANGES

SEC. 7. Section 4(d) of the Export Administration Act of 1969, as redesignated by section 3 of this Act, is amended to read as follows:

"(d) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.".

HARDSHIP RELIEF

SEC. 8. The Export Administration Act of 1969 is amended by inserting after section 4 the following new section:

"PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

"SEC. 4A. (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

"(b) Not later than thirty days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary deems appropriate.

"(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

"(1) Whether denial would cause a unique hardship to the applicant which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

"(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

"(B) potential serious financial loss to the applicant if not granted an exception;

"(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

"(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

"(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

"(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity.

"(2) The effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprudent acts or failure to act on the part of the appellant.".

INTERAGENCY REVIEW

SEC. 9. Section 4 of the Export Administration Act of 1969, as amended by sections 3 and 4 of this Act, is amended by adding at the end thereof the following new subsection:

"(h)(1) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of such country. It is the purpose of this section to provide for such an assessment and to authorize the Secretary of Defense to review any proposed export of goods or technology to any such country and, whenever he determines that the export of such goods or technology will significantly increase the military capability of such country, to recommend to the President that such exports be disapproved.

"(2) Whenever a request for a license or other authority is required by any person to export any goods or technology to any controlled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request prior to the expiration of the period within which the President may disapprove such export, or prior to the expiration of the period within which the Congress may disapprove an action of the President, if applicable. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and, not later than thirty days after notification of the request, shall—

"(A) recommend to the President that he disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country;

"(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

"(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within thirty days after receiving a recommendation from the Secretary, that he disapproves such export, no license or other authorization may be issued for the export of such goods or technology to such country.

"(3) Whenever the President exercises his authority under this subsection to modify or overrule a recommendation made by the Secretary of Defense pursuant to this section, the President shall submit to the Congress a statement indicating his decision together with the recommendation of the Secretary of Defense. The Congress shall have a period of sixty calendar days of continuous session of both Houses after the date on which the statement is transmitted to the Congress to disapprove the action of the President by adopting a concurrent resolution disapproving the application for the export of such goods, technology or techniques.

"(4) In determining whether the export of any goods or technology to any controlled country will significantly increase the military capability of such country, the Secretary of Defense shall take into account all potential end uses, and the likelihood of an end use other than the end use indicated by the applicant for the export of such goods or technology.

"(5) Effective on July 1, 1974, the removal of any category of goods or technology requiring an export license or other authorization shall require the approval of the President.

"(6) The President is authorized, on behalf of the United States, to agree to any modification of the so-called COCOM international lists (or interpretations thereof) if he determines that such modification would not likely result in a significant increase in

the military capability of any controlled country.

"(7) As used in this subsection—

"(A) the term 'goods and technology' includes but is not limited to—

"(i) machinery, equipment, durable goods, and computer software;

"(ii) any license or other arrangement for the use of any patent, trade secret, design, or plan;

"(iii) the so-called know-how or knowledge of any individual, firm, corporation, or other entity;

"(iv) assistance in planning and joint venture arrangements; and

"(v) arrangements under which assistance is provided in developing a manufacturing capability, including so-called turnkey arrangements;

"(B) the term 'export control office' means any office or agency of the United States Government whose approval or permission is required pursuant to existing law for the export of goods or technology; and

"(C) the term 'controlled country' means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic (East Germany), and such other countries as may be designated by the Secretary of Defense.

"(8) The Secretary of Defense shall submit to the Congress a written report on his implementation of this section not later than thirty days after the close of each quarter of each fiscal year. Each such report shall, among other things, identify each instance in which the Secretary recommended to the President that exports be disapproved and the action finally taken by the executive branch on the matter.

"(9) Whenever the President exercises his authority under subsections (5) and (6) he shall, having first solicited the recommendation of the Secretary of Defense, transmit his decision, together with the recommendation of the Secretary of Defense, to the Congress. The review and disapproval provisions of subsection (3) shall be applicable to actions taken under subsections (5) and (6).

"(10) The authority granted to the President in subsections (5) and (6) of this section shall be nondelegable."

EXPORT FEES AND LICENSES

SEC. 10. Section 4 of the Export Administration Act of 1969, as amended by sections 3, 4, and 9 of this Act, is amended by adding at the end thereof the following:

"(i) In imposing export controls to effectuate the policy stated in section 3(2)(A) of this Act, the President's authority shall include, but not be limited to, the imposition of export license fees and the auction of export licenses.

"(j)(1) The Secretary of Commerce, after consulting with the Secretary of the Treasury, the Attorney General, and the Secretary of State shall establish regulations for the licensing of exports of all police, law enforcement, or security equipment manufactured for use in surveillance, eavesdropping, crowd control, interrogations, or penal retribution.

"(2) Any license proposed to be issued under this subsection shall be reviewed by the Attorney General and shall be submitted to the Congress. The Congress shall have a period of sixty calendar days of continuous session of both Houses after the date on which the license is transmitted to the Congress to disapprove the issuance of a license by the adoption in either House of a resolution disapproving the proposed license.

"(3) The Secretary of Commerce, with the concurrence of the Secretary of the Treasury, the Attorney General, and the Secretary of State, may by regulation exempt individual countries and specific categories of police, law enforcement, or security equipment from the congressional review and disapproval authority set forth in paragraph (2) if he finds and determines export of the equipment would not threaten fundamental human and civil liberties."

PRESIDENTIAL REVIEW

SEC. 11. The Export Administration Act of 1969 as amended is further amended by inserting after section 4A as added by this bill, the following new section:

"SEC. 4B. The President is directed to review all laws, and regulations issued thereunder by the Atomic Energy Commission, the Department of Commerce, and other Government agencies, governing the export and re-export of materials, supplies, articles, technical data or other information relating to the design, fabrication, development, supply, repair or replacement of any nuclear facility or any part thereof, and to report within six months to the Congress on the adequacy of such regulations to prevent the proliferation of nuclear capability for nonpeaceful purposes. The President is also directed to review domestic and international nuclear safeguards and to report within six months to the Congress on the adequacy of such safeguards to prevent the proliferation, diversion or theft of all such nuclear materials and on efforts by the United States and other countries to strengthen international nuclear safeguards in anticipation of the Review Conference scheduled to be held in February 1975 pursuant to Article VIII, section 3 of The Treaty on the Non-Proliferation of Nuclear Weapons."

EXPIRATION DATE

SEC. 12. Section 14 of the Export Administration Act of 1969 is amended by striking "July 30, 1974" and inserting in lieu thereof "June 30, 1977".

REVIEW BY COMPTROLLER GENERAL

SEC. 13. (a) The Comptroller General of the United States shall conduct a continuous review of the effectiveness of procedures implemented by the Secretary of Commerce pursuant to the provisions of section 4 of the Export Administration Act of 1969. In carrying out such review the Comptroller General shall consider, among other relevant factors—

(1) current and projected domestic shortages of key commodities, export levels of these commodities, the impact on domestic prices and employment of such shortages, and anticipated domestic and foreign demand for such commodities; and

(2) the need for additional export controls of commodities in short supply, the time and manner in which such controls should be implemented, and the recommended duration of any such controls.

(b)(1) The Comptroller General shall transmit to the Congress regular reports setting forth the results of the review required by subsection (a).

(2) In addition, the Comptroller General shall transmit without delay to the Congress a special report whenever he determines that there is a domestic shortage of any commodity which together with exports of that commodity, threatens domestic price stability of that commodity and/or employment related to that commodity. Such report shall contain the Comptroller General's estimate of the extent of the domestic shortage of that commodity, the current and projected export levels, and the projected domestic price and employment impact at projected export levels. The Comptroller General shall include such recommendations for legislative or administrative action as he deems appropriate.

(c) Notwithstanding the provisions of any other law, in carrying out such functions, the Comptroller General is authorized to request, and any department, agency or instrumentality of the Federal Government is directed to furnish, such information as is necessary to carry out the functions provided for under this section, including estimates of the quantity of any commodity necessary for (1) domestic consumption, (2) exports, and (3) reasonable carryover, including disaster relief assistance or other emergency situations.

AMENDMENT TO MINERAL LEASING ACT OF 1920

SEC. 14. Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. 185) is amended by inserting immediately after "quantity and quality of petroleum available to the United States" the following: "or result, directly or indirectly, in any increase in the price thereof to the United States petroleum purchaser".

AGRICULTURAL COMMODITIES

SEC. 15. Section 4(f) of the Export Administration Act of 1969, as redesignated by section 3 of this Act, is amended by inserting "(1)" immediately after "(f)", and by adding at the end thereof the following:

"(2) Within ninety days after the beginning of the crop year the Secretary of Agriculture shall determine which commodities, if any, subject to the reporting requirements of section 812 of the Agricultural Act of 1970, are likely to be in short supply. A commodity shall be determined to be in short supply if the Secretary of Agriculture estimates that the total quantity of the commodity that will be produced in the crop year will be insufficient to provide for anticipated domestic consumption, commercial exports, programed food assistance commitments, disaster relief assistance and other emergency assistance, and a reasonable carryover at the end of the crop year. The Secretary of Agriculture with the concurrence of the Secretary of Commerce shall submit his findings to Congress together with a plan or plans to cope with the anticipated shortage."

ECONOMIC POLICY ACTIONS

SEC. 16. (a) Section 3 of the Export Administration Act of 1969, as amended by section 4 of this Act, is amended by adding at the end thereof the following new paragraph:

"(7) It is the policy of the United States to use export controls to secure the removal by foreign countries of restrictions on access to supplies (a) where such restrictions which have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have or may have a serious adverse effect on employment in the United States, or (b) where such restrictions have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies or actions through international cooperation and agreement before resorting to the imposition of controls on the export of materials from the United States: *Provided,* That no action shall be taken in fulfillment of the policy set forth in this subsection to restrict the export of medicine and medical supplies."

(b) Section 4 of such Act, as amended by sections 3, 4, 9, and 10 of this Act, is amended by adding at the end thereof the following new subsection:

"(k) Before exercising the authority conferred by this Act to implement the policy set forth in section 3(7), the President shall—

"(1) request and receive from the Tariff Commission its views on the probable impact on the domestic economy of such exercise of authority: *Provided, however,* That such views are transmitted to the President within thirty days of the request therefor; and

"(2) consult with the appropriate committees of the Congress with respect to such exercise of authority."

Mr. STEVENSON. Mr. President, I move to reconsider the vote by which the bill was passed.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR DEBATE ON CLOTURE MOTION TOMORROW TO BEGIN AT 1:15 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the hour for the debate on the cloture motion tomorrow begin at 1:15 p.m. That would put the vote at approximately 2:30.

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

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR METZENBAUM TOMORROW

Mr. METZENBAUM. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, the Senator from Ohio (Mr. METZENBAUM) be recognized for not to exceed 15 minutes.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW FOR CONSIDERATION OF PUBLIC WORKS APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the Senator from Ohio (Mr. METZENBAUM) completes his statement, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate proceed to the consideration of the Public Works, AEC appropriation bill.

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

ANNOUNCEMENT OF HEARINGS ON IMPEACHMENT RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, and as chairman of the Subcommittee on Standing Rules of the Senate of the Committee on Rules and Administration, hearings will be conducted beginning on Monday of next week at the hour of 10 a.m., at which time Senators may appear before the subcommittee to deliver their testimony with regard to the impeachment rules of the Senate, and suggesting any revisions that they may wish to have considered.

Senators will be notified by mail by the Subcommittee on Rules of this date and the time of the hearings, but I wish to make the statement for the RECORD now. I ask that the appropriate officers of the Senate on tomorrow, or even this evening, make this information available also on the hotlines of the two respective cloakrooms.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield at this point?

Mr. ROBERT C. BYRD. I am glad to yield to the Senator.

Mr. HARRY F. BYRD, JR. Mr. President, instead of appearing before the committee, I wish to take 1 minute to express the hope that the committee of the Senate will adhere to the statement that has been made in the whip notice for several days, which quotes a present Senate rule that if and when a trial should begin that it "shall continue in session from day to day (Sunday excepted), unless otherwise ordered by the Senate, until final judgment shall be rendered."

I think it is important that any proceedings in the Senate be handled as promptly as possible; that the Senate stay in session on the particular subject and conclude it at the earliest possible time, one way or the other.

Mr. ROBERT C. BYRD. I share that viewpoint. The distinguished majority leader has also stated that to be his viewpoint, and if the Senate operates under the present impeachment rules, that will be the procedure.

Mr. PELL. Mr. President, will the Senator yield.

Mr. ROBERT C. BYRD. I yield.

Mr. PELL. I wish to support the Senator's view, and I am delighted to know the intention of the leaders.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at the hour of 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Ohio (Mr. METZENBAUM) will be recognized for not to exceed 15 minutes, after which there will ensue a period of not to exceed 15 minutes, with statements therein limited to 5 minutes each, for the transaction of routine morning business. At the conclusion of routine morning business tomorrow, the Senate will proceed to the consideration of the bill making appropriations for Public Works, H.R. 15155. There is a time agreement on that bill. Undoubtedly, rollcall votes will occur on the passage thereof and perhaps on amendments thereto.

Upon the disposition of H.R. 15155, the Senate will proceed to the consideration of H.R. 15323, an act to amend the Atomic Energy Act of 1954, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes.

There is a time agreement on that bill. It is anticipated that rollcall votes will occur thereon.

A rollcall vote on the motion to invoke cloture on the consumer protection bill will occur at about 2:30 p.m.

Tomorrow gives promise of being a busy day and it could be a very long day with several rollcalls throughout.

ADJOURNMENT TO 9:30 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 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:48 p.m., the Senate adjourned until tomorrow, Thursday, August 1, 1974, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 31, 1974:

DEPARTMENT OF JUSTICE

Richard W. Velde, of Virginia, to be Administrator of Law Enforcement Assistance, vice Donald E. Santarelli, resigned.

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service Officer for promotion from class 3 to class 2:

Richard W. Berg, of New Hampshire.

For appointment as a Foreign Service information officer of class 2, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Gerald Stryker, of Virginia.

Now a Foreign Service officer of class 3 and a secretary in the Diplomatic Service, to be also a consular officer of the United States of America:

Peter C. Walker, of the District of Columbia.

For appointment as Foreign Service officers of class 3, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Roy Y. Fujioka, of California.

Esther Magdalena Rice, of Ohio.

For appointment as a Foreign Service officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Richard Augustus Calfee, of Michigan.

For appointment as Foreign Service information officers of class 4, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Ray Heyden Burson, of North Carolina.

Vincent Chiarello, of New York.

Sally M. Grooms, of Illinois.

Alan A. Rogers, of California.

Dennis Ray Shaw, of South Dakota.

Karin Thorbecke Stephen, of Florida.

Frances F. Switt, of New Jersey.

Robert Topp Tims, of Virginia.

For promotion from a Foreign Service officer of class 6 to class 5:

William C. Kelly, Jr., of New Jersey.

For reappointment in the Foreign Service as a Foreign Service officer of class 5, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Mary Michelson Haselton, of New Hampshire.

For reappointment in the Foreign Service as a Foreign Service information officer of class 5, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Hugh James Ivory, of New York.

For appointment as Foreign Service officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Guy C. Johnson, of California.
Ellen G. Joyner, of North Carolina.
Ishmael Lara, of California.
B. Jerry Lujan, of New Mexico.
Margie M. Mallory, of Texas.
W. Lee Mattingly, of Massachusetts.
Roy Raymond Matson, of Virginia.
Michael L. Milligan, of New York.
Charles E. Pedonti, of Massachusetts.
Eleanor M. Ridge, of Massachusetts.
Diane C. Salisbury, of New York.
Marguerite M. Simonson, of Pennsylvania.
Mary Elizabeth Snapp, of Virginia.
Lyle A. van Ravenswaay, of Missouri.
Bobby L. Watson, of California.
Katherine M. White, of Arizona.
Warren E. Mills, of Massachusetts.

For appointment as Foreign Service information officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Philix Silvio Aragón, of New Mexico.
William Scott Watson, of Virginia.

For promotion from Foreign Service officers of class 7 to class 6:

Leslie Alson Doak, of California.
Shaun Edward Donnelly, of Indiana.
Wayne Stephen Leininger, of Florida.
George H. Mitchell, Jr., of Virginia.
William Howard Moore, of Virginia.
John J. Tkacik, Jr., of Virginia.

For reappointment in the Foreign Service as a Foreign Service information officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Donna Millons Culpepper, of Washington.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Charles Lynwood McKinnon, of the District of Columbia.
Elizabeth Ann Powers, of Pennsylvania.
H. Clarke Rodgers, Jr., of Georgia.

For promotion from a Foreign Service officer of class 8 to class 7:

Andrew Sciacchitano, of Illinois.

For appointment as Foreign Service officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Sara E. Barr, of Florida.
Jonathan M. Bensky, of Virginia.
Steven M. Brattain, of Ohio.
Donald Camp, of Maryland.
John Davis Caswell, of Connecticut.
Michael A. Ceurvorst, of Iowa.
Philip Dale Dean, Jr., of Virginia.
Patrick DelVecchio, of Virginia.
Milton K. Drucker, of Massachusetts.
Franklin Huddle, Jr., of Virginia.
Edmund James Hull, of the District of Columbia.
Donald Carter Hunter, of New Jersey.
Donald C. Johnson, of Oregon.
Gerald Richard Lueders, of Nebraska.
Michael E. McNaull, of Washington.
Michael J. Metrinko, of Pennsylvania.
Brian J. Mohler, of New York.
Patrick J. Nichols, of Virginia.
John A. Polansky, Jr., of Texas.
Charles E. Redman, of Indiana.
Ronald MacDonnell Roberts, of California.
Karla R. Smith, of Florida.
David C. Summers, of Ohio.
Robert Craig Van Voorhees, of Michigan.
Michael R. Vick, of Virginia.
Steven Wagenseil, of Rhode Island.
Paul T. Walters, of Ohio.
Kent M. Wiedemann, of California.
William N. Witting, of Virginia.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

David L. Arnett, of Louisiana.
William C. Dawson, Jr., of Kentucky.
Richard J. Kaplan, of Massachusetts.
Joel J. Levy, of Connecticut.
Karl F. Olsson, of Nebraska.
William G. Pelfrey, of Michigan.
Louise Taylor, of California.

For appointment as Foreign Service officers of class 8, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Edna M. Black, of Massachusetts.
Steven Robert Buckler, of Michigan.
Anne O. Cary, of Maryland.
Kathleen Chisholm, of Massachusetts.
Timothy John Dunn, of Illinois.
George Ernest Hamilton, of Texas.

For appointment as a Foreign Service information officer of class 8, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Barbara St. C. Calandra, of New York.

Foreign Service reserve officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Craig A. Arness, of Virginia.
Philip J. Balestrieri, of Virginia.
Janine M. Brookner, of New Jersey.
John H. Buehler, of Texas.
Stewart D. Burton, of Utah.
Charlotte Z. Bustos-Videla, of Virginia.
Virginia S. Carson, of the District of Columbia.
Allan Price Daw, of Virginia.
Allan V. Ellsbury, of Wyoming.
Victor H. Galt, of Virginia.
Norman D. Glick, of New York.
Vasia C. Gmirkin, of Nevada.
Russell S. Hibbs, of Nevada.
David M. Hoopes, of the District of Columbia.
Stephen M. Hourigan, of Virginia.
Miller N. Hudson, Jr., of New Mexico.
James R. Hughes, of Virginia.
Eugene L. Jeffers, Jr., of Maryland.
Robert H. Larson, of Virignia.
Nicholas G. Mariano, of Maryland.
Warren J. Marik, of Virginia.
Elizabeth Davenport McKune, of the District of Columbia.
James A. Moorhouse, of Virginia.
Felix N. Negretti, of Maryland.
Einar O. Olsen, of Virginia.
Morton M. Palmer III, of Virginia.
Jeffrey G. Peterson, of Virginia.
Ruth H. Phillips, of New York.
Bernard C. Pollock, of Virginia.
Andrew D. Rohlfing, of Virginia.
Thomas A. Ryan, of Virginia.
Frederic H. Sabin, of Virginia.
William C. Simenson, of Virgina.
James J. Soldow, of Florida.
Howell S. Teeple, of Texas.
Donald F. Vogel, of Virginia.
Dan S. Wages, of Virginia.
James C. Whittemore, of Virginia.
Robert H. Wilcox, of Maryland.
William W. Williams, of Colorado.
Geraldine J. Wittbrod, of Illinois.
Gerald A. Zingsheim, of Virginia.

For Service Reserve Offices to be Secretaries in the Diplomatic Service of the United States of America:

Vincent W. Brown, of California.
Charles J. Nelson, of the District of Columbia.
William C. Poole, of Virginia.

Foreign Service staff officers to be consular officers of the United States of America.

Francis J. Holeva, of California.
Camilo E. Leon, of Arizona.
Jack J. Rudolph, Jr., of California.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

Christian T. Bonher	Bruce E. Tate
Otis B. Jones, Jr.	Walter Sapp
James E. Koehler	James W. Guin, Jr.
Richard P. Tittermary	William A. Danner
Wayne K. Gibson	David J. Doyle
Douglas K. McFadden	Walter J. Brudzinski
Thomas A. Trosvig	Arthur E. Adkins
Richard E. Frye II	Herman S. Pritchard
Dennis R. Shoebothan	David V. Romme

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the Regular Coast Guard in the grades indicated:

Commander

John M. Cece

Lieutenant commander

Kenneth J. Morris
Richard L. Schoel

Lieutenant

Raymond M. Paetzold	William H. Boland, Jr.
Craig T. Lynch	Darryl R. Hannon
Kyle E. Jones	Lewis C. Dunn

Lieutenant (junior grade)

Lawrence M. Jasmann

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W2:

Thomas F. Weber
Charles O. Gill

HOUSE OF REPRESENTATIVES—*Wednesday, July 31, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let us search and try our ways, and turn again to the Lord.—Lamentations 3: 40.

Almighty God, who art the source of all our being and the sustainer of our daily lives, give us grace to grow in goodness, to increase in insight and to live in love that every talent Thou hast entrusted to us may be strengthened by faithful use. In all our getting help us to get wisdom—wisdom to see clearly, wisdom to make decisions courageously, and wisdom to seek to live on the higher ground of truth and good will.

Bless our Nation with Thy favor, we pray Thee, and in these troubled times help us to be true to the great ideals of our fathers that our country may ever be the home of freedom, justice, and true brotherhood.

In the spirit of Him who is the Way, the Truth, and the Life we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.