an officer in my own office who can advise me regarding overall progress in these matters and ensure full consideration of human rights factors in decision making. For the present, I have asked the Acting Legal Adviser to help me in this way.

As I said in my June 27 letter, I intend to continue to keep the Committee informed concerning our thoughts and progress with respect to section 32 and human rights generally, and specifically with respect to Korea. I hope this update of my earlier letter will be helpful to the Committee.

With best regards.

Sincerely,

ROBERT S. INGERSOLL,
Acting Secretary.

THE DEPUTY SECRETARY OF STATE,
Washington, D.C., August 14, 1974.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 10 concerning human rights in foreign policy. As Governor Holton informed you on July 26, we have now moved ahead in all geographic bureaus with the designation of human rights officers. In addition to these officers and those in the Bureau of International Organization Affairs and the Office of the Legal Adviser who deal with human rights, I plan to have an officer in my own office who can advise me regarding overall progress in these matters and ensure full consideration of human rights factors in decision making. For the present, I have asked the Acting Legal Adviser to help me in this way.

I appreciate your interest and assure you that I will continue to give my personal attention to the development of the most effective staffing we can devise. I will continue to keep you informed as we progress.

With best regards,

Sincerely,

ROBERT S. INGERSOLL.

WASHINGTON, D.C., *September 20, 1974.*

Hon. ROBERT S. INGERSOLL,
Deputy Secretary of State, Department of State, Washington, D.C.

DEAR SECRETARY INGERSOLL: Thank you for your letter of August 14th concerning human rights in foreign policy. I have also read your letter of July 28th to Chairman Thomas E. Morgan concerning the same subject.

I am very pleased to learn that you have undertaken responsibility for ensuring that the Department gives full consideration of human rights factors in decision making, and that you intend to have an officer in your office assigned the above task. These decisions, along with the appointment of human rights officers in each of the regional bureaus, should provide the organizational framework and staffing required to ensure that human rights considerations are given full consideration.

Our moral and democratic traditions, I am convinced, have been a fundamental source of U.S. leadership in world affairs. Under your leadership the above mentioned bureaucratic changes, should be effective in making our foreign policy consistent with these traditions.

Sincerely yours,

DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements.

KTUL–TV CONTINUES THE FIGHT AGAINST MD WITH LABOR DAY TELETHON

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. JONES of Oklahoma. Mr. Speaker, once again KTUL–TV in Tulsa has carried the Jerry Lewis Labor Day Telethon for Muscular Dystrophy.

This is the fifth consecutive year KTUL–TV has performed this public service, and I would like to commend them for their untiring effort.

As a result of the generosity of the residents of northeastern Oklahoma, this year's MD Telethon raised over $126,000. This represents a 33-percent increase over last year's total.

I was pleased to have participated in this most worthwhile fight against MD, and I thank Mr. Frank Brown, district director of MD Associations of America, for inviting me to join in this Labor Day Telethon.

The staff and management of KTUL–TV deserve real credit for their dedication and commitment to ending the dread disease of muscular dystrophy.

SENATE—*Tuesday, September 24, 1974*

The Senate met at 10 a.m. and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

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

Our Father God, in whom we live and move and have our being, all the ways of our need lead to Thy throne. Thou art great and we are small. Thou art strong and we are weak. Thou art wise and we are ignorant. Come to our waiting spirits to bring a strength and wisdom above our own. When we know not what to ask, read our hearts and fill our needs.

May the soul of this Nation respond to the call for discipline and sacrifice and mutual trust. Guide our leaders in the ways of righteousness and truth, until, in obedience to Thy will, this Nation and all nations come into the fullness of Thy kingdom.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 24, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, September 23, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

HUGH SCOTT: A GREAT LEADER

Mr. MANSFIELD. Mr. President, today marks the fifth anniversary of my distinguished, affable, and hard-working partner, Senator HUGH SCOTT of Pennsylvania. Five years ago today, he assumed the leadership of the Republican Party in the Senate. During all those years, he has conducted himself with understanding of the needs of those he leads and, more fundamentally, with an appreciation of the needs of the Senate as a whole, what it stands for, what it should be, and where it is going.

His has not been an easy task, because, just as among the Democrats, there is also division among the Republicans. It takes a man of great skill and ingenuity to keep those who have elected him leader working in cohesion and cooperatively. Senator HUGH SCOTT has done that.

As far as I am concerned, I want to say that I have never worked with a better man than HUGH SCOTT, a man who recognizes the fact that while there may be divisions, as there should be and as there will be, there are times when, in the interests of the Nation, we have to pull together for the common good.

I have nothing but the highest admiration and respect and, yes, even affection, for the distinguished Republican leader, who has contributed so much to his State and country and who has done so much to bring about a better understanding of the Senate as an institution.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The Republican minority is, indeed, fortunate to have as its leader a man of the caliber of HUGH SCOTT who has devoted himself wholeheartedly to his position in looking after the best interests of those who have chosen him and in earning the respect and the friendship of all Senators of both parties. He is a credit and an asset to this body. I express the personal hope that his tenure as Republican leader will be a long one, that his wisdom and wit will continue to be as beneficial to the Senate in the future as it has been in the past, and that he will know by these words that those of us on the Democratic side of the aisle look to him with admiration and with appreciation of his parliamentary skills and his unquestioned devotion to his party and to our country.

In closing, may I say once again that I have never worked with a better man and never had a better partner.

Mr. HUGH SCOTT. Mr. President, I am not often captured without words of my own, but I am captured by the words of my good friend, the distinguished majority leader.

I had forgotten the anniversary. I try to forget anniversaries these days.

I am most grateful for the kind expressions and for the evidence once more of how much the distinguished majority leader and I enjoy working together. I am glad that legislation is now a little more fun than it was not long ago, that even politics can be fun again.

As the leader of the party of Sisyphus, I do, indeed, appreciate the encouragement to keep going. As we know, the mythological Sisyphus was condemned for his sins to push a great rock up an enormous hill. Throughout eternity. We have the vision of Sisyphus pushing the rock up the hill and never reaching the top, because the rock seemed always to fall down after a limited ascent.

This has been the recent fate of the Republican Party. As one who has been elected the Republican Sisyphus, to push the rock, I have done my best to keep as many people pushing as well; because if any of the rock pushers on my side—and that is an unintentioned pun—were to falter or fail, the ascent would become that much more difficult.

As I say, we are "rock" pushers, and that is our current undertaking—in fact, it is the undertaking of both parties in the Rules Committee.

I am extremely grateful to the distinguished majority leader for his never-failing fairness, his willing help, his quiet guidance and advice, and the fact that he and I have never had to put anything in writing. It is a great tribute to the art of politics that we trust each other more than occurs in any other profession or business. This is the only one of man's pursuits in which the given word is the golden token, where the given word alone conveys more power, more authority, and operates more effectively than all the contracts which could be devised by the hand and mind of scriveners and artisans. So I am most grateful, and I thank the distinguished majority leader.

I had planned to talk about Philadelphia, but I suppose Philadelphia can wait. I will talk about that some other time.

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

Mr. HUGH SCOTT. I yield.

Mr. TOWER. Mr. President, on behalf of my Republican colleagues, I should like to express my thanks to the distinguished majority leader for his very kind and gracious remarks about our leader.

I recall 5 years ago, when Everett Dirksen passed from this world, that many of us felt that his position never could be filled. We loved Everett. We admired his skill, his wit, his good humor, his fine intellect. So it was a very difficult job that HUGH SCOTT stepped into. He has done it professionally. He has done it well. He has done it in such a way that he has earned the respect and the admiration and the esteem of all the men he leads.

I join my distinguished friend, the Senator from Montana, in expressing the hope that HUGH SCOTT's tenure will be a long one.

Mr. HUGH SCOTT. Mr President, I thank my good friend, the distinguished senior Senator from Texas and the chairman of the policy committee of our party.

We enjoy a collective leadership. It is among the pleasantest of my experiences that all the members of our leadership are friendly and trustful. As I have said, we exchange the given word.

We work together. We have no question of anything other than the best interests of the Nation and of the party. We are in constant touch with each other, and it is a real, distinct excitement for me to have this trust and this opportunity and to try to do the best I can with it.

Again, I am a little sorry; I had something funny to say about Philadelphia, but I shall wait. Instead, I shall just express my own feelings about it in another statement.

Mr. TOWER. If the Senator will yield, after last night's football contest between Philadelphia and Dallas, there was nothing at all funny about Philadelphia.

Mr. HUGH SCOTT. I was going to mention that, too.

It seems that Philadelphia only achieves eminence these days, as contrasted with 200 years ago, when we have the luck with us. In those days, 200 years ago, we had to build a nation by a lot of work. Last night, we managed a victory which I am afraid was not totally deserved. But we will take it anyway.

I conclude, Mr. President, by saying that I never say, and I do not think it becomes me to say I am so humble. I do not do it because I am not humble. I am very proud—proud of the work I do and the job I do, and always very much ashamed if I do not do it right. But I do not say "humble" because I do not think it conveys the necessary strength and pride with which one approaches one's responsibilities.

There is a form of humility which I think we ought all to bear in mind. That is expressed in the prayer of the Basque fisherman off the Bay of Biscay. It is just a line. It goes:

"Oh God, Thy sea is so large and my boat is so small."

ORDER OF BUSINESS

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

MILK PRICE SUPPORT ACT OF 1974

Mr. NELSON. Mr. President, I introduce a bill to provide a price support for milk of not less than 100 percent of parity.

On Monday the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Georgia (Mr. TALMADGE), announced his intentions early in 1975 to reexamine the 1973 Agricultural Act in view of the dire circumstances now facing American farmers.

Because the situation is so critical as regards the Wisconsin dairy industry, I am today introducing legislation to raise dairy price supports to 100 percent of parity.

Unless we construct a stable floor under the dairy industry, and halt the current decline in production units, the Nation will lose self-sufficiency in dairy products by 1980. We then will be at the mercy of foreign sources which could, like the Arab oil countries, boost prices enormously overnight.

If we are going to fight inflation meaningfully, preserve the dairy industry, and protect American consumers' access to milk, cheese, butter and other wholesome, traditional foods, we simply must remove the threat of bankruptcy from this industry.

Raising parity from its present 80 percent to 100 percent would give dairy farmers an immediate 20-percent boost in income, and be a significant step toward achieving stability in this vital sector of the American economy. If the idea of parity is fair, then anything less than parity is not fair.

At a rate of 10 per day, 3,788 Wisconsin dairy farmers went out of business between January, 1973, and last August 31, quickening the pace of dairy farmers decline. Today, there are only 52,631 dairy farms in the State, compared to a high of 127,000 in 1953.

In some areas of the State it is impossible to get an auctioneer to sell a dairy farm because they are all booked up until next spring. Good dairy cows that sold for $700 to $1,000 last year are going at $400 to $600 now.

Nationally, the trend is the same as in Wisconsin. National milk production, which reached a high of 120.3 billion pounds in 1972, has been declining since to 115.6 billion in 1973 and an estimated 114 billion in 1974.

In Wisconsin, which produces more than 10 percent of the national total, the decline coincides in proportion to the national figures.

The general condition of agriculture is not helping the situation.

Younger men are not coming into farming simply because they cannot afford the massive investment of nearly $200,000 needed to begin the average dairy farm. Eightly percent of the Wisconsin dairy farm operators are over 45 years old and fully 38 percent are 55 or older.

Although they engage in exceptionally hard work, farmers have not enjoyed the profit increases experienced in other work. While business and professional income increased by 148 percent 1948 and 1972, net farm income rose only 21 percent. Wages rose about 400 percent in that time and corporate income before taxes 184 percent.

Meanwhile, farmers' long-term debt rose 565 percent and short-term debt 783 percent.

The milk-to-feed ratio is now at an all time high of 1.1 to 1. This means that for every 100 pounds of whole milk he sells, the farmer receives only enough income to purchase 110 pounds of feed. Every agricultural economist who has studied this ratio recognizes that the farmer must receive at least enough money from 100 pounds of milk to buy 170 pounds of feed, if he is to realize a reasonable profit.

The cost of feed concentrates climbed 17.6 percent between July and August, while milk prices rose less than 1 percent in the same period. In Wisconsin 16 percent protein dairy feed was up from $111 a ton 1 year ago to $151 on August 15. For the first time in modern history, production per cow has fallen in Wisconsin because farmers cannot afford efficient feeds.

Across the Nation, the index of prices paid by farmers is up 15 percent from 1 year ago.

Wisconsin farmers are facing a cash-flow shortage so severe that many of them are keeping their bull calves for breeding because they cannot afford artificial breeding services—something that has not happened in years.

It is not only feed that has increased in cost to the dairy farmer. His fertilizer costs have doubled in the past few years, his gasoline is up like everyone else's, and the cost of basic farm equipment is undergoing the same inflationary spiral.

The dairy farmer has two problems that do not affect most American businessmen.

By virtue of his own productive genius, he has been able to supply the American market with ever-increasing amounts over a long period of time, until the public expects these products at low prices as a basic right. Also the dairy farmer cannot, as do most businessmen, simply pass on any cost increases to the consumer because Government policy affects his milk prices, and sometimes floods his market with cheap imports.

The total picture leads me to agree with the conclusion of James Gruebele, agricultural economist at the University of Illinois, that if the decline continues at its current pace there will not be enough dairy farms in the United States to satisfy demand of Americans for dairy products by 1980.

Gruebele has predicted that the number of dairy farms will decline from 400,000 nationally today to 200,000 in 1980 under present trends. We will be unable to satisfy our own demand for dairy products for the first time in our history.

And what does Professor Gruebele say the American people will be feeding themselves instead of whole milk, ice cream, and Wisconsin cheddar? Why that is simple—they will be eating a lot more of a lot less wholesome foods, such as substitute dairy products as well as imported dairy products at a high price.

There is no suggestion in the pattern of events that consumer prices of dairy products—domestic or foreign—will decline. Indeed, if the history of other products, especially oil, is any indication, the American consumer is going to end up paying a lot more for a lot less once he loses a large number of his present dairy farms.

We all have noted the transition of the Nation from a primarily rural to an urban-oriented society, with a corresponding change in State legislatures and in Congress. Urban representatives do not understand farm problems and do not realize the stake that their consumer constituents have in their successful solution.

Thus, where we once had a national dairy price support program aimed both at giving the dairy farmer a fair return and at assuring the Nation's consumers of an adequate supply at relatively low prices, we now have national policies aimed primarily at achieving an immediate low cost without regard to future production and long-range costs.

Until last year, dairy parity payments could be set yearly at someplace between 75 percent and 90 percent. For the past 2 years the minimum has been 80 percent. With one or two minor exceptions, every national administration over the past several years has set the payments at the legal minimum.

There is something I do not understand about this. The idea of parity, as one current official of the U.S. Department of Agriculture has put it, simply is to make certain that if the price for a given quantity of milk back some time ago would buy a pair of overalls, the price received for that same amount of milk today should still buy a pair of overalls.

What I do not understand is why—with the economic facts of life so readily available—anyone in this country expects a dairy farmer to buy a whole pair of overalls by setting the price of his milk at 75 percent, 80 percent or for that matter, 90 percent of parity.

It ought to be obvious that if 100 percent of parity bought a pair of overalls in the distant past, it will take 100 percent of parity today, because you can be certain that the overall manufacturer is getting a price today equitable with the old one.

There is another quirk in the system that works against the dairy farmer. When the price support level is set each April 1, the percentage of parity used is figured out to the dollar amount. For example, 80 percent of parity April 1 of this year equalled $6.57 a hundredweight. That dollar amount is then used for price supports for the entire year.

However, since rising costs figure as a part of parity calculations, the increased operating costs to the farmer means that since April 1, the $6.57 has become less than 80 percent of parity. Indeed, it is now about 74 percent of parity.

Thus, since April 1 the dairy farmer has lost another 6 percent of his symbolic overalls.

The fact is that with Government price supports set at the legal minimum, and with the cost of everything he needs to operate increasing extremely fast, the American dairy farmer is facing economic disaster.

His plight was not helped, of course, when the same Government that held his income down, arbitrarily this year alone allowed 100 million pounds of cheese and 150 million pounds of dry milk, much of it heavily subsidized by the foreign nation of origin, to be imported into the United States to disrupt his market. Believe me if the Wisconsin dairy farmer, who produces the milk for 36 percent of all domestic cheese, goes out of production, foreign governments will not have to subsidize their imports. They will just pass on their higher costs to the American consumer.

We tend to forget that such a situation will not be one from which we could easily recover. Most manufacturing businesses, if interrupted or closed for a period of time, may be restarted with relative ease. A dairy herd, once out of production, simply is not "turned back on" like an electric turbine or any other piece of machinery. A dairy herd is gone when it is gone, and must be replaced slowly and at considerable expense.

Thus, we all have a choice to make right now: Will we continue to go the route that obviously lies before us, a route in which we slowly but surely destroy the dairy industry so important to my own State and to the Nation's economy? Or will we insist upon national policies, particularly dairy prices at 100 percent of parity, which assure the continuance of this valuable national asset?

To dramatize the urgent need to stabilize the American dairy industry, I am introducing into the Congress immediately legislation that would provide mandatory dairy price supports at 100 percent of parity. There is no other solution to this pressing national problem.

It is essential that the American public, as consumers, be made aware in every way possible of the threat that exists to our domestic dairy industry.

Mr. President, I commend the Senator from Georgia for his concern about this problem and his intentions to have hear-

ings early next year on this important matter.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

TIME FOR A NEW RECONSTRUCTION FINANCE CORPORATION?

Mr. MANSFIELD. Mr. President, in recent weeks, there has been a good deal of talk about either the subsidization or the lending of money on the part of the Government to various corporations in distress. As the Senate is aware, Congress has passed legislation extending loans to Penn Central and Lockheed, and the Senate turned down an application not too many weeks ago on the part of Grumman Aircraft Corp. for a similar loan.

In recent weeks, there has been a certain amount of talk about the position of two airlines in particular: Pan American, which has carried the flag for many decades overseas, and TWA, which has performed in similar fashion, the only difference being that TWA has some domestic routes while Pan American has none.

These two giants of the airline industry find themselves in a position dissimilar from that of other American airlines, which, if my information and recollection are correct, seem to be operating on the basis of at least a reasonable profit return.

Some days ago, I received a letter from Mr. William T. Seawell, chairman of the board, Pan American World Airways. Under date of September 13 I made the following reply:

Mr. WILLIAM T. SEAWELL,
Chairman of the Board, Pan American World Airways, Pan Am Building, New York, N.Y. 10007.

DEAR MR. SEAWELL: This will acknowledge receipt of your letter of the fifth which has just reached my desk and which I have read with much interest. I want to thank you for your courtesy in giving me the benefit of your views and making comment on what I have had to say.

It appears to me that it is not a good thing for Congress to undertake responsibilities such as those which it did in the cases of Penn Central and Lockheed. This could well become a habit and I do not think it is the right way to face up to a situation which might confront other companies in somewhat similar cases.

It appears to me that what we ought to do is reconstitute the Reconstruction Finance Corporation and that way, companies in distress should then be able to turn to it for the needed assistance. On that basis, we would have a permanent corporation, properly staffed, knowledgeable enough, and capable of facing up to the needs of companies in distress and, on the basis of the events and all factors involved, be prepared to do something beneficial.

May I say, Mr. President, that I am introducing today a bill seeking the reestablishment of the Reconstruction Finance Corporation, which, as the Senate will recall, was formed, I believe, during Hoover's administration in 1931, and stayed in operation until 3 or 4 years after the end of the Second World War; that is, in active operation; it took a few more years to finally liquidate all its assets. But that was a profitmaking corporation, and it performed a needed job. It is the type of institution which ought to face up to the needs of distressed companies, rather than have those companies come before Congress for rescue on an ad hoc basis. I believe the bill I introduce today can form the basis for a most worthwhile agency so vitally needed in these economic times.

I continue with my letter to the chairman of the board of Pan American:

In response to the question, "What do you think of subsidizing Pan American"?

This had been asked of me several weeks previously——

I stated, in effect, "Let me answer it this way; I was opposed to the legislation covering Penn Central and Lockheed. It is my belief that what the Government ought to do is to look into the question of these overlapping, duplicative flights, giving consideration to possible mergers and then see what must need to be done." In other words, the initial activity lies, I believe, with the pertinent Federal agencies in the one instance, and with the airlines in the other, though even there, the Federal agencies would have to be taken into consideration.

I appreciated your letter; I want to thank you for your thoughtfulness in giving me the benefit of your views, and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

Later, Mr. President, I met with the chairman of the board of Pan Am, Mr. Seawell, and he brought to my attention some factors which he said would be beneficial to the company if the U.S. Government took the needed action. I have in my hand "An open letter to the American people from the employees of the World's Most Experienced Airline," under date of Sunday, September 22, carried in the Washington Post, and representing the 32,500 employees of Pan Am.

In that advertisement, they raised some of the arguments which Mr. Seawell raised with me. I think they are pertinent, and I think the Government ought to give consideration to these pleas on the part of the employees of Pan Am because to me they sound most reasonable, and I should think the Government would be in a position to give the deepest and the most serious consideration, at the earliest time, to what is suggested. I shall read that part; these are the Pan Am employees speaking:

First:

Ask our own government, first of all, why the Postal Department pays the foreign airlines as much as five times what it pays Pan Am for hauling the same U.S. mail. Not receiving the same pay for the same work costs Pan Am thirty-five million dollars a year.

Second:

Ask our own government, why nothing is ever done about overseas airports that charge Americans exorbitant landing fees. Quantas Airlines, for example, pays under three hundred dollars to land in Sydney, Australia. Not paying foreign governments the same user fees that their airlines pay in America costs Pan Am *twelve million dollars a year.*

Third:

Ask our own government, why the U.S. Export-Import Bank loans money to airlines of "underdeveloped" nations, like France, Japan and Saudi Arabia, at six percent interest while Pan Am pays twelve percent. Their low interest loans are used to buy airplanes that they use to compete against Pan Am. Not allowing Pan American access to these same interest rates means that we pay seven million dollars more than the foreign airlines for the same Jumbo jet.

Fourth:

Ask our own government, why it is opposed to letting Pan Am fly passengers within our country . . . it just doesn't make sense. The domestic airlines now have rights to the international routes that we pioneered, and the foreign airlines now serve more cities in the United States than we do. The right to compete freely at home, the most elemental privilege of a free enterprise society, has always been denied Pan Am.

You see, when it comes right down to it, Pan Am does a lot more than compete with other airlines. We compete with whole countries, sometimes even our own. The men and women of Pan Am are just not the type who enjoy asking for a handout. The only subsidy that we have ever needed was fair treatment . . . *From our own government.*

If Pan Am were allowed domestic routes within the United States . . . or to borrow from the Export-Import Bank . . . or to pay reasonable landing fees overseas . . . or to receive equal postal rates from our own government, we wouldn't need any subsidy at all!

In fact we wouldn't need to have taken up a collection to run this ad."

So I think that it is up to administration to pay proper attention to these suggestions by Pan American employees, and to see what can be done legitimately to bring about equity in this particular instance, and very likely in the instance of TWA as well.

I ask unanimous consent that the portions of the open letter which I have read be printed in the RECORD, as well as the letter to Mr. William T. Seawell, chairman of the board of Pan American World Airways, and the text of the bill I introduce today at the conclusion of my remarks.

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

AN OPEN LETTER

Ask our own government, first of all, why the Postal Department pays the foreign airlines as much as five times what it pays Pan Am for hauling the same U.S. mail. Not receiving the same pay for the same work costs Pan Am thirty-five million dollars a year.

Ask our own government, why nothing is ever done about overseas airports that charge Americans exorbitant landing fees. Quantas Airlines, for example, pays under three hundred dollars to land their Jumbo 747 in San Francisco. Pan Am pays forty two hundred

dollars to land in Sydney, Australia. Not paying foreign governments the same user fees that their airlines pay in America costs Pan Am *twelve million dollars a year.*

Ask our own government, why the U.S. Export-Import Bank loans money to airlines of "underdeveloped" nations, like France, Japan and Saudi Arabia, at six percent interest while Pan Am pays twelve percent. Their low interest loans are used to buy airplanes that they use to compete against Pan Am. Not allowing Pan American access to these same interest rates means that we pay seven million dollars more than the foreign airlines for the same Jumbo jet.

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If Pan Am were allowed domestic routes within the United States . . . or to borrow from the Export-Import Bank . . . or to pay reasonable landing fees overseas . . . or to receive equal postal rates from our own Government, we wouldn't need any subsidy at all!

In fact we wouldn't need to have taken up a collection to run this ad.

SEPTEMBER 13, 1974.

Mr. WILLIAM T. SEAWELL,
Chairman of the Board, Pan American World Airways, Pam Am Building, New York, N.Y.

DEAR MR. SEAWELL: This will acknowledge receipt of your letter of the fifth which has just reached my desk and which I have read with much interest. I want to thank you for your courtesy in giving me the benefit of your views and making comment on what I have had to say.

It appears to me that it is not a good thing for Congress to undertake responsibilities such as those which it did in the cases of Penn Central and Lockheed. This could well become a habit and I do not think it is the right way to face up to a situation which might confront other companies in somewhat similar cases.

It appears to me that what we ought to do is reconstitute the Reconstruction Finance Corporation and that way, companies in distress should then be able to turn to it for the needed assistance. On that basis, we would have a permanent corporation, properly staffed, knowledgeable enough, and capable of facing up to the needs of companies in distress and, on the basis of the events and all factors involved, be prepared to do something beneficial.

In response to the question, "What do you think of subsidizing Pan American," I stated, in effect, "Let me answer it this way: I was opposed to the legislation covering Penn Central and Lockheed. It is my belief that what the Government ought to do is to look into the question of these overlapping, duplicative flights, giving consideration to possible mergers and then see what must need to be done." In other words, the initial activity lies, I believe, with the pertinent Federal agencies in the one instance, and with the airlines in the other, though even there, the Federal agencies would have to be taken into consideration.

I appreciated your letter; I want to thank you for your thoughtfulness in giving me the benefit of your views, and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

S. 4039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Reconstruction Finance Corporation Act of 1974".

(b) There is established as an independent instrumentality of the United States a Reconstruction Finance Corporation (hereinafter referred to as the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the Board of Directors.

SEC. 2. (a) The Corporation shall have capital stock of $2,000,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the Board of Directors of the Corporation.

(b) There is authorized to be appropriated the sum of $2,000,000,000 for the purpose of making payments upon such subscription when called.

SEC. 3. The management of the Corporation shall be vested in a Board of Directors consisting of the Secretray of the Treasury, or, in his absence, the Under Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, who shall be members ex officio, and four other persons appointed by the President by and with the advice and consent of the Senate. Of the seven members of the Board of Directors, not more than four shall be members of any one political party and not more than one shall be appointed from any one Federal Reserve district. Each Director shall devote his time not otherwise required by the business of the United States principally to the business of the Corporation. Before entering upon his duties, each of the Directors so appointed and each officer of the Corporation shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other Act shall be construed to prevent the appointment as an employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof. The terms of the Directors appointed by the President of the United States shall be two years and run from the date of the enactment hereof and until their successors are appointed and qualified. Whenever a vacancy shall occur among the Directors so appointed, the person appointed to fill such a vacancy shall hold office for the unexpired portion of the term of the Director whose place he is selected to fill. The Directors of the Corporation appointed as hereinbefore shall receive salaries at the rate of $42,500 per annum. No Director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the deliberation upon or in the determination of any question affecting his personal interests, or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

SEC. 4. The Corporation shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its Board of Directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its Chairman and Vice-Chairman, together with provision for such committees and the functions thereof as the Board of Directors may deem necessary for facilitating its business under this Act. The Board of Directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

SEC. 5. (a) (1) To aid in financing agriculture, commerce, and industry, the Corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this Act as it may determine, to any business concern—

(A) to enable such business concern to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials;

(B) to supply such business concern with working capital; or

(C) to aid such business concern in the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest.

(2) For purposes of this Act, the term "business concern" means any individual, corporation, company, association, firm, partnership, society, or other entity which is—

(A) engaged in the manufacture or production of goods or services in the United States; or

(B) a bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporation, or other financial institution, organized under the laws of any State or of the United States.

(b) No loan may be made under subsection (a) to any business concern unless such business concern is otherwise unable to obtain such a loan on reasonable terms.

(c) No loan may be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require. To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) Each such loan made under subsection (a) may be made for a period not exceeding ten years, and the Corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond twelve years from the date upon which such loan was made originally.

(e) Each such loan made under subsection (a) shall bear interest at a rate equal to the current average yield (as certified by the Secretary of the Treasury to the Corpo-

ration) on all outstanding obligations of the United States as of the last day of the month immediately preceding the month in which the loan is made. Each such loan shall be made on such other conditions and terms, as the Corporation may require.

(f) All loans made under the foregoing provisions shall be fully and adequately secured. The Corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promisory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the Corporation may approve: *Provided,* That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or the liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section or section 6 to any one business concern and its subsidiary or affiliated business concerns exceed at any one time 5 per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the Corporation authorized to be outstanding when the capital stock is fully subscribed.

(g) No loan, loan guarantee, or advancement shall be made by the Corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to the adoption of this Act.

(h) No fee or commission shall be paid by any applicant for a loan or loan guarantee under the provisions of this Act in connection with any such application or any loan or loan guarantee made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful.

SEC. 6. (a) To assist any business concern—

(1) to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials;

(2) to obtain working capital; or

(3) to meet the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest;

the Corporation may guarantee the payment when due of the principal of and interest on a loan made to such business concern by a non-Federal lender. The Corporation may make a commitment to make such a guarantee prior to the making of the loan with respect to which the guarantee is to be made.

(b) Each such loan guarantee may be made for a period not exceeding ten years.

(c) A loan guarantee may not be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require, and the Corporation has approved such application. The Corporation may not approve such an application unless it determines that the terms, condition, and security (if any), and the schedule and amount of repayments with respect to the loan are sufficient to protect the financial interest of the Corporation and are otherwise reasonable, including a determination that the rate of interest on such loan does not exceed such rate as the Corporation determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans. The Corporation may not approve such an application unless it determines that the loan would not be available to the applicant on reasonable terms and conditions without the guarantee provided under subsection (a). To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) The Corporation shall be enttiled to recover from an applicant for a loan guarantee under subsection (a) the amount of any payment made by the Corporation pursuant to such guarantee upon the failure of the applicant to pay when due the principal of and interest on the loan with respect to which the guarantee was made, unless the Corporation for good cause waives the right of recovery; and the Corporation shall be subrogated to all of the rights under such loan of the recipient of such payment.

(e) Any loan guarantee by the Corporation under subsection (a) shall be incontestable in the hands of any qualified holder of such loan except in the case of fraud or misrepresentation on the part of such holder.

(f) Guarantees of loans under subsection (a) shall be subject to such further conditions and terms as the Corporation may require to carry out the purposes of this Act.

(9) The aggregate of the principal amounts of the loans outstanding at any time with respect to which guarantees have been made under this section shall not exceed $2,000,000,000.

SEC. 7. All moneys of the Corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Corporation or in any Federal Reserve bank, or may, by authorization of the Board of Directors of the Corporation, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the Corporation, and the Corporation may reimburse such Federal Reserve bank for their services in the manner as may be agreed upon. The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Reconstruction Finance Corporation in the general performance of its powers conferred by this Act.

SEC. 8. (a) The Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than three times its subscribed capital, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than twelve years from their respective dates of issue, to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the Corporation: *Provided,* That the Corporation, with the approval of the Secretary of the Treasury, may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its Board of Directors: *Provided,* That the aggregate of all obligations issued under this section shall not exceed three times the amount of the subscribed capital stock. Such obligations may be issued in payment of any loan authorized by this Act or may be offered for sale at such price or prices as the Corporation may determine with the approval of the Secretary of the Treasury. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the the United States and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations.

(b) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States. Such obligations shall not be eligible for discount or purchsae by any Federal Reserve bank.

SEC. 9. Any and all notes debentures, bonds, or other such obligations issued by the Corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corportion, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 10. In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other obligations.

SEC. 11. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it. Obligations of the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

SEC. 12. The Corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans and loan guarantees made to each borrower and the number of borrowers and amount borrowed by States. The statement shall show the assets and liabilities of the Corporation, and the first report shall be made on January 1, 1975, and quarterly thereafter. It shall also show the names and compensation of all persons employed by the Corporation whose compensation exceeds $1,500 per month.

SEC. 13. (a) The accounts of the Corpora-

tion shall be audited annually in accordance with generally accepted accounting standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) The report of each such independent audit shall be included in the appropriate quarterly report submitted to Congress under section 12 of this Act. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities and surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

SEC. 14. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the Corporation, or (2) passes, utters or publishes, or attempts to pass, utter or publish, any false, forged or counterfeited note, debenture, bond, or other obligation, or coupon, purporting to have been issued by the Corporation, knowing the same to be false, forged or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, or (4) passes, utters or publishes, or attempts to pass, utter or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, or any person who willfully violates any other provision of this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the corporation, or, without being duly authorized, draws any order or issues, puts forth or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property or benefit through any transaction, loan, commission, contract, or any other act of the Corporation, or (4) gives any unauthorized information concerning any future action or plan of the corporation which might affect the value of securities, or, having such knowledge, invests or speculates, directly, or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the Corporation, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(d) No individual, association, partnership, or corporation shall use the words "Reconstruction Finance Corporation" or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $1,000 or imprisonment not exceeding one year, or both.

SEC. 15. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Will the Senator from Montana indicate to whom he wishes his time charged, the previous speaker or the subsequent speaker?

Mr. MANSFIELD. To the time of the Senator from West Virginia.

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

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time of the Senator from West Virginia and the remainder of the time of the Senator from Wisconsin.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore (Mr. METZENBAUM). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

MESSAGE FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate 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 a nuclear incident, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 3234) to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, 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. TEAGUE, Mr. MCCORMACK, Mr. FUQUA, Mr. SYMINGTON, Mr. MOSHER, Mr. GOLDWATER, and Mr. WYDLER were appointed managers of the conference on the part of the House.

The message further announced that the Speaker has appointed Mr. STARK, of California, to be a manager on the part of the House in the conference on the bill (S. 386) to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes, vice Mr. BRASCO, excused.

The message also announced that the Speaker has appointed Mr. MOORHEAD of Pennsylvania, to be a manager on the part of the House in the conference on the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000, vice Mr. BRASCO, excused.

ENROLLED BILL SIGNED

The message further announced that the Speaker has affixed his signature to the enrolled bill (H.R. 5507) to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution agreed to by the medical staff of the Slidell Memorial Hospital, of Slidell, La., opposing the position of the Department of Health, Education, and Welfare regarding PRSO. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, with amendments:

S. 3378. A bill to provide assistance for the developmentally disabled, establish a bill of rights for the developmentally disabled, and for other purposes (Rept. No. 93-1169).

SUBMISSION OF A REPORT FROM THE SELECT COMMITTEE ON SMALL BUSINESS ENTITLED "THE U.S.A. BUSINESS COMMUNITY: ITS COMPOSITION AND CHANGING NATURE, WITH SPECIAL REFERENCE TO SMALL BUSINESS"—(S. REPT. NO. 93-1168)

Mr. BIBLE. Mr. President, from the Select Committee on Small Business, I submit a report entitled "The U.S.A. Business Community: Its Composition and Changing Nature With Special Ref-

erences to Small Business, Including Selected Statistics on Minority-Owned Firms." I ask unanimous consent that the report be printed together with the supplemental views of the distinguished ranking member of the committee and the senior Senator from New York (Mr. JAVITS).

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

Mr. BIBLE. Mr. President, this report is the accomplishment of almost 5 years of work, beginning in 1970, when our committee determined that it was all important to compile an improved statistical data base about the 8½ million small businesses nationwide that constitute 97 percent of the total American business community.

We believe this report can be recognized as an important milestone in securing greater recognition for small businesses everywhere, their problems and their importance to the national scene. Certainly, a legislator in the Congress must have access to a storehouse of knowledge about all business to be in a position to evaluate the standing and progress of those firms in the small business sector.

This document seeks to fulfill the need for an improved data base for small businesses by presenting a series of statistical information derived chiefly from the annual reports of the Internal Revenue Service and from business census data from the U.S. Census Bureau and from the Office of Minority Business Enterprise of the Department of Commerce. Such reveals industry by industry, the number of business firms and their contribution to total business receipts or income. Estimates according to the firms' size are also presented. Additionally, these data are the basis for revising markedly upwards those previous widely used estimates of the general small business population.

This report should serve as an excellent basic tool, especially for Members of Congress and officials within the executive departments who must have easily understandable and available data about the totality of the business universe, before making decisions involving momentous matters such as the general state of the economy, tax and antitrust policy, the type and scope of programs of the Small Business Administration and the Office of Minority Business Enterprise, the broad ramifications of the energy crisis, and others.

Because needed information is not always in handy reference form, if at all, this document should prove helpful. Year-to-year comparisons should make it possible to reveal the growth or decline of firms in an industry and possibly in subcategories of each industry.

Additionally, this report presents the first comprehensive data on minority businesses nationwide and should serve as a starting point from which to measure the growth and success of various efforts to enhance the growth of minority business in our economy. We are grateful to the Department of Commerce for its work in this area.

Another constructive purpose will be served by this report if the Small Business Administration can be persuaded into picking up the Internal Revenue Service series in its annual reports and thereby making more authentic totals available about the overall business population and more reliable information about that portion of the business community which SBA is mandated to serve. Certainly, the classification of firms within each industry division should be revealing in SBA's efforts to establish a viable small firms sector.

It is our judgment that this report should be a valuable aid to the small business proprietor as a source of information relating to trends for the economy as a whole, as well as to prospects for small firms in various lines of business. For instance: In what industries are the numbers of independent businesses expanding or contracting? And where are the greatest opportunities for substantial returns to the individual businessmen?

Certainly, the concern of the Congress for the welfare of small business and its duty to overview the functioning of SBA have required keeping in continuous focus the standing and progress of small business firms. A critical evaluation of the role of small business encompasses a study of statistical information in retrospect and a look forward into the impact of existing and proposed Federal statutes on the functioning of small firms so that they remain true partners in the Nation's economy. We hope this report will be a substantive contribution to this effort. Further, we are also hopeful that it can serve as a forerunner to more meaningful and broader information-gathering in the years ahead about the vital small business segment of our economy.

INTERIM REPORT OF THE SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS—(S. REPT. NO. 93-1170)

Mr. CHURCH. Mr. President, I ask unanimous consent to file an interim report of the Special Committee on National Emergencies and Delegated Emergency Powers, and that it be printed as a Senate document.

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

EXECUTIVE REPORTS OF COMMITTEES

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

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

Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships.

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

By Mr. LONG, from the Committee on Finance:

Daniel Minchew, of Georgia, to be a member of the United States Tariff Commission.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. NELSON:

S. 4038. A bill to provide for the price support of milk at not less than 10 per centum of parity. Referred to the Committee on Agriculture and Forestry.

By Mr. MANSFIELD:

S. 4039. A bill to establish a Reconstruction Finance Corporation to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HARTKE (for himself, Mr. HANSEN, Mr. TALMADGE, Mr. RANDOLPH, Mr. HUGHES, Mr. CRANSTON, Mr. THURMOND, Mr. STAFFORD, and Mr. MCCLURE):

S. 4040. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension, and dependency and indemnity compensation, to increase income limitations, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. PACKWOOD:

S.J. Res. 244. A joint resolution extending the termination of the Export-Import Bank Act of 1945. Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON:

S. 4038. A bill to provide for the price support of milk at not less than 100 percent of parity. Referred to the Committee on Agriculture and Forestry.

(The remarks of Mr. NELSON on the introduction of the above bill are printed earlier in the RECORD.)

By Mr. MANSFIELD:

S. 4039. A bill to establish a Reconstruction Finance Corporation to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing. Referred to the Committee on Banking, Housing and Urban Affairs.

(The remarks of Mr. MANSFIELD on the introduction of the above bill are printed earlier in the RECORD.)

By Mr. HARTKE (for himself, Mr. HANSEN, Mr. TALMADGE, Mr. RANDOLPH, Mr. HUGHES, Mr. CRANSTON, Mr. THURMOND, Mr. STAFFORD, and Mr. MCCLURE):

S. 4040. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension, and dependency and indemnity compensation, to increase income limitations, and for other purposes. Referred to the Committee on Veterans' Affairs.

THE VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1974

Mr. HARTKE. Mr. President, today I introduce for myself and the members of the Committee on Veterans Affairs S. 4040, the Veterans and Survivors Pension Adjustment Act of 1974, a bill to increase non-service-connected pension rates and increase limitations. Members of the Senate will recall that last fall I introduced, and the Senate unanimously passed S. 275 which contained an increase in the income limitations as well as an increase in the rates of pension. Unfortunately, the increase in the income limitations which was opposed by the administration was dropped following House-Senate negotiations before the 10-percent increase in the rates of pension was sent to the President to be enacted as Public Law 93–177.

The bill before you today would attempt to protect non-service-connected pensioners from the current rampant inflation by providing needed cost-of-living increases in the income limitations as well as the basic rates themselves. Under the law, as a veteran's or survivor's countable outside income increases, his or her pension is accordingly decreased. This has the effect of partially or completely canceling the benefit of any social security increase for veterans or their widows. A veteran's income for the purpose of determining the amount of pension he receives is calculated at the beginning of each year. This means that unless action is taken under this bill many pensioners are scheduled to have their pensions decreased as a result of the 1974 double phase social security increases. These decreases will be reflected in their January 1975 check which will be delivered around February 1 of next year.

Mr. President, I am hopeful that the administration and our colleagues on the House side will agree with the wisdom of a cost-of-living increase in the income limitations as well as the rates for pensioners who are forced to live on fixed incomes in this time of unprecedented inflation. Since January 1, 1974, when Public Law 93–177 (S. 275) went into effect, the cost of living as measured by the Consumer Price Index has increased 8 percent. At the current rate of inflation it is expected to reach at least 12 percent by December. As my colleagues are also aware this year almost 75 percent of those on the VA pension rolls have received an 11-percent increase in social security. If we do not act by January 1, 1975, this will occasion decreases in pension for 1.5 million veterans and survivors on the pension rolls. According to the Veterans' Administration 75,510 pensioners would fall off the pension rolls and the average loss of pension would be as follows:

Type of pensioner:	*Monthly loss*
Veteran alone	$11.58
Veteran with dependent	10.33
Widow alone	7.50
Widow with dependent	4.00

My colleagues will remember that at the request of the administration we have been examining their proposal for a total reform of the non-service-connected pension system.

While we are in agreement with the announced principles of eliminating unequal treatment for similar circumstanced pensioners and of increasing assistance to the neediest, the actual proposals submitted by the Veterans' Administration would be unduly restrictive and unacceptable in operation. Few of the veterans or widows in need of pension could qualify under the new system submitted by the VA. For example, if the proposed reform were applied to the present population of veterans and widows receiving VA pensions—they would be excepted under the VA proposal, however—almost two-thirds to three-fourths would be ineligible for receipt of pension under the new system. Accordingly, pursuant to my direction, the committee staff is investigating various alternatives to the VA proposal. Due to severe difficulties in obtaining accurate and relevant data on the VA pension population which was caused primarily by an antiquated data gathering and processing capability, together with inadequate analytical staffing in the Veterans' Administration, the committee had been until recently unable to assess the repercussions of a total pension reform. Of course, the committee could not in good conscience proceed with pension restructuring unless we could be as sure as possible of the outcome on pensioners, both present and future. The committee staff has developed some tentative revisions to the existing pension system, but it is my belief that any such changes should be given a thorough legislative review and public hearings which would not be possible in the remainder of this very hectic Congress.

There is also substantial reason to believe that the new administration is in the process of significant "reassessment" of the actual proposal which they submitted to the committee earlier this year.

I can state to my colleagues that this bill which will be considered quickly by the committee is completely in keeping with committee intent as well as administration proposals to protect existing pensioners who could choose not to switch to any new system and who elect to remain under the current system.

Briefly, the bill, as introduced would provide: First, a $400 increase in the annual income limitations for eligible veterans and their survivors receiving pension and provide increases in the rates of pension averaging 12 percent;

Second, an increase in the annual income limitation for the old law pensioners by $400;

Third, an increase in the annual income limitation by $400 for parents receiving Dependency and Indemnity Compensation—DIC—and increase the rates of DIC for an average program benefits increase of 12 percent;

Fourth, the bill provides an increase in the allowances payable for those in need of aid and attendance or who are deemed "housebound" of 12 percent;

Fifth, to provide pension benefits for widows and children of certain veterans whose death occurred not in the line of duty but who had previous "honorable service."

Mr. President, with the approaching end of the Congress in sight, I do not believe that we can act too quickly to insure that veteran pensioners will not be hurt. For my part I will pledge swift committee action and would anticipate equal concern and action by the other House.

Mr. President, adoption of this bill will assure that almost all pensioners will not suffer a reduction in their pension as a result of this year's social security increase or other cost-of-living increases in their retirement income.

The Veterans' Administration estimates that the cost of this bill for fiscal year 1975 will be $123 million.

The following tables illustrate the current rates payable to veterans and their survivors with typical examples of pensions payable under the bill introduced today which incorporates increases both in the rates and the maximum annual income limitations.

VETERAN ALONE

	Current rate	S. 4040
Income not over:		
$300	$143	$160
$400	140	157
$500	137	154
$600	134	150
$700	131	146
$800	128	142
$900	124	138
$1,000	120	133
$1,100	116	128
$1,200	112	123
$1,300	108	118
$1,400	103	113
$1,500	98	108
$1,600	93	102
$1,700	87	96
$1,800	81	90
$1,900	75	84
$2,000	69	77
$2,100	63	70
$2,200	57	63
$2,300	50	56
$2,400	43	48
$2,500	36	40
$2,600	28	32
$2,700		24
$2,800		16
$2,900		8
$3,000		5

VETERAN WITH DEPENDENT

Income not over:		
$300	$154	$172
$400	154	172
$500	154	172
$600	152	170
$700	150	168
$800	148	165
$900	145	162
$1,000	142	159
$1,100	139	156
$1,200	136	153
$1,300	133	150
$1,400	130	147
$1,500	127	144
$1,600	124	141
$1,700	121	138
$1,800	118	135
$1,900	115	131
$2,000	112	127
$2,100	109	123
$2,200	106	119
$2,300	103	115
$2,400	100	111
$2,500	97	107
$2,600	94	103
$2,700	90	99
$2,800	86	95
$2,900	82	91
$3,000	78	87
$3,100	74	82
$3,200	70	77
$3,300	65	72
$3,400	60	67
$3,500	55	62
$3,600	50	56
$3,700	45	50
$3,800	39	44
$3,900		37
$4,000		30
$4,100		22
$4,200		14

WIDOW ALONE

	Current rate	S. 4040
Income not over:		
$300	$96	$108
$400	95	107
$500	94	106
$600	93	105
$700	90	102
$800	87	99
$900	84	96
$1,000	81	92
$1,100	78	88
$1,200	75	84
$1,300	72	80
$1,400	69	76
$1,500	65	72
$1,600	61	68
$1,700	57	64
$1,800	53	60
$1,900	49	56
$2,000	45	52
$2,100	41	48
$2,200	37	43
$2,300	33	38
$2,400	29	33
$2,500	25	28
$2,600	21	23
$2,700		18
$2,800		13
$2,900		8
$3,000		5

WIDOW WITH 1 DEPENDENT

Income not over:		
$300	$114	$128
$400	114	128
$500	114	128
$600	114	128
$700	114	128
$800	113	127
$900	112	126
$1,000	111	125
$1,100	110	124
$1,200	108	122
$1,300	106	120
$1,400	104	118
$1,500	102	116
$1,600	100	114
$1,700	98	112
$1,800	96	110
$1,900	94	108
$2,000	92	106
$2,100	90	104
$2,200	88	101
$2,300	86	98
$2,400	84	95
$2,500	82	92
$2,600	79	89
$2,700	76	86
$2,800	73	83
$2,900	70	80
$3,000	67	77
$3,100	64	73
$3,200	61	69
$3,300	58	65
$3,400	55	61
$3,500	51	57
$3,600	47	53
$3,700	44	49
$3,800	44	49
$3,900		49
$4,000		49
$4,100		49
$4,200		49

1 PARENT

Income not over:		
$800	$110	$123
$900	107	120
$1,000	104	117
$1,100	101	113
$1,200	97	109
$1,300	93	105
$1,400	89	100
$1,500	85	95
$1,600	80	90
$1,700	75	84
$1,800	69	78
$1,900	63	71
$2,000	57	64
$2,100	50	56
$2,200	43	48
$2,300	36	40
$2,400	28	32
$2,500	20	24
$2,600	12	16
$2,700		8
$2,800		4
$2,900		4
$3,000		4

2 PARENTS TOGETHER

	Current rate	S. 4040
Income not over:		
$800	$74	$83
$900	74	83
$1,000	74	83
$1,100	73	82
$1,200	72	80
$1,300	70	78
$1,400	68	76
$1,500	66	74
$1,600	64	72
$1,700	62	70
$1,800	60	68
$1,900	58	66
$2,000	56	64
$2,100	54	62
$2,200	52	60
$2,300	50	58
$2,400	48	56
$2,500	46	54
$2,600	44	51
$2,700	42	48
$2,800	40	45
$2,900	38	42
$3,000	35	39
$3,100	32	36
$3,200	29	33
$3,300	26	30
$3,400	23	27
$3,500	20	24
$3,600	17	20
$3,700	14	16
$3,800	11	12
$3,900		8
$4,000		4
$4,100		4
$4,200		4

2 PARENTS NOT TOGETHER

Income not over:		
$800	$77	$86
$900	75	84
$1,000	73	82
$1,100	71	80
$1,200	68	76
$1,300	65	72
$1,400	62	68
$1,500	58	64
$1,600	54	60
$1,700	50	56
$1,800	46	52
$1,900	42	48
$2,000	38	44
$2,100	34	40
$2,200	30	35
$2,300	26	30
$2,400	21	25
$2,500	16	20
$2,600	11	14
$2,700		8
$2,800		4
$2,900		4
$3,000		4

Mr. President, I ask unanimous consent that the text of the bill as introduced together with a section-by-section analysis be printed in the RECORD at this point.

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

S. 4040

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 "Veterans and Survivors Pension Adjustment Act of 1974".

SEC. 2. Section 521 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his spouse) and has no child, pension shall be paid according to the following formula: If annual income is $300 or less, the monthly rate of pension shall be $160. For each $1 of annual income in excess of $300 up to and including $500, the monthly rate shall be reduced 3 cents; for each $1 annual income in excess of $500 up to and including $900, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $900 up to and including $1,500, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $1,500 up to and including $1,900, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $1,900 up to and including $2,300, the monthly rate shall be reduced 7 cents; and for each $1 of annual income in excess of $2,300 up to and including $3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of pension be less than $5. No pension shall be paid if annual income exceeds $3,000.";

(2) by amending subsection (c) to read as follows:

"(c) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, pension shall be paid according to the following formula: If annual income is $500 or less, the monthly rate of pension shall be $172 for a veteran and one dependent, $177 for a veteran and two dependents, and $182 for three or more dependents. For each $1 of annual income in excess of $500 up to and including $700, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $700 up to and including $1,800, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $1,800 up to and including $3,000, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $3,000 up to and including $3,500, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $3,500 up to and including $3,800, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $3,800 up to and including $4,000, the monthly rate shall be reduced 7 cents; and for each $1 of annual income in excess of $4,000 up to and including $4,200, the monthly rate shall be reduced 8 cents. No pension shall be paid if annual income exceeds $4,200.";

(3) by amending subsection (d) by striking out "$110" and inserting in lieu thereof "$123"; and

(4) by amending subsection (e) by striking out "$44" and inserting in lieu thereof "$49".

SEC. 3. Section 541 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b) If there is no child, pension shall be paid according to the following formula: If annual income is $300 or less, the monthly rate of pension shall be $108. For each $1 of annual income in excess of $300 up to and including $600, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $600 up to and including $900, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $900 up to and including $2,100, the monthly rate shall be reduced 4 cents; and for each $1 of annual income in excess of $2,100 up to and including $3,000, the monthly rate shall be reduced 5 cents; but in no event shall the monthly rate of pension be less than $5. No pension shall be paid if annual income exceeds $3,000.";

(2) by amending subsection (c) to read as follows:

"(c) If there is a widow and one child, pension shall be paid according to the following formula: If annual income is $700 or less, the monthly rate of pension shall be $128. For each $1 of annual income in excess of $700 up to and including $1,100, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $1,100 up to and including $2,100, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $2,100 up to and including $3,000, the monthly rate shall be reduced 3 cents; and for each $1 of annual income in excess of $3,000 up to and includ-

ing $4,200, the monthly rate shall be reduced 4 cents. Whenever the monthly rate payable to the widow under the foregoing formula is less than the amount which would be payable to the child under section 542 of this title if the widow were not entitled, the widow will be paid at the child's rate. No pension will be paid if the annual income exceeds $4,200.";

(3) by amending subsection (d) by striking out "$18" and inserting in lieu thereof "$20"; and

(4) by adding at the end thereof the folnew subsection:

"(f) As used in this section and section 542 of this title, the term 'veteran' includes a person who has completed at least two years of honorable active military, naval, or air service, as certified by the Secretary concerned, but whose death in such service was not in line of duty.".

SEC. 4. Section 542 of title 38, United States Code, is amended as follows:

(1) by amending subsection (a) by striking out "$44" and "$18" and inserting in lieu thereof "$49" and "$20", respectively; and

(2) by amending subsection (c) by striking out "$2,000" and inserting in lieu thereof "$2,400".

SEC. 5. Section 544 of title 48, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

SEC. 6. Section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $2,600 and $3,900, instead of $2,200 and $3,500, respectively.".

SEC. 7. Section 415 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b)(1) Except as provided in paragraph (2) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to him according to the following formula: If annual income is $800 or less, the monthly rate of dependency and indemnity compensation shall be $123. For each $1 of annual income in excess of $800 up to and including $1,000, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $1,000 up to and including $1,300, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $1,300 up to and including $1,600, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $1,600 up to and including $1,800, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $1,800 up to and including $2,000, the monthly rate shall be reduced 7 cents; and for each $1 annual income in excess of $2,000 up to and including $3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid if annual income exceeds $3,000.

"(2) If there is only one parent and he has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to him under either the formula of paragraph (1) of this subsection or under the formula in subsection (d), whichever is the greater. In such a case of remarriage the total combined annual income of the parent and his spouse shall be counted in determining the monthly rate of dependency and indemnity compensation under the appropriate formula.";

(2) by amending subsection (c) to read as follows:

"(c) Except as provided in subsection (d), if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each according to the following formula: If the annual income of each parent is $800 or less, the monthly rate of dependency and indemnity payable to each shall be $86. For each $1 of annual income in excess of $800 up to and including $1,100, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $1,100 up to and including $2,100, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $2,100 up to and including $2,500, the monthly rate shall be reduced 5 cents; and for each $1 of annual income in excess of $2,500 up to and including $3,000, the monthly rate shall be reduced 6 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid to a parent whose annual income exceeds $3,000.";

(3) by amending subsection (d) to read as follows:

"(d) If there are two parents who are living together, or if a parent has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to each such parent according to the following formula: If the total combined annual income is $1,000 or less, the monthly rate of dependency and indemnity compensation payable to each parent shall be $83. For each $1 of annual income in excess of $1,000 up to and including $1,100, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $1,100 up to and including $2,500, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $2,500 up to and including $3,500, the monthly rate shall be reduced 3 cents; and for each $1 of annual income in excess of $3,500 up to and including $4,200, the monthly rate shall be reduced 4 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid to either parent if the total combined annual income exceeds $4,200."; and

(4) by amending subsection (h) by striking out "$55" and inserting in lieu thereof "$64".

SEC. 8. (a) The Administrator of Veterans' Affairs shall carry out a thorough study and investigation of the economic needs and problems of veterans and their widows seventy-two years of age or older. The study shall include (1) a survey of the current income characteristics of veterans and their widows aged seventy-two years or older, describing their income from all sources, and necessary expenditures for rent, food, medical care, and other items, (2) an evaluation of the adequacy of the veterans pension system for the needs of such veterans, and (3) information concerning the expected mortality rates of such veterans and their widows.

(b) The Administrator shall report to the Congress and the President not later than one hundred and twenty days after the convening of the first session of the Ninety-fourth Congress the results of the study and investigation carried out under this section, including any recommendations for legislative or administrative action.

SEC. 9. This Act shall take effect on January 1, 1975.

SECTION-BY-SECTION ANALYSIS

SECTION 1

This section provides that this Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1974".

SECTION 2

Clause 1 would increase the rates of pension and the annual income limitation for unmarried veterans under subsection 521(b). Currently, a veteran with no dependents receives a maximum monthly pension of $143 if his annual income is $300 or less, decreasing on a gradual scale to $28 with an annual income of $2,600. As amended, this subsection would provide a maximum monthly rate of $160 with an annual income of $300 or less, down to $5 for an annual income of $3,000.

Clause 2 would increase the rates of pension and the annual income limitation for a married veteran under subsection 521(c). Currently, the maximum monthly pension payable to a veteran with one dependent is $154, with two dependents $159, and with three or more dependents $164 based on an annual income of $500 or less. This decreases gradually to $39, $44, and $49 respectively, with an annual income of $3,800. As amended, this subsection would provide a veteran with one dependent, $172, with two dependents, $177, and with three dependents, $182 based on an income of $500 or less, ranging down to $14, $19, and $24 respectively with an annual income of $4,200.

Clause 3 provides that the additional allowance payable to those veterans receiving pension who are in need of regular aid and attendance under subsection 521(d) will be increased from $110 per month to $123 per month.

Clause 4 provides that the additional allowance payable under subsection 521(e) for those veterans receiving pension who have a disability rated permanent and total, and which is rated 60 percent or more or are permanently housebound but not eligible for an aid and attendance allowance will be increased from $44 per month to $49.

SECTION 3

Clause 1 would increase the rates of pension and the annual income limitation for a widow without a child under subsection 521(b). Currently, a widow without dependent receives a maximum monthly pension of $96 if her annual income is $300 or less, decreasing on a graduated scale to $21 with an annual income of $2,600. As amended, this subsection would provide a maximum rate of $108 with an annual income of $300, decreasing to $4 with an income of $3,000.

Clause 2 would increase the rates of pension and the annual income limitation for a widow with a dependent under subsection 541(c). Currently, a widow with one child receives a maximum monthly pension of $114 if her annual income is $700 or less, decreasing on a graduated basis to $44 with an annual income of $3,800. As amended, this subsection would provide a maximum monthly rate of $128 with an annual income of $700 or less down to $49 with an annual income of $4,200.

Clause 3 would increase the allowance for each child in the case where there is a widow with more than one child under subsection 541(d). Currently, a widow receives $18 per month for each additional child. As amended this subsection would provide $20 for each additional child per month.

Clause 4 adds a new subsection (f) to section 541 to amend the definition of a "veteran" for the purposes of that section and section 542 to provide that survivors of a veteran who served at least two years of honorable military service but whose death was not in the line of duty would be eligible for pension.

SECTION 4

Clause 1 would provide increases in the rates of pension for children when there is no widow under section 541(a). Currently, one child alone receive $44 per month, with the addition of $18 for each additional child. As amended this subsection would provide $49 for the first child and $20 for each additional child.

Clause 2 would provide increases in the annual income limitation for a child under subsection 542(c). Currently the annual income limitation is $2,000, as amended this subsection would provide an annual income limitation of $2,400.

SECTION 5

This section would provide an increase in the allowance payable to widows who are in receipt of pension and in need of aid and attendance in section 544. Currently the allowance is $55 per month, as amended this section would provide an aid and attendance allowance of $64 per month.

SECTION 6

This section would amend section 4 of Public Law 90–275 (82. Stat. 68) to increase by $400 the maximum annual income limitations applicable under the prior pension program in effect on June 30, 1960: From $2,200 to $2,600 for a veteran without a dependent, or widow without a dependent, or a child alone; and from $3,500 to $3,900 for a veteran with a dependent, and for a widow with a child.

SECTION 7

Clause 1 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitations for a sole surviving parent under subsection 415 (b). Currently, a sole surviving parent receives a maximum monthly DIC payment of $110 if his income is less than $800 per annum, decreasing to $12 for an annual income of $2,600. As amended, this subsection would provide for a maximum monthly rate of $123 with an annual income of $800 or less, down to $4 for an annual income of $3,000.

Clause 2 would increase the rates of dependency and indemnity compensation (DIC) and the annual income limitations for two parents not living together under subsection 415(c). Currently each of two parents who are not living together receives a maximum monthly DIC payment of $77 if annual income is $800 or less, decreasing on a graduated scale to $11 with an annual income of $2,600. As amended this subsection would provide a maximum monthly rate of $86 with an annual income of $800 or less, down to $4 for an annual income of $3,000.

Clause 3 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitations payable under subsection 415(d). Currently, if there are two parents who are living together, or if a parent is remarried and is living with his spouse, each parent receives a maximum monthly DIC payment of $74 if annual income is $1,000 or less, decreasing on a graduated scale to $11 with an annual income of $3,800. As amended, this subsection would provide a maximum monthly rate of $83 with an annual income of $1,000 or less, down to $4 for an annual income of $4,200.

Clause 4 would increase the allowance payable under subsection 415(h) to parents who are in receipt of dependency and indemnity compensation (DIC) and in need of aid and attendance. Currently the allowance is $55 per month; as amended this subsection would provide an aid and attendance allowance of $64 per month.

SECTION 8

Subsection (a) authorized the Administrator of Veterans' Affairs to conduct a study of the economic needs and problems of veterans and their widows who are 72 or older. Included in the study will be (1) a survey of the current income characteristics of such veterans, (2) an evaluation of the adequacy of the veterans pension program for their needs, and (3) an examination of the mortality rate for these individuals.

Subsection (b) provides that the study along with legislative or administrative recommendations shall be submitted to the Congress not later than 120 days after the convening of the 1st session of the 94th Congress.

SECTION 9

This section provides that the effective date of this Act shall be January 1, 1975.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3234

At the request of Mr. HUMPHREY, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

S. 3431

At the request of Mr. CLARK, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 3431, the Young Farmers Investment Act.

S. 3790

At the request of Mr. WEICKER, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Montana (Mr. MANSFIELD) were added as cosponsors of S. 3790, a bill to provide a means for compensating U.S. air carriers for excessive or discriminatory airport landing fees charged such carriers in foreign countries.

S. 3931

At the request of Mr. DOMENICI, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3931, a bill to amend title II of the Social Security Act to provide that the amount of an individual's earnings shall for purposes of the provisions thereof requiring deductions from benefits on account of excess earnings, be deemed to be reduced by an amount equal to the expenses paid by him during the taxable year for medical care.

S. 3935

At the request of Mr. MONTOYA, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 3935 to prohibit disclosure of tax returns without consent of the taxpayer, and for other purposes.

S. 3957

At the request of Mr. CHURCH, the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Delaware (Mr. ROTH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 3957, the National Emergencies Act.

S. 3982

At the request of Mr. WEICKER, the Senator from Maine (Mr. HATHAWAY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 3982, a bill to restrict the authority for inspections of tax returns and the disclosure of information contained therein, and for other purposes.

S. 3998

At the request of Mr. ALLEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3998, a bill to establish the Lister Hill scholarship program.

S. 4019

At the request of Mr. WEICKER, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 4019, a bill to establish a Joint Committee on Intelligence Oversight.

S. 4021

At the request of Mr. DOMINICK, the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Tennessee (Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from South Carolina (Mr. THURMOND), and the Senator from Arizona (Mr. FANNIN), were added as cosponsors of S. 4021, relating to exemption from taxes of interest on savings accounts.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 392

At the request of Mr. TAFT, the Senator from Michigan (Mr. GRIFFIN) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Resolution 392, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

FOREIGN ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1923

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

AMENDMENT PLACING A $5 BILLION CEILING ON FOREIGN AID OBLIGATIONS DURING FISCAL YEAR 1975

Mr. CHURCH. Mr. President, with foreign aid permeated by such confusion of purpose, what is clearly called for is a serious review of this program, in which its various parts are weighed as to their relative merits. Unfortunately, this is made nearly impossible by the basic confusion of both the executive bureaucracy which conducts the program and the congressional system by which it is approved. Nowhere in the executive branch is there a single responsible official charged with administering and evaluating the program in its full scope and presenting it to Congress for examination and approval. Instead, some foreign aid activities are run by the Agency for International Development, some by the Defense Department, others by the Treasury Department, others by the Department of Agriculture, still others by the State Department and the Peace Corps. Each of these agencies, by the natural laws of bureaucracy, finds interest only in the perpetuation of its own activities. Each presents its bill to Congress, and the various bills then make their way piecemeal through the diverse procedural paths of each House. At no point in the process are the various parts of the program set in comparison; at no point are their relative merits considered; at no point does Congress weigh their collective impact, either upon our own economy or upon the countries which the programs are alleged to assist.

A telling example is the bill before the Congress today, S. 3394. Entitled "The Foreign Assistance Act of 1974," this bill might be expected to contain the

essence of the U.S. foreign aid program for the current fiscal year. Yet such an inference would be entirely false. For the $3.2 billion requested in this bill, an amount which by itself could seem relatively moderate, is in fact only a fraction of the total aid expenditure planned for fiscal year 1975.

To remedy this state of confusion, Mr. President, the Foreign Relations Committee has this year adopted a number of measures—some to take immediate effect, others to take effect next year—designed to bring foreign aid proposals into a logical format which can be clearly understood and evaluated by Congress and the American people. The first such measure, contained in the fiscal year 1975 State Department/USIA authorization bill now pending conference, will require that beginning in fiscal year 1976 all foreign aid proposals be consolidated into two logically structured bills: a foreign economic aid bill, to include all economic aid—multilateral and bilateral—with the single exception of the food for peace program; and a foreign military aid bill, to include all military aid, including grants, training, and credit sales. Other measures, adopted by the committee and included as amendments to the bill now before us, serve a complementary purpose by eliminating loopholes through which the Pentagon has been able to spend hundreds of millions of dollars annually on military assistance over and above the amount contained in the basic appropriation for that purpose. The combined effect of these various measures, if they are enacted, will be to establish a clear, logically structured, and—above all—comprehensive format for future congressional consideration of foreign aid.

For this year, however, Congress must attempt to cope with the piecemeal approach. To help place S. 3394, the bill now before us, in better perspective, Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table, prepared by AID at the request of the Foreign Relations Committee, which portrays the overall program of which S. 3394 represents but a part.

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

INSERT NO. 1

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES PROGRAMS PROPOSED FOR FISCAL YEAR 1975

[In thousands of dollars]

	Economic assistance programs						Military assistance and credit sales programs				
	Total economic and military assistance and credit sales	Total economic assistance	AID	Peace Corps	Public Law 480 [1]	International narcotics control	Total military assistance and credit sales	Military assistance grants (MAP)	Foreign military credit sales	Excess defense articles	Military assistance service funded
Summary	8,368,726	[2] 4,872,226	2,842,415	82,256	995,928	42,500	3,496,500	1,024,000	872,500	150,000	1,450,000
Africa, total	293,753	251,468	168,992	26,103	56,373		42,285	14,785	24,500	3,000	
Algeria	1,409	1,409			1,409						
Botswana	1,736	1,736		394			1,342				
Burundi	425	425			425						
Cameroon	1,311	1,311		825	486						
Central African Republic	260	260		139	121						
Chad	448	448		444	4						
Congo (Brazzaville)	412	412			412						
Dahomey	499	449		388	111						
Ethiopia	47,939	29,039	25,037	2,798	1,204		18,900	11,300	5,000	2,600	
Gabon	530	530		204	326						
Gambia	442	442		255	187						
Ghana	15,695	15,625	13,746	1,187	692		70	70			
Guinea	333	333			333						
Ivory Coast	2,091	2,091		1,469	622						
Kenya	8,951	8,951	7,493	1,159	299						
Lesotho	1,739	1,739		98	1,641						
Liberia	9,626	9,026	7,206	1,362	458		600	100	500		
Malagasy	168	168			168						
Malawi	410	410		351	59						
Mali	1,286	1,236		356	880		50	50			
Mauritania	290	290		54	236						
Mauritius	1,219	1,219		79	1,140						
Morocco	49,182	34,322	15,210	1,331	17,781		14,860	860	14,000		
Niger	1,957	1,957		1,061	896						
Nigeria	6,133	6,133	3,682	151	2,300						
Rwanda	2,947	2,947	2,500		447						
Senegal	1,870	1,845		606	1,239		25	25			
Seychelles	26	26		26							
Sierra Leone	2,566	2,566		1,655	911						
Sudan	15,960	15,910	10,850		5,060		50	50			
Swaziland	572	572		452	120						
Tanzania	12,054	12,054	10,659		1,395						
Togo	2,089	2,089		1,061	1,028						
Tunisia	21,368	17,468	5,809	1,072	10,587		3,900	2,000	1,500	400	
Upper Volta	2,230	2,230		520	1,710						
Zaire	15,294	11,494	6,013	5,145	336		3,800	300	3,500		
Zambia	8	8			8						
Economic regional programs:											
Central West Africa and Sahel	26,874	26,874	26,874								
East Africa	1,563	1,563	1,563								
Southern Africa	10,123	10,123	10,123								
Africa regional	21,988	21,988	20,527	1,461							
Self-help projects	1,700	1,700	1,700								
Regional military costs	30						30	30			
Asia, total	4,762,069	2,086,017	1,375,949	15,624	680,246	14,198	2,676,052	787,902	318,000	120,150	1,450,000
Afganistan	17,185	16,985	14,467	1,293	1,175	50	200	200			
Bahrain	83	83		83							
Bangladesh	104,669	104,669	65,220		39,449						
British Solomon Islands	116	116		24	92						
Burma	5,000	5,000				5,000					
Cambodia	550,761	187,011	[2] 110,000		77,011		363,750	362,500		1,250	
China (Taiwan)	80,400						80,400	400	80,000		
Cook Islands	14	14		14							
Cyprus	571	571			571						
Fiji	606	606		606							
Gilbert and Ellice Islands	21	21		21							
Greece	71,000						71,000		71,000		
India	113,894	113,794	75,500	211	38,083		100	100			
Indonesia	221,369	192,469	71,460		120,909	100	28,900	22,700		6,200	
Iran	1,569	1,569		1,569							
Korea	416,368	182,068	25,176	1,902	154,909		234,300	161,500	52,000	20,800	
Laos	143,505	57,405	[3] 56,000		253	1,152	86,100	85,200		900	
Lebanon	10,150						10,150	150	10,000		
Malaysia	12,938	2,653		2,497	156		10,285	285	10,000		
Micronesia	1,061	1,061		1,061							
Nepal	6,991	6,956	5,721	833	402		35	35			

	Economic assistance programs						Military assistance and credit sales programs				
	Total economic and military assistance and credit sales	Total economic assistance	AID	Peace Corps	Public Law 480[1]	International narcotics control	Total military assistance and credit sales	Military assistance grants (MAP)	Foreign military credit sales	Excess defense articles	Military assistance service funded
Asia—Continued											
Oman	181	181		181							
Pakistan	123,074	122,794	78,745		43,299	750	280	280			
Philippines	103,715	78,315	49,844	2,178	26,043	250	25,400	17,900	5,000	2,500	
Saudi Arabia	220						220	220			
Sri Lanka (Ceylon)	18,801	18,786	8,000		10,786		15	15			
Thailand	88,587	14,087	6,005	1,218		6,864	74,500	56,000		18,500	
Tonga	338	338		338							
Turkey	232,492	27,492	23,064		4,396	32	205,000	80,000	90,000	35,000	
Vietnam	2,396,553	911,553	[2] 751,000		160,553		1,485,000			35,000	1,450,000
Western Samoa	321	321		321							
Yemen Arab Republic	13,734	13,734	11,496	160	2,078						
Economic regional program	25,365	25,365	24,251	1,114							
Regional military costs	417						417	417			
Latin America, total	592,306	372,206	276,461	19,978	78,137	6,630	220,100	18,250	200,000	1,850	
Argentina	30,900	200				200	30,700	700	30,000		
Belize (British Honduras)	275	275		275							
Bolivia	35,959	29,459	22,239		7,175	45	6,500	3,300	3,000	200	
Brazil	69,309	8,508	2,800	3,287	2,178	243	6,800	800	60,000		
Chile	84,976	63,676	26,035	516	37,097	28	21,300	800	20,500		
Colombia	52,848	35,148	21,908	2,717	9,986	537	17,700	700	17,000		
Costa Rica	2,147	2,147	834	1,104	209						
Dominican Republic	15,855	14,005	5,456	661	7,888		1,850	1,300	500	50	
Ecuador	19,976	7,076	2,050	1,373	3,327	326	12,900	400	12,500		
El Salvador	17,381	12,731	11,561	337	833		4,650	1,100	3,500	50	
Guatemala	21,305	18,955	17,090	1,084	781		2,350	1,300	1,000	50	
Guyana	3,624	3,624	3,550		74						
Haiti	11,055	10,855	8,179		2,676		200	200			
Honduras	28,152	23,502	22,038	766	698		4,650	1,100	3,500	50	
Jamaica	11,399	11,399	8,450	1,357	1,558	34					
Mexico	10,100	5,000				5,000	5,100	100	5,000		
Nicaragua	33,558	29,108	27,826	594	688		4,450	1,100	3,000	350	
Panama	22,266	21,716	21,360		338	18	550	500		50	
Paraguay	7,770	5,420	4,756	585	69	10	2,350	1,400	500	450	
Peru	38,630	17,330	13,489	1,235	2,513	93	21,300	800	20,500		
Trinidad and Tobago	16	16			16						
Uruguay	5,486	786	775			11	4,700	1,600	2,500	600	
Venezuela	19,557	1,857		1,814		43	17,700	700	17,000		
Caribbean regional	6,443	6,443	5,500	908	33	2					
Central America regional (ROCAP)	1,674	1,674	1,634			40					
Inter-American programs	17,650	17,650	17,650								
Economic regional programs	23,646	23,646	22,281	1,365							
Regional military costs	350						350	350			
Middle East, total	969,050	519,807	478,175		41,632		449,243	94,243	330,000	25,000	
Egypt	253,144	253,144	[3] 250,000		3,144						
Israel	378,211	78,211	[3] 50,000		[4] 28,211		300,000		300,000		
Jordan	237,695	88,452	[3] 78,175		10,277		149,243	94,243	30,000	25,000	
Middle East Special Requirements Fund	100,000	100,000	100,000								
Europe, total	15,053	12,522	12,500	22			2,531	2,531			
Austria	24						24	24			
Finland	24						24	24			
Malta	9,522	9,522	[3] 9,500	22							
Portugal	860						860	860			
Spain	4,600	3,000	[3] 3,000				1,600	1,600			
Regional military costs	23						23	23			
Other	827,368	721,079	[5] 539,938	[6] 20,529	[7] 139,540	[8] 21,672	106,289	[9] 106,289			
U.S. contributions to international financial institutions, total	909,127	909,127									
African Development Bank Special Fund	15,000	15,000									
International Development Association	320,000	320,000									
Inter-American Development Bank:											
Paid-in capital											
Callable capital											
Fund for special operations	500,000	500,000									
Asian development bank:											
Paid-in capital	24,127	24,127									
Callable capital	(96,508)	(96,508)									
Special funds	50,000	50,000									

[1] Public Law 480 estimates are planning levels which will be reexamined later in the year in light of revised price estimates, U.S. commodity availabilities and recipient country requirements. If availabilities permit, a title I concessional sales program will be planned for Guinea.

[2] Includes $909,000,000 U.S. contributions to international financial institutions.

[3] Largely or wholly funded from security supporting assistance or Indochina postwar reconstruction accounts.

[4] Includes West Bank of the Jordan River and Gaza.

[5] Includes the following: American schools and hospitals abroad, $10,000,000; administrative expenses, AID, $47,100,000; State, $5,900,000; contingency fund, $30,000,000; international organizations and programs, $200,400,000; operating costs, $123,400,000; interregional population program, $50,400,000; and other interregional programs, $69,100,000.

[6] Includes worldwide support, $6,600,000; Peace Corps share of action support, $13,300,000.

[7] Includes emergency reserve/unallocated title II, $35,300,000; ocean freight, $103,200,000; grants of title I currencies under sec. 204 of title II, $1,000,000.

[8] Includes international organizations, $5,100,000; interregional programs training and support costs, $6,700,000; unprogramed, $9,800,000.

[9] Includes administration, $25,300,000; supply operations. $78,700,000; inspection general, $175,000; storage and maintenance stockpile, $1,000,000.

Mr. CHURCH. Mr. President, as this table shows, the proposed fiscal year 1975 foreign aid program extends far beyond the $3.2 billion originally proposed in this bill. It extends far beyond the overall $5.1 billion figure which the executive branch originally publicized. Indeed, in its entirety, the foreign aid program planned for fiscal year 1975 totals $8.4 billion—$4.9 billion in economic aid programs and $3.5 billion in military aid. These figures, I should emphasize, Mr. President, do not include the massive expenditures involved in maintaining U.S. forces and military aid missions abroad, nor do they include the sizable loans for the Export-Import Bank, which are made at interest rates well below market levels. The $8.4 billion figure covers only direct grants and concessional loans.

One need not look far in these tables, Mr. President, to find glaring examples of the distorted priorities which this program now so clearly embodies. This is a program in which greater expenditures are proposed for military aid to the Thieu regime in South Vietnam than for the entire worldwide food for peace effort. This is a program where more money is envisioned for ammunition supplies for the rag-tag forces of the Cambodian army than for all assistance of every kind to the entire continent of Africa. This is a program where more money is to be spent to dispense arms to military dictatorships all around the world than for contribu-

tions to the multilateral institutions which provide economic development assistance to the world's poorest nations.

One could go on, Mr. President, but the point is clear enough. This aggregate program quite obviously bears little relationship to the high-blown claims that are made for it as being a carefully modulated contribution to international peace, order, and justice. Instead, this program is more aptly described as representing the coagulation of old assumptions, outdated policies, bad habits, and bureaucratic inertia. At a time of such serious economic conditions in our own country, Congress should no longer countenance such a vast and ill-considered expense.

I am, therefore, introducing an amendment which I believe will be a useful first step in bringing this program under control—by placing a ceiling of $5 billion on foreign aid obligations during the current fiscal year. The ceiling I am proposing will cover all foreign aid conducted under authority of the Foreign Assistance Act, Public Law 480, the Foreign Military Sales Act, and the military assistance-service funded program. The only foreign aid spending that would not come under the ceiling are funds for the Peace Corps and U.S. contributions to the international financial institutions, such as the World Bank, which provide multilateral development assistance.

Mr. President, I ask unanimous consent that there appear in the RECORD at this point a table which compares the size of the fiscal year 1974 foreign aid program with the fiscal year 1975 program as it has been proposed by the executive branch and as it has been reduced thus far by the Senate.

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

INSERT NO. 2

FOREIGN AID OBLIGATIONS (OTHER THAN THE PEACE CORPS AND U.S. CONTRIBUTIONS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS)

	Fiscal year—		
	1974	1975	1975 (minus Senate reductions
Economic:			
AID programs	$1,929	$2,885	$2,695
Public Law 480[2]	1,152	996	996
Military:			
Military assistance programs	[3] 770	1,024	589
Military assistance-service funded	908	1,450	700
Foreign military credit sales[4]	325	555	455
Total	5,084	6,910	5,435

[1] Includes all assistance provided under authority of the Foreign Assistance Act, the Foreign Military Sales Act, the Military Assistance-Service Funded program, and Public Law 480.

[2] Public Law 480 figures show expenditures rather than obligations.

[3] Does not include 2 expenditures of a 1-time nature: $2,200,000,000 in emergency military aid to Israel, and $250,000,000 in drawdown of Pentagon stocks for Cambodia.

[4] These obligations can be used to fund a program of considerably larger size, because they can be used to guarantee commercially-financed transactions. In such cases, there is a 4-fold leverage: $100,000,000, for example, is sufficient to guarantee a $400,000,000 credit.

Mr. CHURCH. Mr. President, what the table shows is that the overall foreign aid program for fiscal year 1974, not including the Peace Corps and contributions to multilateral development-finance institutions, totalled approximately $5 billion. In contrast, the fiscal year 1975 program proposed by the executive branch is an astonishing $6.9 billion, nearly $2 billion more than the comparable activities of the previous year. Even with the reductions made thus far in the Senate, obligations under the fiscal year 1975 program in these categories would still reach more than $5.4 billion, over $400 million higher than the figure of a year ago.

Thus, Mr. President, I believe that my amendment, placing a $5 billion ceiling on overall fiscal year 1975 foreign aid obligations, can serve two very useful purposes: First, it will further reduce spending by a total of $435 million, while allowing the executive branch some flexibility in determining where those economies can best be made. Second, by directly limiting the fiscal year 1975 spending level to a specific figure approximating the total for fiscal year 1974, it will stand as a clear statement that the Congress is prepared to take substantive action in the fight against the inflation spiral. I have no doubt that the American taxpayer would be very grateful for both.

There is little more that needs to be said, Mr. President. The confused and misguided purpose of much of this vast foreign aid program is now manifest. The state of this Nation's economy is clear for everyone to see. The only question which remains is whether Congress which holds the pursestrings of Federal spending, has the will to take corrective action.

I urge the adoption of this amendment.

AMENDMENT NO. 1924

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

Mr. HUMPHREY (for himself and Mr. MCGEE) submitted an amendment intended to be proposed by them jointly to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

FLEXIBLE HOURS EMPLOYMENT ACT—AMENDMENT

AMENDMENT NO. 1925

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

Mr. TAFT. Mr. President, the Federal Salary Act provides that a Wage Commission have jurisdiction over all Federal salaries, including those of Members of Congress. This amendment modifies the act to remove the Commission's authority over congressional salaries.

When President Nixon's recommendation for a pay raise for Federal employees in top pay grades was considered by the Senate last March, it became apparent that a relationship between congressional salaries and those of career civil servants jeopardized the recommendation for all supergrade pay raises. This is especially true in an election year.

I have long felt that congressional salaries should be debated separately from other such legislation. If Members of Congress feel they need or deserve a raise, it should be debated openly as any other legislation, not in a closed committee room.

In debating the minimum wage bill last spring, I offered this identical bill as an amendment. I withdrew the amendment after having assurances that the bill would receive hearings. While these assurances continue, no hearings have been called on S. 3080, and I believe the issue should be voted on prior to election of the 94th Congress.

PRESERVATION OF PRESIDENTIAL CONVERSATIONS—AMENDMENT

AMENDMENT NO. 1926

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

Mr. PERCY. Mr. President, I am today submitting, in behalf of myself, Senator BAYH, and Senator RIBICOFF an amendment intended to be offered to S. 4016. I ask unanimous consent that this proposed amendment be printed in the RECORD at the conclusion of my remarks.

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

Mr. PERCY. This morning the Government Operations Committee reported out S. 4016, introduced by Senators ERVIN, NELSON, JAVITS, and MUSKIE, cosponsored by myself and other Senators, which would have the effect of allowing the Government to keep custody and control over all documents, memoranda, tapes, transcripts, and other materials which were generated in behalf of former President Richard M. Nixon. This action was taken to safeguard these materials. In an agreement reached by Mr. Nixon and the Administrator of the General Services Administration, Mr. Nixon claimed these materials as his own. Pursuant to this agreement, Mr. Nixon would, after 3 years, have the right to destroy any tapes. In addition, any subpena for any of these materials would have to be directed to the former President.

It was the feeling of the Government Operations Committee that these documents, tapes, and other materials are rightly the property of the American people. They were produced at public expense for a public official, acting in his capacity as a public official. Although the Attorney General has given his opinion that, consistent with past practice, these materials are the property of the former President, the committee has, nonetheless, determined that these materials should remain in the possession of the Government in behalf of the American public.

I support this action. However, it seems to me that, in all fairness, what is sauce for the goose is sauce for the gander. If we are now going to declare that former President Nixon's documents are public property, we ought also to provide that the official papers of all Federal elected officials are public property as well.

Senator BAYH has already introduced legislation, S. 2951, which is designed to achieve that end. That bill is now pending before the Committee on Government Operations. The amendment

which I am introducing today builds on that important initiative, but broadens it to provide that an elected official may designate a private depository in which his or her public documents can be kept.

It is my feeling that this concept of public ownership is now accepted, and the time is ripe to act. Certainly, S. 4016 would be an appropriate bill to which this important concept could be added.

Mr. President, I am not certain that I will in fact call up this amendment, or demand a vote on it. However, in the committee meeting this morning, I did reserve my right to offer such an amendment on the floor, and I wanted to have it printed in time for all Members to have an opportunity to review it.

AMENDMENT NO. 1926

At the end of the bill, add the following:

TITLE II

SEC. 1. (a) Title 44, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 39—PUBLIC DOCUMENTS OF ELECTED OFFICIALS

"Sec.
"3901. Definitions.
"3902. Public documents of elected officials.
"3903. Preservation of public documents.
"3904. Agreements limiting access to public documents.
"3905. Judicial review.

"§ 3901. Definitions

"For purposes of this chapter—

"(1) 'elected official of the United States' means the President, Vice President, Senator, and Member of (or Resident Commissioner or Delegate to) the House of Representatives, including any individual holding such office for any period by reason of appointment to such office or succession to such office; and

"(2) 'public documents' means, with respect to an elected official of the United States, the books, correspondence, documents, papers, pamphlets, models, pictures, photographs, plats, maps, films, motion pictures, sound recordings, and other objects or materials retained by an individual holding elective office under the United States and which were prepared for or originated by such individual in connection with the transaction of public business during the period when such individual held elective office and which would not have been prepared if that individual had not held such office; except that copies of public documents preserved only for convenience of reference, and stocks of publications and of public documents previously processed under this title are not included.

"§ 3902. Public documents of elected officials

"Public documents of elected officials are the property of the United States. Subject to the requirements of sections 3903 and 3904 of this title the Administrator of General Services shall obtain any objects or materials of each elected official of the United States who ceases to hold office and is no longer an elected official of the United States which the Administrator determines to be public documents within the meaning of section 3901(2) of this title, and such elected official shall transmit such documents to the Administrator. The Administrator has final authority with respect to the disposition of such documents.

"§ 3903. Preservation of public documents

"(a) The Administrator of General Services shall deposit in the National Archives of the United States the public documents of each elected official of the United States obtained under section 3902 of this title unless such official designates an alternate depository in accordance with the provisions of subsection (b) of this section.

"(b) An elected official of the United States may designate a trustee to be the depository for the public documents of such official. Such trustee may be a library, or educational, historical, or not-for-profit institution, or a State or Federal institution. The Administrator of General Services shall transmit such documents to the trustee so designated at the earliest practicable time after the date on which such trustee is designated as trustee, except that the Administrator shall not transfer any such document if such document is the subject of compulsory process in any court proceeding until such time as such proceeding has been concluded.

"(c)(1) If any public official fails to designate a trustee under the provisions of subsection (b) of this section within 180 days after such official is no longer an official of the United States, the provisions of subsection (a) of this section shall apply.

"(2) Upon transfer of the public documents of an elected official of the United States to a trustee designated under the provisions of subsection (b) of this section any request for access to any such document, including any subpena issued by any court, shall be made to such trustee. Upon a finding by the trustee that access to any such document would violate any agreement made pursuant to section 3904 of this title, the Administrator of General Services shall, at the request of such trustee, take such action as may be necessary to determine whether such request shall be granted.

"§ 3904. Agreements limiting access to public documents

"An elected official of the United States may enter into an agreement with respect to granting public access to the public documents of such official with the Administrator, or in the case of any such official who has designated a trustee under section 3903(b), may enter into an agreement with respect to public access to any such document with such trustee subject to the approval of the Administrator. In addition to any other materials required to be kept from public disclosure by law, any agreement under this section may provide for such limitations on public access to such documents as may be necessary to protect confidentiality of communications or to save embarrassment to any individual, except that no such agreement shall provide for restrictions on access for any period in excess of 25 years from the date on which such official ceases to be an official of the United States or upon his death, whichever occurs later. No such agreement shall have any effect on any subpena issued by any court for the production of any such document.

"§ 3905. Judicial review

"A decision by the Administrator of General Services that any object or material is a public document of an elected official of the United States within the meaning of section 3901(2) of this title shall be a final agency decision within the meaning of section 702 of title 5.".

(b) The table of chapters, preceding chapter 1 of such title 44, is amended by adding at the end thereof the following:

"39. Public Documents of Elected Officials ---------- 3901".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1850

At the request of Mr. ABOUREZK, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of amendment No. 1850, intended to be proposed to the bill (S. 3394), to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1861

At the request of Mr. ALLEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of amendment No. 1861, to establish the Lister Hill scholarship program, intended to be proposed to the bill (S. 3585), the Health Professions Educational Assistance Act of 1974.

ADDITIONAL STATEMENTS

A SPECIAL TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. LONG. Mr. President, I would like to pause today to pay tribute to a beloved colleague whose long record of public service to my State and our Nation has been an inspiration for all who knew him.

Today is September 24. On this day, 84 years ago, Allen Joseph Ellender was born in Montegut, Terrebonne Parish, La. As lawyer and farmer, parent and statesman, he left behind a legacy of dilligence and hard work. His accomplishments have been many, both for the people of Louisiana and for the people of our great Nation.

During his lifetime, Allen Ellender was widely recognized as a leader in the important areas of agriculture, water resources development, education, housing, and fiscal responsibility. He always fought wholeheartedly to better the lot of our farmers, to benefit the cause of our veterans, to provide more and better health facilities for our people and to insure the workingman decent hours and decent wages under safe working conditions.

Perhaps his most characteristic activity was his wide-ranging world travels, for they always demonstrated to colleagues his tremendous energy, his determination to get the facts firsthand before taking legislative action, and his passion for seeing that Federal funds were wisely spent.

Senator Ellender referred to many of the programs in which he was interested as "people programs" and I would like to list a number of these in which he played a leadership role.

Records show few men in Congress have tried to do more for needy people than Allen Ellender. He has provided leadership in obtaining better housing, wages, education, medical care, and food for the poor, disabled and aged. He has also insisted on proper administration of the programs so that tax dollars will be spent for people who need them most. Senator Ellender was:

Coauthor of the Taft-Ellender-Wagner Housing Act, once described by President Johnson as "one of the most advanced measures ever to be introduced in our Congress";

Chief sponsor of the Food Stamp Act;

Coauthor of the School Lunch Act;

Sponsor of the School Breakfast Child Nutrition program;

A leader in the expansion of the food for peace—Public Law 480—program;

Coauthor of the Hill-Burton hospital program;

Coauthor of the education finance bill of 1949, the first general aid-to-education bill to pass the Senate in over 100 years and the basis for today's Federal aid to primary and secondary schools;

A leader in expansion of the REA program to bring lights and telephones to rural families;

A leader in support of cancer research—spearheaded effort for additional $100 million;

A leader in the fight against drug abuse and alcoholism; and

A leader in helping to enact first nationwide minimum wage law.

Next, Mr. President, I would like to quote briefly several laudatory comments made by various Members of the Senate about the late Senator Ellender's outstanding record in several different fields. These tributes were made on the occasion of the Senator's 81st birthday at a time when he was chairman of the Senate Appropriations Committee and President pro tempore of the Senate.

TRIBUTES

AGRICULTURE

"His interest in conservation and environmental preservation is deep-seated. He has played a major role in the development and expansion of programs designed to conserve and protect our land, forests and water."—HERMAN TALMADGE.

". . . [Ellender has devoted himself] to legislation improving the economic condition of the farmer, assuring the consumer through war and peace of plentiful supplies of food and fiber, protecting and enhancing the soil, water, forest and recreation resources of this country, feeding and clothing the children, and improving the quality of life in rural areas."—From a resolution of the U.S. Senate Committee on Agriculture, 1971.

"It would be difficult to find an American at any point in our history who has done as much for the farmers of America as Allen Ellender has."—Sen. JAMES ALLEN.

"Principal force behind all current farm income and price protection programs, including those covering Louisiana's major commodities—sugar, cotton, rice, soybeans and dairying . . . chief proponent of soil, water and forest conservation, preservation of the rural environment, and rural community water supply programs . . . initial sponsor of rural development legislation as embodied in Resource, Conservation and Development projects . . . principal architect of food, fiber and forestry research programs . . . given Southern Agriculture "Man of the Year" award in 1971. . . ."—from AJE's campaign literature, 1972.

COMMUNITY DEVELOPMENT

"The success being demonstrated by today's economic development districts is testimony to the foresight Senator Ellender had several years ago when he personally originated this same concept of trying to build up rural economies by bringing in light industry and by providing expanded public services such as water, sewer, drainage, and waste treatment facilities."—Sen. JENNINGS RANDOLPH.

PUBLIC WORKS

"No member of Congress has made more of a contribution in the areas of the control and preservation of our water resources than has this great American. With total dedication to the welfare of all sections of the Nation, he served for 16 years as chairman of the Subcommittee on Public Works of the Committee on Appropriations; and in that position sought and obtained wise expenditure and allocation of government funds for flood control, power development, and reclamation and improvement of the nation's waterways.—Sen. STUART SYMINGTON.

"I know of no man who has done as much as Allen Ellender toward the development of the water resources of this country."—Sen. JOHN STENNIS.

ENVIRONMENT

". . . without Sen. Ellender's loyalty, hard work, and dedication to principle, no program in water pollution control would have been possible."—Sen. EDMUND MUSKIE.

"He is perhaps best known as a watcher of the public purse. His study of every appropriation has eliminated unnecessary and wasteful spending. His inspection of overseas military facilities and evaluation of foreign aid programs running above $100 billion have saved this country billions of dollars and retarded the erosion of the value of the dollar."—Sen. JAMES EASTLAND.

"He still believes in work. He still believes in getting full value for a dollar."—Sen. GEORGE AIKEN.

"Although Sen. Ellender is careful how a dollar is spent, he has the vision to spend when it is necessary and in the public interest."—Sen. EDMUND MUSKIE.

NATIONAL DEFENSE

In this area, Senator Ellender served as chairman of the Appropriations Subcommittee on Defense, and I would think that the best way to describe his philosophy in this most important field would be to quote from Senator Ellender himself on the subject:

I approach national defense as our primary priority. Everything we have and all of our hopes and aspirations as a nation are dependent upon our national security.

As many other Senators, including Senator Stennis and Senator Long, have also agreed, we need to study defense spending very carefully to avoid waste and to get our money's worth in combat-ready troops and in equipment.

Though our military people have generally done a good job, defense is subject to the most waste and duplication simply because it is by far the biggest, costliest, and most complicated program in our budget.

No magic level of appropriations will assure us of security—no more than any magic figure in the area of public welfare would assure that our nation's needy are properly taken care of. Each program and each weapons system must be scrutinized before we borrow additional billions to finance it.

In choosing between competing multibillion dollar weapons systems, the rules of look-before-you leap and fly-before-you-buy are absolutely essential when several billions of dollars might be wasted on a single type of missile, airplane or warship which is either not really needed or which turns out to be obsolete before it is delivered.

Finally, we must find a way that American taxpayers can stop giving European taxpayers a free ride in supporting the manpower and financial burdens of defending the free world. As a nation rapidly approaching a $500 billion national debt, we can no longer carry so great a portion of the load as we have done for almost three decades.

EDUCATION

With all his other concerns, Allen Ellender maintained a deep concern for the young people of this Nation and the quality of education that was to be available. Mr. Ellender, who had to do without some of the formal schooling that other children enjoyed, was a staunch supporter of education since his days in the Louisiana Legislature. Time and time again, he demonstrated his willingness to make bold cuts in other areas to find funds to help develop the quality of education necessary to insure that our young people would be prepared to determine the future course of this great Nation.

It is not just within the Senate that he supported education. His deep interest in our young people and his fervent belief that the contribution of these young people into the future course of the United States was of overriding importance, caused him to take a great interest in programs that carried far beyond the Senate Chamber. Such was his interest in the Close Up program, on which several other Senators will be making remarks in today's Senate proceedings.

As a founding member of the Close Up Board of Advisers, he gave as much time as his Senate duties would permit to expose youngsters around the country to government—its ideal and its realities. It is this overriding interest in the young people of this country that we sought to memorialize upon his death with the establishment of the Allen J. Ellender Fellowship Program—Public Law 92-506—in order to help perpetuate the Close Up community concept. For what better way is there to honor a great man than to cause others to do great things in the shadow of his memory.

In my own State, because of the joint support of the New Orleans public school system and the archdiocese of New Orleans over 1,500 students and teachers have shared the Close Up experience since 1972. These students and teachers represented the entire spectrum of the community. For many of them it was a tremendous awakening to the problems of the community as well as a learning experience about government.

A SPECIAL TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. JOHNSTON. Mr. President, I am pleased to join in this tribute to the late Senator Allen J. Ellender. Senator Ellender was a man of wide-ranging interests, but one program of particular concern to the late Senator deserves special mention. The program, Mr. President, is Close Up.

This unique and exciting program has been beneficial not only to the hundreds of students and teachers that it has brought from my home State, but also to thousands of participants from all across the land. Many of the students were able to participate only as a result of the Allen J. Ellender Fellowship program, established and funded by Congress in memory of the late Senator. I, too, have benefited from the Close Up program, Mr. President. It has enabled me to meet personally with its bright young participants to share ideas, concerns, and problems.

Today, when so many young people feel alienated from their Government we cannot bypass this unique and valuable approach. The Close Up concept helps to make Government a more real and living force in the lives of its participants

and strengthens the fiber of American democracy.

"CLOSE UP": A LIVING MEMORIAL TO SENATOR ALLEN J. ELLENDER

Mr. HUMPHREY. Mr. President, it is indeed a special honor for me to both recall the memory and birthday of one of the most distinguished members of this body in recent times and to have the opportunity to recount the accomplishments of the legislation that I sponsored as a memorial in his name.

Allen J. Ellender has left a great legacy to the people of this Nation. It is legacy of dedicated public service, hard work, honesty and a determined capability of getting the job done. His interest in and support of a unique and creative educational program for high school youth known as Project Close Up is one of his many contributions to our country. Let me describe the purpose and objectives of this program.

Close Up is a nonprofit, nonpartisan forum on the involvement of youth in Government. In the 3 operating years an almost unbelievable 12,000 students and teachers participated in this stimulating, human, Washington and community experience. The basic method of the program is simple: to bring a meaningful cross section of young people and their teachers to Washington to see our Government firsthand; to meet people in Government; and to see Government in action.

But the result is the important thing, and the result is a genuine understanding and appreciation of the nature of our system of government and its opportunities. Close Up introduces its student and teacher participants to the very real chances for effective and constructive involvement in the dynamics of government. And it exposes the opportunities for constructive change within the system in the best possible way: By showing government as it is, rather than by asking people to accept anyone's word for it.

I first became interested in this program a few years ago when it was conducting its initial program sessions with the assistance and guidance, the keen interest and the personal association of the late Senator Ellender. It was at that time that I became aware that this was a program that deserved special recognition, providing not only an excellent opportunity for thousands of young people to utilize Washington as an open classroom, but also a chance for them to take what they have learned here and use it in an organized way as an innovative and constructive force back in their own communities.

That Close Up accomplishes this understanding through first-hand experience is not entirely new. What makes Close Up unique is that its academic and follow-up programs are organized around cities, and metropolitan regions so that each session or class includes a cross section of young people from a single community. This enables the entire spectrum of students and teachers from the same general area to get to know each other as well as the government they are studying so that when they return home they have an opportunity to establish a network of communication which leads to a greater sense of community and country. As I said when the legislation was first introduced:

> The aspect of the program that is most intensely significant to me and I believe to the whole country, is the fact that this sense of community and feeling of camaraderie do not end on the plane trip home. The Close-Up experience moves whole communities. I personally have seen this in the creation and execution of the Minneapolis-St. Paul program which brought more than 200 Minnesotans to Washington.
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> These were not 200 students from a special place or a particular school. They came from virtually every high school—public, private, and parochial—in the community area, and just as important, they came together, to take part in the Close Up program in Washington. Upon return home, students and teachers alike formed committees to look into community problems, sent delegates to both state party conventions, and through such actions and others, began to make the Close Up spirit the spirits of the community.

My interest in young people has led me to be enthusiastic about this program, but let me tell you that even my most enthusiastic expectations for the success of the "community concept" as an educational endeavor have been surpassed. Communities grasp the Close Up spirit with enthusiasm, recognizing the vital importance today of enabling young people to build their own sense of community and country. Large and small newspapers respond with generous words of encouragement. Educational systems have developed courses in which an enrollment requirement is participation in Close Up. Mayors declare Close Up day, weeks, and months in their cities. Business, large and small, has contributed so area or community participation could be increased. It gives me a great deal of satisfaction to have been an integral part of such a unique endeavor. I know of no other program which unites business, education, local, and civil governmental forces, and a meaningful cross section of young people with such outstanding success.

The modest $500,000 yearly investment made by our Federal Government has yielded great return. As was intended, the Close Up Foundation had continued to encourage communities, businesses, and other private sources to provide additional assistance to students in need, making the Close Up program a true community effort. To this end, the Close Up Foundation has taken this Federal mandate and pursued it with the greatest of vigor, involving hundreds of large and small companies and foundations from many communities throughout the Nation. Again let me illustrate with pride my own city of Minneapolis.

In the past 3 years, more than 800 students and teachers from Minnesota schools—public, private, and parochial, have come to Washington as part of this program. In each school, students and teachers, black and white, rich and poor have worked together to make the most of this opportunity. Newspapers and business leaders joined forces to match the Ellender fellowships so that a maximum number of students were able to benefit from this opportunity. The chambers of commerce have organized and maintained followup efforts so that students and teachers who participated in Washington Close Up could share their experiences with others in the community.

The enthusiasm has been so great that the Minnesota business community has already begun to work to assure matching moneys during the coming year. The Minneapolis Chamber of Commerce has already passed a resolution supporting total community effort for Close Up. As we approach our bicentennial, it gives me great comfort to know that I can be proud to be part of a program which renews with such enthusiasm the kind of community spirit which was the foundation of this great democracy.

What is even more exciting is that this kind of enthusiasm is being generated in community after community around the country. I am proud to know that there is a way for young people to be shown effectively the strengths of our governmental system as well as its weaknesses. I can think of no more important task for this country than to meet the challenge of constructively involving our young people in their community, their State and their Government.

Mr. President, I believe it would be a great comfort for our beloved friend and teacher, Allen Ellender, to know that, even in death, he continues to be an integral force in educating thousands of people in the Government to which he devoted his life. I understand why Close Up meant so much to Senator Ellender, and why he responded when dicussing his interest in this program:

> I have seen the program accomplish its central theme of understanding through involvement and exposure. By the end of the first year of operation, 2,500 young people will have been brought to Washington for a week-long, extensive look at the governmental system that many of them had thought to be unresponsive. I think they have learned that the system is flexible and that it shall continue to do great things for America. Close Up has shown them that government is made up of people just like themselves . . . people have a sincere concern for the future of this country. The input of our young people into the future course of the United States is most important. Close up delegates now have insight into the problems and promises of American government. Their contributions in the years to come will be invaluable in maintaining what is now the best government that any nation can offer.
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> The Close Up concept differs from that of other programs in that a broad cross section of young people is brought to Washington. . . . Close up does not necessarily take the top scholars from only a few high schools. Nor do only those who can afford to pay for the trip participate in Close Up. . . . By awarding participation grants to economically disadvantaged youths and combining these students with those who can afford to pay the program tuition themselves, a unique environment for learning has been created. . . . For the first time ever, many of these students work together with students of different ethnic, religious, and economic backgrounds.

Mr. President, I ask unanimous consent that the text of two letters commending Close Up be printed in the RECORD.

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

CLEVELAND PUBLIC SCHOOLS,
Cleveland, Ohio, April 10, 1974.

Mr. STEPHEN A. JANGER,
Director, Special Programs, Close Up, Washington, D.C.

DEAR MR. JANGER: Letters and comments which I have received from students and teachers concerning their involvement in CLOSE UP have been very positive and encouraging. Cleveland participants emphasized their increased understanding of both the structure and operation of federal government. Many students commented on the value of meeting a number of their peers from various racial, economic, and cultural backgrounds. This combination of academic and human relations activities enable your program to make a unique contribution to the educational growth of young people.

Mr. Peter P. Carlin, Assistant Superintendent, Continuing Education and Special Projects, and Mr. David N. Cox, Supervisor, Division of Social Studies, stated that the quality of the program was also demonstrated in discussion groups led by members of your capable staff.

Cleveland participants were especially grateful for opportunities to have in-depth discussions with Congressmen Minshall, Stanton, Stokes, and Vanik, as well as Senators Taft and Metzenbaum. Our elected representatives were generous with their time and offered high praise for your program. This personal contact with national leaders was a highpoint in each of the three one-week seminars.

Our first follow-up activity to CLOSE UP was a report to the Cleveland Board of Education by two teacher and two student participants. Members of the Board were impressed with the recommendation that additional Cleveland students and classroom teachers be given the opportunity to participate in CLOSE UP during the 1974–75 school year.

An additional follow-up activity influenced by CLOSE UP was the "Seventh Annual Greater Cleveland Kiwanis Youth Day" which focused on the topic "People, Politics, and Politicians: How can youth help to improve the political process?" Over 1,200 pupils from high schools in Cuyahoga County met in twenty-five discussion groups led by Cleveland students, with local political leaders participating in each group as resource personnel. Many student discussion leaders had been participants in CLOSE UP.

The Cleveland Public Schools are pleased that CLOSE UP provided purposeful educational experiences for all participants, in addition to a positive program of human relations. It is hoped that mutually beneficial arrangements can be established between your organization, foundations in the Cleveland area, and school districts in Cuyahoga County in order that a Greater Cleveland CLOSE UP program can be developed during the 1974–75 school year.

Very truly yours,

PAUL W. BRIGGS,
Superintendent.

PARKWAY NORTH SENIOR HIGH SCHOOL,
Creve Coeur, Miss., April 29, 1974.

Hon. HUBERT H. HUMPHREY,
Russell Office Building,
Washington, D.C.

DEAR SIR: I participated in the "Close Up" program from Saint Louis. In November, when I first learned about the program, I was a bit skeptical because Mr. Steven Janger described the program in such glowing terms. But having participated in the program, I can say that Mr. Janger's praises of the program fell far short of the magnificent reality.

That one week of the program (March 24–31) was certainly a memorable one, with a good measure of sight-seeing involved. But to describe it as "memorable" is simply not adequate. To have seen, heard, questioned, and talked to such people as Senator Eagleton, Representatives Sullivan, Clay, and Symington, James Deakin of the Saint Louis 'Post Dispatch', Mrs. Pam Powell of the White House staff, Major Edgar Dove, and Mr. Robert Munn of the State Department, among others, made the week an exciting, informative, and in many respects, an inspiring week. I for one learned much more about government in that one week than I have ever learned in school.

All of the many distinguished persons that talked to our "Close Up" group were informative, interesting, and thought-provoking. But when you talked to us on Wednesday, March 27, you conveyed an enthusiasm and an optimism that no one else was able to match. More than anyone else during our week in Washington, you gave us a sense of the future that government must properly concern itself with. You conveyed to us the vitality and the human concern which government ought to have if the human problems of America are to be solved. And more than anyone else, you seemed to say that those problems could be solved. Thank you for taking time out of a very busy schedule to talk to us. I hope that you will continue to have a powerful influence on the Democratic Party and on the government for many years to come—we need you and others who have hearts as big as yours.

I would also like to thank you for the support which you have given to the "Close Up" program; I believe that it is an excellent one. The bringing together of a diverse group of students from the same city was certainly a valuable experience in itself. It is a program which deserves all the support that you have given it in the past and that you hopefully will continue to give to it. I hope and trust that the program and its funding will be continued and expanded.

Sincerely,

RICHARD M. BLAHA.

A TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. PASTORE. Mr. President, this was the first year that Rhode Island students participated in the Close Up program but I certainly hope it will not be the last. From all reports that have reached me, Close Up provided an exciting, thought-provoking educational involvement for 400 Rhode Islanders with their government.

I met with the students when they came to Washington and I cannot remember when I more thoroughly enjoyed meeting with a group of my fellow Rhode Islanders. It was refreshing and a genuine pleasure to share ideas with these enthusiastic, engaging and very bright youngsters. Their questions of me were stimulating, thoughtful and incisive. It is my understanding that the youngsters engaged in similar provocative and interesting dialogue whenever they met with government leaders during their week in Washington. This is the kind of experience, if well-managed, that can make politics and government intimate and real—an important consideration today when Government grows ever bigger, ever more impersonal and ever more distant from our people.

Allen Ellender was a close and dear friend of mine. Senator Ellender was a strong and active congressional supporter of Close Up from the very early days of the program. His continued, dynamic leadership on behalf of Close Up until his death helped make possible the program we see today. His efforts helped make it possible for 400 young Rhode Islanders to get a closer look at their government.

I am honored to pay tribute to the memory of Senator Ellender and I commend Close Up as an outstanding program.

I ask that the following editorial and two letters praising the Close Up program written by Rhode Island educational officials be printed in the RECORD; an editorial by Fred G. Burke, then State commissioner of education; a letter to the Close Up Foundaiton from Charles M. Tampie, assistant to the commissioner; and a letter to Close Up from Paul Picozzi, chariman of the social studies department of Toll Gate High School in Warwick.

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

EDITORIAL

(By Fred G. Burke)

I recently enjoyed the opportunity to speak with 400 Rhode Island students and teachers in Washington engaged in an educational program called Close Up. The program was designed with the assistance of the state Department of Education to give a significant number of our students the opportunity to learn about the functioning of our government through a series of meetings and seminars with key government leaders. We were fortunate to secure almost 200 fully paid fellowships to allow a broad cross section of Rhode Island students to participate.

In this time of pervasive cynicism and distrust in public life, it was refreshing to see that so many young people still believe in the possibilities for making this system of government work. I would say, in fact, that America's best hope in these difficult times lies in the dreams and promise of our youth.

One of the most gratifying things about this business of education is the opportunity for self-renewal through working with the young. It is my deep feeling that, as parents, teachers and administrators, we have not yet learned how best to utilize this great resource. The ideas, optimism and perspective of the young are badly needed to help solve this state's and this nation's problems. The challenge lies with us to develop the mechanisms to allow students to voice their concerns in a responsible manner.

At all levels in education I see an increased willingness to listen as well as to teach. At Cranston High School West, I recently met with the principal, Joseph Coccia, and learned of his program of senior class breakfasts. He periodically meets with small groups of seniors to learn of their views and concerns. Similar efforts at increasing student involvement are occurring in many schools and colleges throughout the state. My own Youth Advisory Council represents an effort at learning directly of the views and concerns of our state's students.

There are, I'm sure, many other methods of ensuring that the students' perspective will be aired. While I am quick to recognize the challenge to authorities and adults, I also recognize that young people also have a responsibility to ensure that their voice is not overlooked. What is necessary is that all of us make a conscientious effort—with considerable patience and trust—to discover ways in which we can best work together.

I have stated on other occasions that it is no longer possible to plan FOR people; one

must plan WITH them. In this rapidly changing world, conditions simply alter too quickly to plan intelligently without consideration for those who will be affected by one's plans. In the last several decades, most noticeably, the value structure and beliefs of each succeeding generation are radically different. This is, I'm certain, a natural consequence of the rapidity of social change. As a result, one cannot plan for young people without taking great pains to learn who they are and what they want out of life.

I am encouraged to see that more and more people are becoming aware of this, and are demonstrating a willingness to work with our young people. A commitment to the process of education is fundamentally a commitment to youth.

TOLL GATE HIGH SCHOOL,
Warwick, R.I., May 3, 1974.

Mr. STEVEN JANGER,
Director of Special Programs, Close-Up Foundation, Washington, D.C.

DEAR MR. JANGER: I really don't know where to begin, and what words to use in describing my week's experience in Washington, as a participant in the Close-Up Program.

Perhaps the first thing to be said is "Thank you," to you, and your staff. It was without question that most exciting and rewarding educational program I have ever been involved with in my 20 years as an educator. The students well speak for themselves, but for myself, I have not really been able to describe in words to my colleagues here, just what this program meant to me, and my student participants. I simply hand over the red binder containing the reading material and the daily schedules, and say, "Read it first, then I'll explain!" Word has already travelled fast around Toll Gate High on the merits of the program. I only hope its not a belated effort. Already there are plans under way, by student and teacher participants, to encourage support of Close-Up on both statewide and local basis.

The value of the program can be explained in so many different ways, and yet each way probably would not do it justice. Yet I would say, as I did on our train ride back, and since I've been home that the most outstanding aspects of the Program as I see them were:

1. Its thoroughly competent staff, who are not only very knowledgeable about the objectives and goals of the Program, but seem to be totally committed to working with youth.

2. Its highly organized and intensive nature; well directed and implemented activities.

3. Its respect and support in Washington among those involved in all aspects of the political scene.

With the constraint of space and time, I find that I should draw this letter to a close. I do so however, in the hope that the participants from Rhode Island will be able to get together in the future with you and your staff, to show our own kind of hospitality and appreciation.

Thank you again for a most enriching experience.

Sincerely,

PAUL A. PICOZZI,
Chairman, Social Studies Department.

DEPARTMENT OF EDUCATION,
Providence, R.I., Apr. 30, 1974.

Mr. STEPHEN A. JANGER,
Director of Special Programs, Close Up Foundation, Washington, D.C.

DEAR STEVE: I will be writing a number of letters to you in the weeks ahead on various aspects of the Close Up Program, which I hope will be helpful to you in the continuation of your work.

This, however, is not one of those letters. Rather, I want to take a moment to express some personal thoughts.

First, Steve, I would like you to know that I have regarded my work with you over the last few months as a real privilege. I believe you are one of a handful of great educational innovators in this country today. While everyone comments on the competence of your staff, their success is due in no small measure by the example which you provide. Your obvious dedication and commitment is an inspiration. I am continually impressed by your concern—not for the organization which you run—but for young people. In this age of bureaucracy and institutionalization, it is encouraging to me that you have managed to keep intact the high ideals which you have set for yourself and the Close Up Program.

My own gratitude for what you have done for me during this most significant week means little, what is important is that 400 people from Rhode Island, and thousands throughout the country, have realized what a real turn-on good education can be. If I could speak for them, I would say they are forever in your debt. Perhaps the truest indication of this gratitude will be their increased involvement in the decision making processes which affect us all. I can promise you that as a result of this experience, they will be more involved.

My only regret about this whole experience is that I have not been able to do more to make Close Up a success in Rhode Island. Let me assure you at this point that you have my commitment to do everything I can to strengthen Rhode Island's Close Up program. Further, do not hesitate to contact me if there is anything I can do by virtue of my position to assist the Close Up program in general.

In the show that we saw in Washington, "Don't Bother Me, I Can't Cope", there is a moving song called "Do a Little Living For Peace". Living for peace is as complex as it is difficult. I feel that you and the Close Up staff are about this country's real business—doing a little living for peace.

Sincerely,

CHARLES M. TAMPIO,
Assistant to the Commissioner.

THE LATE SENATOR ALLEN J. ELLENDER

Mr. TALMADGE. Mr. President, I am pleased that we are taking a moment today to honor our former colleague and friend on his birthday. The late Senator Allen J. Ellender had an outstanding career of service to the State of Louisiana and the Nation for almost half a century.

This birthday rememberance will serve to remind us not only of his spirit and warmth but also of his many important accomplishments and concerns. One area of special interest to him was the education and welfare of young people.

A memorial fellowship program enacted by this Congress 2 years ago and named for Allen Ellender was designed to help those student whom he loved so much. Almost 2,500 students and teachers from my home State of Georgia have participated in the week-long political program conducted by the Close Up organization. One-third of that number were low-income students and their teacher who have been able to participate only as a result of the Allen J. Ellender fellowship.

The Georgia Close Up program has brought together students from the city, the suburbs and the farm; black students and white. Students from public, private, and parochial schools, and students from every economic and social situation have come together as a group to learn, not only about their government, but also about each other. Close Up provides an opportunity for business to join forces with our educators in the development of a unified spirit unequaled in the community's history.

The program has also had a maximum impact on the quality of government education in Georgia. Gwinnett County has established a course in contemporary political science which includes participation in the Close Up program. In Cobb County, some 250 students were part of a specially designed course, the culmination of which was their participation in the Close Up program. One Atlanta high school has added a special American studies course as a result of the Close Up experience. Plans are being made by a large metropolitan educational agency to do a 3-day program modeled after Close Up to study the State government.

Allen Ellender would be pleased to know that so many young people have come to understand more fully the workings of their government by participating in a program in which he so strongly believed. He would be pleased that the congressionally supported fellowships which bear his name have helped to bring thousands of young people to Washington with the Close Up program.

I ask unanimous consent that a proclamation by the State of Georgia and the following letters from Georgia students, teachers, and other friends of Close Up, be printed in the RECORD at the conclusion of my remarks as a further tribute to the dedication of Allen J. Ellender.

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

THE STATE OF GEORGIA

PROCLAMATION: CLOSE UP MONTH

By the Governor:

Whereas: Close Up, a nonpartisan, nonprofit forum for the involvement of youth, has again chosen the high schools in the greater metropolitan Atlanta area to participate in a five-week program of educational experience in Washington, D.C.; and

Whereas: Some one thousand students and teachers from this area will have the opportunity of a week's visit in their nation's capital to attend seminars, meet their Congressmen and Senators and engage in dialogue with those who govern; and

Whereas: This program stimulates young people to become more involved and knowledgeable in the area of positive goals within our government; and

Whereas: This program is beneficial to the youth of our State, aiding their intellectual growth and encouraging creative participation in government; now

Therefore: I, Jimmy Carter, Governor of the State of Georgia, do hereby proclaim the month of April, 1973, as "Close Up Month" in Georgia, and urge all our citizens to recognize the benefits of this commendable effort.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed. This 30th day of, March, 1973.

JIMMY CARTER,
Governor

CAMPBELL HIGH SCHOOL,
Smyrna, Ga., April 30, 1974.

CLOSE-UP,
Washington, D.C.

DEAR CLOSE-UP: I can really not begin to tell you how wonderful the program is. It is hard to believe that one week could be so

exciting, so stimulating, so exhausting and so exhilarating. You seem to have recaptured the magic of learning that the public schools have long ago lost. I know that the experience must become an everyday thing to you, but I hope that the tremendous excitement for learning you inspire in students is the spark that keeps you going for quite some time.

One of the greatest things the students learn is that their government truly belongs to them; that citizen democracy is not a myth but a very real and human thing. Social Studies teachers have been telling students that for years, but Close-Up shows them.

Another thing they learn is that there are all kinds of different people in this country with all kinds of different viewpoints, but each person has the same right to hold and express his views as each other person. Students particularly pick up this latter idea in their workshops. They also see it in the variety of opinions offered by the variety of speakers and particularly in the seminar with the representatives of the Republican National Committee and the Democratic National Committee.

I wish that all teachers who have the good fortune to participate in the program could be as enthusiastic as I am. It has been so exciting to me to be with people who seem to be dedicated first of all to the students and the development of their minds. I have been only too pleased to have the luck to set up and work out a course to try to make the Close-Up experience more than just a week fling. I cannot give you too much praise; without Close-Up, I never would have bothered with a course.

To the staff I particularly want to say thank you for caring. Teachers and parents, I think, tend to forget how alienated adolescents can become from adults, but you are adults who take the time to bridge the so-called gap. I only wish you could see and feel the gratitude the students continue to have for you because you have made an effort to care about them and what they have to say.

I extend to you all truly my deepest gratitude and appreciation.

Sincerely,

BETSY JOHNSON.

DRUID HILLS HIGH SCHOOL,
Atlanta, Ga., August 23, 1974.

Mr. STEVE JANGER,
Close-Up,
Washington, D.C.

DEAR STEVE: You were interested in the fund established at Druid Hills in memory of Costa Campbell, one of the 1974 participants in Close-Up, who was killed on June 23. The fund is the Costa Campbell Close-Up Fund to send senior students on partial scholarships to Close-Up. The family wishes this because Costa had received aid this year from people here at school. The program had meant so very much to him and the family recognized this, thus hoping to make more students have the opportunity for the beautiful experience in Washington.

You can, along with your staff, take great honor in the effects *Close-Up* has on young men and women. If you wish to write his parents their address is Mr. and Mrs. William L. Campbell, 1200 University Drive, Atlanta, Georgia 30306. My best wishes to each of you.

Sincerely,

ROBERT MORGAN.

GWINNETT COUNTY SCHOOLS,
Lawrenceville, Ga., May 30, 1974.

Hon. SAM NUNN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NUNN: The Gwinnett County School System is most fortunate to have had the opportunity for its high school students to participate in the "Close-Up" program. This year 118 students from our seven high schools participated in this on-going contemporary governmental experience.

As you well known, the American Governmental system is a very complicated system to study and understand. The experiences that our students went through in the Close Up Program are certain to make them more aware of the processes involved in making our great nation function effectively. They certainly will have a better "Political Self Concept" than others who have not had the privilege of attendance at Close Up.

Gwinnett County students have been involved for three years and the program has become an integral part of curriculum in that *"Contemporary Political Science"* is one of the most popular academic courses. This course is preparation for, participation in, and evaluation of the Close Up experience. All students who participate receive five quarter hours of credit.

Knowing that you are vitally interested in providing quality education, it is appropriate that we relate to you our endorsement of this exemplary educational program. Your continued support of Close Up is gratefully acknowledged.

Yours truly,

J. W. BENEFIELD, Jr.,
Superintendent.

METROPOLITAN COOPERATIVE
EDUCATIONAL SERVICE AGENCY,
Atlanta, Ga., May 28, 1974.

Mr. STEPHEN A. JANGER,
Director of Special Programs, Close Up,
Washington, D.C.

DEAR STEVE: As this current program year ends, I am impressed with the accomplishments effected in the short two calendar years of our association with you, Margy, and Close Up. We are grateful for the experiences that have been available to metro Atlanta youth and thir teachers through the Close Up program—experiences that would not have been there had it not been for you and Close Up.

Writing from this point in time, it is apparent that some 2,600 kids and teachers have participated in three springtime study trips to Washington. With that kind of participation, I feel we must be having a significant impact both in the sense of developing more informed future adults and in the immediate impact on increasing the sense of community. The cross-section we have been able to put together representing urban, suburban and rural families has to be a valuable social and intellectual happening. The Close Up Foundation's support in excess of $200,000 has certainly been instrumental in this impressive undertaking.

Although we had fewer grants per school this year, it is encouraging to note that some 1,083 students and teachers participated in five weeks of Close Up programs in April of 1974. Other encouraging signs include the establishment of credit courses in the Cobb County school system, giving of credit for participation in the Gwinnett County Schools, and the Atlanta Public Schools are studying the procedures for instituting courses and/or credit. Support from the school superintendents in metro Atlanta continues to be strong.

It has been good to see the enthusiastic roles accepted by our Georgia delegation as they participate in Close Up seminars. I have personally been in sessions with Senator Talmadge, Representative Young, and Representative Landrum. Students and teachers comment frequently on their appreciation of the opportunity to hear from and talk with their own political leaders.

Let me end by saying that it has been most beneficial for M-CESA to participate with you and Close Up during these developmental years. I hope we can continue to work together in mutually beneficial ways. Our kids and teachers are already at work in preparation for "next year with Close Up."

Kindest regards,

ERNEST L. BENTLEY, Jr.
Director.

WEST GEORGIA COLLEGE,
Carrollton, Ga., April 8, 1974.

CLOSE-UP WASHINGTON,
Sheraton Park Hotel,
Washington, D.C.

DEAR CLOSE-UP WASHINGTON STAFF: I have just returned from a delightful, educational experience of a week with you at Close-Up Washington. Each part of the experiences of the week—the personal interaction with those knowledgeable of the various aspects of our national government, the experience of seeing the varied aspects of Washington, and the contact with the staff of Close-Up Washington—were all memorable experiences. Thank you for making this possible!

As one who works in the area of teacher education with the great majority of my work being with an inservice program for social studies teachers, I evaluated the program of Close-Up Washington both on its effects upon the students who participated in the program and the teachers who attended with the students. Certainly each student who participates in the program returns home being a more informed person and one who will more actively participate in many phases of political life.

A major importance of the effect of Close-Up Washington, which might be overlooked, is the impact that it has upon those teachers who participate. I believe that this aspect of the program could greatly enhance our citizens' knowledge of and participation in government. The teacher who participates in the program definitely must be a better teacher when he/she returns to his/her classroom. This will affect the education of many students. Although it is good for the program to have teachers return for the second year and participate in Close-Up Washington, there are so many teachers who desperately need to have the initial participation experience that I personally would discourage second-year participation by teachers in order that as many teachers as possible might benefit from your program.

I enthusiastically support the Close-Up Washington program and believe that we would have a far more politically aware citizenry if more students *and teachers* could participate in the program.

Sincerely,

J. HUGH MCTEER,
Professor of Education.

THE ANNIVERSARY OF THE LATE SENATOR ALLEN J. ELLENDER'S BIRTH

Mr. BROOKE. Mr. President, in keeping with the spirit of this occasion, it is my pleasure to honor the great contributions of Senator A. J. Ellender through support of the Close Up program in which he was so deeply involved.

This year, for the first time the Greater Boston community had the opportunity to benefit from the Close Up experience. Although many in the Boston area were skeptical about the impact that such a program could have on their young people, the positive results were overwhelming. Among the 331 participants representing 74 schools, a new and fresh appreciation for the importance of political involvement was instilled. Further, as a result of the Close Up experience in Washington, the Greater Boston Regional Educational Center is attempting

to set up a local program, modeled after Close Up, to encourage such enthusiasm and participation in Massachusetts State government. I can think of no finer expression of gratitude to Senator Ellender for his fine service than this example of youth involvement manifests.

CHROME AND COMMONSENSE

Mr. THURMOND. Mr. President, a sensible column entitled "Chrome and Commonsense," by James J. Kilpatrick, appeared in the September 20, 1974 issue of the Washington-Star News.

In this editorial Mr. Kilpatrick makes a strong argument against changing the Byrd amendment which establishes policy on U.S. purchase of chrome.

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

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

[From the Washington Star-News, Sept. 20, 1974]

CHROME AND COMMONSENSE

(By James J. Kilpatrick)

HOT SPRINGS, VA.—Eighty top executives of North American steel companies met here last week to talk about industry problems. What they talked about, among other things, was chrome—Rhodesian chrome.

The steel men, meeting under auspices of the American Iron and Steel Institute, see the issue in wholly practical terms. Chrome is an indispensable element in the making of stainless steel. So long as Rhodesian ferrochrome remains available, mounting domestic needs can be met. Without the Rhodesian chrome, the supply of stainless steel will move swiftly from critical to desperate.

By way of background: In 1966, in an act of hypocrisy, futility and folly, the United Nations undertook to impose economic sanctions on Rhodesia. The idea was to bring the breakaway government in Salisbury to its knees. The United States honored the sanctions. No other important nation did. Rhodesia declined to be brought to her knees.

In 1971, Virginia's Sen. Harry F. Byrd took the lead in restoring some sanity to a lunatic condition. Congress approved the "Byrd Amendment," which had the effect of permitting the renewed importation of Rhodesian chrome.

Meanwhile, the price of chrome ore from the Soviet Union had been soaring. The Japanese were profiting from the export of stainless steel sheet (made from Rhodesian ferrochrome imported in covert defiance of the sanctions). The American ferrochrome industry was languishing.

By early 1972, when the Byrd Amendment opened the closed doors, several things had happened. With Japanese engineering and Italian equipment, the industrious Rhodesians had built the finest ferrochrome processing plant in the world, squarely atop their tremendous fields of chrome ore. They were shipping ferrochrome throughout the world.

The United States steel industry swiftly became a customer. In 1973, the United States imported 155,000 tons of ferrochrome; at least 105,000 tons came directly or indirectly from Rhodesia.

Where are we now? The Senate incomprehensibly, voted last December to repeal the Byrd Amendment. In July the House Foreign Affairs Committee voted 25-9 to approve the repeal. House sponsors admit privately that they do not now have the votes in sight to win passage on the floor. Without some vigorous arm-twisting from President Ford, they cannot get the votes. Temporarily, the bill languishes.

Ford, who voted in favor of the Byrd Amendment when he was a Michigan congressman three years ago, has given lip service, but no more, to the repeal measure. There the matter stands.

What does all this mean to consumers? The new catalytic converters to control automobile emissions demand stainless steel. Once these converters become standard equipment, domestic requirements for ferrochrome will increase from 470,000 to 525,000 tons annually.

If the Byrd Amendment is repealed, our domestic production capacity will drop from 240,000 to 200,000 tons. Somehow, at exorbitant price, 325,000 tons of ferrochrome (or its sheet equivalent) will have to be imported. And this is the sharp-edge irony: One way or another, it will still be Rhodesian chrome, shipped and transshipped through world markets.

American consumers will pay an extra $40 million a year; and the Soviets and the Japanese will laugh all the way to the bank.

There are other ironies, of course. Repeal of the Byrd Amedment would make the anti-Communist United States more dependent for a strategic material upon Communist Russia. Repeal would place the United States, which cried out in principle against an Arab embargo on oil, in favor of a U.N. embargo on Rhodesian chrome. Repeal would be seen by African nations in the U.N. as a mere sop, and these nations would continue to insult and to oppose the United States in any event.

By killing the Senate bill, the House could strike a blow for chrome, consumers and common sense. It's a blow worth striking.

IS OUR FREEDOM FISCALLY SECURE?

Mr. STENNIS. Mr. President, recently I received a letter from a good personal friend, Mr. J. O. Emmerich, publisher of the Enterprise-Journal in McComb, Miss. With the letter was a copy of an editorial from that newspaper entitled, "Is Our Freedom Fiscally Secure?"

Mr. Emmerich asks a very penetrating question in the title of that editorial, and he makes his point very convincingly. He joins with the rest of us in pride that our Constitution has stood up so well under severe tests, and the Founding Fathers had such a profound insight into the necessity for protecting personal and political freedoms, and the means to accomplish this end.

He points out, however, that the circumstances under which our freedoms were challenged, in those early days, were vastly different than in the world today. He proceeds to the very logical conclusion that our freedoms can be lost through irresponsible fiscal policies, as well as through neglect of constitutional law, and that this is the threat that faces the Nation today.

This is a very thoughtful editorial, and I commend it to the attention of my colleagues in the Senate, to others in Government, and to the public. I ask unanimous consent that it be printed in the RECORD at this point, preceded by the letter to me from Mr. Emmerich.

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

ENTERPRISE-JOURNAL,
McComb, Miss., September 6, 1974.

Senator JOHN STENNIS,
Senate Office Building,
Washington, D.C.

DEAR JOHN: I am sure that you are interested in receiving the opinions of your supporters. Accordingly, I am enclosing an editorial we recently published.

The big test in the U.S. today is not the strain on its legal structure, important as this is. The threat to our nation is in the area of the fiscal affairs of our country. We can lose our freedoms through mismanagement of the financial structure of our government.

Please do not think of me as being a far-out reactionary. I recognize the need of the many programs we advance and I accept my personal responsibility for the general governmental fiscal irresponsibility which exists because it is the people who make demands upon our representatives in Washington.

May I be one to encourage you to lower the federal budget, cut down on government spending and help free our country from the threat of spiraling inflation?

With personal regards, I am

Sincerely your friend,

J. O. EMMERICH.

IS OUR FREEDOM FISCALLY SECURE?

Recently Sen. John Stennis, commenting on the rigid test resulting from a change in administrations said, "Our Constitution works."

The constitutional framework of our nation has withstood many tests. The nation even went to war to uphold it when 11 of the states made the effort to secede. In the past most of the tests have centered around the legal foundation of our nation. So we can say that the legal structure of the United States has repeatedly evinced strength and security. Yes, the Constitution works.

But the great test of America is not one of legal concepts. The significant test of our nation today evolves around the fiscal strength of our government.

We are not now confronted with legal irresponsibility. But we are involved with the problems of fiscal irresponsibility.

Sen. Stennis said, "Our Constitution works." But can Sen. Stennis with conviction say—or any U.S. senator for that matter—say, "Our fiscal structure works?"

Our early forebears understood the ways of dictatorship. They knew how personal and political freedom could erode. So they were able to write into the Constitution the principles by which freedom could be perpetuated.

But when our Constitution was written this nation was young—and surrounded by tremendous potential wealth. Our raw materials were seemingly unlimited. And a period in history developed by which three significant things happened which gave impetus to this growing wealth. First Eli Whitney invented the cotton gin. Second, Great Britain was able to apply the steam engine to sophisticated textile machinery. Third, the vast raw lands of the South were suitable to expand the growth of cotton to meet this historically unprecedented opportunity to clothe the world. All three of these factors came almost instantaneously. Thus the young United States was able to develop a balance of payments which became the basis of a rich new country which quickly became financially strong and startled the world.

Early patriots were confronted with the challenge of freedom. But early patriots were not equally confronted with the challenge of fiscal responsibility. So a new nation grew quickly and became so strong and so wealthy that the effects of fiscal irresponsibility could not be measured in just one

generation, or two or even three. Leadership has continued to speak of the glory of freedom and the security of our Constitution while the basic threat to the freedom of our people—the results of fiscal irresponsibility—has gone unnoticed by people generally.

Today our government owes 500,000 million dollars. And our patriots continue to talk about protecting constitutional freedom while seemingly forgetting or ignoring the fact that freedom can be lost through debt as well as through the neglect of constitutional law.

Sen. Stennis can truthfully say, "Our Constitution works." But can he with equal conviction say, "Our government is fiscally secure?" And freedom, we must know, is not secure unless both of these questions can be answered affirmatively.

THE CITY OF BROTHERLY LOVE

Mr. HUGH SCOTT. Mr. President, Ellen Karasik, a staff writer for the Philadelphia Inquirer, used a handful of wry to poke fun at our mutual city of Philadelphia the other day. Her September 22 story was published under the headline: "When Will U.S. Stop Laughing at Philadelphia?"

I would like to insert this article in the RECORD, because I believe such skulduggery merits the attention of my colleagues who call home those places pallid by comparison to the City of Brotherly Love.

"I'll take Philadelphia every time"—and I say that, Mr. President, as one who has shopped leisurely in New York City on December 23, and basked in the balmy lake breezes of a February morning in Chicago, and enjoyed a relaxing drive along the Los Angeles Freeway, and vacationed in the Miami rain, and missed the cable car in San Francisco, and found sand in my quahogs in Boston, and visited Seattle on a sunny day, and had the extreme delight of watching the Philadelphia Eagles, playing on home ground, soundly trounce the Dallas Cowboys last night before a nationwide television audience of millions.

Mr. President, "I'll take Philadelphia every time."

Mr. President, I ask unanimous consent that the article referred to above 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, Sept. 22, 1974]

WHEN WILL UNITED STATES STOP LAUGHING AT PHILADELPHIA?

"I went to Philadelphia last night, but it was closed."—an old Philadelphia joke.

(By Ellen Karasik)

Bob Garver of Los Angeles has been in the travel agency business for 15 years, but nothing in his professional experience prepared him for this one.

"Philadelphia?" Sounding almost incredulous, he told the caller, "I've never had anyone specifically ask to go to Philadelphia."

Philadelphia? "Well," said a woman at the Rand Fields Travel Agency in Beverly Hills, Calif. A long pause. "There's nothing that great I can tell you. . . . It's not one of your better places for night life. There's not much to see within the city . . . About the only major interest outside is Amish country—but that's it."

Could I spend a week there and not go out of my mind?" asks the caller. Pause. "No," answers the travel agent in Beverly Hills.

Philadelphia.

"We're still suffering from image problems," said Gary Grossman, director of development for the Philadelphia Jaycees. "Our problem was that we had (W. C.) Fields, the best P.R. guy of all. If he had made jokes about Paducah instead of Philadelphia, that's the city everyone would laugh about."

"Philadelphia is a great place to bring up your grandparents."—a new Philadelphia joke.

Vaudeville and most vaudevillians are dead now, but when it comes to Philadelphia, they certainly had the last laugh. Although Philadelphia has gone through a massive rejuveation that, according to its partisans, has made it one of America's most lively and lovely cities, it is still chiefly thought of elsewhere as that place where they roll up the sidewalks at night.

Despite a renovated and restored center city, riddled with interesting shops, new restaurants and restored townhouses, despite the orchestra, Independence Hall and the Flyers, despite everything that has happened to this town in the past 10 years, the ghost of W. C. Fields still haunts the much-maligned place of his birth. To this day, the mention of the word Philadelphia in places like New York or Chicago, Los Angeles or Atlanta, Boston or Denver, Washington or San Francisco, is sure to prompt snickers, snide remarks or, worse, yawns.

"The reason the myth is perpetrated is that Philadelphia, until recently, hasn't been much of a town for a salesman . . . pleasures are private—or they have been in the past. I think strangers walking in were inclined to think it was kind of sad and dull."—Nathaniel Burt, author of "The Perennial Philadelphian."

If you believe Abe Rosen, a former city representative and president of the convention and tourist bureau, much of the problem started not with W. C. Fields but with the city's water taps, of all things.

"We had one of the worst water purification systems anywhere in the early 1900s," he said. "The vaudevillians would be told to bring bottled water if they were coming to Philadelphia. That's how the water came to be known as Schuylkill punch and people would wisecrack that you cut the water with a knife.

"Also the fact that we had blue laws and everything would be closed on Sundays never went over too well with the vaudeville troupes. They were the ones that called Philadelphia a cemetery with lights. Since vaudeville was the most popular entertainment, the jokes traveled and spread across the country."

"I always felt like a farmer in New York . . . I was afraid I'd get on the subway and end up in Kansas . . . I worked in Washington once for 12 weeks, and concluded it was a one industry town. Philadelphia? I love it."—Debra Weiner, assistant dean of Temple University Law School, and native Bostonian.

It is unfortunate that some of the long-dead vaudevillians cannot be resurrected long enough to take them on a tour of Philadelphia, 1974. Among the things that could be pointed out to some old second bananas are:

The fact that $44 million of private money has been spent on downtown construction and renovation over the past five years.

The fact that 53 new restaurants have opened in center city alone in the past two years and more more are planned almost each week.

The fact that 43 legitimate theater shows played a cumulative total of 102 weeks in the 1973–74 theater season, compared with three shows playing 28 weeks three years ago.

The fact, in short, that Philadelphia, sleepy, dreary old Philadelphia, is all of a sudden a lively night in town and thriving commercial center.

"People talk about exciting Atlanta," said a spokesman for the Philadelphia Industrial Development Corp. "We have more new office space, both private and government . . . Philadelphia has proven economically that it can work." Unfortunately, the spokesman said, "The message that Philadelphia has proven economically that it had not gotten around to the people."

Theories abound as to why Philadelphia remains the butt of everybody's jokes, W. C. Fields and foul-tasting water aside.

Part of it no doubt has to do with the ultra conservatism of the Quakers, the city's founding fathers. Part of it may have to do with a poorly run Sesquicentennial celebration in the city in 1926, combined with a tragicomic mudslide the same year that made the city a target of national horselaughs for a while.

And part of it, clearly, has to do with the fact that even as recently as 10 to 15 years ago, this was a dead town. Comic David Brenner left Philadelphia in 1966, and he remembers it the way it was then. He remembers it so well, in fact, that his standard stage routine is laced with classically Philadelphia oneliners.

"Philadelphia is open 24 hours a week."

"Any Philadelphians in the audience tonight? Yeah? What are you folks doing up so late?"

"Last time I was in Philadelphia, there was a blackout. No one noticed it for three days."—David Brenner, going over big in Miami and Las Vegas and Hollywood.

There is a shortage of theories concerning what the city can do, beyond putting out contracts on guys like David Brenner, to rid itself of its albatross. Part of the reason for that appears to be that many Philadelphians themselves actively or passively contribute to the problem.

Thacher Longstreth, president of the Philadelphia Chamber of Commerce, divides badmouthing Philadelphians into two categories—the ones who never left the city and have nothing to compare it with, and the ones who really like the city, but refuse to tell anyone because they fear it might ruin a good thing.

E. Digby Baltzell, University of Pennsylvania sociologist and Philadelphia historian, sadly concurs. Philadelphians, he said, seldom boost their city.

"Ben Franklin was our greatest booster and we're not even that proud of him," he said. "It bothers me because I love the city. It's the most humane, convenient city in the United States. We have never put up a good front to outsiders, perhaps because we were too content with our lives. It seems we never fought to be better than No. 2."

Burt, the perennial Philadelphian, said, "The crux of the matter is the comparison with New York. All Philadelphians disdain New York and all New Yorkers disdain Philadelphia. That's where all the jokes are made."

The Jaycees' Grossman opts for an ironic partial explanation. "Philadelphia is a city of homes and neighborhoods and that's what makes it a livable, pleasant city. But everyone was so proud of their area, they considered themselves residents of Kensington or Society Hill, rather than thinking of themselves as Philadelphians.

"For a long time, few people had reason to or cared to travel from their area and that's why they had no idea of what this city had to offer."

What to do?

There was the Greater Philadelphia Movement, which proclaimed on billboards throughout the city that, "Philadelphia Isn't as Bad as Philadelphians Say it Is." But there was not enough money to follow up with a campaign telling people how good Philadelphia is. And the billboards' negativism left a bad taste.

Another program, called Campus Philadelphia, is aimed to attracting local students to Philadelphia colleges.

"We have our share of local students, but what we are missing is the quality student who will ignore the 13 major colleges right in their home town to go elsewhere," says Joseph Morelli, president of the group composed of area college representatives.

"We often find students apologizing for being from Philadelphia or enrolling in school here," Morelli said. "There's an attitude that there's nothing to do here or there's an attitude of fear."

A Pro-Philadelphian Program, recently started by the Jaycees, is attempting to create "an esprit de corps and a feeling of pride and community among Philadelphians."

And if Philadelphia is not a thoroughly modern city, so what? Dan Rottenberg of Philadelphia Magazine thinks we should give thanks for the "ineptitude" of Philadelphia's leaders.

"It all seemed like something to be terribly ashamed of," he wrote, "until a year or two ago. Now, suddenly, all those superhighways in Dallas look strangely redundant. Los Angeles with its total reliance on automobile transportation, appears a good deal less farsighted than Philadelphia. And who needs another White Elephant like the New York World's Fair?

Thanks to the city fathers' program of doing a little or nothing in the past, Rottenberg said, "Philadelphia as it is now constituted is just about right for the future."

"The minute I said I was coming to Philadelphia, everybody started tellin' me every W. C. Fields joke ever coined . . . But as it turns out, it's one of the most swingin' downtowns in the United States."—a world traveler and former New Yorker who now lives here.

Once people come to Philadelphia, there seems to be a good likelihood that they will enjoy it. But getting them to come in the first place is the hard part, as Grossman of the Jaycees will testify.

"A British firm wanted to locate in the United States," he recalled recently, "and when we heard about it, we learned that they didn't even put Philadelphia on their list of options.

"We sent representatives over to England and convinced them that all they heard about Philadelphia wasn't true and if they'd just come and see the city, they could tell for themselves.

"They put us on their list, but when they went to Atlanta, some people there convinced the Britishers that this was a dull place and they canceled out. We again convinced them to come.

"They reluctantly came here and after we finished showing them the city, they told us we had the best thing going in the country and we just weren't letting anyone know about it."

"I went to Boston at night and it was dead."—a new joke heard in Philadelphia.

THE ECONOMY

Mr. JOHNSTON. Mr. President, hardly a day goes by when the Senate does not focus its attention on one aspect or another of the current economic policy debate.

High interest rates, wage and price controls, export controls, fuel and food costs, fiscal restraint, anticompetitive practices—these subjects and many others concern us as individual matters.

Recently, however, I had occasion to read a comprehensive analysis of our current economic woes. This analysis was prepared by the distinguished junior Senator from Colorado, FLOYD HASKELL.

As all who serve with him can attest, Senator HASKELL is as perceptive, as energetic and as conscientious in his work as any Member of this body. I have been privileged to observe his skills at close range since both Senator HASKELL and I serve on the Committee on the Interior.

Mr. President, all Americans should have the benefit of Senator HASKELL'S views on the economic problems of the country. He has stated these views with his usual forthrightness, and has succeeded in stripping away much of the jargon that confuses discussion of the critical issues facing us.

I commend the Senator from Colorado for undertaking this analysis of the present economic situation, and I ask unanimous consent that the Senator's article be printed in its entirety in the RECORD.

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

[From the Denver Post, Sept. 18, 1974]

SENATOR HASKELL WARNS OF PITFALLS OF ECONOMIC SUMMIT

EDITOR'S NOTE.—Following is the text of a statement by Sen. FLOYD HASKELL, D-Colo., on the national economy.]

(By Senator FLOYD K. HASKELL)

No matter how we long to believe otherwise, the upcoming White House economic summit conference will probably be better for its good fellowship than for having galvanized the nation into effective action against inflation.

As a forum for discussion among all sectors of our reeling economy, the conference is certainly welcome. But we will be poorly served if our expectations lull us into deferring some hard decisions and some positive responses to our economic programs.

We should perhaps begin with the realization that our decision-making process has not changed despite the apparent unity of purpose between the Congress and the White House. An effective national economic policy will not be authored solely by either a Democratic Congress nor by a Republican president. Nor will it be entirely satisfactory to either.

I think it is unrealistic to expect any sweeping changes in economic policy under the Ford administration. Richard Nixon was a monumentally poor steward, but his programs were the corporate-oriented economic programs of his party, not merely Nixon programs. Thus, I'm afraid we have no reason to expect President Ford to depart significantly from his own conservatism or the economies of that same party.

His choice of advisers suggests to me his direction. William Simon and Roy Ash, who promulgated much of what passed for a Nixon economic policy, were retained, at least in part, because their thinking is compatible with the President's.

Unity of purpose does not demand a suddenly compliant and acquiescent Congress. Without apology, I am troubled by some of the signals transmitted by the Ford administration even before the summit conference convenes.

The President has flatly rejected considering even standby wage and price controls. If the true purpose of the conference is to learn the "unvarnished truth" about the economy, one presumes the evidence isn't in. How then can the President know whether he dares leave us defenseless against the worst wage and price rises until after the conference?

Controls are in disrepute and that's testimony to the abiding good sense of most Americans; controls were a disaster under Mr. Nixon. But it's time to realize now that all we really learned about the controls of 1971–73 is that they were abysmally administered. There is no new evidence that they are not a valuable tool—to be used on a relatively short-term basis—in combating inflation. In fact, our experience with Phase II controls, which were beginning to work very well just about the time they were lifted, suggests the contrary. So does our wage and price control experience during the Korean War.

The new administration has been silent about the urgent need for tax reform, both for immediate tax relief for lower- and middle-income families which have suffered worst under inflation, and for a major tax overhaul.

Recent administration statements pledge no major assault on inflation will begin until next year and that, too, worries me. The Democratic Conference unanimously resolved to support President Ford's efforts to restore equilibrium to the economy. But the conference also adopted unanimously my resolution directing our policy committee to formulate its own economic program.

That is nothing more than prudent preparation. If after the summit conference, we find we cannot support the administration's program, we will be ready with one of our own—and without additional delay.

To the extent that solutions are dictated by perceptions of the problem, there will be differences. If Congress and the administration could agree upon the causes and the nature of our economic disruption, the solutions would be more readily agreed upon.

A generally agreed upon diagnosis of our economic problem is vital and basic information. It may also be the most elusive in terms of consensus among the so-called liberal and conservative economic analysts.

It is difficult to believe that the following are descriptions of the same economy. First OMB Director Roy Ash in a testimony before the Senate Budget Committee on Aug. 15:

"The Federal Reserve System is limiting the growth of the money supply so as to lessen the problem of too many dollars chasing too few goods, which is the heart of inflation . . ."

"What has and is happening, then, is that the excessive budget deficits and the excessive growth of the money and credit in recent years . . ."

"Demand will have to be held slightly below potential output."

Economist James S. Duesenberry testified before the Joint Economic Committee on Aug. 1:

"If the present inflation were the result of widespread excess demand, whether generated by private demand or public spending, those increases (in taxes) might be appropriate. But it is not."

"The increases in the prices of food and fuel were not due to changes in aggregate demand . . ."

"But certainly we ought to begin our search for wisdom by recognizing that this inflation is not primarily due to profligate spending or excessive money creation either now or in the past . . ."

These two views, 180 degrees apart and both expressed without equivocation, show that it's naive to think ideology will play less than the key role in whatever blueprint is drafted following the summit conference.

Ash's views echo those of the new administrations economic groups: Treasury Secretary Simon and Arthur Burns, Federal Reserve chairman. These men form the backbone of President Ford's inflation fighters. Their view of our economy matters much, and the issue is far more than an arcane dispute over the lineage of our present economic situation.

Are they correct when they insist we are suffering from the old-time demon of demand inflation which must ultimately yield to exorcism from the oldtime religion's

relentless rites—balanced budget and tight money?

There is persuasive and growing evidence that today's 12 per cent inflation has little or nothing to do with excess consumer demand, as Duesenberry pointed out. That is, it is not a result of too many American consumers bloated with too many federally generated dollars clamoring for too few goods.

Duesenberry, Walter Heller, Gardner Ackley and others cite a wide range of evidence to support their contention that the economy is already slowing down and that further represessive fiscal and monetary policies imposed on a soft economy will throw it into a horrendous shock:

Preliminary estimates by the First National Bank of New York show that the after-tax profits of American corporations rose 28 per cent in the second quarter of 1974 despite a drop in real economic growth. "It is highly unusual," the bank notes, "for corporate profits not only to stay strong but also to accelerate their gains in a period when over-all demand has been slipping."

The slip in over-all demand is the other face of the pernicious new inflation. Experts quibble over whether the slip can be accurately termed recession, but there is no dearth of recessionary tendencies:

It's a rare economist, of whatever persuasion, who will rule out the possibility that unemployment, now at 5.4 per cent will go over 6 per cent before the year is out.

Our national output is down. Real gross national product dipped during the first two quarters of this year. It promises to slip still further.

Figures on inventory accumulation have been revised sharply upward for the latter part of 1973. The buildup has gained momentum into the second half of this year. Most economists agree such accumulations are a traditional indicator of sluggish demand.

To some, confirmation of fears that consumer demand is down is found in a Commerce Department report that, not only did inventories continue upward in June, but for the first time in nearly four years business sales declined.

These are the symptoms: growing business inventories, growing unemployment, declining sales, declining GNP. These are not the symptoms of an overheated economy, of demand-pull inflation, but of an economy which is already pulling in. They suggest there is excess production capacity in this country and that it will grow. With it will grow the ranks of the jobless.

No economy can accommodate what the administration's economic spokesmen, variously attribute to this one: demand inflation, inventory buildup and capacity production. For demand inflation by its definition means demand is exceeding the capacity to produce. If we are producing all we can produce to give consumers all they want, what's the source of the goods and materials which are swelling inventories?

The more plausible explanation is that inventories are up because demand is down—and because some businessmen are seeking a hedge on further cost increases. It is probably also likely that the inflation hedge of inventory accumulation is all that has prevented excess productive capacity from swelling more than it has. That's not an unmitigated blessing, however. For if the inventory buildup staves of economic slowdown, the unloading of it delays recovery in the upswing.

The only view which explains the disparate symptoms of our economic illness to my satisfaction is that advanced by Heller, Ackley and others. They describe it as a cost-push inflation, the result solely of a series of external shocks unrelated to U.S. domestic demand over which we have no control.

Economist Alice M. Rivlin of the Brookings Institution explained in testimony before the Senate Budget Committee: ". . . a wage-price spiral can be set off by outside shocks to the economy, even when demand is not excessive, and this appears to have happened last year. Several shocks occurred at once: the rapid rise of world food prices associated with poor weather and crop failures, the leap of fuel prices attributable to the oil embargo, worldwide escalation of raw-material prices and the increase in cost of American exports that resulted from dollar devaluations.

"These shocks pushed the cost of living up rapidly—60 per cent of the increase last year was attributable to food and fuel alone—and set off the current wage-price spiral. Government spending does not appear to have played such role."

That explanation accounts for the apparent contradition of simultaneous inflation and recession. While a serious recession is not quite a flesh-and-blood monster, it is no phantom, either.

Now, however, inflation is the disruptive force. The sterile statistics show prices rose 12 per cent over the past year. The Wholesale Price Index was up 3.7 per cent in July, a 44 percent annual rate and the second largest increase in 28 years.

The Labor Department reports that the average worker's weekly take-home pay in June bought 4.5 per cent less than it did a year ago and 7 per cent less than in October 1972. So after declining for 15 straight months, the average worker's buying power is back at its 1965 level.

Gasoline prices have almost doubled. Food prices have soared since 1968; milk is up 48 per cent, bread 54 per cent, hamburger 64 per cent and potatoes 225 per cent. Health care costs are among the fastest-rising.

For many Americans, living standards have plummeted due to rising prices and decreased real wages.

At present prices and interest rates, an annual income of $18,000 is required to meet total ownership costs on a $30,000 home mortgage. And worse, homes in that price range constitute less than a third of all new homes. Fewer than 5 per cent of new homes sold are priced at under $20,000 and the average price of a new home is 10 per cent higher than a year ago.

Those prices bar three-fourths of American families from the home market. Housing starts are down 31 per cent for the first half of this year—on top of a 13 per cent decline from 1972 to 1973. The unemployment rate of 10.6 per cent among construction workers is a significant contributor to our over-all unemployment rate of 5.4 per cent.

These figures are appalling by any standard, but they don't begin to convey the hardship inflation has visited on millions of Americans. People are bitter. They are resentful. And they are denied even the solace of a misery shared. For, as noted earlier, American corporate profits in the April-June period of this year rose an estimated 28 per cent.

To put this in perspective, consider that the estimated rise comes on top of official Commerce Department reports of a 19 per cent increase in after-tax profits in the first quarter of this year—a period when the economy was in its sharpest decline since the recession of 1958. The trend dates to 1971, when corporate profits rose 17 per cent, followed by respective increases of 24 and 26 per cent in 1972 and 1973.

Incredibly, Treasury Secretary William Simon, a former Wall Street banker, is still able to testify before the Congress that we must, at all costs, protect profits—that the "apparently" high recent profits are "illusory."

He and other administration spokesmen are further constrained to solemnly call on "all" Americans to exercise restraint in the fight against inflation.

Given the pro-corporate bent of the Nixon White House—of which the economic leaders are alumnae—it was a welcome surprise when President Ford sharply rebuked General Motors for proposing a whopping increase in its 1975 model cars. Ford Motor Co. gave us further evidence of the kinds of restraint we might expect from the corporate giants.

Ford Motors first announced a '75 model price increase of $500 per car, then in a spasm of good citizenship, rolled back the increase by $50.

If that is laudable restraint, a decision not to do homicide ranks in heroism with saving a life.

Public utterances by the Ford administration's economic policy-shapers portend no innovations; budgetary restraint and tight money will probably compose the administration's antiinflation arsenal. As we have seen and will see in greater detail, many economists protest that those weapons are radically and dangerously wrong because the administration spokesmen incorrectly identify the enemy.

Secretary Simon, for instance argues that we must cut federal spending and keep money tight to "stay the long course against inflation." He warns that demand must be held below our capacity to produce and acknowledges that employment will be the inescapable casualty of such a policy.

Professor Heller, on the other hand, warns that demand is already slipping and "further turns of the monetary and fiscal screws will wring less and less inflation and more and more lifeblood out of our economic recovery." He sets as a first priority for economic recovery a recognition that the illness is "a costly stagnation arising out of a shortfall in aggregate demand."

Otto Eckstein, a private economist, has projected the likely social cost of bringing inflation to heel via fiscal-monetary restraint alone: We can expect two years of 8 per cent unemployment and, even then, the financial system will probably crack before inflation does. In any event, he predicts an unemployment rate of 6.5 per cent this year and a climb to 7 per cent in 1975.

Ms. Rivlin was more succinct. Asked to comment before the new Senate Budget Committee on how the Congress should cut nondefense spending in fiscal year 1975, her response was, "It shouldn't."

"The question implies that the current inflation is primarily caused by high government spending and that cutting back such spending would ease the inflation," she said. "I don't think that is right. . . . The current inflation is not caused primarily by government deficits.

"Cutting the fiscal 1975 budget by feasible amounts is unlikely to make a significant dent in the inflation, but almost certain to make unemployment worse. Cuts in the domestic budget will hurt those who suffer most from inflation and unemployment."

Those obsessed with the economics of the old-time religion have little patience with the foregoing humanitarian view. As we saw during the Nixon years, they focus their parsimony on domestic programs, having first removed the defense and foreign aid budgets from all consideration. Our burgeoning health care costs viewed vis-a-vis the slash in preventative health programs may not prove a casual relationship, but it's at least an interesting coincidence in the present context:

According to Ralph Nader, America's health care costs are rising faster than almost any other costs. But between fiscal year 1973 and 1975, over half a billion dollars was lopped from health care programs funded by the Department of Health, Education and Welfare. All the cuts were in prevention areas such as immunization programs and occupational safety and health training and research programs.

The argument has been advanced that the only significant budget figure is the total for all government—federal, state and local.

According to Gardner Ackley, "federal spending in fiscal 1975 will include $48 billion of grants to state and local governments, more than 15 per cent of total federal expenditures and considerably more than double their amount in fiscal 1970."

Ackley told the Senate Budget Committee that in 1972 and 1973, despite substantial federal government deficits, the total government balance has turned into a surplus and remains so in 1974.

Ackley and others dismiss the argument that federal deficit spending has been an "engine of inflation" over the past two years. Yet, some people so argue and with a conviction born of a belief long held and rarely challenged.

I certainly support, in principle, the elimination of federally funded programs which are not worth their cost. But I will not support efforts to cut only the health, education and welfare portions of the budget while leaving untouched the defense or foreign aid budgets. Funding cuts, in my view, must be based upon a determination that the money can be better spent elsewhere, not on exaggerated notions that such cuts will reduce inflation by any significant amount.

What can we expect a budget cut to contribute to our anti-inflation efforts? The Wharton School of Finance and Commerce tested a variety of alternative federal policies, including a $10 billion decrease in fiscal 1975 as the Ford administration proposes. That cut would increase unemployment by .4 per cent while lowering the inflation rate by a scant half per cent, the Wharton test shows. That seems a bad bargain, especially for the 400,000 workers who would lose their jobs—and unskilled or semi-skilled, low-paid workers are usually the first to go.

I think such evidence, while admittedly based on models, studies and projections, is substantial enough to raise serious questions about the efficacy of a federal budget cut in checking inflation.

Tight money, the other commandment of the old-time religion, has left little doubt about the costs incurred in its use. This moribund housing industry is a highly visible result.

Support is growing in Congress for an easing of money restrictions, some form of credit rationing or allocation and a drop in prime lending rates. These are essential first steps and I hope they come soon. The Federal Reserve Board's high interest rate hits workers and consumers, those who build homes and those who hope to buy them, communities and small businesses.

Yet, money remains available for large corporations and foreign borrowers. The Federal Reserve reports that since the end of January banking institutions have increased their foreign assets by $8.5 billion to a level of $34 billion. Credit to foreign borrowers accounts for virtually all the increase, larger in the first half of this year than all of 1973.

A promising mechanism for turning this trend around and for channeling credit where it's most needed is an allocation system which would support with lower reserve requirements those lending institutions which make home mortgage loans. Correspondingly higher reserve requirements could be imposed upon those banks which funnel high-interest credit into the most speculative and inflationary enterprises.

I am increasingly certain that the fiscal-monetary approach will advance us little toward economic recovery. And I can't ignore the grim arguments of respected economists and analysts that blind adherence to the old-time religion could drive our weak economy into an old-time, and very deep, recession.

Certain steps, I believe, must be taken immediately. These would constitute the minimum guarantee that we will not force the hardest-hit victims of inflation and unemployment to pay for the cure—whatever form the cure ultimately takes. These are measures which will serve us well immediately and during the long process of economic recovery. And that is one point on which there is no disagreement: Recovery will be slow.

The only way to offset the growing unemployment which now seems unavoidable is with a massive standby public-employment program. Sen. Jacob Javits, R-N.Y., has already introduced a measure to provide up to $4 billion for up to 800,000 workers.

The plan has been criticized as a resurrection of the Depression WPA. But there is a more recent, and certainly more instructive example of the program Senator Javits envisions. This program would not fund a massive federal public work force. Instead, it would fund hiring by states and local governments of a broad range of skills, from laborers to engineers.

In studying a similar, but smaller, program, the Economic Employment Act of 1971, Senator Javits discovered that almost half the jobs provided have been in public works, transportation and education; 12 per cent in law enforcement; 9 per cent in the health field. The jobs have not been of a "make-work" nature.

The real value of the program is that people who held public service jobs got their own when 80 per cent had jobs within a year of leaving—and this despite a downturn in the economy over the past three years.

We must also provide training programs, streamline and increase unemployment benefit programs and assist workers in obtaining the mobility to get to such jobs as do exist.

The fragile Mideast peace could explode and again cut Arab oil suppies. That alone dictates that we step-up energy conservation measures and education. The urgency has vanished as the oil flow resumed and we are now importing more Arab oil than before the embargo. This dependence is dangerous for many reasons, and especially so in view of our economic woes. The cost of high-priced foreign oil is ravaging our balance of payments and is a major factor in our current inflation. The Senate Interior Committee estimates that we could save two million barrels of oil per day with a sensible, but not austere, conservation program. It's foolhardy to delay a return to the conservation measures which served us so well during the energy crisis last winter. New ones may also be found.

It is foolish, too, to delay the exploration of the most promising alternative energy sources—both new ways to employ the old forms, such as oil from shale and gas from coal, and entirely new forms such as geothermal and solar energy.

The House of Representatives still must act on the energy research and development bill which the Senate passed earlier this year. The measure provides $2 billion annually to develop alternate energy sources, another route by which we can minimize our dependence on oil imports and reduce our national energy bill.

A serious U.S. commitment to new energy sources may have a moderating influence on the price demands of those nations which have a lock on world oil supplies but which are dependent for their economic well-being upon oil customers such as us.

The growing volume of U.S. exports helps redress our payments imbalance and, thus, should be encouraged. But they must not be allowed to disrupt domestic markets. Unlike many other governments, ours does not know until exports are shipped what their impact will be on domestic prices and supplies. We must ensure beforehand, either through export licenses or careful monitoring, when and which exports are likely to adversely affect prices or supplies at home.

Foreign aid agreements must be scrutinized for such outrageous and outdated provisions as the one by which we gave oil-rich Iran a low-interest loan with which to purchase U.S. grain. These are vestiges of another era. Whatever their original rationale, they have no place in today's world.

Inflationary pressures are by no means all external. Recent congressional investigations indicate that competition is short-circuited in many major industries and does not function to guarantee consumers the best goods at the best prices.

Since World War II, there has been increasing concentration in our major industries—among them the electronics, auto and oil industries. Sen. Philip Hart states that 200 firms control the assets of two-thirds of our over 400,000 manufacturing firms. The Justice Department's antitrust division seems powerless to prevent anticompetitive concentrations. Any major company can spend more defending an antitrust suit than is budgeted for a year's operation of the antitrust division.

The division fights on a case-by-case basis, each case taking years to complete. Meanwhile concentration continues unchecked elsewhere, competition disappears and prices rise.

We need new, tough antitrust laws to help the Justice Department strengthen competition where it does exist, restore it where it does not.

I have already touched one step I believe must be taken immediately as part of any realistic new economic policy: Wage and price controls must be restored, at least on a standby basis—if only for psychological reasons. Jawboning is apparently the administation's preferred defense against the most inflationary wage and price increases. However, it would be much more effective if backed by the authority to roll back increases when official pressures or reasoned appeals fail.

One has to wonder how seriously government is girding for the economic battle—never mind all the public pronouncements, when the administration refuse to seek, and Congress refuses to grant, the last-ditch weapon against the worst abuse.

Our intentions become further suspect with our failure so far to attack the most vicious characteristic of inflation—its distributional inequity. It's in the nature of all inflation that those who can least afford it suffer most. That is especially so in the present inflation, tied as it is to food and fuel costs which consume so much of low and mid-range incomes. Nothing would show our intentions better than a massive overhaul of the most pervasive and least fair of our institutions, our federal tax system. And nothing else would so swiftly alleviate the distress of inflation's primary victims.

There is a tax loophole for almost everyone except the wage-earner or small businessman. He pays his taxes, then picks up part of the tab for those who pay none, or nearly none, thanks to preferential tax treatment. The billions which tax reform would recover from those who now avoid their taxes would be returned to the majority of taxpayers by lower tax rates. The resulting decrease in withholding taxes would be visible and beneficial immediately.

A tax system which is basically inequitable should be reformed, economic crisis or no economic crisis. But, by doing it now, we can achieve credibility and earn support for the long and difficult task of righting our battered economy, restore fairness to the tax system and provide economic relief for millions of Americans—all with a single overdue reform.

None of these actions alone will solve our economic problems. Combined they represent only the minimum we must do to convince people the Congress and the administration are serious about stabilizing the economy

but that there is a limit to the social and human costs we will extract in the process.

I hope, but am not hopeful, that a consensus emerges from the President's economic summit conference and that it embodies these points at least. I will urge and support them in the Senate, in any event.

A "new social contract" has been called for in America, one in which labor and business work together to defuse the wage and price spiral, one in which the citizens exercise restraint because they are confident their government will find some answers. The first move this time is government's.

NO RETIREMENT FOR WYOMING INVENTOR

Mr. McGEE. Mr. President, everyone knows that after retirement, a person is not supposed to do any work, that retirement is a time of sitting back and taking life easy, without worrying about today's pressing problems.

Fortunately, we in Wyoming have never believed that. Proof of this is John T. Williams, Sr., of Rock Springs, Wyo.

Mr. Williams retired from his careers as a mine inspector for the State of Wyoming, engineer for the Union Pacific Railroad and safety engineer in a coal mine in 1957. Since then, he has invented an automatic gate for railroad crossings, among other items. His latest invention offers some food for thought on controling pollution in urban areas.

Mr. Williams has developed a system of gathering and dispersing auto exhaust, industrial smoke, and other gaseous pollutants. His system utilizes existing sewer lines, plus fans and remote dispersal stacks to break up the concentrated smog and other forms of atmospheric pollution that plague our urban areas.

His invention deserves close attention, and this 84-year-old inventor deserves words of praise for his refusal to sit on the porch and let others worry about our problems.

An article in the September 3 Rock Springs Daily Rocket-Miner explains Mr. Williams' invention, and offers an insight into his own life. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

JOHN WILLIAMS, SR. INVENTS A POLLUTION CONTROL SYSTEM

An air pollution control system which handles both automobile emissions in cities and factory wastes has been designed by John T. Williams, Sr. of Rock Springs.

Williams believes his system offers cities an opportunity for controlling pollution effectively but at a reasonable cost. The system utilizes existing underground sewers and also may be used too as gaseous waste outlets for factories. The polluted air drawn into the sewers travels through the sewers above the water supply to a remote location where it is discharged upward through tall smokestacks at high velocity into the upper levels of the air above cities.

Williams, who applied for the patent on his system in June 1971 and was granted patent No. 3747502 on July 24, 1973, says there are other such systems, "but the principal is not the same."

He believes his system has great possibilities in this pollution-conscious age because it is adaptable to "substantially all cities and is particularly effective in reducing air pollution over cities which are situated in geographical depressions."

This isn't the first patent Williams, who is 84, has been granted. The other involved a system with automatic electrically operated gates on railroad crossings which make it impossible for motorists to drive cars onto the track when a train is passing or about to pass.

Every train passing through keeps the gates locked until it has passed; then the gates are automatically released. Several people have expressed an interest in this invention, including the governor of Utah. And Williams says he has already received about 15 to 17 inquiries on his air pollution control system from such people in such states as North Carolina, Indiana and Ohio, to mention only a few.

"It took two years to carry it through the patent office," Williams said. "Before they grant a patent, they tear a proposal to pieces, checking it out."

The actual application was handled for Williams by two attorneys, Clarence A. O'Brien and Harvey B. Jacobsen.

Williams has lived in Rock Springs 25 years and before his retirement worked in the coal mines as a safety engineer, for Union Pacific as an engineer and for the state of Wyoming as a deputy mine inspector. He retired in 1957, but he has hardly retired from an active life, and from his basement apartment at 329 I St., he keeps in contact with people who are interested in his inventions.

His air pollution control system works, briefly, this way:

Sewer gratings at street level in a city draw discharged emissions from automobiles through the gratings into the sewers by means of electrical fans. These fans serve both as a draw and a push, and after the gasses are drawn into the sewers, fans push the gases through the sewers above the water to a catch-all basin area. The polluted gases continue to be blown to the sewage plant in a remote area.

Industries located at some distance from the discharge smokestack can still make use of it. There is a waste gas outlet at the factory's own smokestack into the lower end. At the lower end of the smokestack is a manually operable seal and the waste gas outlet opens downward into the pipe. At the point where the waste gas outlet and the pipe join, the pipe includes an upwardly inclined branch passage which opens into the lower end of a high, large capacity smokestack. In addition, the branch passage also opens into a chamber in which a high capacity blower is found.

There is a "double door" type of control on emissions as they enter the emissions smokestack. The control can be opened if more emissions are desired at the time or closed more if fewer emissions are desired.

A swinging gate on the outside of the sewage plant raises emissions to an extent if there is sewage. Fans draw and push the polluted air simultaneously to the emission stacks. Gasses only enter—no liquid or sewage is allowed to enter there.

The gases are forcefully emitted upward through the tall smokestacks by a high volume pump and the gases enter the atmosphere, where they are dispersed into the air and sometimes straight up into the jet stream.

The main object of the system, according to material on file in the patent office, is to provide an air pollution control system which will be effective in collecting ground level gaseous air contaminants, "ducting the collected contaminants to a remote location and then discharging the gaseous contaminants" into the higher velocity air currents which usually prevail at high elevations.

Another object of the system is to provide an air pollution control system which will conform to conventional systems of manufacture, be of simple construction and efficient in operation so as to provide a device that will be economically feasible, long lasting and relatively trouble free.

What about the cost of Williams' system? It depends on the scale, he says. A small town obviously wouldn't need a system as extensive as a large city would. And the fact that the system utilizes the existing sewer system can result in a considerable saving.

WYOMING WOMAN FIGHTS TUBERCULOSIS IN SOUTH KOREA

Mr. McGEE. Mr. President, we in the United States are fortunate that tuberculosis has become a relatively minor disease, one which can be controlled and treated without the threat of death. This has not always been so in this country. It took a strong program of research and detection to control this disease in this Nation.

Other nations have not come as far as we in the control of TB. South Korea is one such nation, where estimates place the number of active TB cases at some four percent of the population, with carriers who do not show the disease at a correspondingly higher figure. The United States is helping this nation and others fight TB, and I am proud to tell my colleagues that a 23-year-old Wyoming woman is doing an outstanding job in this effort.

Martha P. King is serving with the Peace Corps in South Korea. She is the daughter of the Rev. and Mrs. W. G. King of Newcastle, Wyo., Ms. King graduated from the Little Snake River Valley High School in Baggs, Wyo., and majored in biology and psychology at Swarthmore College, in Swarthmore, Pa. Ms. King graduated in 1973 and joined the Peace Corps that same year.

ACTION, the Federal agency for such volunteer programs, has issued a press release about the work of Ms. King. She and a male co-worker supervise a group of Koreans who check on patients with TB, conduct detection programs in the area and perform other valuable work in the fight against this disease. She has had an opportunity to become acquainted with the Korean culture and has found it fascinating. The respect she feels for the people of that nation, and her sincere committment to her work, show through quite clearly in this story.

I take great pride in Martha King's achievements as an American citizen and as a representative of Wyoming. She has brought honor to her parents, her State and her Nation. I commend her most highly, and ask unanimous consent that this press release be printed in the RECORD.

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

[Action News Press Release]

WYOMING PEACE CORPS VOLUNTEER HELPS KOREA FIGHT TUBERCULOSIS

Sometimes called "the pestilence of the poor," tuberculosis is a leading cause of death in Korea. TB finds its most vulnerable victims among people whose normal resistance has given way to chronic fatigue, deficient diets and too little fresh air.

Martha P. King, 23, of Newcastle, Wyo. has joined the Korean government's battle to rout this dreaded illness through programs of health education, preventive and curative medicine and effective follow-up treatment.

Miss King is a Peace Corps volunteer who is working at a county public health center in Cholla Namdo province to help improve and extend the national tuberculosis control program. She and a male co-worker supervise 11 female workers who are responsible for implementing the TB program in the county's rural districts.

"My job is to help provide better follow-up services for our 400 plus registered patients, all of whom live in their own homes, and to help motivate the girls to find more of the presumed 8000 active TB patients," said Miss King.

A major public health problem in Korea, the disease is prevalent in rural areas. More than four percent of the population is actively afflicted, according to Miss King, and a high percentage is skin test positive, infected but resistant to the bacteria.

TB is relatively simple to cure with modern chemo-therapy and relatively easy to prevent with vaccinations, Miss King noted. "But the Korean government has many hurdles to face in its anti-TB campaign: low budget, social stigma attached to patients, people afflicted often don't realize their problem, medical facilities are often far from villages, there is widespread lack of public knowledge about the curability of the disease, and there is a general fatalistic attitude toward annoyances like a cough that persists for two years," she said.

The program's progress in her district is hampered by inadequate transportation and a widely dispersed area, she said. "A typical day might consist of riding a bumpy country bus for an hour and a half to meet one of my girls to go home visiting. Home visiting consists of traipsing through fields and over hills to reach scattered villages. It's a busy day to see even 10 patients!"

"Home" to Miss King is a boarding house in which she has her own spacious, 10 by 10 foot room, about as large an area as two or three Koreans would live in. Residing with Koreans, she lives as they do—eating and sleeping on the floor, dining on rice and locally grown vegetables, washing at a well behind the house and using outdoor bathroom facilities.

"The 17-year-old son of my boarding house owner is an infectious TB patient, living in the same house with all of us," she said. "The situation illustrates how my experience in TB control is tied in directly with everyday living."

Everyday living also involves some concessions to the customs and culture of Korea. "Social interactions are quite rigidly structured, depending on one's status," she said, and age, education, sex and employment are of utmost importance in one's social contacts and mobility.

Korean customs and traditions have created a "male chauvinistic, socially stymied atmosphere," she said. "Young, single females have virtually no status, but the fact that I am an American gives me freer rein to be socially mobile."

The Koreans, she said, are "hardworking and sincere, as well as good humored. They are congenial and usually patient with foreigners.

"I'm certainly glad to have the opportunity to live and work with Koreans and to share in their culture. The past year has been a most worthwhile and rewarding experience for me. For the time being, I certainly wouldn't trade the experience for any other."

Miss King is the daughter of the Rev. and Mrs. W. G. King of 10 W. Winthrop, Newcastle. A graduate of Little Snake River Valley High School in Baggs, Wyo., she majored in biology and psychology at Swarthmore College in Swarthmore, Pa. She graduated in 1973, the same year she entered the Peace Corps.

She is one of 321 Peace Corps volunteers in Korea. At present, there are 7,300 Peace Corps volunteers serving in 69 developing nations around the world.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

NATIONAL WEEK OF CONCERN

Mr. HUMPHREY. Mr. President, the World Hunger Action Coalition has declared this week the "National Week of Concern for World Hunger." During the week, a massive effort is being made to increase public awareness of the world food problem, which is quickly reaching crisis proportions, and to urge interest in the November World Food Conference. Several regional conferences are scheduled this week to discuss various aspects of the current food situation.

By the end of the month, the coalition hopes to present Secretary Kissinger with a mandate to endorse increasing our food and technical assistance to poor countries and establishing a system of world food reserves. As the world's leading supplier of food, this would enable us to participate in the World Food Conference in a true leadership position.

I commend the coalition for embarking on such a crusade and I hope that the World Food Conference will mark the commencement of an international cooperative effort to meet the food needs of all the world's people. Surely this will not be an easy task, but if we are all willing to make a small contribution I believe that we can meet the threat of mass starvation and eventually recognize the day when no one will have to go to bed hungry.

A recent article in the Christian Science Monitor describes various initiatives sponsored by organizations throughout the United States to stimulate concern over the world food crisis.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

AWAKENING AMERICA TO WORLD FOOD NEEDS—COALITION PLANS "NATIONAL WEEK OF CONCERN," SENDS PETITIONS ON HUNGER PROBLEM ACROSS UNITED STATES

(By Monty Hoyt)

Washington.

WASHINGTON.—What can Americans do to alleviate the hunger among one-third of the world's population?

"Plenty," responds a coalition of 75 national organizations which are waging an all-out campaign to dramatize the plight of the world's hungry and to muster support for the upcoming UN-sponsored World Food Conference in Rome.

"We feel if the American people know how serious the problem is, they will respond humanely and take a leading role in alleviating world hunger," states Martin M. McLaughlin, executive secretary of the World Hunger Action Coalition.

As a result of the campaign, Sept. 22–29 has been set aside by several dozen governors and big-city mayors as a "National Week of Concern for World Hunger." Regional conferences around the U.S. will focus on the problems of food production, distribution, shortages, and nutrition; a hunger vigil (fast) will be held during the week at the Lincoln Memorial in Washington and elsewhere throughout the U.S.; schoolchildren are to take part in a national poster appeal contest; hunger walks and "hunger banquets" are to be held to rivet public attention to this compounding world problem.

More than 70,000 petitions are being circulated around the U.S. in an effort to get a million signatures to be given to Secretary of State Henry A. Kissinger at the end of the month.

The petitions, sponsors feel, not only will demonstrate there is a large, sympathetic sector of the population which is committed to positive action, but also will firmly endorse three major U.S. objectives for the November world-food conference. These are: an immediate increase in U.S. food aid to developing nations; setting up a world food-reserve system; and working toward long-range agricultural improvements in "third world" countries.

"Just as we turned down our thermostats to conserve energy, we are willing to eat less in order to feed the hungry and undernourished and to prevent starvation . . . though we cannot feed the whole world, what we do will make a difference. We dare not become an island of plenty on an increasingly hungry planet," the petition says in part.

PERCY AND SHAPP

The co-chairmen of the Hunger Coalition Advisory Commission, Sen. Charles H. Percy (R) of Illinois and Gov. Milton Shapp of Pennsylvania, repeatedly have underlined the urgency of the situation:

"Our country is inseparably linked to the rest of the world . . . we must recognize our continuing responsibility to share with others the resources we are so fortunate to have," Senator Percy said last month in introducing with others a Sense of the Congress resolution in the Senate.

"If we don't act now," Governor Shapp said, "it may well become the food crisis in 1985 or before."

Beyond the immediate task of arousing public awareness to world hunger problems through the National Week of Concern, coalition members see an on-going need to educate and sensitize the public to this long-lasting dilemma.

But they also are greatly concerned about the role the American delegation will play at the Rome conference.

Only last week Secretary of Agriculture Earl L. Butz, leader of the 40 member U.S. delegation, said, "We're not going to permit starvation in any part of the world so far as it is in our power to prevent it." Almost in the same breath, however, he called it "academic" to talk about accumulating world stocks of food or doubling U.S. food aid.

"If we go in with a bag full of goodies, we are going to come out in bad shape," Mr. Butz said. "Our ability to deliver is limited this year."

"If what Mr. Butz says is all the message there is from America, what's the point in calling for a world conference in the first place," contends Jack G. Healey, executive director of the American Freedom from Hunger Foundation. (The UN conference was called at the urging of Secretary of State Kissinger and the conference of nonaligned nations.)

LEADING EXPORTER

The U.S. is the world's leading food exporter—with 65 percent of all the grain that moves in international trade originating here.

"The leadership in sharing food resources with the hungry has to come from us," Mr. Healey stresses.

World food shortages are not going to go away; it will require a long-term commitment on the part of the U.S., Mr. Healey says. "But it's important that we can show [through the petition drive] that the American people think differently than what Mr. Butz is saying."

Otherwise, coalition officials feel, the Rome conference will "fall flat on its face."

KNOWLEDGE NOT IMMORAL

Mr. THURMOND. Mr. President, an editorial addressing the current controversy regarding the Central Intelligence Agency appeared in the Augusta Chronicle newspaper, September 16, 1974.

This editorial entitled, "Knowledge Not Immoral," recognizes the reality and the necessity of the Central Intelligence Agency. It also points out that some authority must control the CIA and we presently have such control by the executive branch with oversight powers in the Congress.

Mr. President, I believe this editorial will be helpful in the current debate and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

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

KNOWLEDGE NOT IMMORAL

Many Americans will find objectionable new attempts by pressure groups to give Congress greater control over the Central Intelligence Agency.

An outfit calling itself the Fund for Peace has called for strict congressional operational control over the CIA, claiming that the CIA's, "secret" role is "immoral" and somehow violates "the United Nations and international law."

What kind of reasoning is this? Is American security to be subjugated to the whims of the United Nations, a majority of whose members could safely be called anti-American?

The gathering of intelligence data on the capabilities and intentions of potential enemies is vital to national security, and can hardly be construed as, "immoral." When the CIA gets out of the intelligence field, of course, then it risks getting out of line.

"Secrecy," CIA Director William Colby rightly says, "is not unique to the CIA." In fact, our armed forces are responsible to the public, but the public doesn't demand that their secret security plans be aired, published, or hacked to pieces by a Senate committee.

It seems to us, that some congressmen and groups like the Fund for Peace, no matter how well-intentioned, have no business denying secrecy to the CIA, an agency whose mission is information gathering and securing the well-being of our Nation.

THE NIXON PARDON

Mr. ROTH. Mr. President, I am deeply concerned about the bitterness that has swept this country as a result of President Ford's pardon of former President Nixon. As one of those who favored eventual clemency, I do believe President Ford's action was premature. Whether or not the President was right or wrong in taking this step I believe it is time that all Americans come together again to face and solve the very difficult problem of the economy now confronting this country. This is not the time to be concentrating on the divisive issues of the past. This is the time to be working together with all we have to assure that the future of the country will not be imperiled. Negative backward looking efforts will do little to help our declining economy.

Vermont Royster recently published an article on the Presidential pardon in the Wall Street Journal. It is one of the most perceptive I have seen on this subject 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:

A BITTER SPIRIT THAT WON'T DIE

(By Vermont Royster)

WASHINGTON.—It has been difficult these last 10 days to shake off a sense of sadness about the country.

For one blessed month—from the 9th of August to the 8th of September—you could believe that the country had awakened from that nightmare known as Watergate. All across the land there was a feeling of relief, and a visitor here at that time could hope that we were going to have a time of healing.

The new President had brought a breath of fresh air into the White House. With it had come a wave of good feeling that swept over the press galleries and into the halls of Congress. At long last, or so it seemed, we had a government not preoccupied with the scandals of the past and so ready to turn to the urgent problems of the day.

Yet now, once again, the country and this city are caught up in acrimony. The country is angry, the press is bitter and the recriminations fly through the halls of Congress. Everywhere you turn the ghost of Richard Nixon walks the town.

Especially at the White House. It was President Ford's press conference Monday night, but as question after question returned to Watergate, the tapes or the pardon, it was clear that the wrath of Mr. Nixon still haunts the East Room.

So the sadness is for a new President who in one ill-advised moment emptied his reservoir of good-will. It is also, though, for the revelation of how shallow it was, how ready many were to see it dissipated and how eager they were to leap upon his wounds.

And not the least of the sadness is what these 10 days have revealed of the bitter and vengeful spirit abroad among the people, including some within the press, that will forget nothing and forgive nothing. That, too, has not been a pretty sight.

Begin with President Ford. His blunder was not simply that he pardoned Richard Nixon. It is hardly to be expected that, if it came to that, he would see the former President led manacled to the dock nor, I should hope, that the people would wish him to.

It was not entirely, either, that the pardon was "premature," though that is a word frequently heard hereabouts. No matter what time he picked, there would be those to find it wrong.

A SURPRISE REVERSAL

The heart of the President's blunder was that he did what he seemed to have said he would not do. Only two weeks earlier Mr. Ford appeared to say that he would wait at least until some charges were brought against Mr. Nixon for which he could be pardoned. And until the eve of his decision he misled this own press secretary into misleading the press and the public that this was his intention.

Then he reversed himself abruptly, with no preparation of public opinion, and so casually of a Sunday morning that the people heard the deed before they heard any explanation for it. Shock was then inevitable, and no matter how well reasoned the President's decision the explanation could never catch up

The damage, then, was to the President's credibility and, not much less important in the real world, to his political skill. It was unbelievably clumsy, and this error was compounded by the bungling that followed over whether he would extend other pardons to those involved in Watergate.

One consequence is that now this President, like his two predecessors, will hereafter have a credibility problem. He lost both his press secretary and the confidence of the press. Moreover, as Dennis Farney reported in The Wall Street Journal, he raised in many people's minds fundamental questions about his judgment.

He showed himself gutsy but exceedingly inept, and in the milieu of Washington, ineptness in a President is almost a cardinal sin. Hereafter neither politicians nor journalists will draw back from criticizing him on anything.

Every President, and Mr. Ford is no exception, comes to office with a store of political capital he can draw on with Congress and the public. But he must spend it sparingly and only upon the most important objectives. Mr. Ford has spent his needlessly and thoughtlessly. For that, he and the country must now pay a price.

But while that is sad, the violence of the reaction from both press and public is no less so. To read some of the press comments, to skim through the mail piling up on Congressmen's desks, is to detect not merely disapprobation of the President's decision but a touch of hysteria.

From many in the press, in the pulpit and among the public comes the accusation that Mr. Ford was not just misguided in his timing nor mistaken in his judgment but that he was immoral. It is his character and not his wisdom that is assailed.

That President Ford might have had some compassion is sneered at. That he might truly have believed it was better for the country to have done with this, that in the long run it was better not to prolong the ordeal, is dismissed out of hand. In these comments on Gerald Ford there is a revelation of how deeply suspicion and distrust have cut into the body politic.

And there is another undercurrent running through the outcries. Most of these people furious with President Ford say they do not want Mr. Nixon to go to jail, but that any act of mercy or compassion should have waited another time. Yet had the President waited until charges were brought, you wonder if they would not have said he should wait for an indictment. An indictment being brought, that he should wait perchance for a conviction. And then for at least "some" punishment.

"THE WHOLE TRUTH"

Many justify this by saying we shall never know "the whole truth" unless the ex-President himself is brought to trial, as if we did not know enough after all those Senate hearings, all those tapes, all that impeachment inquiry. Yet the man who conducted that impeachment inquiry, House Judiciary Committee counsel John Doar, certainly does not think so. "The facts have been established," he says, and anything else would at most "just be cumulative."

Observing the outcry you cannot escape the feeling that accumulation is what many of these people really want, not just the accumulation of facts but the accumulation of punishment. Clearly much of the anger vented on President Ford is in reality a cry for vengeance on Richard Nixon.

Those who say there should be no pardon, ever, for Mr. Nixon are more straightforward, and their argument has the merit of righteousness. Yet few of them would go so far as to remove charity from the trilogy of virtues or argue there should never be pardons for anyone. So the anger of their righteousness seems to say that for this man alone punishment should have no end.

The simple truth is that Richard Nixon has been punished for his transgressions, with a punishment no man can feel who has not been President of the United States. He did not merely lose an office. His life has been destroyed, his place in history sullied, his 40 years of public service smashed. He wears already the stigma of the outcast; the shame must haunt him forever. That he brought it on himself makes it no less a punishment.

Yet for some people this is not enough. They would have the last pound of flesh. Listening to them you can almost hear those who once would bury witches only with a stake through their heart.

This, sadly, is what Watergate has brought us to. This is the true injury that Richard Nixon and those about him did to the country.

Their legal transgressions were corrected; their plots never succeeded. But they have left us a country inflamed with passions. So inflamed that sometimes neighbor cannot talk to neighbor. So inflamed that some impute wickedness to those who exposed the deeds. So inflamed that some think a President of the United States who speaks of mercy is immoral. It is a terrible legacy.

Senator Ervin, who chaired those Watergate investigations, once remarked that he could recall no comparable division of bitterness since the Civil War and that he was not sure but what this might prove worse. We are close to giving shape to the Senator's fears.

Altogether, a sad time indeed to visit the capital of a great nation. The two years of Watergate were bad enough but at least we thought we saw an end to it. For a month there was the hope that we had put it behind us. Now the pedestal has slipped from under another President and all those bitter passions come to life again. And this time you cannot help asking yourself when it will ever end.

ASPARTAME SUGAR SUBSTITUTE MAY CAUSE BRAIN DAMAGE IN CHILDREN

Mr. PROXMIRE. Mr. President, I call upon the Food and Drug Administration to rescind and withdraw its approval of Aspartame as a sugar substitute until such time as detailed hearings have been held and additional scientific tests have been made to guarantee that it will not cause brain damage to children in combination with monosodium glutamate.

On July 26, 1974, the FDA approved Aspartame as a sweetener and sugar substitute for use in cold cereals, chewing gum, dry bases for beverages, instant coffee and teas, gelatins, puddings, fillings, and as a free flowing sugar substitute for table use.

In the Federal Register the FDA Commissioner concluded that Aspartame was safe for these uses with a 100-fold safety factor. However, considerable scientific evidence since submitted for the public record charged that "The risk of Aspartame acting in concert with another popular food additive, monosodium glutamate, to produce brain damage in children is totally ignored" in the FDA's statement.

While it appears that Aspartame is safe when used alone by adults, when combined with MSG it may have tragic neurotoxic effects.

On August 16, 1974, Dr. John W. Olney, M.D., associate professor of psychiatry at Washington University School of Medicine in St. Louis wrote the FDA that:

The Commissioner has presented a seriously misleading case for the safety of Aspartame.

Dr. Olney charged that the margin of safety for children who will be eating Aspartame on cereals, in gums, beverages, puddings, toppings, et cetera:

Even if glutamate were not simultaneously being ingested, is nowhere near the 100-fold margin which the Commissioner estimated for adults.

At one point in his memorandum Dr. Olney states that the Commissioner's calculation:

Is mathematically off base by 1,000 times.

Dr. Olney stated that:

Glutamate and aspartame are toxic by an acute mechanism which leads to the irreversible necrosis of hypothalmic neurons from only a single exposure.

Dr. Olney warned that:

If packages of Aspartame are available for free-flowing use in the home, infants and children will have at their finger tips an instant brain damaging powder which tastes like candy.

Monosodium glutamate or MSG, the additive which combined with Aspartame can cause the latter to become highly toxic, is found very commonly in soups, processed meats, potato chips, weiners, vegetable mixtures, fish sticks, et cetera.

Young children who eat Aspartame sweetened dry cereal, chew gum, drink Kool Aid, and then ingest MSG seasoned fish steaks, meat balls, or Colonel Sander's chicken can be in acute danger of brain damage.

Here is a situation in which a sugar substitute like Aspartame, in view of the present sugar shortage, has tremendous economic potential for its manufacturer. The FDA states that it is 180 times sweeter than sugar.

FDA restricted the scientific data until the Federal Register notice of July 26. At that time only 30 days were given for comments. Yet the manufacturer's supporting data not made public until then was so voluminous that it took four large whisky case-like boxes to contain it. There is no way it could be analyzed or criticized thoroughly in such a short period of time.

The FDA Commissioner's approval gave glowing and uncritical comments as to Aspartame's safety. But Dr. Olney's letter and memorandum plus previous work done on the fact that acidic amino acids damage retinas and brains in newborn mice and monkeys indicate that the utmost caution and the most searching scientific examination must be given Aspartame before it is finally put on the market.

This is true especially since Aspartame and MSG will be widely eaten by children in combination if Aspartame is approved.

Unless the FDA acts decisively, Aspartame could be another Thalidomide tragedy in the making.

Mr. President, I ask unanimous consent that the FDA's filing in the Federal Register on July 26, 1974—pages 27317–27320—and the letter and memorandum to the FDA Commissioner by Dr. John Olney dated August 16, 1974, be printed in the RECORD.

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

[From Federal Register, July 26, 1974]

(Title 21—Food and Drugs, Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare, Subchapter B—Food and Food Products)

PART 121—FOOD ADDITIVES—SUBPART D—FOOD ADDITIVES PERMITTED IN FOOD FOR HUMAN CONSUMPTION—ASPARTAME

In the FEDERAL REGISTER of March 5, 1973 (38 FR 5921), notice was given that a petition (FAP 3A2885) had been filed by G. D. Searle & Co., Box 5110, Chicago, IL 60680, proposing the issuance of a food additive regulation to provide for the safe use of aspartame (L-aspartyl-L-phenylalanine methyl ester) in foods as a nutritive substance with intense sweetness and with flavor-enhancing properties.

Subsequently, the petitioner amended the petition by proposing additionally the safe use of L-leucine, for technological purposes, in tablets containing aspartame.

The Commissioner of Food and Drugs has evaluated the data in the petition, and other relevant material, and concludes that the food additive regulations should be amended, as set forth below, to provide for the safe use of the petitioned additives. Because the appearance of this new sweetener is expected to elicit considerable public interest, a discussion of the new regulation is set forth in this preamble.

1. Aspartame is the methyl ester of a synthetic dipeptide of two amino acids, i.e., L-aspartic acid and L-phenylalanine. The chemical terminology for designation of aspartame has been revised slightly in order to be consistent with the terminology employed by Chemical Abstracts Service: 1-methyl *N*-L-α-aspartyl-L-phenylalanine.

2. Aspartame is intensely sweet—about 180 times as sweet as sugar. When consumed, it is metabolized as a protein, unlike sugar which is metabolized as carbohydrate. Like sugar or protein, aspartame provides approximately 4 calories per gram; however, because of its greater sweetness, if aspartame is employed as a sweetener in place of sugar it will provide only about 1/180th of the calories that would be provided by the use of a quantity of sugar yielding equivalent sweetness. Aspartame differs from saccharin, which may be used as a sweetening agent in certain foods pursuant to § 121.4001 (21 CFR 121.4001), in that saccharin provides no calories. However, because of its intense sweetness, the amount of aspartame needed to sweeten food satisfactorily may often be so small that its caloric contribution will be minute and insignificant.

3. Aspartame cannot be substituted for sugar without restriction. Prolonged cooking temperatures (such as, for example, those encountered in frying and baking) can cause significant breakdown of aspartame to diketopiperazine, with a consequent loss of sweetness. The order below does not approve any use of aspartame which would pose any prospect of appreciable breakdown to diketopiperazine.

4. The Commissioner approves the following uses of aspartame as a sweetener:

(a) Use in dry, free-flowing sugar substitutes for table use (not to include use in cooking) in package units not to exceed the sweetening equivalence of 2 teaspoonfuls of sugar.

(b) Use in sugar substitute tablets for sweetening hot beverages, including coffee and tea.

(c) Use in cold breakfast cereals.

(d) Use in chewing gum.

(e) Use in dry bases for: beverages, instant

coffee and tea, gelatins, puddings, fillings, and and dairy product analog toppings.

5. The Commissioner also approves use of aspartame as a flavor enhancer in chewing gum.

6. The Commissioner concludes that aspartame is safe for the above listed uses, under the conditions set forth in the regulation. A copy of all of the extensive research data on which this safety judgment is based has been placed on file, available for public inspection, in the office of the Hearing Clerk, Food and Drug Administration. Rm. 4–65, 5600 Fishers Lane, Rockville, MD 20852. Of principal significance, the petitioner submitted 2-year feeding studies with aspartame in rats and dogs and a lifetime feeding study in in-utero exposed rats. These chronic feeding studies provide sufficient support for the long term safety of the uses of aspartame permitted by the food additive regulation. These long term feeding studies, evaluated conservatively, reveal a "no effect" level for aspartame at least as high as 2 grams per kilogram of body weight. Employing a 100-fold saftey factor, and applying this figure to the average 60-kilogram man, an acceptable intake level of at least 1.2 grams of aspartame per day results. A daily diet including the foods which may be sweetened with aspartame in accordance with this order might lead to a probable maximum ingestion of 1.3–1.7 grams of aspartame per day. Considering the conservativeness of the "no effect" level derived from the animal tests and the 100-fold safety factor employed in relating the tests to man, the Commissioner concludes that the uses approved by this regulation constitute an acceptable daily intake of aspartame with an ample margin of safety. Research data involving humans confirm safety for at least this level of consumption.

7. Diketopiperazine (5 benzyl-3, 6-dioxo-2-piperazineacetic acid) is the breakdown derivative of aspartame, routinely present in the sweetener at levels up to about 1 percent of the aspartame. At such levels the safety of diketopiperazine is shown by the safety studies on aspartame mentioned above. Additional data on diketopiperazine itself support a judgment that the substance is safe in aspartame, when used in accordance with the regulation, up to a level of at least 2 percent, and accordingly, the final order authorizes use of aspartame which contains no more than 2 percent diketopiperazine. None of the uses of aspartame authorized by the order below would be likely to result in significant breakdown of aspartame to higher levels of diketopiperazine. The Commissioner is not aware of any studies which indicate any toxicological problems with diketopiperazine, even at higher levels; however, he advises that any future requests for uses of aspartame which involve a prospect at significant breakdown to higher levels of diketopiperazine will be required, prior to approval, to demonstrate affirmatively that the anticipated higher levels are safe. The Commissioner understands that long term feeding studies of diketopiperazine are in progress.

8. In the digestic tract, aspartame is hydrolyzed to L-aspartic acid and L-phenylalanine, two amino acids which occur naturally in food protein. Both of these amino acids have previously been approved as safe for addition to food so as to improve the biological quality of protein, under §§ 121.101 and 121.1002 (21 CFR 121.101 and 121.1002). The amounts of L-aspartic acid and L-phenlyalanine which would enter the diet from the uses permitted by this order are nutritionally insignificant and too small to pose any risk of amino acid imbalance.

9. The regulation also permits the use of L-leucine as a lubricant in the manufacture of tablets containing aspartame for sweetening hot beverages, at a level not to exceed 3.5 percent of the weight of the tablet. L-leucine, like L-aspartic acid and L-phenylalanine, is an amino acid which occurs naturally in food protein and which has been approved as safe for addition to food so as to improve the biological quality of protein, in §§ 121.101 and 121.1002. The amount of L-leucine which would enter the diet from the use permitted by his order is nutritionally insignificant and too small to pose any risk of amino acid imbalance.

10. The Commissioner recognizes that L-phenylalanine intake must be restricted by persons with phenylketonuria (PKU), an inborn error in metabolism. From L-phenylalanine is a naturally occurring amine acid found in many foods, a person with PKU is already accustomed to checking all of his dietary intake so as to minimize consumption of the substance. The Commissioner has determined that in order to assure the safe use of aspartame in food, all finished foods containing aspartame must include an appropriate warning to phenylketonurics that the food contains L-phenylalanine. This order provides in detail the requirements for such warnings. The petitioner submitted studies showing that the uses of aspartame authorized by the regulation will not result in elevation of phenylalanine blood levels: nevertheless, in the judgment of the Commissioner, the aforementioned warning is necessary in the interest of safety.

11. High levels (3 and 3 grams per kilogram of body weight) of aspartame, when fed to infant monkeys, have been reported by one investigator to be associated with toxic manifestations. The same results were reported by the investigator when L-phenylalanine was fed at similarly high levels. These test levels are far in excess of the ingestion levels of aspartame and its L-phenylalanine component which could be expected to result from this regulation, as discussed in paragraphs 6 and 8 of this preamble.) In any event, none of the uses approved by the order would be likely to result in consumption of significant levels of aspartame by human infants. The long term feeding studies cited in paragraph 6 of this preamble demonstrate the safety of aspartame under the conditions of use approved by the order.

12. The Commissioner is aware of data indicating that high oral intubation dosages and subcutaneous injections of monosodium glutamate may have a toxic effect on newborn animals, and he is aware that L-aspartic acid (treated in paragraph 8 of this preamble) has been reported to act similarly to monosodium glutamate. However, the newborn infant animal is a hypersensitive subject, and in any event subcutaneous injection of a compound is an inappropriate method of investigating its safety as a food additive and the oral intubation dosages of monosodium glutamate involved, i.e., over 1 gram per kilogram of body weight in the newborn animal, were greatly in excess of the levels of aspartic acid which can be expected to result from the uses of aspartame permitted by the regulation, i.e., 0.013 milligram per kilogram of body weight. Furthermore, none of the uses of aspartame approved by this order involves the feeding of newborn infants. A copy of the *Scientific Literature Review on Glutamates*, February 8, 1974, which reviews the scientific literature regarding monosodium glutamate, is on public file in the office of the Hearing Clerk.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 121 is amended by adding a new section to Subjart D as follows:

§ 121.1258 Aspartame.

The food additive aspartame may be safely used in food in accordance with good manufacturing practice as a sweetening agent or for an authorized technological purpose in foods for which standards of identity established under section 401 of the act do not preclude such use under the following conditions:

(a) Aspartame is the chemical 1-methyl N-L-*a*-aspartyl-L-phenylalanine ($C_{14}H_{18}N_2O_5$).

(b) The additive meets the following specifications:

(1) Not less than 98.0 percent and not more than the equivalent of 102.0 percent $C_{14}H_{18}N_2O_5$ (aspartame), calculated on the dried basis (4 hours at 105° C), as determined by the following analytical method.

APPARATUS

Titration vessel. Glass beaker or flask, 150 milliliters.

Buret, 50 milliliters with 0.1-milliliter gradations, equipped with tetrafluoroethylene polymer stopcock.

Aluminum foil.

Optional equipment. Magnetic stirrer and tetrafluoroethylene polymer-coated magnetic bar.

REAGENTS

Lithium metal.

Methyl alcohol. Absolute, A.C.S. reagent grade.

Benzene. Anhydrous, A.C.S. reagent grade.

Thymol blue (thymolsulfonephthalein). A.C.S. reagent grade.

Ethyl alcohol. 95 percent.

Benzoic acid. A.C.S. reagent grade, of specified purity dried at 80° C.

N,N-Dimethylformamide. A.C.S. reagent grade.

Lithium methoxide solution. 0.1 normal; dissolve 600 milligrams of lithium metal in 150 milliliters of absolute methyl alcohol and 850 milliliters of benzene. Filter the solution if cloudy.

Thymol blue solution. Dissolve 100 milligrams of thymol blue in 100 milliliters of 95 percent ethyl alcohol. Filter if necessary.

PROCEDURE

General instructions. Perform in triplicate both the standardization of the lithium methoxide solution and the titration of the sample. Perform one titration of the solvent blank, i.e., *N,N*-dimethylformamide. Cover the titration vessel with aluminum foil while dissolving the samples and throughout the titration to decrease carbon dioxide absorption.

Titration of solvent blank. All 35 milliliters of *N,N*-dimethylformamide to the titration vessel. Add 5 drops of the thymol blue solution and titrate the mixture with lithium methoxide solution to an end point indicated by a color change from yellow to blue.

Determination of normality of the lithium methoxide solution. Place a weighed sample of benzoic acid (approximately 80 milligrams) in the titration vessel, add 35 milliliters of *N,N*-dimethylformamide and dissolve the sample. Add 5 drops of thymol blue solution to the dissolved sample and titrate with the lithium methoxide solution to an end point indicated by a color change from yellow to blue.

Titration of the aspartame sample. Place a weighed sample of aspartame (approximately 150 milligrams dried at 105° C for 4 hours and stored in a desiccator) in the titration vessel, add 35 milliliters of *N,N*-dimethylformamide and dissolve the sample. Add 5 drops of thymol blue solution to the dissolved sample and titrate with the lithium methoxide solution to an end point indicated by a color change from yellow to blue.

CALCULATIONS

$$N=\frac{J}{(122.12)\,(S-B)}$$

Percent aspartame in sample =

$$\frac{(294.3)\,(A-B)(N)}{K}\times 100$$

Where:

N = Accurate normality of the lithium methoxide solution.

S = Milliliters of lithium methoxide solution required to titrate the benzoic acid.

A = Milliliters of lithium methoxide solution required to titrate the aspartame sample.

B = Milliliters of lithium methoxide solution required to titrate the solvent blank.

J = Milligrams of benzoic acid standard.

K = Milligrams of aspartame sample.

(2) Specific rotation, $[\alpha]D^{29}$ °, shall be between +12.5° and +17.5°, calculated on the dried basis (4 hours at 105° C) in accordance with the test for optical rotation described in the "Food Chemical Codex," 2nd Ed. (1972),[1] page 939. Weigh accurately about 4 grams of sample and dissolve it in sufficient 15N formic acid to make exactly 100 milliliters of solution, and complete the determination of the rotation in a 100-millimeter tube within 30 minutes after preparing the solution.

(3) 5-Benzyl-3,6-dioxo-2-piperazine-acetic acid (diketopiperazinc) not to exceed 2.0 percent as determined by the following analytical method:

APPARATUS

Gas chromatograph. With hydrogen flame ionization detector and designed for handling glass columns with oncolumn injection (Micro-Tek 220 or equivalent). Chromatograph conditions should be optimized to obtain maximum resolution for the specific instrument used. To preclude buildup of silicon oxide, clean the detector with acetone frequently. Approximate operating conditions are:

Column temperature: 200° C.

Detector temperature: 275° C.

Inlet temperature: 200° C.

Carrier gas (helium) flow rate: 75 milliliters per minute.

Hydrogen and air flow to burner: Optimize to give maximum sensitivity.

Sample size: 3 microliters.

Elution time: 7–9 minutes.

Recorder: 1 millivolt full scale (for the Micro-Tek 220, the attenuation is 16x10).

Chromatograph column: 6 feet x 4 millimeters I.D. glass column packed with OV–1 on 80–100 mesh Supelcoport (Supelco, Inc., or equivalent). Condition the column overnight at 250° C before readjustment and equilibration to the operation conditions.

Oven. Capable of maintaining 80±1° C for 30 minutes.

Glass manifold. Suitable for evaporating samples to dryness over steam bath; the apparatus may have an optional gas flow over the sample to enhance the rate of solvent evaporation.

Vials. 2-dram size with tetrafluoroethylene polymer-lined cap.

REAGENTS

N,N-Dimethylformamide. A.C.S. reagent grade.

N,O-Bis(trimethylsilyl) acetamide.

Silylation reagent. Dilute by volume three parts *N,O*-bis(trimethylsilyl) acetamide with two parts *N,N*-dimethylformamide. Prepare fresh before use.

Methyl alcohol. Anhydrous, A.C.S. reagent grade.

5-Benzyl-3,6-dioxo-2-piperazineacetic acid. Specifications: Purity, not less than 99 percent; minimum melting point, 243° C; specific rotation of a 1 percent solution (in acetic acid), between −9° and −11°; total impurities determined by thin layer chromatography, less than 0.5 percent; impurities determined by gas chromatography, less than 1 percent for any single impurity. A sample of the reagent and test procedures for verification of specifications may be obtained from Food Chemicals Codex, National Academy of Sciences, 2101 Constitution Ave., NW., Washington, DC 20418.

PROCEDURES

Preparation of the standard. Place a weighed sample of 5-benzyl-3,6-dioxo-2-piperazineacetic acid (25 milligrams) into a 50-milliliter volumetric flask. Add methyl alcohol to dissolve the solid standard and dilute to volume. Dilute a 10-milliliter portion of the above solution to 50 milliliters with methyl alcohol in another 50-milliliter volumetric flask. The concentration of this standard solution is 0.1 milligram per milliliter. Pipet 2 milliliters of the standard solution into a 2-dram vial and evaporate the solvent to dryness. Add 1 milliliter of the silylation reagent to the dried sample, cap the vial slightly, shake and place on an 80° C oven for 30 minutes. Remove from oven, shake vial 15 seconds and cool to room temperature. Inject 3 microliters of this solution into the gas chromatograph and measure the peak height. The standard should be injected either immediately before or after each sample for proper quantification.

Preparation of the aspartame sample. Place a weighed sample of aspartame (approximately 10 milligrams) into a 2-dram vial. Add 1 milliliter of silylation reagent to the vial, cap tightly, shake and place in an 80° C oven for 30 minutes. Remove from oven, shake vial 15 seconds and cool to room temperature. Inject 3 microliters of this solution into the gas chromatograph and measure the subject compound peak height.

CALCULATION

Milligrams of 5-benzyl-.36-dioxo-2-piperazineacetic acid in aspartame—peak height of aspartame sample/x0.2. peak height of standard sample:

Percent 5-benzyl-3.6-dioxo2-2piperazineacetic acid in miligrams of subject compound in aspartame/x100. milligrams of aspartame sample

(c) The additive may be used as a sweetener in the following foods:

(1) Dry, free-flowing sugar substitutes for table use (not to include use in cooking) in package units not to exceed the sweetening equivalent of 2 teaspoonfuls of sugar.

(2) Sugar substitute tablets for sweetening hot beverages, including coffee and tea. L-leucine may be used as a lubricant in the manufacture of such tablets at a level not to exceed 3.5 percent of the weight of the tablet.

(3) Cold breakfast cereals.

(4) Chewing gum.

(5) Dry bases for:

(i) Beverages.

(ii) Instant coffee and tea.

(iii) Gelatins, puddings, and fillings.

(iv) Dairy product analog toppings.

(d) The additive may be used as a flavor enhancer in chewing gum.

(e) To assure safe use of the additive, in addition to the other information required by the act:

(1) The principal display panel of any intermediate mix of the additive for manufacturing purposes shall bear a statement of the concentration of the additive contained therein;

(2) The label of any food containing the additive shall bear, either on the principal display panel or on the information panel, the following statement: PHENYLKETONURICS: CONTAINS PHENYLALANINE

The statement shall appear in the labeling prominently and conspicuously as compared to other words, statements, designs or devices and in bold type and on clear contrasting background in order to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(3) When the additive is used in a sugar substitute for table use, its label shall bear instructions not to use in cooking or baking.

(f) If the food containing the additive purports to be or is represented for special dietary uses, it shall be labeled in compliance with Part 125 of this chapter.

Any person who will be adversely affected by the foregoing order may at any time on or before August 26, 1974, file with the Hearing Clerk, Food and Drug Administration, 5600 Fishers Lane, Rockville, Md. 20852 written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order, specify with particularity the provisions of the order deemed objectionable, and state the grounds for the objections. If a hearing is requested the objections shall state the issues for the hearing, shall be supported by grounds factually and legally sufficient to justify the relief sought, and shall include a detailed description and analysis of the factual information intended to be presented in support of the objections in the event that a hearing is held. Objections may be accompanied by a memorandum or brief in support thereof. Six copies of all documents shall be filed. Received objections may be seen in the above office during working hours, Monday through Friday.

Effective date. This order shall become effective on July 26, 1974.

(Sec. 409(c)(1), 72 Stat. 1786; (21 U.S.C. 348(c)(1).))

Dated: July 22, 1974.

SHERWIN GARDNER,
Acting Commissioner of Food and Drugs.

Note: Incorporation by reference approved by the Director of the Federal Register July 10, 1973.

[FR Doc.74–17093 Filed 7–24–74;8:45 am]

WASHINGTON UNIVERSITY,
St. Louis, Mo., Aug. 16, 1974.

COMMISSIONER,
Food and Drug Administration,
Rockville, Maryland.

DEAR SIR: Enclosed please find a memorandum containing objections to the Commissioner's order of July 26, 1974 (Fed. Reg. Vol. 39, #145,, Pgs. 27317–27320) approving Aspartame for food additive use.

Based on these objections and accompanying documentations plus additional documentation I am prepared to supply, I hereby request a hearing to examine the toxicity of Aspartame.

I also request a 90 day extension of the August 26, 1974 deadline set for filing objections to the Aspartame ruling. This is necessary because the 30 days allowed is obviously an insufficient time for those who have had no prior opportunity to examine this issue to come forth with the fully developed evidence and argument required to counter many years of evidence gathered by the petitioners (G.D. Searle & Co.) on behalf of their product. I understand that voluminous evidence compiled by G. D. Searle & Co. was specifically withheld from the public prior to July 26, 1974, then made available only in the Clerk's office to be examined before August 26, 1974. I would remind the Commissioner that no conscientious scientist would attempt to analyze such a large volume of data in such a brief time and if he did he would be left with insufficient time to draft an intelligent critique before the 30 day deadline. Adhering to an unrealistic deadline date of August 26, 1974 and thereby shutting out by a mere time technicality the voices of sincere scientists or consumer advocates who may have legitimate objections to Aspartame will serve to the detriment not only of the consumer and FDA but of G.D. Searle & Co. as well.

Thank you for your consideration of this matter.

Sincerely,

JOHN W. OLNEY, M.D.,
Associate Professor of Psychiatry.

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[1] Copies may be obtained from: National Academy of Sciences, 2101 Constitution Ave., NW., Washington, DC 20037.

To: Commissioner
Food and Drug Administration
5600 Fishers Lane
Rockville, Maryland 20852

From: John W. Olney, M.D.
Associate Professor of Psychiatry
Washington University School of Medicine
St. Louis, Missouri 63110

Reference is made to pages 27317–27320 of the Federal Register, June 26, 1974 wherein Aspartame, an artificial sweetener, was approved for certain food additive uses, e.g., in breakfast cereals, chewing gums, beverages, gelatins, puddings, fillings, toppings and as a free-flowing sugar substitute for table use. It is the contention of this writer that the Commissioner miscalculated and misrepresented the safety of Aspartame in the preamble of this Federal Register entry and thereby obscured the fact that the health of young children could be adversely affected by this product. The risk of Aspartame acting in concert with another popular food additive, monosodium glutamate to produce brain damage in children is totally ignored in this preamble.

First, it must be recognized that brain damage of the type produced by glutamate or aspartate is not a form of pathology restricted to the newborn infant as the Commissioner erroneously assumes. The focus of attention in animal research has been on newborn infants but no one has shown that older animals lack susceptibility. Indeed, the exact opposite is true. In an extensive neuropathology report by Johnston and Reynolds (J. Neuropath. Exp. Neurol., 33, 74–97, 1974) adult mice consistently sustained lesions from the lowest oral dose of glutamate employed, 2 mg/g body wt. Our own observations, some published and others unpublished, place the threshold for brain damage from oral MSG at 0.5 to 1 mg/g in 10 day old mice (Nature, 227, 609, 1970), at 1 to 1.5 mg/g in weanlings and 1.5 to 2 mg/g in older animals. If a similarly gradual shift in the toxic threshold occurs with age in humans it is reasonable to assume that infants or children would be at risk from 0.5 to 1.5 mg/g and adolescents and adults from 1.5 to 2 mg/g. By reasoning that this toxic syndrome is of no concern because only the newborn is susceptible and newborns will not be fed Aspartame, the Commissioner appears to be either poorly informed or to be sidestepping responsibility on this brain damage issue. I am hereby calling to the Commissioner's attention that animals during other periods of development are only slightly less sensitive than the neonate to this brain damage mechanism. This leaves the Commissioner's argument for the safety of Aspartame (or glutamate) resting on a false and totally untenable premise.

Next I would remind the Commissioner that young children are intensely attracted to sweets. The 1.3 to 1.7 gram daily intake of Aspartame projected for an adult human will quite likely be approached if not exceeded by children. But, the young child's body weight is only a fraction of that of the adult so they will be consuming a substantially higher gm/kg dose. The Commissioner skirted this problem by calculating only one margin of safety—that based on a 60 kg adult. By focusing upon a near 100-fold margin of safety for the adult and omitting any reference to the absence of such protection for children, the Commissioner has presented a seriously misleading case for the safety of Aspartame. In fact, the margin of safety for young children who will be eating Aspartame on cereals, in gums, beverages, puddings, toppings, etc., even if glutamate were not simultaneously being ingested, is nowhere near the 100-fold margin which the Commissioner estimated for adults (see calculations below). The Commissioner owes it to the public to explain at a hearing on Aspartame why this product was approved for marketing under conditions which do not assure an adequate margin of safety for children. If an adequate margin of safety for children cannot be demostrated, which it cannot, the order must be rescinded.

In declaring Aspartame safe, the Commissioner calculated that the amount of aspartic acid which an individual might take in daily by the ingestion of Aspartame is 0.013 mg/kg body weight (Fed. Reg. pg. 27318, Par. 12). This incorporates the fallacy above described (infant risk was under discussion by the Commissioner in Par. 12 but adult body weight was used for calculating the mg/kg intake) and in addition is mathematically off base by a factor of 1000 times. The correct calculation based on adult body weight would be 13 mg/kg. This is not a trivial error; it will cause people reading the Federal Register to assume at a glance that Aspartame is vastly more safe than it is. It might dissuade people from filing objections to the Commissioner's order on Aspartame. This gross misrepresentation in itself requires a correction of the Federal Register and an extension of time for those who may have been misled by the misrepresentation to file objections.

Glutamate and aspartate are toxic by an acute mechanism which leads to the irreversible necrosis of hypothalamic neurons from only a single exposure. The Commissioner's approval of Aspartame does not take into consideration the implications of this mechanism. If packages of Aspartame are available for free-flowing use in the home, infants and children will have at their finger tips an instant brain damaging power which tastes like candy. Instead of being labelled "keep out of reach of children" as sound principles of preventive health would dictate for a candy-like brain damaging powder, the Commissioner proposes to allow this powder to be added commercially and in the home to the child's food as well as being left loosely around the home where he can independently ingest as much as he desires.

If an infant or child gets into the Aspartame jar and gorges himself, the expected result, based on animal experimentation will be a silent lesion in his hypothalamus which could give rise to neuroendocrine abnormalities in later life but would sound no signal of distress at the time of acute exposure. It is difficult in the human to establish cause-effect relationships for silent toxic mechanisms such as this which have only delayed sequelae. However, it is the responsibility of the Food and Drug Commissioner to assure that compounds with known delayed toxicity in animals will not be used in the human food supply unless an exceedingly wide margin of safety can be demonstrated. The conditions of approval set forth for Aspartame provide no such margin for the protection of children.

Finally, the Commissioner is apparently either unaware of the toxic synergism (homergism) of glutamate and asparate or does not comprehend the implications of toxic synergism. We demonstrated in 1970 that a combined oral dose of glutamate plus aspartate, 0.5 mg/g of each, produces the same degree of brain damage as a 1 mg/g dose of either amino acid separately (Nature, 227, 609, 1970). More recently we demonstrated that protein hydrolysates produce brain damage because of their high combined glutamate and aspartate content (New Eng. J. Med., 289, 391, 1973). The Commissioner is aware that until baby food companies voluntarily quit adding glutamate to baby foods in 1969, these foods contained up to 0.6% added glutamate. The Commissioner is also aware that glutamate is still used widely as an additive in foods consumed by young children. In the enclosed article entitled "Occult Mechanisms of Brain Dysfunction" (Olney, in Drugs and the Developing Brain, Eds. Vernadakis and Weiner, 1973) it is pointed out that a single 4½ ounce jar of MSG-seasoned baby food provided a human infant only a 4-fold margin of safety. Extending similar calculations to a 2 to 3 year old (12 to 14 kg) human child ingesting food similarly seasoned with glutamate yields perhaps a doubling of this slim margin. The Commissioner has not only persisted for years in ignoring this unnecessary and unreasonable risk to the health of human children but has now approved the addition of Aspartame, a potential synergist of glutamate to the child's diet. By failing to regulate the use of glutamate in foods the Commissioner is allowing millions of children to be exposed to a potential neurotoxin every day with only a slim margin of safety for their protection. By approving Aspartame, the Commissioner now boldly slashes that slim margin of protection as if the health of the nation's children were of no concern to the agency.

From a research standpoint, the only responsible approach to this problem is to perform oral intubation experiments on animals from early infancy to adulthood. Glutamate and Aspartame should be tested separately through a range of doses to establish a minimal effective dose for each compound at various ages.

Then glutamate and Aspartame should be tested in combination at various doses to demonstrate how they interact in the host and, in particular to determine whether one augments the neurotoxicity of the other. Obviously appropriate neurohistopathology techniques must be applied to detect whether brain damage occurs at any given dose or combination of doses. Based on the findings, a combined margin of safety for Aspartame plus glutamate should be calculated and the margin should be calculated from the body weight of the most vulnerable age group which will be exposed. In 1970 I notified representatives of G. D. Searle & Co. about the synergistic toxicity of MSC and aspartate and advised them that the above studies should be undertaken. They examined my evidence, agreed with my advice and implied they were intending to conduct such studies on their new product, Aspartame. To the best of my knowledge G. D. Searle has petitioned FDA and received approval for marketing Aspartame without having conducted such studies. When word was recently released that FDA was ready to approve Aspartame, I requested and received from G. D. Searle & Co. a sample of Aspartame. Although we have had only a few weeks to study Aspartame, the following findings can be communicated:

1. Seven to ten day old mice sustain hypothalamic lesions from tube-fed Aspartame starting at 2 mg/g.

2. Fifteen to twenty day old mice sustain hypothalamic lesions from tube-fed Aspartame starting at 2.5 mg/g.

3. In the above experiments the animals had stomachs full of milk. When administered on an empty stomach, Aspartame was effective at slightly lower doses and induced more severe brain damage at the same doses.

4. Aspartame studies on other age groups and for Aspartame/glutamate combined feedings are underway but are not sufficiently complete to be reported at this time.

Since the Commissioner has approved Aspartame for ingestion by all age groups (by not disapproving it or questioning its safety for any age group), but calculated a margin of safety only for the adult, the missing calculations for younger age groups should be provided. The following calculations are warranted by available evidence:

For glutamate:

1. Lowest effective (neurotoxic) dose in weanling animals equals 1 g/kg.

2. Body weight of young humans being fed the additive equals 12 kg.

3. Daily intake permissible under 100-fold margin of safety standard equals 1 g/kg times 12 kg divided by 100 equals 0.12 g glutamate.

4. Under existing circumstances it is quite possible for a young child to be fed as much as 200 g. of food at one sitting which might be seasoned with up to 0.6% added glutamate, or 1.2 g. of added glutamate.

5. The conclusion is inescapable that this child has very little margin of safety—only 1/10 the traditional 100-fold margin which the Commissioner paid lip service to in discussing the safety of Aspartame (Fed. Reg. pg. 27318, Par. 6). Since Aspartame will be ingested by this 12 kg. young human simultaneously with glutamate and the two are potential synergists. the Commissioner should recognize that there simply is no margin of safety for Aspartame intake by children; it has already been used up (10 times over) by glutamate. A margin of safety can also be calculated for Aspartame but it is necessarily a meaningless calculation for so long as glutamate is being allowed to usurp more safety margin than the two compounds together can safely be allotted.

For Aspartame:

1. Lowest effective (neurotoxic) dose is young animals = 2.5 g/kg.

2. Body weight of young human = 12 kg.

3. Daily intake permissible by 100-fold standard if glutamate were not also being added to child's foods equals 2.5 g/kg times 12 kg. divided by 100 equals 0.3 g. Aspartame.

4. Because of the child's attraction to sweets it is not unlikely he will consume over 1 g. per day of Aspartame.

If it is seriously questioned whether children will be exposed significantly to a high combined glutamate/Aspartame intake, consider the following projected scene in a typical American home after Aspartame goes on the market: A young child awakens in the A.M. and has Aspartame-sweetened cereal and dry base imitation juice, then chews 3 wads of Aspartame-sweetened gum and drinks several glasses of Aspartame-sweetened Kool-aid before lunch, consumes a bowl of MSG-seasoned soup, 100–200 g. of MSG-seasoned processed meat and vegetable mixture or MSG-seasoned potato chips and MSG-seasoned weiners, etc., for lunch topped off with Aspartame-sweetened pudding. He returns to his Aspartame-sweetened gum and beverages all afternoon. When Father comes home at 5 P.M. to find junior chewing on Aspartame paper packets and scolds him for eating sweets before dinner, mother says it won't hurt him because FDA has approved it as a very safe low-calorie sugar substitute. Then to the table for the MSG-seasoned fish sticks, meat balls, canned or frozen vegetables, Colonel Sanders' chicken (loaded with MSG), etc., etc., before the Aspartame-sweetened jello or cake and Aspartame-topping for dessert.

Obviously it is untenable to assume that human children will not be ingesting substantial quantities of both glutamate and Aspartame. It is also untenable to assume that the two compounds will not act synergistically in the hypothalamus to destroy neurons since the neurotoxic ingredient of Aspartame (aspartic acid) when taken with glutamate has been shown to augment its neurotoxicity. These considerations together with the evidence submitted herewith for Aspartame-induced brain damage in mice make it imperative that a hearing be scheduled for further deliberation on the toxicity of this artificial sweetener before it becomes a widely marketed item.

ALTERNATE SERVICE JOBS FOR DRAFT EVADERS IN THE VA HOSPITAL SYSTEM

Mr. THURMOND. Mr. President, last week 32 colleagues joined me in writing to the President of the United States to urge that no alternate service slots be given to draft evaders in the VA hospital system at the expense of unemployed or disabled veterans.

Mr. President, today the American Legion National Commander issued a statement on this subject. Commander James M. Wagonseller said:

To allow draft evaders and military deserters to work in VA hospitals would be a direct insult to the Vietnam veterans who accepted and fulfilled the obligation of service during the Vietnam war. It would be especially shameful to have draft evaders serving at the bedside of men who were wounded in action.

He pointed out that the unemployment rate for Vietnam veterans in the 20–24 age bracket is currently 9.4 percent—nearly twice the national unemployment rate of 5.4 percent. Commander Wagonseller noted:

There are plenty of honorably discharged veterans who want and need any jobs that are available in VA hospitals. In addition to which, honorably discharged veterans are justly entitled to veterans' preference in government hiring.

Mr. President, the Legion earlier came out in opposition to the President's proclamation offering conditional amnesty to draft evaders and military deserters. At that time, the Legion said:

The Proclamation violates the principles for which millions served their country honorably, thousands died in combat, thousands more were wounded, many are hospitalized, while others remain missing in action.

It is appropriate to note the vigorous opposition of the American Legion to any effort to assign draft evaders and military deserters to perform alternate service in VA hospitals. The Legion represents 2.5 million veterans who have served honorably during wartime.

Mr. President, I commend Commander Wagonseller for his strong stand on this matter, and salute the principles for which the American Legion stands.

Mr. President, I ask unanimous consent that the full statement on this subject by National Commander Wagonseller of the American Legion be printed in the RECORD.

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

AMERICAN LEGION NATIONAL COMMANDER SPEAKS OUT AGAINST SENATOR CRANSTON'S SUGGESTION OF WORK OPPORTUNITIES FOR DRAFT EVADERS AND DESERTERS

WASHINGTON, D.C., September 24, 1974.—American Legion National Commander James M. Wagonseller, today reacted to suggestions made during confirmation hearings for Richard L. Roudebush as VA administrator before the Senate Veterans' Affairs Committee on September 20, that draft evaders and military deserters be given opportunity to perform alternate service in VA hospitals. The Legion Commander said: "To allow draft evaders and military deserters to work in VA hospitals would be a direct insult to the Vietnam veterans who accepted and fulfilled the obligation of service during the Vietnam war. It would be especially shameful to have draft evaders serving at the bedside of men who were wounded in action." Wagonseller rejected the suggestion of Senator Alan Cranston of California, that draft evaders be used to fill jobs in VA hospitals not wanted by other veterans, such as pushing medicine carts and lighting the veterans' cigarettes. The Legion Commander pointed out that the unemployment rate for Vietnam veterans in the 20–24 age bracket is currently 9.4%—nearly twice the national unemployment rate of 5.4%. "There are plenty of honorably discharged veterans," Wagonseller said, "who want and need any jobs that are available in VA hospitals. In addition to which, honorably discharged veterans are justly entitled to veterans' preference in government hiring."

Wagonseller said that The American Legion would vigorously oppose any effort to assign draft evaders and military deserters to perform alternate service in VA hospitals. He voiced approval of opposition by Senator Strom Thurmond and 32 other Senators to Cranston's suggestion.

The Legion had earlier come out in opposition to the President's Proclamation offering conditional amnesty to draft evaders and military deserters. "The Proclamation," the Legion said, "violates the principles for which millions served their country honorably, thousands died in combat, thousands more were wounded, many are hospitalized, while others remain missing in action."

THE CORN HARVEST AND THE DROUGHT

Mr. HUMPHREY. Mr. President, the Washington Star-News last week carried a series of three articles by John Fialka, entitled "Crisis in the Field," which described various causes and effects of our current food situation, emphasizing the decrease in corn production due to the recent drought.

It is likely that we have not yet seen the end of the damage to this year's corn crop. Because of heavy spring rains in the eastern end of the corn belt, replanting was necessary. As a result, harvesting will be late in this region, making the corn vulnerable to possible early frost. With current damages already estimated at $500 million, such a frost could be disastrous.

Some agricultural experts say that this year's drought was evidence that we are entering a phase of a 20-year weather cycle. Similar weather patterns have occurred in the past 100 years on an average of every 20 years, and if the theory proves to be true, we could easily be in for 3 more years of adverse weather conditions.

Regardless of what nature has in store for us next year, the shortages resulting from this year's devastated corn crop will have far-reaching effects on farmers and consumers alike. Corn comprises our principal livestock feed, and shortages will mean higher prices. Some cattle feeders and poultry farmers are already being forced out of business because they cannot get a high enough return in sales to pay for the rise in feed costs. This will eventually create meat and poultry shortages and soaring prices at the supermarket. It is, indeed, a vicious cycle.

We cannot blame the drought alone for our current food situation. The cattle feeding industry, for example, argues that forces including the "Russian wheat deal," outside investment, increased overhead, the meat boycott, and a major trucking strike contributed significantly to driving up prices and increasing shortages. For them, the drought was the final blow to the solar plexus.

It should now be clear that we must

take steps not only to deliver ourselves from our present predicament but also to plan ahead for future times of shortage. A combined system of food reserves and monitoring of exports must be implemented immediately.

We can no longer afford to ignore the "signs of our times." Instead of our present policy of crying over spilt milk, we must act now to preserve our precious food resources, or we may see the day there is little milk left to spill.

Mr. President, I ask unanimous consent that the three articles by Mr. Fialka be printed in the RECORD.

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

[From the Washington Star-News, Sept. 15, 1974]

MOTHER NATURE KILLS HOPES FOR RECORD CORN CROP

(By John Fialka)

OTOE COUNTY, NEBR.—The seemingly endless rows of corn that line the country roads here have a healthy green color. Bulging ears protrude here and there, giving the casual observer the impression of another bumper crop.

It is another irony in what may be a year of terrible ironies for some Midwest farmers and most American consumers: there are no kernels on the corn cobs inside the ears.

The midsummer drought cooked the pollen-filled tassels on the corn before the plant could fertilize itself. The fields are really almost barren.

A failure in what was supposed to have been a record corn crop is no small thing. Together, the people in American agriculture represent the nation's largest and most efficient industry.

Their biggest product line is corn; they produce more of it than all of the rest of the world's farmers combined. The corn becomes a major component of our food chain. It is the principal livestock feed and is used in hundreds of thousands of food products.

Falling short of corn, then, is to the food chain something like General Motors running low on steel.

Here, if it is any consolation, America's vaunted farm technology almost made it. The eerie, life-like green comes from expensive, high-powered fertilizer. The impeccably weed-free fields are a product of herbicides. The dense stands of corn, plants growing sometimes less than nine inches apart, are a result of new, super hybrids.

But mother nature was still needed to complete this chain of technology and, for once, she did not cooperate.

"It wouldn't help this corn if it rained from now till Christmas," said Harvey J. Harms Jr. as he bounced alongside his fields in a pickup truck.

The rains that broke the drought in the corn belt early last month have cut the dust and have even produced mudholes where the land had cracked open in July. But by then, the damage was done, damage that will reverberate for months and play havoc with government plans to contain inflation.

So Harms has already cut down 30 acres of his corn and buried it in a pit that is covered by a black plastic sheet weighted down by old automobile tires. It is a homemade silo and there will be thousands of these burial pits in Nebraska and western Iowa this fall.

Harms will use the resulting sweet-smelling silage to feed his cattle, but it will not do much toward protecting him from the losses caused by the drought.

Like most of a dozen farmers interviewed recently, Harms had little idea how much his final losses might be because, like the nation's consumers, he may be looking at only a glimmer of the damage that is yet to come.

Although the Agriculture Department has said little about it, it is the frost that will be the final arbiter of damage in this calamitous year in agriculture.

The latest 30-day forecast calls for abnormally cool weather over most of the Midwest through September. For Harms, who has already taken one blow from the weather, it is a bad omen.

"That frost has got to hold off," he says as the pickup truck jounces past his other fields, planted in soybeans, and past some of his neighbor's grain sorghum. These crops survived the heat and are being revived by the rains.

Both plants have a capability of protecting themselves during a severe dry spell by going dormant, stopping growth for a while to wait for moisture. As a result, substantial areas of as yet undamaged crops in Nebraska, Iowa, South Dakota and Kansas are as much as two weeks late and thus vulnerable to an early killing frost.

Unusually cool nights early this month have already brought a light frost to parts of Iowa, Minnesota, South Dakota and Nebraska. The damage was believed to be slight, but it was not a good omen.

The specter of frost damage also hangs over the more fertile eastern end of the corn belt. In Indiana and Illinois as must as 20-percent of the corn crop was washed out by heavy spring rains and had to be replanted, delaying it for several weeks.

In the middle of Iowa, where farmers got both the spring rains and the drought, the soil first became soupy and then was baked to a brick-like hardness, strangling the corn.

That resulted in a queer notation on some of the thousands of damage estimate forms that are now making their way toward Washington: "Damage due to excess moisture and drought."

Last month, Agriculture's Agricultural Stabilization and Conservation Service, which receives the damage reports, conducted a survey of the drought damaged areas and came up with an estimate of $500 million.

More recently, ASCS officials have admitted that the possibility of frost damage and other imponderables may make the $500 million estimate a premature figure. "That estimate was very shallow on facts," said Glenn A. Weir, associate administrator of ASCS. "We may have missed it by a country mile."

All of this is unsettling to both Agriculture and the Office of Management and Budget. Agriculture Secretary Earl Butz encouraged farmers to plant heavily this year in order to reduce major crop subsidy payments to zero for the first time in many years. OMB, currently grasping for ways to reduce federal spending to ease inflation, must find money to pay farmers for a portion of their losses under a law passed last year.

But the disaster payments are only one part of a triple whammy that the crop damage will deliver to the anti-inflation effort.

Last spring Agriculture announced that this year's corn crop could be as much as 12 percent bigger than our biggest previous bumper crop. It would be big enough, Butz reasoned, to keep food prices low. Using their slide rules, food marketers had visions of corn selling for $2 a bushel.

After the drought, Agriculture's estimators decided that the corn crop was going the other way. It would be 12 percent smaller than last year's bumper crop. Corn hit an unheard of $4.00-a-bushel price in some cash markets during August.

The plan for lower food prices was then jettisoned by Agriculture, which had predicted food costs would "flatten out" in the fall and begin declining by early winter. Instead, consumer food prices would climb another three or four percentage points, the department advised.

Agriculture had also projected a bin-busting crop as the prime way to solve the nation's balance of trade problems. The original scenario was to offset the inflationary oil bills by hustling more international grain deals.

By late August though, Secretary Butz was hustling in the other direction, trying to convince Common Market buyers not to buy as much of our corn as they wanted.

It was the start of a strange, new game for American agriculture. The surplus crops, which represented a huge cushion against potential adverse weather conditions in the 1960s, had been sold. The nation's stocks of feed grains (corn, and grain sorghum) had slumped to the lowest point in over 20 years.

Thus, this year's corn crop was not going to be just another bumper crop. It had to be a record crop to make Agriculture's plans come out right.

The failure of such grand strategy emerged slowly out of an almost euphoric spring in Nebraska. Farmers in other states had had their problems with heavy rain, but the weather in this southeastern corner of the state was ideal for planting.

There would be a bumper crop, said Washington, and Nebraska farmers were planting heavily. They could see the market for all that corn would be there. The steel storage bins that once dotted the Nebraska landscape were gone.

The bins were once the government's way of housing surplus corn. Early this spring the government emptied the last of them here. They contained corn that was 17 years old. But it was still good and found ready buyers.

Then the bins were sold at auction. Nebraska corn farmers engaged in some sharp bidding for them because they would be needed to house the enormous fall harvest.

Corn planters were adjusted to plant the corn closer together and, although fertilizer was in short supply and high priced, prodigious quantities were applied.

"You had to shoot for all out," said Harms, who asserted that farmers faced with increasingly high prices for their supplies and equipment had to gamble that corn would be this year's big money crop.

And in early June, when the sea of young green plants appeared on the land, it was a heady sight indeed. Floyd W. Bohlken of nearby Nemaha County has farmed since the dust bowl in the 1930s. He remembers getting off his cultivator one day in June and looking at his fields.

"I said to myself that I've never seen things look so good," he recalls. "It was so good I began to wonder if something wasn't going to happen."

By that time the drought had already begun. The rains had stopped in May, but the damage did not become obvious until mid-July when the temperature rose to over 100 degrees for a dozen days in a row.

During the day the heat was accompanied by searing, dry winds. At night the humidity dropped so low that not even the dew was there to aid the scorched fields in the morning.

Ministers in country churches all across eastern Nebraska and western Iowa began praying for rain every Sunday and farmers like Bohlken began hoping "well, maybe it will rain tomorrow."

But corn does not hold up under such stress, especially if it comes during the crucial time of pollination. Bohlken knew this, but he kept on hoping until one day in late July when he went out to dig some potatoes.

The ground was too hard to dig. Bohlken discovered he could stick the 18-inch blade of his corn knife into some of the cracks that had opened between the corn rows without touching bottom.

The time had come to look at the corn. "I

always thought it looked nice 'till I got to walking around. There were so many of those ears with nothing on them," he recalls.

One night in early August it rained. It poured as much as three inches on the fields in a few hours. Farmers can almost pinpoint the moment the drought was broken because the rain came the same evening President Nixon gave his resignation speech.

But by that time nothing could help or hurt much of the eastern Nebraska corn. Thousands of Nebraska farmers were already applying for federal crop disaster payments.

Paul Holechek heads one of the many teams of federal crop adjusters who are now walking the corn fields, estimating damage. Often, as the late summer turns increasingly wet and cool, the men have had to don wading boots to get through the muddy black gumbo soil.

Holechek believes that this year the heavy fertilization and dense planting may have aggravated the damage. "Some corn fields that weren't fertilized and are planted on the thin side, they've got some corn."

Holechek, who works for the Federal Crop Insurance Corp., spends his days picking corn in small, measured sample areas of a given field. Then he weighs the corn on a device that looks much like a baby scale to determine how many bushels the field might yield per acre.

At one point this spring, Agriculture estimated that the nation's average yield would be 97 bushels of corn per acre. Some parts of Bohlken's fields will now produce about 5 bushels per acre, a yield that Holechek says is relatively good compared to many fields he has seen which have had to be written off as total losses.

If Bohlken had been fortunate enough to produce a corn yield equal to the projected national average, he would have made somewhere around $3.50 a bushel, or about $345 an acre.

As it stands, he will make about $30 an acre under the Federal Crop Insurance program and probably a similar amount under Agriculture's crop disaster payment program. The combined payments will probably not cover the costs of the seed, fertilizer and herbicide he has put in the ground.

Still, Bohlken is one of the lucky ones. Only about one in 11 farmers paid premiums for Federal Crop Insurance. Most Nebraska farmers will only be eligible for the second program, the crop disaster aid program, which will pay farmers in this area about 46 cents a bushel for their losses, based on their average yields from past years.

As yet, it is difficult to see the extent to which the farmers' losses will impact on the economy of Nebraska, or on the nation as a whole.

According to local ASCS officials, the losses will have a geometric impact on farm communities because each dollar created in income by the farmer initiates about $8 worth of business before it leaves the state.

"Farmers are famous for spending what they make," he adds, noting that the average Nebraska farmer must have about $250,000 worth of land and capital equipment to farm. "This year they will have no income, some of them, but there are still bills to pay and mortgage payments to make."

Farm equipment does not come cheap. A small tractor can cost $16,000. A small combine can run $40,000. A rear tire on a tractor is a $300 item.

After the drought of the 1930s, farmers had to cut their seared corn with their corn knives and bring it into the barn to be chopped into feed. This year they will pull chopping machines into the field that can quickly reduce whole acres of promising-looking corn into green mush to feed to the cows.

High technology farming may mask some of the hardship of the drought. Secretary Butz and other Agriculture officials in Washington may ease some of the apprehension by pointing out that "there is no need for panic," and that this year's crop may still be the fourth largest on record.

But nobody denies that the weather is now master of the men who farm on the plains. There are a number of people who feel that, despite the continued sanguine predictions, the full damage has yet to surface.

"No man living today can predict within 500 million bushels how large the actual 1974 corn crop will be," asserts Walter Geoppinger, board chairman of the National Corn Growers Association.

"It all depends on the timing of the first killing frost."

Geoppinger's group believes the probable size of the crop will be in a range running from just slightly above Agriculture's most recent 4.99 billion bushel estimate to a possible low of 4.5 billion.

And Geoppinger, whose group has an interest in sustaining high corn prices, asserts that Butz is putting a "rosy" picture on the situation because he is trying to "jawbone" his way out of a problem.

Pointing out there are now believed to be no major surplus grain supplies anywhere in the world, Geoppinger argues further that "any new unexpected demand or shrinkage of output anywhere in the world could change the picture overnight, putting much more pressure on the American crop.

"We're not the only country that could have an early frost," he added. "Canada and Russia have planted grain late this year."

Frost is just one of the threats the weather poses, now that the long era of crop surpluses is over and, as Goeppinger puts it, "the supply string is now stretched to the limit."

According to Lyle Denny, a meteorologist for Agriculture's weather service, the midsummer dryness has robbed the soil of the moisture it will need to sustain a winter wheat crop.

Planting of the crop will soon be under way in Nebraska and other Plains states. If there is a major deficit in this crop, it will be known by December and put still further upward pressure on basic food prices.

Prospects for winter wheat are, according to Denny, a "tossup affair." Rains have restored moisture to the fields of the Texas panhandle, where the drought started, but the fields of central and southwest Kansas have not recovered.

If the frost holds off and the winter wheat crop comes through, there is still the knotty question of whether the dryness of the summer of 1974 was the start of another drought cycle.

For the last 100 years, droughts have recurred in the high plains area west of the Missouri River and east of the Rockies every 20 years.

It is a stunning phenomenon to the nation's meteorologists who are now divided over whether the cycle is reasserting itself again. If it is, it means that the nation may look forward to not just one dry year but probably four in a row.

Denny asserts that this year's dryness does not yet qualify as a drought and believes that the 20-year patterns have been largely coincidence. "We feel from the outset that such things are of random occurrence."

Dr. Murray Mitchell, senior research climatologist for the Department of Commerce's Environmental Data Service, is more impressed with the evidence of a drought cycle.

The dust bowl ran from 1932 to 1936 and extended from the mountains as far east as Ohio. Droughts recurred in 1952, beginning in Arizona and extending over widespread areas in the Midwest, he pointed out.

Since then, he notes, "we have had an extraordinary run of good crop weather in the U.S. It's been about 16 years running. Normal weather is much more variable."

The odds against such a string continuing, he believes, are now "very high." "Frankly it makes me very nervous," he adds.

But the mechanics of American agriculture in this new age of low-surplus, high technology farming must go on. Bills must be paid. Mouths must be fed.

Recently Secretary Butz urged farmers to "go all out" next year and plant another record crop.

Soon Harvey Harms will clear the corn stubble from his land and prepare the fields for winter wheat.

Last year was a good year and next year might be another, reasons Harms.

"Gamblin," he shrugs. "Always gamblin'."

[From the Washington Star-News, Sept. 16, 1974]

THE $4 CORN HITS BROILER CROP

(By John Fialka)

EASTON, MD.—While news of the drought's impact on the 1974 corn crop has sent tremors through the nation's entire food production chain, the first real earthquake is happening here.

This is chicken country. The Delmarva peninsula is the birthplace of the American broiler chicken, believed to be the world's most automated animal. He is a creature of our technology—fed by computers, raised by machinery and protected by wonder drugs and vitamins in climate-controlled houses.

But he is vulnerable to one natural predator: high-priced corn. And when the economic turmoil is over out here, this vulnerability will have been passed on to the consumer in the form of a shorter supply of high-priced poultry products.

Raising poultry has been an increasingly shaky business since the summer of 1972, when the Russian wheat deal sent the price of chicken feed upward.

So this year, when the Agriculture Department predicted that the nation was about to produce a record corn crop, poultry men thought they saw an end to their difficulties.

"We thought at one point we were looking at a 6.7 billion bushel corn crop and maybe $2 a bushel corn," says Ed Covell Jr., president of Bayshore Foods, Inc., a company which normally has about 7 million beaks to feed.

Now, largely because of the drought in the Midwest, Agriculture has had to revise its estimate downward to 4.9 billion bushels and Covell and the rest of his industry are looking at a new phenomenon in the chicken business: the $4 bushel of corn.

Corn at that price is a kind of economic monster. It is about three times what livestock men have been used to paying for it. At the moment, the entire American meat industry is grasping for new ways to use less corn.

Some producers have options. Cattlemen, for instance, are feeding their animals lots more grass and are even experimenting with such things as treated chicken manure as a new, low-cost feed ingredient.

But chickens cannot be put out to pasture. Their regimen is fixed by automation. It begins with corn from day one. Since the market price for broilers is, according to poultry men, not high enough to pay for his feed, the industry is stuck. It has no option other than to cut its flocks.

The diminution of the nation's chicken population is now under way and it will continue until the market price goes high enough to pay for the corn.

Covell's company is in the process of cutting back its flock by about 15 percent, roughly a million birds. Its huge, three-story growing houses, where one man can grow up to 100,000 birds at a time, will be vacant for longer periods of time.

The number of eggs set to become broilers dropped last month by 12 percent, measured against a year ago. "There has never been

a drop like that that I can think of," commented one government poultry expert.

The number of egg-laying hens now being culled out and targeted for chicken soup is up by a whopping 17 percent. Eggs that might have been hatched into broilers are now being sent to "breaker plants," where they wind up as ingredients in cake mixes and other processed foods. Breaker plant activity, according to a Agriculture spokesman, is "up sharply."

All of this is being closely watched by hog and cattlemen because they, too, will soon face the same problem. The growing cycles of their animals are longer, however, so the impact of cuts in production will take longer to reach the supermarket.

But a fuzzy chick takes only eight weeks to turn into drumsticks, so what the poultry men are doing is likely to hit the consumer sometime this fall.

The price of eggs, which have a still shorter production cycle, already has jumped a dime a dozen during August on the key New York wholesale markets.

The broiler industry has never had a major cutback in production since it began booming shortly after World War II. It has always tried to solve its economic problems by scaling up. Bigger is better. If a two-story chicken house won't pay, build a three-story one.

Recently one major Maryland broiler production facility, owned by Otis Esham of Parsonsburg, Md., went into bankruptcy. Esham does not want to talk about it. "It all happened so quickly that I'm not sure what went wrong," he told a reporter.

According to George B. Watts, president of the industry's major trade association, the National Broiler Council, three other major companies have had to close down major parts of their plants for lack of operating funds.

Watts calls the sudden decline in Agriculture's estimate of the corn crop a "catastrophe" that the industry had not been prepared for and one that gives it almost no room to maneuver.

Paul Davis, president of Empire Farms, a major egg production facility near Atlanta, Ga., put it another way:

"Corn is the basic, it is the meat and potatoes of chickens. I don't know of anything in the world we could substitute to any great extent."

The vulnerability of the business to price fluctuation is illustrated by the scale of Davis' operation, which is in the upper medium range of egg production plants.

He has half a million laying hens. Every week, rain or shine, drought or no drought, Davis's machinery is programmed to deliver them a small mountain of corn, 10,500 bushels. And every week his completely automated equipment picks up 2,160,000 eggs in tribute.

The hens are packed four to a cage in gigantic laying houses, one of which contains 120,000 birds. Food and water automatically appear in front of the cages, so the hens never leave during their year-long laying cycle.

It takes four pounds of feed to make a dozen eggs. Roughly 60 percent of the feed must be corn, the other ingredients may be fishmeal or soybean meal or other types of feed, depending on market prices. Davis, like most high volume operators, depends on a computer that remembers market prices and programs a ration that will produce eggs at the least possible cost.

The feed is made up in the farm's own mill. The eggs, when they appear, slide down a chute onto a belt. The belt moves the eggs onto a cross belt which takes them to a machine that packs them and crates them.

"Nobody touches them unless there's something wrong with a machine or something," said Davis.

Each of his hens will lay up to 240 eggs a year. No part of the operation can be cut back very much. "You've get to keep the feed mill and the egg plant moving at a high volume because you've got everything geared up to do a certain job."

Bigness creates leverage. "You can drive all over the country around here and you'll very seldom see a farm house that's got chickens any more. They can't do it. It'll cost them more to produce those eggs if they keep up with it than they can go to the store and buy 'em," Davis asserted.

But leverage can also work against you. Four weeks ago Davis began buying $4.03 a bushel corn, the highest price he has ever seen in 22 years of business. Every dozen eggs that came rolling out cost him over 50 cents to produce, he estimates, while the wholesale market price for them was 43 cents a dozen.

By the first week in September the market price had reached an average of 55 cents a dozen, about the point where Davis believes he can begin breaking even. "We're going to have to get that kind of average from now on," he said. Davis's operation is relatively simple compared to a broiler operation.

Covell's Bayshore Foods is one of 175 "factories" that produce the 3 billion broilers that America eats every year. They too suffer from reverse leverage.

It all began with a Delaware woman, Mrs. Wilmer Steele, whom the industry reveres as the "Henry Ford of chickens." In 1923, when she began her experiments, chicken was a luxury item, selling for as much as $1 a pound.

They were traditionally raised in the barnyard in the spring and hit the market around the Fourth of July, hence their name: "spring chicken."

Mrs. Steele ordered 50 chicks, but the hatchery sent her 500 by mistake. She was a determined woman however, and found that with the right feed you could raise chickens indoors on a year-round baiss.

That called for corn, which supplies some of the nutrients that the chickens got from sunlight. Later feed companies enhanced the mixture with such things as artificial amino acids, antibiotics and vitamin D.

Feed prices went up, but the growers always stayed ahead of the costs by finding ways to reduce costs through automation. As a result, the price of the broiler kept going down.

By the late 1950s, the industry seemed to hit its stride. Growing houses contained acres of chickens, packed together so they didn't waste calories running around.

Automatic feeders supplied water and feed. Use of hybrid birds cut the growing cycle from 13 weeks to 8 weeks. High-powered feed meant that where it formerly took 4 pounds of feed for a pound of chicken, it now took 2 pounds of feed.

All of this added up to chicken at 29 cents a pound. Covell grows wistfully when he thinks about it. "Gee, that was kind of a magic number. We sold chickens at that during the late 1950s and all through the sixties. It never seemed to vary much. But you can see those days are over."

It now costs Bayshore 45 cents a pound to grow a chicken and send it to New York, where the wholesale price on the day Covell was interviewed was 39 cents a pound.

When you deal in 7 million chickens at a crack, a loss of 18 cents per bird is nothing to sneeze at. And, for once, there seems to be no new technical innovations on the horizon.

"We've gotten to the bottom of the barrel now and our costs are accelerating faster than we can increase our efficiency. You see you get so efficient after a while where there's not much more you can get and we're at that point,"asserts Covell.

A 12 percent reduction in eggs that are hatched to become broilers means 23 million pounds of chicken that will not be coming to market each week, according to Watts.

According to Agriculture figures, the cutback has been at that level throughout August. And the cutback in the flocks that lay the eggs for hatching has been even sharper. Once the laying flocks are cut, it takes about 18 months to re-establish the cycle.

Thus, a drought over eastern Nebraska is quickly translated into smaller chicken flocks. It is delivering a jolt that will throw the nation's most automated animal food business out of its normal cycle for months.

That will, in turn, probably mean that the consumer will pay more for his chicken and eggs, but the farmer, the man who grew the $4 bushel of corn, may have to pay too.

When it is running at full tilt, the chicken industry consumes a prodigious amount of corn. As one poultry man ruefully put it: "If they grow a bumper crop next year, there ain't going to be a whole lot of birds around to eat it."

[From the Washington Star-News, Sept. 17, 1974]

LEAN YEARS AHEAD FOR STEAK LOVERS

(By John Fialka)

KUNER, COLO.—There are lean years ahead for lovers of that most venerated item of American cuisine, the tender, juicy steak.

The people who developed the awesome technology that stands behind the American steak are preparing for a basic jolt to their business, a jolt that eventually will transform the average consumer's dinner menu with smaller portions of his favorite meat at increasingly higher prices.

Kuner is the site of a "steak factory," one of two enormous feed lots operated by Monfort of Colorado, a company which, in normal times, can turn 500,000 scrawny yearlings into delicious beefy animals each year by stuffing them with corn-based feed.

The cattle are here, as always, standing patiently in pens extending about a half mile in all directions from this pungent-smelling crossroads about an hour northeast of Denver. They are waiting for the trucks to come by with their next computer-prepared meal.

But these are not normal times for Monfort or anyone else in the cattle feeding business, which claims to have lost as much as $2 billion during the turmoil of recent months, turmoil capped off by a drought which cut about 1.8 billion bushels out of this year's expected corn crop.

The drought has sent the price of cattle feed soaring. It is completing a grim scenario of events that beef people have been anticipating for some weeks.

The scenario begins with an illusion for the nation's shoppers. A huge supply of cheaper beef, primarily hamburger, cold cuts, wieners and the like will begin appearing in supermarkets this fall.

The deluge of cheap beef probably will drive the nation's per capita consumption of beef—higher than for any other meat and highest in the world—still higher. The supply will give the impression that the age of the cheap hamburger will be with us forever.

But that does not appear to be the case.

Market forces already at work will end the wave of plenty sometime in 1976. Beef prices may then begin to escalate to unheard-of levels and supplies will suddenly drop sharply. Both movements probably will continue for at least two years after that.

The first signs of this scenario are already apparent. The Department of Agriculture's meat experts, looking at preliminary data from the month of August, believe that more cattle were killed last month than in any other month in the nation's history.

Included in the data, which will be announced at the end of this month, are indi-

cations that the slaughter of calves may be up as much as 70 percent over last year. The slaughter of cows also is believed to be up sharply.

The cows and their calves of what might have been a continuing age of plenty for beef consumers are coming to market early.

The impact of this slaughter will be delayed because about two years are required to bring a steer to market—the longest growing cycle of any major food product.

The cycle used to take longer than that, but in the late 1930s, Warren H. Monfort hit on an idea that probably has changed American life as profoundly as have some of its technological inventions.

Cattle used to be fed entirely on grass. Animals that were rounded up by cowboys for the trip to market were often over three years old, and their meat was often stringy and tough. There were some good steaks, but cattlemen could not produce them with mass-production consistency.

Younger consumers might find it hard to believe, but people used to be willing to pay more for pork than for beef. Even chicken sold at a premium compared to beef.

Monfort and other pioneer cattlemen, however, saw the flaw in the old system and turned the market completely around. Cattle spent too much time running around, the cattlemen decided, and could be brought to market sooner at a heavier weight if they were confined in pens.

During their confinement, their diet should consist not of grass or hay but primarily of corn, Monfort decided. Corn produces the marbling, the fat and the texture of what we recognize today as the steak.

The winters here, just east of the Rockies, are mild. And Monfort was able to take the seasonal element out of the market by fattening cattle year-round.

By World War II, he had scaled up to a size that amazed the industry, feeding 3,500 animals at one time. By 1960, he could feed 32,000 head.

The new 1,200 pound animal on his way to market was barely an adolescent, 24 months old. Sometimes it was just a calf, weighing about 400 lbs when it was put on a feedlot to be stuffed with a mixture of corn, sugar beets, soybean meal and other delicacies never found out on the range.

But the cattle feeding business had just begun to scale up. Somebody came up with the astounding discovery that a synthetic hormone, diethylstilbestrol, would make penned cattle gain weight faster on less corn.

Cattlemen began mixing the drug, known familiarly as DES, with an animal's feed or implanting it as a tiny pellet in its ear. The upshot was that the feeding cycle was shortened by as much as 20 days, saving all that corn for the next batch of animals.

At present, the average feedlot stay for an animal is 150 days. In new automated feedlots, such as the one here and another being built nearby by Farr Farms Inc., a Monfort competitor, these are days of leisure.

Antibiotics placed in cattle feed have reduced the animals' mortality rate and there is little for them to do except to mill around the crowded pens until the next feed truck rolls by, dumping its heated, specially mixed ration into the concrete troughs as it goes.

Each pen's ration and feeding time is remembered by a computer, which also remembers feed prices and mixes the ration according to the least cost for a given amount of nutrition. Machinery has, by and large, replaced the cowboy. The Farr Farms lot, when full, will have 35 employes feeding 40,000 cattle.

This method has meant money for Monfort, which drew up plans to feed 250,000 cattle at a time and added its own packing house on the end of the production line.

Monfort of Colorado now sits at the apex of an industry that feeds as much as 75 percent of all the cattle that are slaughtered. About a third of the industry is composed of big companies with feeding units of 16,000 head or more.

Bigness begat bigness. The tremendous demand for beef set the plans two years ago for the country's largest cattle herd in history. Approximately 138.3 million cattle are walking the nation's ranges or its feedlots.

And bigness often has been its own reward. Feeders who feed animals by the thousands have been able to buy cheaper feed—only the beginning of the benefits of scale.

Consider the example of just one of Monfort's feed lots. It produces 500,000 tons of manure a year.

That small mountain of manure is scraped from the pens by highway-sized road scrapers and piled and compacted by bulldozers. The manure is sold to farmers for fertilizer. Soon, however, Monfort and a group of scientists will build a $5 million plant to convert the manure to methane, or pipeline quality natural gas, by bacterial action.

The gas from the manure will be fed into a nearby pipeline owned by a company which will pay the going market rate. Carbon dioxide, a by-product, will be compressed into dry-ice pellets which are used by Monfort in the packaging of its frozen steaks. The manure residue left over from the process will, according to experimental data, have better fertilizer properties than the original.

But something happened in the last few months that began to tarnish what had been a continually brightening picture for cattle feeders. Some cattlemen say it was the Russian wheat ideal that caused basic cattle feed prices to begin moving upward.

Others blame a tax loophole which allowed outside investors to take a shot at the big money in cattle feeding.

Some cattle feeding operations thrived on this type of business. An outside investor would become a paper partner in a feeding business. Even if he lost money, he could come out ahead by paying for large amounts of feed in advance, thus shifting taxable income from one year to another.

Last year, according to cattle feeders, was a year of grief. The price of feed, barbed wire, fence posts and fuel began to send the overhead of the business soaring. And there were new limits imposed on the price he could get for his fattened cattle.

The consumer beef boycott imposed one ceiling. Then the Cost of Living Council imposed another. When the price was right, the truck strike prevented the feeder from getting his product to market.

Then the Food and Drug Administration decided that DES should be banned and ordered it to be removed from the market. The drug, the agency pointed out, is a known cancer-causing agent and experimental data showed that traces had begun showing up in meat. (The ruling was later withdrawn after a court challenge and the FDA was sent back to gather more evidence.)

Curiously, the basic cost of the industry, the market price of feeder cattle, the young animals the feeders bought for their pens, did not reflect these fluctuating forces. It moved steadily upward, from $50 per hundredweight in January of 1973 to an unprecedented $74.72 in August.

Some people think that the scale of the business demanded mass production at any cost. Some cattle feeders argue that it was not the scale but the influx of outside money—the dentist from New Jersey who had discovered cattle feeding as a tax shelter and bought cattle regardless.

"Amazingly, the feeder cattle price did not drop for a long time," explained Kenneth Monfort, who has now taken over the reins of the company from his father.

"You see there was so much 'outside money,' Wall Street investors, tax gimmick people in the business, that it just couldn't drop. They simply had to own a lot of cattle on January 1, 1974 . . . they had to have prepaid feed and interest, they had made money feeding cattle or knew someone else that had and where else in town could you find a game like this . . . ?"

The forces driving the costs up coincided with the mass of beef hitting supermarkets at the end of the price freeze, driving down the retail price.

Then, cattle feeders say, they began losing $100 a head. Small operators went under. Outside investors withdrew what money they had left and looked for tax shelters elsewhere. (The Internal Revenue Service attempted to close this loophole, but was later forced to withhold the ruling by a court challenge, which is still pending.)

But it was difficult for cattlemen to go elsewhere or even to slow down. They had built huge, capital-intensive plants, complete with cement feeding troughs and automatic feeding systems.

William D. Farr, of Farr Farms Inc., feeds about 100,000 cattle a year, and is second in size only to Monfort in Colorado.

He put his problems to a reporter this way: "So I subsidized you as a consumer for eight months to the tune of about $100 a head . . . Now then I'm damn near broke. I've had to mortgage farms which I've never done in my life in order to stay in the business."

Currently, Farr, Monfort and a number of other feeders are doing what might have been unthinkable in the business up to a year ago. They've stopped buying cattle. Farr's feedlots are two-thirds empty and Monfort's are down by about a third.

"We're being stubborn. We've lost so much money for so many months that we cannot afford to take the extra risk at the moment until we can buy cattle and be sure we can make some money, so we're just going to quit feeding cattle. We'll let the plant sit idle. It's cheaper to pay the overhead and taxes," Farr explained.

This non-buying is designed to shift the losses to sellers of feeder cattle, ranchers who normally shift animals off the range and into the feedlots before winter.

Prices for feeder animals suddenly have gone into a tailspin, down $40 from the high of $72 a hundred-weight and may go lower before winter.

The ranchers, Farr believes, will have to sell yearlings at a loss or rent space in feedlots and pay for the high-priced feed themselves. The result, he believes, will fill up the feedlots once again.

Referring to the record number of animals now "out there in the sage-brush," Farr adds, "They're either going to have to stay out there and wait their turn or die in the winter, one of the two."

Sam Addoms, vice president in charge of finance for Monfort, claims the company has lost almost $5 million during the last 9-month period by buying high and selling low. He sees the future in equally cold-blooded terms:

"The rancher is next in line to get the shaft and he is going to respond by being a reluctant seller. First he's going to cull his cow herd. He's going to cull older cows. Then he'll have to decide whether he will sell his heifers or his remaining cows and my guess is it'll be some of both."

Cow meat, according to Addoms, is tougher because it is older and it does not look good under cellophane in supermarket meat cases. "Hamburger prices will really be depressed and should really be a bargain. You'll be buying hamburger made out of cow."

Thus, according to the scenario, cow hamburger will soon be raining on consumers as a result of the bloody economic battle between cattle feeders and ranchers.

The younger liquidated cattle, being sent to slaughter by the ranchers right from the ranges, will probably be sold as veal or "baby beef."

Sometime, perhaps by late 1976 or 1977, the nation's great record cattle herd will be cut to a fraction of its former size.

What happens next? "In 1977 and 1978 the price *will* begin to escalate dramatically," explains Addoms, "and nobody will be able to do a damn thing about it because there's no way to respond immediately."

Ranchers will see the price moving rapidly upward and hold back some of their young cows to rebuild their herds. "That'll accelerate the price even more. O.K.? And then we're into another cycle," Addoms says.

How the consumer will respond to the cycle is a part which Addoms finds "really interesting."

"I don't know how he's going to come out. Is he going to cut out potato chips and convenience foods and go back to the old-fashioned concept of can your own foods?

"You're certainly going to see the consumer's expenditures for food exceed the 16 or 17 percent Mr. Butz (Secretary of Agriculture Earl Butz) has predicted. It's going to go to 20 and 21 and 22 percent and, more than that, you're going to see consumer pricing much more volatile than we have seen it in the past, much more cyclical," Addoms says.

Farr sees the Americans' per capita beef consumption dropping from around 116 pounds per year to somewhere in the 90s as part of the "new ballgame" taking shape for 1976.

"The public just hasn't paid the cost of it. What the market says is that the desire is there but not enough to get people to produce it."

Meanwhile, the whole beef feeding movement has turned around. It's back to grass for those animals who are not culled out of the herds this fall.

A proposed new Department of Agriculture meat grading system, favored and championed by the cattle feeders, places less emphasis on corn-produced fat in the meat. The system will shorten the feedlot cycle.

Cattle feeders also have turned to buying range-fed animals at 700 pounds or heavier to shorten further the animals' feeding time on expensive corn.

According to Farr, once the consumer gets over the dent the new beef will take out of his pocketbook, he will find no taste difference. Steaks will still be juicy and rare if the animal from which they are cut has spent some time lounging in a feedlot.

And so it will be, according to men who know the nation's beef business as well as anyone, that the impact of the drought of the summer of 1974 and other events will not reach the "queen of meats" until 1976.

But by that time, if inflation has not been mastered, a lot of the other "fat" will have been removed from the American lifestyle and the lean, new beef in meat cases may fit into it more neatly.

"God put a cow on this earth with his four stomachs to eat leaves and grass and hay," Farr points out, "and we've got to utilize the animal for what it was meant for and put on as little weight as possible with this high-priced grain."

INTERNATIONAL WOMEN'S YEAR

Mr. PERCY. Mr. President, I take great pleasure in sharing good news with those who have become disheartened that poor financing and official apathy might reduce International Women's Year to a hollow celebration of high-sounding platitudes to women. Recent actions by the State Department and the Ageny for International Development, with strong support from the administration, indicate that help is on the way.

The United Nations designated 1975 as International Women's Year to stimulate world initiative and action to promote equality between men and women; integrate women into the total development effort; and recognize the importance of women's increasing contribution to the strengthening of world peace. Such designations are reserved for issues which the United Nations considers of utmost importance. Thus, 1968 was Human Rights Year, and 1974 World Population Year. Usually, such designations automatically mean adequate, if not substantial, financial support. Approximately $2 million was spent on the international conference for Human Rights Years, and some $3 million was used for the recent World Population Conference. The International Women's Year Conference, on the other hand, has up to this time been allocated only $300,000.

Such obvious inequities, if not corrected, make a mockery of the principle of equality of men and women, so clearly stated in the United Nations Charter and the Universal Declaration of Human Rights. Because I care for women and for the United Nations, I recently spoke out before the Population Tribune in Bucharest urging that the U.N. give International Women's Year the priority that it deserves. Women, after all, are half of humanity, and their integration into all walks of life, on an equal basis with men, must become a reality if the world is to achieve full and complete economic and social development.

International Women's Year can only be successful if the United Nations and its member states commit the resources necessary to make 1975 not only a year of celebration but also a year of intense action committed to the improvement of the status of women all over the world. I am, therefore, very happy to report that the State Department has committed $50,000 in fiscal 1975 and $75,000 in fiscal 1976 as its share of the support necessary for the issuance of an Executive order to establish a Presidential Advisory Commission for International Women's Year and a secretariat to serve that Commission.

Moreover, AID will make a voluntary contribution of $100,000 to the IWY conference to be held in Bogotá, Colombia. The State Department, particularly its Bureau of International Organization Affairs, and AID deserve our commendation for their leadership on this issue. However, more money is needed if the Commission and the secretariat are to become realities. I, therefore, petition all other agencies to emulate the fine example set by State and AID and embrace the spirit of International Women's Year by making their much needed contributions so that the IWY program in this country will be both effective and meaningful.

International Women's Year is worthy of all our support. I know that both the previous administration and this administration have given it strong endorsement. Former President Nixon, in his proclamation designating International Women's Year for the United States, commented on the significant contributions that women have made in this country and suggested the ratification of the Equal Rights Amendment by 1975 as a fitting tribute to America's women. President Ford, in his proclamation of Women's Equality Day, reaffirmed his commitment to the ratification of the equal rights amendment and mentioned International Women's Year.

With adequate support at the highest levels of Government, International Women's Year will hopefully launch a new era in international history. I look forward to a time when women are fully integrated into all walks of life, on an equal basis with men, so that the views and concerns of half of humanity may truly be reflected in all our plans, policies, and priorities.

I request unanimous consent that a statement by Mrs. Anne Armstrong on International Women's Year be printed in the RECORD.

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

INTERNATIONAL WOMEN'S YEAR

(Statement by Anne Armstrong, Counsellor to the President)

1975 has been designated as International Women's Year by the U.N. General Assembly through adoption of Resolution 3010 in December, 1972. The United States through Presidential Proclamation in January, 1974, was the first member nation to recognize 1975 as Internation Women's Year.

The theme for the Year: Equality, Development and Peace offers us a unique opportunity to emphasize the accomplishments women have made throughout the country and to intensify the efforts already underway in our nation to advance the status of women.

Ratification of the Equal Rights Amendment is necessary for the achievement of legal equality for all men and women, Nations of the world look to the United States for leadership in this area.

Emphasized in the second goal is the role of women in the economy, in the arts and humanities, and in government. These are crucial to national development. Education and training are important aspects of the development of women's full potential to insure their effective participation in the life of their country.

The third goal is to recognize the contribution and potential of women in the promotion of friendly relations and cooperation among nations in building a structure of peace. Here in the United States, foreign policy has now become of concern and interest to all our citizens as we are daily more aware of the interdependence of the nations of the world.

The United States Proclamation calls upon Congress and the people of the United States to begin now to plan practical and constructive measures for the advancement of the status of women. President Ford in his Women's Equality Day message urged Americans to deal with those inequities that still linger as barriers to the full participation of women in our nation's life.

I look forward to working with Congress and State Department officials to assist in the success of this government's participation in International Women's Year. I, too, add my encouragement for the full participation of not only the government sector

but also the private sector as we implement the principles outlined by the goals of IWY.

CHICAGO SYMPHONY ORCHESTRA

Mr. PERCY. Mr. President, the Chicago Symphony Orchestra has won the acclaim of audiences and music critics throughout the United States and abroad. Under the direction of Sir Georg Solti, the symphony has brought excitement and innovation to the music world.

In 1971, the symphony made its first tour of Europe and gained an international reputation for excellence. Presently, the orchestra is again touring 11 European cities and the first performance has not disappointed foreign audiences.

Even the orchestra's harshest critics have praised Solti and the Chicago musicians for their discipline, precision and musical power. One Viennese critic, according to the Chicago Tribune, called the symphony "America's most brilliant musical collective."

At home, the symphony has become one of Chicago's major cultural assets. In an effort to keep ticket purchases within the economic range of all Chicagoans, the orchestra has refused to raise its concert prices in spite of the fact that its maintenance costs are rising.

In honor of their cultural contributions to the entire music world, I offer a tribute to the Chicago Symphony Orchestra and Sir Georg Solti.

THE FRANCHISE GAME—III

Mr. HARTKE. Mr. President, some of the most illustrious names in entertainment and sports have been used by unscrupulous franchisers to lure unsuspecting buyers into disastrous schemes. The third in the Chicago Tribune's investigative series on bogus franchise deals, documents this sorry state of affairs. It shows that the celebrity involved often is equally victimized, and ends up being sued by the irate purchasers.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

THE FRANCHISE GAME: BIG NAMES USED TO FLEECE SMALL INVESTORS

Americans have fawned over their celebrities for years, showering them with money at every turn.

And franchising's brightest promoters wanted their share too.

Thus, franchising's own variety of the Celebrity Game came alive in the late '60's and spread like wildfire. Within months new companies carried such familiar names as Johnny Carson, Lance Alworth, Minnie Pearl, Jerry Lewis, and Broadway Joe Namath.

Some succeeded for a while, but others fell almost immediately. Too often the new companies tried to substitute the lure of glamor for the nuts-and-bolts business of advising and directing new franchises.

Tho the names popped up in industries from dry cleaning to restaurants to movie theaters, the players in the celebrity game held some things in common.

Here are a few:

The lure of the big name was essential. It was ostensibly to draw the burger buyer or the moviegoer, but to the fledging company it had another more immediate financial purpose.

"People bought his [Jerry Lewis'] name and his integrity," said Walter Power, who sold franchises for Jerry Lewis Theaters. "They were convinced by the claims that Jerry Lewis' name was gold in the industry."

The celebrities had little or nothing at stake in the companies. They often were paid fees, given a chance to profit if the companies profited, but stood to lose nothing if they failed.

For example, Joe Namath, the superstar New York Jets quarterback, agreed to a handsome $90,625 price for his stock in Broadway Joe's restaurant chain just months before the company went bankrupt, according to Securities and Exchange Commission reports.

The stars often signed on the dotted line with little or no legal advice and only the say-so of friends or agents. Thus, they knew little about the ventures into which they were leading thousands of investors.

Dick Butkus, the Chicago Bears' star linebacker, sold his name to a catalog sales scheme and ended up facing a suit for the company's misdeeds. He didn't read the contract, his agents said.

And most of the stars wish they had never heard of franchising. "It's all just a bad memory," said Minnie Pearl, the country-western comedienne who lent her name to a doomed fried-chicken chain. "I'd just really rather forget all about it."

But unlike the stars, the investors can't just simply forget about it. They are struggling every day to stagger back from the financial catastrophe of slapping their money on the line with little more than a famous name behind it.

Owners of small theaters in cities and towns across the nation point to one such chain of catastrophes. Still calling themselves Jerry Lewis Theaters, 30 struggle to stay alive. They are what remain of 200 franchised theaters.

Two veteran franchise promoters were the brains behind the ill-fated Network Cinema Corp., and Lewis' lawyers say Fred Entman and Jerry Rudolph persuaded Lewis to go along with the idea for a $25,000 fee, a 20 per cent chunk of the stock, and a 2 per cent cut of the franchise sales.

Lewis had enough faith in the promoters to sign such an encompassing contract that "they could put his name on T-shirts if they wanted to," said one company official.

The concept called for area distributors to buy large chunks of territory for $50,000 and sell franchises for $15,000 to people starting theaters in the area.

"As it turns out, we really only bought a hunting license," said one area distributor, complaining that the company offered little help.

The franchise holders invested $14 million in franchise fees. Besides the Jerry Lewis name, they were supposed to get location and construction assistance, all-inclusive equipment packages, training, national advertising, booking of all films, and scores of other services.

Instead they got almost nothing, training and supervision least of all. They often had to find locations on their own, design the theaters on their own, and then deal with defective projection equipment when it finally arrived long after it was promised. The "ma and pa" concept of a push-button theater was largely ridiculed among frustrated franchise holders.

Soon the parent company, despite the Jerry Lewis name, became a liability.

"As it turned out, they were nothing but a hindrance to us," recalls Walter Pancoe, who opened a small Jerry Lewis theater in Elk Grove Village.

"Instead of having a strong organization, we had a chain around our necks, with a national company that hadn't paid its bills and was on bad paper everywhere," he said. "We had to establish our own line of credit and get out from under them."

That credit obstacle cost the theater owners their lifeblood. They could not rent films from the industry under the financially tainted Jerry Lewis name. Scores of them severed all relationship with that name in order to survive.

Wallace C. Kemper lost $50,000 on a California distributorship, and until recently was chairman of the board and chief financial officer of the shattered company in an attempt to retrieve some of his losses. He places the blame for the company's demise squarely on an "exorbitant overhead" that paid fantastic commissions to salesmen and officers but left only 31 per cent of the franchise fees to the company.

Beyond that, he told The Tribune, the faltering company had an overhead of $250,000 a month. It paid $100,000 salaries to its string of presidents, leased luxurious cars, and paid $16,000 a month to rent offices furnished with $100,000 worth of "antique French furniture."

Kemper says available records show Lewis was paid more than $200,000 in royalty fees and Entman received just under $200,000.

Many investors later complained that they did not know when they went into the company that Entman and Rudolph were behind the corporation. Nor did they know until later about the pair's fiasco-prone history of franchising Teen Dances, beauty contests, and automobile shows, they said.

The franchise holders heard about the pair's promotions of Lana Turner Health Spas and Burt Lancaster Health Food Stores at the same time Network Cinema was sinking.

Neither of those ventures got off the ground, and Entman now sells muffler distributorships as president of Wonder Muffler Co. He refused to discuss his other enterprises, because "it would bring up a lot of bad memories," an aide said.

Disgruntled investors remember going to Lewis with grievances and seeing Lewis "put his head down between his knees and cry." Such incidents became known as "Lewis' best performances" among the rank and file.

Each time they protested, the comedian promised his backing, they recalled, but each board meeting would bring Lewis joking and pulling pranks—and backing the corporate leaders.

With the bankruptcy in June, 1973, the joking stopped. The company had less than $500,000 in assets and $3.5 million in debts. Kemper became the chairman of the board, without pay, and unsuccessfully tried to reorganize the mess.

"The records were in complete disarray for at least 12 months," he said. "There was no general ledger and nothing to indicate double-entry bookkeeping. It took me six months to find all their bank accounts, and they had 37 of them. There were no records around to tell you where the cash was."

Meanwhile, dozens of franchise holders have sued to get back the money they poured into Network Cinema Corp. and the Jerry Lewis name.

Lewis wouldn't talk to The Tribune about his misadventure in franchising because of pending suits, but his agents said, "He feels bad about the entire thing."

Joe Namath has taken a philosophical attitude about his franchising flop, known as Broadway Joe's and aimed at the fast-food business. He said the venture is a "story that should be told," but would not comment on specific aspects of his abortive franchising scheme.

"A lot of people got hurt in the Broadway Joe's thing, but there's a lot of things a man learns in life," Namath said. "I believe my experience with Broadway Joe's was a good one. If you can come out on top, even in a bad situation, I say you're a better man for it.

"It makes you a more beautiful person if you can come out a winner when the odds are against you."

But the franchise holders who bought Namath's name don't see it that way. Dr. Samuel Clifford of Pensacola, Fla., for instance, bought into the Broadway Joe's chain in late 1969—and in eight months had lost an estimated $75,000.

"It was the most awful experience I've ever endured in my life," he recalls. "It went from bad to worse from the very start."

Clifford's startup costs were $49,000—and $10,000 of that, he was told, was for the use of Joe Namath's name and promotional services. After all, Joe Namath, then at the zenith of his popularity, was supposed to draw the crowds thru his personal presence, just as he told the United States Senate during hearings in January, 1970.

But Clifford remembers it differently, recalling only a 20-minute visit by Namath on opening day that caused only anguish.

"Everyone was so mad at the way Joe Namath treated the kids when he first opened up that they refused to come back," he said. "I mean, he kept them waiting all day. That upset a lot of people. And when he said he'd be back and didn't return, it resulted in a lot of nasty articles in the press."

The publicity hurt him much more than Namath's visit helped, Clifford said, and he believes the whole situation may have led to his business failure.

And the rest of the organization offered the restaurants little, he said.

"Broadway Joe's had no direction," said Maurice Lombardi, a former executive. They thought they could take a kid or somebody's nephew, train him for two weeks, call him a manager, and then expect him to make a success of a restaurant.

Clifford remembers "no quality control," and former employes of the restaurants describe outrageous restaurant procedures. One cashier remembers that meat was regularly thawed and refrozen each day "until somebody showed up to eat it." Another recalled that oatmeal was mixed with ground beef in order to stretch the number of hamburgers.

But in Chicago some fans had depended on their own football hero to be a winner, and it hasn't worked out that way.

"They told me [Dick] Butkus certainly was a smart enough man to know a good thing," an investor recalls. "They said Butkus negotiates high-pressure contracts with the Bears, and he was an investor in the [franchise] company," which offered franchisees a chance to operate "door-to-door department stores" employing many salesmen.

Actually, Butkus was not an investor in the franchise operation, and the negotiations that got his name tied to Cardet International don't quite compare with his successful contract negotiations.

In fact his agents now defend the superstar linebacker for the Chicago Bears by pleading ignorance on his behalf.

The agents claim that they were solicited by Sheldon Serlin with a scheme to use Butkus' name to endorse Cardet, and that Serlin was "the kind of person you wanted to believe." They turned the idea over to Butkus, who "approved the agreement but did not read it."

Armed with that contract, Serlin and his cohorts turned out reams of "Team up with Butkus" ads thruout the Chicago area and recruited franchise buyers to "put your future where Dick Butkus has put his."

Butkus' agents say the ads were never submitted to them for review, as promised in the agreement Butkus signed.

The idea was door-to-door sales, and the franchisees paid $5,000 or $10,000 each for the right to participate. For each $5,000, they were given a 2,500-home "exclusive territory" in which to sell a wide assortment of items from a catalog.

Serlin and his team did a booming business from their Lincoln Avenue offices, mixing the hard-sell pitch to sign up before the territories were gone with fast pencil work to show outstanding profit projections.

Once signed, the dealer was given incredible sales tips.

"Serlin suggested to me that if a janitor of a building wouldn't allow the kids in (to deliver brochures), they should tell the janitor that Dick Butkus is endorsing the company," said Mrs. Mary Soder, 34, of Wildwood.

Mrs. Soder was at first enthusiastic. She spent three weeks drawing up large maps of the area to be covered by her 10 children in dropping off brochures.

"I knew it would take a while to make up my investment, and then I thought I would make a little profit," she said. "I made nothing."

Today Mrs. Soder has the $5,000 tacked to her home mortgage and is working to make back the money she feels she took from her family for the investment.

Eventually a suit was filed on behalf of 80 Chicago-area residents who claimed losses totaling $450,000 from the scheme. Serlin and Cardet were among the defendants—and so was Dick Butkus.

"The thing that attracted me most was Dick Butkus lending his name to it," said Carl Dummond, 57, who mortgaged his Lake Zurich home to invest in Cardet.

"I figured it was an honest, reputable operation. I figured he would have checked it out."

But Butkus' spokesmen claim he made little money—as little as $3,000—and was bilked by Serlin.

"You have to remember these people weren't buying Dick Butkus," said Robert E. Neiman, an attorney for Butkus. "They were buying a business opportunity."

TRUTH OR CONSEQUENCES, N. MEX.

Mr. DOMENICI. Mr. President, I take the floor this afternoon to mark a memorable event in the history of a New Mexico community and to commend the individual most responsible for that event and many other notable accomplishments.

This year marks the silver anniversary of the town of Truth or Consequences, N. Mex., an internationally known entity.

The individual is Ralph Edwards, the master showman and producer of many successful network and syndicated shows that have over the years brought happiness and enjoyment to millions of Americans.

Twenty-five years ago Ralph Edwards' NBC radio show, "Truth or Consequences," was approaching its 10th anniversary when a promotion campaign was undertaken to locate a town that would adopt the program's name. The small town of Hot Springs on the Rio Grande River in central New Mexico liked the idea and adopted as the new official city name Truth or Consequences.

A fiesta was built around the first live broadcast of the show from that town creating a relationship between the city and Mr. Edwards which has endured all these years.

That warm and friendly relationship has prompted the present mayor of Truth or Consequences, Mr. James V. Mims, to provide the following account of the city's experience with Ralph Edwards:

STATEMENT BY MAYOR MIMS

What started out to be a "one-shot" promotion for a Radio Program has turned into a highly successful community celebration and lasting world-wide fame for the resort community of Truth or Consequences, New Mexico.

Ralph Edwards' NBC Radio Show was approaching its tenth anniversary when its producers sought a town which would adopt the program's name.

Hot Springs, New Mexico, endorsed the idea. A Fiesta was built around the first live broadcast of the Show from the town and now, 25 years later, Ralph Edwards and his Hollywood entertainers are synonymous with the City of Truth or Consequences and its image as a paradise of recreation.

The first Fiesta was April 1, 1950, when Ralph Edwards, his troupe of Stars and an entire NBC network radio crew came here to broadcast live from Coast to Coast.

This unique relation between a City and one of the nation's finest and friendliest personalities to ever appear on radio and television, all started 25 years ago when this city by a vote of 1,294 to 295, decided to change the name from Hot Springs to Truth or Consequences on Friday, March 31, 1950. On Saturday night, April 1. Ralph brought his famous radio show here for his tenth anniversary broadcast.

This was the beginning of a friendship between a City and a humanitarian, who the past 25 years has made an annual trip here bringing a host of nationally known radio, movie and television stars, all at his own expense. Thousands of dollars worth of prizes are awarded to contestants in the various Fiesta events, most of which are supplied by Mr. Edwards. The City has received nationwide publicity through Ralph's show on a national network.

Each year Mr. Edwards takes time out from his busy schedule of activities while here to visit with patients at Carrie Tingley Hospital for Crippled Children and present a show for their entertainment. The visits of famous TV personalities bring joy and happiness into the lives of the youngsters.

Over the years, Ralph Edwards has continued to aid his adopted city. He donated a set of stage curtains for the Middle School Auditorium where his annual Hollywood Star-studded Fiesta Stage Show is held. He donated signs to be placed on the main highways at the City Limits to publicize the city and he presented uniforms to the Hot Springs High School athletic teams.

Each year the City turns out to welcome and pay homage to this great man who has done so much for our community. A special wing of the Geronimo Springs Museum is known as the Ralph Edwards Wing, and contains memorabilia of Mr. Edwards many years in radio and television. The city has a park named in honor of Ralph Edwards.

Truth or Consequences, New Mexico, is indeed proud of its association with Mr. Ralph Edwards and proud to have him as an honorary citizen of this community.

Mr. Edward's activities for the benefit of his adopted city and its citizens are noteworthy in themselves, but his philanthropic endeavors extend far beyond that city. He is truly one of the most philanthrophic individuals in the entire country. I am advised that over the past 17 years he has raised millions for various charities and other worthwhile causes. Examples of those efforts are his money raising work in World War II for which he received the Eisenhower Award for selling half a billion dollars of E bonds and his work as chairman of the 1973 Easter Seals drive which brought in $53 million.

For all these many reasons, Mr. President, I am pleased to draw the attention of my colleagues to the fine humanitarian record of Mr. Ralph Edwards by these

brief remarks to be part of the CONGRESSIONAL RECORD. I also note with pride the silver anniversary of the city of Truth or Consequences and wish that community and its citizens continued success and prosperity.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, few of the millions of Americans who ride in commercial airplanes each year know that the cargo hold of their plane may contain radioactive substances, acids, or even hand grenades. These hazardous materials are regularly carried aboard aircraft under conditions which subject passengers to unnecessary danger.

Mr. President, I ask unanimous consent that two magazine articles on this subject in Travel and Media & Consumer, written by John and Christine Lyons, together with a resolution on this subject from the city council of the city of New York be printed in the RECORD.

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

[From Travel, August 1974]

HAZARDOUS CARGO: A THREAT TO PASSENGER SAFETY

(By John and Christine Lyons)

Under Federal law, airlines are permitted to ship hazardous materials such as acids and other corosives, flammable liquids, explosives, live germ cultures and radioactive materials. Your chances of sharing a flight almost anywhere with one or more of the materials in these categories are very, very good, according to some studies. There are, of course, Federal regulations that deal with the proper packaging and handling of such dangerous cargo. Unfortunately, Federal studies have shown that most such shipments do not conform to the regulations. The first and most obvious question is: Why are such materials shipped on passenger planes?

Shipping by air is becoming increasingly popular in today's commerce, and competition causes this popularity to escalate. Since not all possible destinations are served by cargo planes, passenger planes are an apparent solution. Airlines in general are considered the most reliable carriers of goods, thanks to the intensity of the industry-wide security programs. In addition, some types of hazardous material must be shipped the fastest way possible. Most of the radioactive materials, for example, are used for medical purposes. Much of these would become useless if not delivered to its hospital destination within a few days—hours, in many cases. The medical community says passenger planes are the only way to get these materials to the patients.

There are, however, other types of radioactive materials that, according to members of the Air Line Pilots Association (ALPA), have no business on passenger planes. Members of ALPA, who claim that the overwhelming percentage of passenger flights carry some type of hazardous cargo, say that industrial isotopes and fissionable materials such as those used in atomic bombs or nuclear reactors have seen so shipped. Among these materials is plutonium, one of the deadliest poisons known to man.

All of these radioactive materials must be shielded to keep external radiation levels low. They can be, of course. What concerns some people is that with several packages containing radioactive materials stacked together, the levels of radiation, individually low, might exceed safe levels when added together. Thus passengers and flight attendants may be getting dosages potentially harmful over extended periods of time.

Several years ago, during a twelve-month period at one small airline, ten stewardesses quit flying to take maternity leaves. Four of these suffered miscarriages, and of the babies born one died shortly after birth and another was born a mongoloid. At that time, the airline was carrying a considerable amount of radioactive materials. The stewardesses became concerned that perhaps the accumulated radiation was the cause of the problem births.

This month, in conjunction with the Atomic Energy Commission, 100 flight attendents will be wearing radiation badges in a controlled test to find out how much radiation they're being exposed to from materials carried on board planes.

The airlines and the FAA are proud of the safety record of commercial carriers. Senator Vance Hartke (D., Ind.), however, is worried. "It's quite obvious and very conclusive that the shipment of hazardous materials in the United States is a potential bombshell, just waiting to go off at any time." Senator Hartke chaired the Senate Commerce Committee hearings on the problem of shipping hazardous cargo this past June. Representative Jack Brooks (D., Tex.), chairman of the Government Activities Subcommittee of the House Government Operations Committee, says: "Our shipment of hazardous materials by air is totally out of control." His committee has held several hearings on the transport of hazardous cargo. He says that we're just lucky there haven't been any major accidents involving passenger planes carrying hazardous materials.

There has been one major incident so far, this involving a cargo jet. A Pan American 707 freighter, en route from New York to Scotland, crashed during an emergency landing at Boston's Logan airport in November. The three members of the crew were killed and the plane was destroyed. The cargo included 16,000 pounds—eight tons—of acids and flammable liquids. At least one bottle of nitric acid leaked, causing a tremendous fire aboard. The crew apparently believed there was an electrical fire in the cockpit. One of the crash investigators says the entire shipment was improperly packaged and marked, which explains why the crew was probably not aware of the hazardous nature of the cargo. A smaller amount of those acids could have legally been shipped on a passenger plane.

While there have been no serious incidents on passenger jets, there have been many close calls. During the first week in May, 1974, a small jar of nitric acid leaked in the cargo compartment of an Aeromexico DC-9 at Mexico City. The 75 passengers had not yet boarded when smoke was seen coming from the baggage bin. Mexican officials said that if the leak had begun while the plane was in the air, it could have caused the aircraft to explode. Fortunately, nobody was hurt.

Flight attendant Laurie Eckols described another incident involving acids that occurred on one of her flights. "We landed and an agent came running up and asked for a Coke to pour on a shipment of something that had spilled in the plane's cargo bin. He said the shipment was bubbling, and he always poured Coke on anything that bubbled. It turned out that the agent who unloaded this shipment had spilled some of the liquid on himself and it ate through his pants and shoes and socks and, to this day, this agent is permanently scarred."

Other incidents have involved not only acids, but other "unusual" cargo as well. Several years ago, an improperly-packed culture of live polio virus spilled aboard a passenger plane. It wasn't until after a worker had tasted the sticky substance to find out what it was that it was actually identified by officials. At least 40 people had to be quarantined.

Magnetic materials seem an unlikely threat to a plane, but recently a TWA passenger jet flew to Europe from New York with such materials stowed in its forward cargo bins. It wrecked the compass system.

In 1972, 900 people or more received high radiation dosages when a shipment of industrial radioactive material leaked in the baggage compartment of a Delta jet. (The plane made a number of flights before the contamination was discovered.)

The official position of ALPA is that hazardous cargo should not be shipped on passenger planes, with the exception of emergency radioactive medicines properly shielded so that it is not harmful to passengers or crew. "Then we can get it [other hazardous materials] on cargo planes where we may be able to monitor it," say Captain James McEntyre, Chairman of the ALPA Hazardous Materials Committee at TWA. "This other stuff like acids and explosives has no place on passenger planes."

The airlines' positions vary a bit. Frank Rox, of Delta, testified before a Congressional committee that his airline would prefer not to carry any radioactive material. Jim Shelnutt, of Pan Am, agreed by saying his airline would *prefer* not to carry any radioactive cargo, but since such materials—medical, for example—have considerable impact on the standards of living of not only the United States but other countries as well, fast shipment is necessary. He added that safe and proper shipment is of primary importance. Speaking more broadly, however, about the other categories of hazardous cargos, he said that should Pan Am be permitted to refuse to ship such materials (on a general basis), chances are it would lose *most* of its cargo traffic to the foreign carriers which are its competition. Since many Americans fly such airlines, the potential dangers wouldn't be eliminated, just transferred, and, he said, Pan Am would like to keep this business as long as it can safely and properly be handled.

Several other airline executives told us that most airlines would really rather not carry such cargo on passenger planes but that, if one airline refused unilaterally, many shippers would retaliate by refusing to ship anything on that airline. Just the very implication of that kind of threat is a very powerful weapon when most airlines are either losing money or operating marginally.

For four years pilots Jim Eckols and Don Dunn have been studying the problem of hazardous cargo and they've been trying to get action. "We're the ones on the freight dock at two in the morning and we've been crying out, 'We've got a problem here.' And we've been getting the run-around," says Dunn. He says that the airlines want the Federal government to do something about it and the Federal agencies leave it up to the unions. "Safety must be brought back into focus. We'd like to see the problem solved in the system, but if they won't, we will." Dunn explained that more and more pilots are individually refusing to fly planes with hazardous cargo on board.

This past June, the TWA pilots voted as a group to refuse to continue carrying hazardous cargo. The ensuing negotiations between the pilots and TWA resulted in an agreement which could become an industry-wide standard. It calls for the elimination of the hottest type of radioactive package, a possible system of monitoring all radioactive cargo (Delta is already doing this), and a committee made up of pilot and management representatives to determine what other hazardous materials are unfit for transport on passenger planes.

Paul Jordan, of ALPA, says the problem is upstream of the carrier. "The shippers just don't take the time or spend the money to do the job properly. So we're really dealing

with just general economic expediency on behalf of shippers, freight forwarders and the carriers themselves."

So, what is being done about the situation? There are elaborate Federal regulations dealing with the shipment of hazardous cargo. But the regulations aren't being properly enforced. Congressman Brooks has been trying for several years to get the FAA to enforce its own rules, but with little success. "I think the FAA has just let all this hazardous material slip through the cracks of their regulations. The shippers ... will rock along doing what they cotton well please until this government, through the FAA, forces them to package and examine adequately hazardous material shipped on airlines."

For years the FAA has been saying its enforcement program for hazardous material has been good. However, in June, 1974, Senator Hartke released a draft copy of an FAA in-house study of those enforcement efforts. Hartke categorizes the study as a "damning indictment of the whole process." Hartke says the study shows the FAA has been doing *essentially nothing* about enforcing the regulations. Oscar Beake, the Assistant FAA Administrator for Aviation Safety, disagrees with Hartke's categorization but does admit the FAA has not been doing an adequate job of enforcement.

Most people concerned about the shipment of such material believe it's not the airlines but the FAA and the Department of Transportation that should be clearing up this problem. Some suggest that, failing action by the DOT and its agencies, Congress should pass a law banning the shipment of most hazardous material on passenger planes.

The city of St. Paul, MN, is not waiting for Congress. There is a new ordinance at the Minneapolis-St. Paul Airport. It mandates the monitoring with geiger-counter devices of all radioactive packages and the monitoring with radiation-sensitive film badges of all personnel who handle such packages. Mayor Lawrence Cohen of St. Paul, a member of the airport commission, says, "We're just trying to enforce the Federal laws. Those laws have been in existence for a long time and the government has done nothing to enforce them." Other airport commissions are considering similar ordinances.

Meanwhile, the traveler seemingly does not have the right to know if the plane he's on is carrying any type of hazardous material. The FAA says that if they get enough response from people saying they want to know, a rule would be issued granting the public that right.

It seems that the FAA should be receiving volumes of mail on all areas of hazardous cargo. If you'd like to write expressing your views, the address is FAA, Office of Aviation Safety, 800 Independence Ave. SW, Washington, DC 20591. It might be a good idea to send copies to your senators and congressman.

OPINION FROM THE EXECUTIVE OFFICE—HAZARDOUS CARGO ON PASSENGER PLANES

During the last few months, the public's attention has been drawn intermittently to a problem that, curiously, has been permitted to exist for a number of years. We refer to the shipment of hazardous cargo aboard passenger planes.

There have been instances when, despite Federal regulations detailing the proper identification, packaging and handling of hazardous cargo, such materials, improperly marked and packaged, have found their way into passenger plane cargo holds.

John Lyons (Science Editor of WNEW Radio News in New York) and his wife Christine have spent nearly two years sifting through mountains of testimony and regulations. They've interviewed representatives of airline management as well as pilots and flight attendants. They've spoken with legislators and mayors and have attended hearings. The Lyons' efforts culminated in a series of radio broadcasts on the subject of hazardous cargo. They agreed to prepare an article on hazardous cargo, based on their investigations, for Travel. It begins on page 22.

Our own conversations with representatives of airline management tend to bear out that the airlines see a real problem which they, as much as anyone, want resolved. As we see it, most of the potentially-disastrous situations result from violations of the Federal regulations on the part of persons responsible for packaging and labeling shipments. We cannot expect cargo handlers to suspect that innocent-looking packages might contain improperly-protected acid. The airlines, however, do admit their vigilance can and should be improved. Vigorous training programs might help, but most airlines seem to have taken only rudimentary steps in that direction.

Obviously, it is not our intention to undermine the public's confidence in flying. Rather, we hope all our readers—and all travelers—will join with pilots and flight attendants, airline management and concerned public servants in bringing pressure against the Federal agencies involved. The areas of responsibility for the proper shipment of hazardous materials must be clearly defined. Only emergency materials (radio-active medical supplies, for example) should be permitted aboard passenger planes. Regulations should be made readily enforceable and the stiffest possible penalties should be assessed against those found guilty.

H. W. SHANE,
President.

[From Media & Consumer]

THE HIDDEN PASSENGER: HAZARDOUS CARGOES ON PASSENGER PLANES

(By John and Christine Lyons)

Nine out of every 10 times you board a commercial passenger plane you're probably sitting just a few feet away from some kind of dangerous cargo, according to the Air Line Pilots Association (A.L.P.A.) That cargo might include, among other things, radioactive material, explosives, acids, nerve gas, and live germ viruses. It is legal to ship these materials in passenger planes if they are packaged and handled according to federal regulations.

Yet the vast majority of such shipments checked last year by the government were in violation of the regulations. In fact, the A.L.P.A. estimated last year that over 90 per cent of the shipments were in violation in one way or another. This information and a spate of recent incidents have aroused a number of Congressmen, municipal officials, members of pilot and stewardess groups, and many individuals who are forced to handle such cargo. When speaking of the situation, they use terms like "disaster," "tragedy," and "public health menace." They refer to incidents such as these:

Last November 3, a Pan American cargo jet crashed in flames at Boston's Logan Airport, killing the three-man crew. It crashed because leaking nitric acid in the cargo area ignited, according to the preliminary report of the National Transportation Safety Board (NTSB). Capt. James Eckols, co-chairman of the A.L.P.A. sub-committee on hazardous materials, was a member of the NTSB investigative team. He says there were about 16,000 pounds of chemicals and acids on the plane, "all of it packed, labeled and shipped in contravention of federal laws." Some of the boxes of nitric acid were illegally loaded on their sides and when a cap on one bottle came loose, some nitric acid apparently leaked out and ignited the extremely flammable packing material.

"Nothing was done right with this shipment from the very first until the airplane ended up in a scrap heap at Boston Airport," Eckols says. By federal regulation, the pilot is supposed to be notified of any hazardous cargo on the plane. "The pilots were never notified," he says. "They had no idea they had 16,000 pounds of dangerous chemicals on board." During the emergency approach to the airport, the pilots lost control of the plane. "It's only luck that the plane didn't crash into a populated area," Eckols says.

On April 5 and 6, an improperly shielded shipment of radioactive material was shipped on two Delta Airlines flights. At least 157 passengers and 32 ground personnel were exposed to the excess radiation. The Atomic Energy Commission, which investigated the incident, says there is no evidence of biological damage to the passengers.

Federal guidelines on radiation state that an unmonitored individual in the general population should not receive more than 170 millirems (mr.) of radiation per year. (A millirem is a standard measure of radiation dosage.) Yet, a number of passengers on one of the two Delta flights received estimated dosages ranging from 2,000 to 12,900 mr., according to Congressional testimony. And a consultant to Delta says there are indications the dosages may have run as high as 14,000 mr.

A woman sitting in the tourist section of one of the two flights was four months pregnant with her first baby. She received an estimated dosage of 340 mr. A doctor investigating the effects of the exposure on passengers says the dosage received is "on the border line," meaning some medical authorities feel the dosage did damage the fetus and an abortion is called for, while other authorities believe the radiation level must be higher to cause such action.

The AEC says it is still investigating the effect of the exposure on ground personnel. While available information is sketchy, several sources estimate that a delivery truck driver who handled the radioactive cargo in Baton Rouge, La. received a dose in excess of 340,000 mr. A dose of 400,000 mr., it has been estimated, would kill 50 per cent of the people exposed to it. The delivery truck driver says that he has been vomiting every day since three days after the incident and that he's never had stomach trouble before. His case is one of those still under investigation by the AEC.

Bitter reaction to the AEC's preliminary finding that no passengers were "biologically injured" comes from Capt. Eckols of the pilots association: "To say no one was injured is insane. You cannot feel radiation, and so even when severely overdosed there may be no immediately-apparent symptoms that these people could be future cancer victims."

An incident strikingly similar to that involving the Delta flights occurred on April 17, 1972. A shipment of the same kind of radioactive material that was on the Delta flights, iridium 192, was carried on board a North Central Airlines passenger plane on a 150-mile flight from Minneapolis/St. Paul to Duluth. There is no mention in any of the reports filed on that incident that any checking was done to determine the radiation exposure to passengers. In fact, the report sent by North Central to the Department of Transportation states only that the box was received in Duluth with the top ripped open and that the shipper promised to fasten the containers better in the future.

There is no mention in the report that before the package left Minneapolis/St. Paul, a cargo handler was contaminated as he loaded the package onto the plane. That person, Roger Welsh, and his supervisor filed an employee injury report with the company. Welsh says he was in the plane loading freight when one box leaked something on him. He later told us, "I didn't think anything about it

because there were no radioactive stickers on the package." After the broken box was discovered in Duluth, the order went back through the North Central system that anyone who had handled the package should be checked out. Welsh told us, "The doctor checked me out with a geiger counter-type device and found radioactivity on all the hairy parts of my body. I was given a list of things to watch out for and told to go back to work and return to the doctor in a couple of days." In the injury report, in the section describing what action had been taken, Welsh's supervisor, L. W. Sipes, wrote, "Spoke to the shipper, from this particular company, the containers will be constructed better, and will be marked with radioactive stickers on at least four sides."

In 1971, some diseased hog tissue was packed in formaldehyde, which in turn was packed in dry ice and put on an Ozark airplane in Owensboro, Ky., destined for Louisville. The shipment was packaged improperly—there was no vent to let off the carbon dioxide from the dry ice. The pressure of the gas built up and the package exploded, sending the formaldehyde through the air conditioning system of the plane. Fortunately, the plane was on the ground in Louisville by this time and most of the passengers had disembarked. The co-pilot, however, was still on the plane, and even though he immediately went on straight oxygen, he received such a large dose of formaldehyde through the ventilation system that for the first few weeks he thought he had lost his voice permanently. He eventually recovered.

Last November, a chemical company wanted to get a shipment to St. Louis. The chemical, hydrofluoric acid, was too dangerous to be legally shipped by passenger airplane, so the company packed the material in a salesman's briefcase as carry-on luggage. The briefcase wouldn't fit under the salesman's seat, so it was put in the plane's cargo bin.

After the plane landed in St. Louis, the cargo agents found the cargo bin full of holes. The chemicals had spilled in the cargo area, burning the holes in the floor. "To date, the only thing we know of happening is that the FAA has told this gentleman *he should not do this in the future,*" says Capt. Thomas Gerber of the pilots association. In this incident the shipper knew the regulations, and just ignored them. Gerber is discouraged. "Why won't people lie and cheat just to get the shipment through, when the worst they get is a $1,000 fine or a letter from the FAA telling them they're bad."

Laurie Eckols, a stewardess on Ozark and the wife of Capt. Eckols of the pilots association, tells of an incident that happened about three years ago on an Ozark flight. "After we landed, an agent came running up and grabbed a Coca-Cola. I asked him what was wrong and he said that a shipment had spilled in the cargo bin of the plane and it was bubbling. He said he always poured Coke on something that bubbled. When the Coke didn't he'p, they poured baking soda on the bubbling shipment. It turned out this shipment was bottles of hydrochloric and sulfuric acid packed in a salesman's sample case. The agent who had unloaded the shipment spilled some on himself and it ate through his pants, shoes and socks, and today he is permanently scarred. It also ate through the interior belly of the plane, so that had to be reskinned."

Capt. Eckols says the A.L.P.A. had "hundreds" of incidents similar to these in its files.

TWIN CITIES AIRPORT CLAMPS DOWN

On May 20, the members of the Minneapolis-St. Paul Metropolitan Airport Commission approved an ordinance which will make the Twin Cities Airport the first in the nation to require monitoring of all radioactive packages going through the airport. It also requires the monitoring of the baggage handlers as well.

Any packages that give off more radioactivity than the federal regulations allow will be stopped and turned over to a state agency. The baggage handlers will wear film badges which will be regularly checked to see how much radiation they receive. The airport has already conducted a two-month test of the badge system, finding that several baggage handlers have picked up what the St. Paul mayor's office calls "significant amounts of radiation." The ordinance will take effect July 1.

The major proponent of the ordinance was St. Paul Mayor Lawrence Cohen. Cohen told us, "We found that while there were various federal rules and regulations in the books, there was no enforcement by any of the federal agencies." Cohen continues: "Humanitarian-type nuclear physicists who have worked for the AEC think our ordinance is great. What's really good about it is that we're scaring the hell out of the federal government. We're going to do their job for them and they can't handle that. The federal government, either unable or unwilling to face realities, had the gall to send representatives from Washington, D.C. to oppose our monitoring ordinance. All we want to do is enforce their own regulations."

WHY THERE ARE HAZARDOUS CARGOES ON AIRPLANES

The shipment of hazardous materials by air is supposed to be controlled by a set of elaborate and complicated federal regulations. The regulations are quite specific. And one would expect they would be because they cover substances such as explosives, acids, gases, poisons and nuclear material.

Ironica'ly, much of the material that can be shipped on passenger planes may not by law be conveyed by other forms of passenger transportation. And while it may in some instances be shipped by trucks or freight trains, when trucks and freight trains carry material that is exposive, corrosive, radioactive or otherwise dangerous, they must bear placards so that people can keep their distance. There is no such warning for airplane passengers.

"When asked why planes are exempted from placarding, officials of the FAA or Department of Transportation express amazement that such a question would even be asked," says Capt. Eckols of the pilots association. "They say, if people knew radioactive material were aboard, they wouldn't fly." He adds, "There is nothing in the law which exempts airliners from placarding regulations, yet you'll never see a placard on a passenger plane."

Given the fact that hazardous materials are regularly carried on passenger planes and that there is a large body of regulations governing their transport, one would assume the passenger is relatively safe even when such substances are aboard.

One who disagrees with this assumption is Rep. Jack Brooks (D-Tex.), chairman of the Government Activities Subcommittee of the House Operations Committee. "We have learned that an overwhelming majority of hazardous materials shipments by air are in violation of federal regulation," Rep. Brooks declared on April 5, 1973 at the opening of one of his hearings. He added: "For example, recent visual inspections showed the following results; 20 out of 24 shipments inspected at Kennedy Airport in New York were in violation; 11 out of 12 in violation at Philadelphia; seven out of nine at LaGuardia; five out of six at Baltimore; 10 out of 14 at O'Hare, and six out of six at Newark." These figures were submitted to Brooks Committee by the Office of Hazardous Materials of the Department of Transportation.

"Our shipment of hazardous materials by air is totally out of control," says Brooks, who is seeking to get the Federal Aviation Administration to enforce the federal regulations with more vigor.

Brooks and others are particularly disturbed by what they feel is vastly inadequate monitoring of hazardous materials shipments and enforcement of existing regulations.

Among the others voicing concern are members of the Air Line Pilots Associaton. They are upset by what they term as "wholesale and wanton disregard" of existing regulations by shippers of hazardous materials.

"If a company can't send an acid legally, they label it machine parts and send it anyway," charges Capt. Don Dunn, cochairman.

"We're really dealing with just general economic expedience on behalf of manufacturers, shippers, freight forwarders and the carriers themselves," says Capt. Paul Jordan, a member of the A.L.P.A. safety committee.

How effectively the FAA implements and enforces its own rules covering hazardous cargoes may be seen in its treatment of a rule issued last year. The rule said everyone involved in the handling of hazardous materials must receive training in a program approved by the agency.

"The agency went on to approve programs which claimed to be able to train people completely on the handling of hazardous materials in 10 minutes," says Capt. Eckols of the pilots group. "You wouldn't be able to read the index of federal regulations on hazardous materials in that time," he adds.

At North Central Airlines, compliance with the new FAA regulation consisted of a short film followed by a test to demonstrate that employees had absorbed the required knowledge, says Roger Welsh, a North Central cargo handler. The answers to the test were printed on the back of the sheet, he added.

A spokesman for the airline, Del Drumm, did not deny that the answers were printed on the back of the question sheet. He would say only that "the questions and answers are readily available to the trainee," and that North Central's program was approved by the FAA.

PILOTS ALARMED BY PROBLEM

A representative of the Air Line Pilots Association testified on March 15, 1973 before a Congressional committee investigating the problem of transporting hazardous materials by air. Part of that statement follows:

For the past two years, pilot investigators from the Air Line Pilots Association have conducted an intensive study of the rules and regulations governing the carriage of dangerous cargo aboard passenger-carrying airlines. This work has further included over 1,000 on-the-spot surveys of cargo shipments as they were being readied for loading at airports around the country.

Based on this study I am alarmed to report these two significant findings:

1. Our investigators estimate that more than 90 per cent of the 14,000 passenger-carrying flights operated daily by the U.S. airlines have some type of hazardous materials aboard, including such shipments as radioactive drugs, pesticides and other poisons, viruses, germ cultures and even explosives.

2. Under present government regulations, nine out of every 10 of these shipments are illegal. . . .

It is the position of the Air Line Pilots Association that all hazardous materials should be banned from passenger-carrying aircraft.

WHAT'S BEING DONE TO CORRECT THE PROBLEM

Upset by what they feel to be inattentiveness to the problem of hazardous airline cargoes, a number of groups are planning to bring renewed pressure on federal agencies and the airlines to act more vigorously in the future.

At the forefront of the effort is the Air Line Pilots Association, which wants all haz-

ardous material removed from airlines except for emergency radioactive pharmaceuticals, and those only when so packaged that the radiation given off is almost zero. Many local pilot groups are angry at the lack of response from the government and the airlines, and now are talking about voting as a group to refuse to carry any hazardous cargo. Individual action is taking place already. By law, a pilot may order a shipment removed from his plane if he has reason to feel it unsafe. More and more pilots are doing that now, says the A.L.P.A.

The pilots are expected to play a key role in upcoming hearings to be conducted by the Senate Commerce Committee. The hearings are scheduled to start this month. Both the FAA and the Atomic Energy Commission say they're now conducting new studies to see if there really is a problem with hazardous cargo.

Nearing completion are two private studies to determine radiation dosages received by flight attendants who regularly travel routes on which radioactive materials are shipped with some frequency.

Last year, a group of Ozark pilots and flight attendants looked at the high number of problem births among flight attendants. They found that of 10 stewardesses who left the airline last year to have children, six pregnancies ended tragically: four ended in miscarriages, one child died soon after birth, and the sixth was born a mongoloid. They then checked and found that two of the stewardesses who had problem births had flown flights that carry radioactive material regularly. They were unable to get complete information on material carried on the flights taken by the other stewardesses.

This study did not prove any connection between radioactive cargo and problem births but did prompt a larger study. The Steward and Stewardess division of the A.L.P.A. recently sent out questionnaires to member stewardesses asking about problem births they had experienced.

So far, the returns are spotty, but Capt. Eckols says, "There is sufficient data from one part of the country to show that stewardesses on one airline that carries a lot of radioactive material had a significantly greater rate of birth problems than the general population." Stewardesses for Women's Rights, another organization, is now sending out questionnaires to several thousand stewardesses in order to learn more about this situation. The group has also put radiation monitoring badges on 100 Stewardesses to determine what exposure they are getting during flight.

WHAT YOU CAN DO

The pilot of an airliner is required by law to be notified when any hazardous material is loaded on his plane. Reuben Robertson, the director of the Aviation Consumer Action Project, a public interest group in Washington, D.C., suggests that each passenger ask the pilot if there is hazardous cargo on board. Robertson says:

"There is nothing that says the pilot must tell the passenger, but most of the time he is happy to do so. Each time we fly now, as we're boarding the plane we hand a note to the stewardess to give to the captain. It reads: 'Dear Sir: We are passengers on your plane and would like to know if there is any hazardous cargo on board ... If so, what is it? Where is it located and how much is there?' We have found the crews only too happy to give us the answers."

If the pilot tells you there is something dangerous aboard you can decide for yourself whether to fly on that airplane. Capt. Eckols saw that one of the key issues now is the passenger's right to know what he's flying with. And the Aviation Consumer Action Project says it is planning to test the passenger's right to know in the courts soon.

Along these lines, the group is considering a lawsuit to force the placarding of passenger planes carrying hazardous cargo. The placards would warn air travelers that a plane carried dangerous cargo. Pat Kennedy of the group says the suit is "only a holding action until somebody passes regulations saying this material may not be shipped on passenger planes."

POSTSCRIPT: TWA TIGHTENS RULES

Just as this article went to press, *Media & Consumer* learned that Trans World Airlines, faced with an imminent job action by its pilots and stewardesses, has agreed to institute a number of stringent safety measures in regard to the transportation of hazardous cargo on passenger planes.

It has agreed to begin a stricter monitoring system for all hazardous cargoes, and to limit the amount of radioactive material that can be carried on any passenger flight. Exempted from the agreement are radioactive materials for medical purposes.

The pilots and stewardesses had threatened, among other things, to start informing passengers, at flight time, when radioactive and other hazardous materials were abroad.

It is expected that the threat of similar actions will be instituted at other airlines in the immediate future.

THE COUNCIL OF THE
CITY OF NEW YORK,
New York, N.Y., August 7, 1974.

Mr. JOHN LYONS,
New York, N.Y.

DEAR JOHN: I am pleased to enclose self-explanatory resolutions calling upon the United States Congress and the Port Authority to take immediate steps to reduce and eliminate the serious danger faced by airline passengers and the public at large by reason of hazardous materials being carried on passenger planes.

These bills were your brain child, and I know that your pioneering work in this area will lead to corrective legislation.

As I told you before, whenever you want me, I will be available.

Love to Chris.

Sincerely,

PETER F. VALLONE.

RES. NO. —

Resolution calling upon members of the U.S. Congress from the city of New York to introduce and support legislation which would remove all hazardous material from passenger planes, excepting emergency medical radioactive shipments, with adequate posting of signs warning passengers of any emergency hazardous material on board

Whereas, there is a clear and present danger to the public by reason of dangerous and hazardous cargo being transported on passenger planes throughout the United States; and

Whereas, such dangerous and hazardous cargo includes radioactive materials, gases, explosives, live viruses, blasting caps, acids, poisons, corrosive chemicals, and similar materials capable of causing catastrophic harm to airline passengers as well as to the public at large; and

Whereas, all responsible governmental officials and consumer and environmental associations desire legislation which would eliminate this danger, be it

Resolved, that the Council of the City of New York calls upon members of the United States Congress from the City of New York to introduce and support legislation removing all hazardous materials from passenger planes, excepting emergency medical radioactive shipments, with adequate posting of signs warning passengers of any emergency hazardous material on board.

RES. NO. —

Resolution calling upon the Port Authority to strictly enforce existing Port Authority regulations covering the transportation of dangerous and hazardous materials on passenger planes at New York City Airports

Whereas, the media has recently given wide attention to the indiscriminate transportation of dangerous and hazardous materials on passenger planes using the facilities provided by New York City Airports; and

Whereas, the Port Authority has a duty to the people of the City of New York to adequately supervise, monitor, prevent and prohibit such transportation when such transportation would endanger lives, and

Whereas, the Port Authority has regulations already in existence which would lessen dangers caused by such transportation, and

Whereas, the strict enforcement of such regulations would be in the best interests of the people of the City of New York; now, therefore, be it

Resolved, that the Council of the City of New York calls upon the Port Authority to strictly enforce existing Port Authority regulations covering the transportation on passenger planes of dangerous and hazardous materials at New York City Airports.

AUTOMOBILE FUEL ECONOMY AND FOREIGN OIL

Mr. DOMENICI. Mr. President, it seems to be popular these days in relating the events of which we are a part, events we often feel are beyond our control, to find some good news to try to offset the ever present bad news. When the subject is this Nation's petroleum situation, even the most diligent search frequently fails to produce any "good news."

I rise today, Mr. President, to point to a bit of genuine good news related to our petroleum consumption to be followed by the bad news on the supply and cost side.

In the first instance, I refer to the announcements this past Friday by EPA Administrator Russell Train and FEA Administrator John C. Sawhill that 1975 automobiles are expected, to achieve a 13.5 percent improvement in fuel economy compared to 1974 automobiles. Administrator Train said that preliminary calculations from EPA's laboratory tests and statistical analysis, taking into account expected sales of various models, indicates that the average new car would get about 13.5 miles per gallon compared with 12.1 miles per gallon for the average 1974 car.

Although these figures are preliminary and are estimates, it is obvious that substantial savings of gasoline will be realized by fuel economy improvements in the range expected. While there are those who will seek to downplay the importance of this fuel savings by pointing out that 1974 cars were poor in fuel economy, the fact is that reductions in future petroleum usage must be measured against today's usage, not figures for some past period of time.

The bad news continues to be on the price of petroleum products, especially as it is affected by policy decisions of oil-producing nations. The weekend papers were filled with accounts of OPEC refus-

ing to yield on its decision to charge higher prices for oil regardless of other factors normally determining selling price—cost of production, reasonable profit, and availability.

Typical of the headlines of some of these articles are: "Saudi Oil Chief Sees Major Recession Due to High Prices but He Backs OPEC"; "Smell of Oil To Pervade IMF Session"; "OPEC Aide Expects 12 Percent Oil Price Rise"; "Saudi Arabia Clarifies Rise on 'Participation Oil' "; "Crude Oil Cost Could Rise 12 Percent"; "Saudi Is Raising 'Buyback' Price"; "Saudi Arabia Said To Plan Oil Price Rise of Its Own"; and a "'News Analysis" from the Sunday Washington Post which is most accurate in its characterization of the situation as "Price Cut for Oil a Mirage."

These two subjects are related, Mr. President, because part of our response to ever-increasing prices for foreign oil must be to tighten our belts and use less oil and oil products. The increased fuel savings from 1975 cars is attributable to several factors such as a higher percentage of smaller cars and more efficient air emission equipment on some models. As such, it is a rather fortuitous circumstance and it points up the need for concerted Government action to help conserve fuel.

It is this kind of Government action we must seriously consider as the menace of OPEC price fixing becomes an even more vivid reality. I am among those of this body who feels that Government regulation of our Nation's people and their business should be limited to those matters clearly in the public interest. Conservation of petroleum and reduction of demand, in view of the calamitous prospects of relying on foreign oil for up to 50 percent of our use, are clearly actions in the public interest.

Accordingly, I heartily endorse the joint efforts of EPA and FEA on the 1975 fuel labeling and fuel economy program. Such labels will help buyers know which cars have the best fuel economy and influence car manufacturers to produce more cars that have better fuel economy.

I also endorse FEA's announced plans to ask automobile manufacturers for an industrywide improvement in new car gas mileage during coming model years.

In concluding, Mr. President, it is my intention to carefully examine this area from the standpoint of need for legislation. Our energy situation and the prices we are paying for oil demand that this approach be considered. To do less would be irresponsible and violate our duty to those we represent.

THE PENSION REFORM ACT

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business I would like to comment briefly on the enactment and signing on Labor Day of the Employee Retirement Income Security Act of 1974—commonly known as the Pension Reform Act, Public Law 93-406—as it relates to the 8½ million full-time commercial small enterprises of this country.

The passage of this bill is a great achievement. It took 7 years of legislative work. It involved four congressional committees and a monumental effort to reconcile their work that was performed by a fifth, the Joint Committee on Internal Revenue Taxation.

The law is a milestone in our Nation's quest for retirement security for the American worker. However, it also has a major impact on the small business community—both as self-employed workers and as employers of more than half the labor force.

Our Small Business Committee was proud of the minor p.rt which it played in the formulation of this legislation. Senior members of the committee, the Senator from Wisconsin (Mr. NELSON) and the Senator from New York (Mr. JAVITS) were leaders in gaining consideration of the new law. In the Bible-Evans small business tax reform bill, a number of committee members and other Senators early expressed their support for comparable deductions for self-employed businessmen in order to bring such benefits more in line with those of executives of large corporations. I believe we succeeded to a degree, since the new law narrows the contribution differential from about 3 to 1 to about 2 to 1.

We also resisted strongly the effort to impose the new 2 to 1 differential on small corporations. This discrimination was avoided as a result of the efforts of several Members of this body, including the Senator from South Carolina (Mr. THURMOND) and the statesmanship of the Senate Finance Committee and the Joint Committee on Internal Revenue Taxation. Our committee, and particularly the Senator from Alabama (Mr. SPARKMAN), advocated equity in the area of salary reduction retirement plans for small firms, which the legislation also treated in a balanced manner.

Another of our committee's contributions, which I believe will be ongoing, is in the field of basic research. The Congress needs a greater understanding of the extent of pension coverage among small business and the factors affecting such coverage.

This is confirmed by the studies upon which consideration of this bill was begun, which reflected that among manufacturing firms, those with less than 50 employees are only 28 percent covered by private pension plans; and firms with 50 to 99 employees are only 57 percent—or just over half covered—by such plans. Our committee pointed out in the course of consideration of the bill that while manufacturers are very important their statistics do not represent the bulk of the 9 million sole proprietorships, 1 million partnerships or one-quarter million so-called subchapter S corporations making up our business population; nor do they shed light on the retirement problems of employees of these other business units.

BASIC RESEARCH ENGENDERED

As part of an information-gathering effort in this area, our committee worked with several organizations, including the American Society of Pension Actuaries, the National Small Business Association, and the National Federation of Independent Business. The latter group, a widely based small business organization of about 380,000 members, took the initiative in conducting a survey of its membership on employee retirement plans. The results, I believe, make interesting reading and will be a factor in congressional consideration of this subject for a long time to come.

The survey was published in January 1974, in time to be available to the Congress, and particularly the conferees, in their final deliberations on the pension reform bill. The tabulations confirmed the lower percentages of coverage in small business and particularly in nonmanufacturing businesses. The federation concluded from its sample that approximately "19 million employees of small businesses—were not covered by any kind of employee retirement plan; and—will be dependent upon social security and their savings, if any, or else welfare programs when they retire."

We know that U.S. employment has reached 86 million. The Pension Reform Act is generally estimated to cover a maximum 35 million in private retirement and welfare plans, or about half the private labor force. Many questions remain unanswered about the other 50 percent of the employees, the great majority of which appear to be in the small business area.

I feel that the extent to which small firms provide jobs in this country is not generally recognized. Most people would, I believe, be surprised to learn that "small business" provides over 50 percent of U.S. employment. For instance, the NFIB survey revealed the following average number of employees according to the type of business entity:

Sole proprietorships—4 employees.
Partnerships—8 employees.
Subchapter S corporations—15 employees.
Corporations—27 employees.

These figures are, of course, based on the validity of the responses by members of the federation to this particular survey. However, it can be said that they are quite indicative of the job-providing qualities of the Nation's 8½ million commercial small and 12 million total small business enterprises.

A key question in the survey also concerned whether or not any form of retirement income plan was in existence, with the following responses:

ABSENCE OF RETIREMENT PLANS BY TYPE OF BUSINESS ENTITY

[In percent]

Type of entity	Percentage not having retirement plan
Sole proprietorship	82
Partnership	87
Subchapter S corporation	71
Corporations	50

The survey determined that in the event the limits of deductible contributions were increased to the levels that were eventually enacted in the bill, 55 percent of those not possessing a retirement plan would be motivated to start one. Further, 79 percent of those having an existing plan would increase their contributions under those circumstances. It seems significant to me that the work of the Congress in increasing the deduction limits for self-employed or H.R. 10 plans has accomplished what business-

men considered to be a significant improvement.

Accordingly, we may be hopeful that the new pension reform legislation will widen coverage of retirement plans with consequent benefit for businesses, employees, and the consumers which they ultimately serve.

ADDITIONAL PAPERWORK PROBLEMS

The new law certainly does not solve all the problems in the pension field. For instance, businessmen in the National Federation of Independent Business survey expressed their concern over the complexity in the administration of the prospective law. Their comments called for simplification of the paperwork that pension plans have at times produced in the past, and may require in the future. In an effort to cope with such difficulties, our committee has sponsored a liaison effort with the Internal Revenue Service, which includes a task force—under the chairmanship of John Faux of the American Society of Pension Actuaries—which is hard at work in this area.

In my opinion, it is appropriate to pause at this point and recognize the National Federation of Independent Business and the pension actuaries for their efforts in gathering basic data about the extent and characteristics of retirement plans among the small business segment of our economy, as well as the Congress for the enactment of this important law.

If we are to preserve free private enterprise in this country, we in Congress must give attention to the impact of the laws on retirement security. That is one of the basic concerns of a breadwinner throughout his or her working life. We should, and I feel must, assure that the self-employed worker and the owner of a small enterprise is not discouraged from enterprise and independence by difficulties in the law or paperwork in its administration. We should keep alive the American dream of business ownership. To the extent we succeed at this, we keep employment opportunities open and growing in the new, family, small, and independent business segment of the economy as options for the American worker.

In this regard, the Pension Reform Act and the involvement of small business organizations in its consideration are commendable steps forward along a road which we must continue to travel in the future.

SUPPORT FOR PRESIDENT FORD ON HIS POSITION ON FOREIGN OIL PRICES

Mr. DOMENICI. Mr. President, I want to go on record by these remarks to strongly support the statements by President Ford and Secretary of State Kissinger yesterday on the potentially disastrous consequences of the pricing policies being pursued by the Middle East oil-producing nations.

Dr. Kissinger spoke to the U.N. General Assembly in a manner quite correctly described as "unrelenting in his pessimism" as he outlined the possibilities for world wide catastrophe. He warned of the ever-increasing risk of nuclear holocaust, predicting that the restraint of three decades built on the sheer "awesomeness" of nuclear weapons would at some point fail to prevent their use. He cited several scenarios for failure of that restraint including miscalculation, accident, threat, blackmail, and outright design.

Dr. Kissinger pointed to the potential collapse of the world economic system as the other major global problem. He correctly designated as the underlying cause "unrestrained economic nationalism" which at its worst is illustrated by artificially high oil prices being charged by oil-producing nations. His pessimistic prediction in the economic area was quite simple and direct—a general world depression.

President Ford used equally strong and sobering language in his address to representatives of 69 nations attending a World Energy Conference in Detroit. He "told it like it is" in warning oil-producing nations in no uncertain terms that the artificial fixing of oil prices could have "disastrous consequences."

In their headlong, mindless flight to the heights of national self-interest in the short-term, the Middle East oil rich countries have completely ignored the devastating impact of their decisions. Mr. George F. Will has pointed out one of those tragic consequences for the world's masses of hungry people in an excellent editorial in this morning's Washington Post entitled "Energy, Food, and Famine."

Mr. Will vividly described the inexorable march of events that the artificial high price of oil has generated to "bring more than 50 million people in Africa and along the southern rim of Asia to the brink of ghastly death by starvation."

Many other examples of world wide disturbances and calamities could be cited, but, my object here is to say to this body and our sister body, we must join with our President to hold those consequences to a minimum—worldwide, to the extent we can, but never forgetting that the welfare of the people of this Nation is our first and greatest responsibility.

I think the time has come, Mr. President, for those of us elected to represent the people of this Nation to face up squarely to the responsibilities we share with President Ford for heading off the kind of calamities highlighted by Mr. Will and the potential catastrophes outlined by Dr. Kissinger—not just for this Nation, but for all nations, not just for the inhabitants of today's world but for their children and their children's children.

Mr. President, I request unanimous consent that Mr. Will's excellent editorial be printed in the RECORD.

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

[From the Washington Post, Sept. 24, 1974]

ENERGY, FOOD, AND FAMINE

(By George F. Will)

There is an old axiom that becomes more important as the world becomes more interdependent. The axiom is: Governments cannot do one thing.

That is, governments cannot do only one thing. Every governmental action has consequences other than the consequences it was designed to have. In fact, the unintended (and often undesired and undesirable) effects of government actions frequently are more important than the intended effects.

It would be nice—it also would be amazing—if the oil producing nations, and especially the Arabs, would pause in their mischief long enough to consider how that axiom applies to what they are doing.

Last winter when the producers' cartel decided to raise prices and restrict production, the cartel members had several intentions. They wanted to make a lot of money and to isolate Israel, diplomatically, by putting intense pressure on the oil-consuming nations of Europe, North America and Japan.

But, presumably, the oil producing nations did not intend their policy to help cause—as a potential side effect—death on a scale far beyond that which World War II produced.

The sober truth is that the price and production decisions of a few officials of a few oil producing nations have helped bring more than 50 million people in Africa and along the southern rim of Asia to the brink of ghastly death by starvation.

The officials of the oil-producing nations probably did not pause last winter, while launching their price and production policies, to consider the link between energy and food. They are not alone in not understanding agriculture.

Agriculture is the most important and least understood of the world's major industries. Indeed, one measure of the general ignorance about agriculture is the fact that many people think it is odd to call agriculture an industry. But social analyst Peter Drucker is correct:

"Agriculture in the developed countries had become the most productive, the most capital-intensive, the most highly mechanized, and altogether the most 'industrial' of all modern industries. It is an industry with a very high input of scientific knowledge per unit of production. From being the most traditional sector, agriculture in the developed countries has become the most progressive sector."

The industrial dimension of argiculture—and the energy component—is increasingly important even in developing nations. It involves the use of heavy machinery and, most important, fertilizer. One billion people—a quarter of the world's population—is fed by the extra crop yields that fertilizers produce.

In recent years India became virtually self-sufficient in wheat, thanks to a new grain that is very dependent on fertilizer. But the most important fertilizer is nitrogen, and much of it comes from natural gas and petroleum. This year India is suffering a one million ton fertilizer shortage, in large measure because oil production has been cut/and because soaring fertilizer costs caused the U.S. government to restrict fertilizer exports. (Even with a partially protected supply, U.S. farmers this year will spend 50 per cent more—nearly $2 billion more—on fertilizer than they spent last year.)

For every 15-cent pound of fertilizer that India lacks, India loses 10 pounds of wheat. This year's fertilizer shortage will cost India 10 million tons of grain—a year's supply for 50 million Indians.

Americans use three million tons of fertilizers on lawns, rose gardens, nonplastic football fields, cemeteries and for other ornamental purposes. Various oil-producing nations are "flaring"—burning as waste—4.5 trillion cubic feet of natural gas each year. That is 10 times more natural gas than the U.S. uses each year to produce nitrogen fertilizer and it is enough to produce double the current world consumption of nitrogen fertilizer.

When the oil-producing nations made their price and production decisions last winter, they did not intend to produce a fertilizer shortage to discombobulate the world agri-

cultural industry, and to expose millions to famine. But the fact that this great evil was unintended will not make anyone's life easier, or longer.

GENOCIDE CONVENTION WILL PROCLAIM RIGHT OF ALL PEOPLES TO SURVIVE

Mr. PROXMIRE. Mr. President, it is my hope that in this session of Congress we will act to ratify the Genocide Convention of 1949, joining the 78 nations already on record as declaring genocide to be an international crime.

Lengthy hearings on the subject, conducted in 1950 and, more recently, in March 1973, have mainly been addressed to the interpretation and enforcement of the accords. Those opposed to the document claim that its adoption will infringe upon American sovereignty and challenge the jurisdiction of our Federal courts. While I recognize the great importance of discussing these matters of practical application before ratifying the treaty. I also feel that the concerns raised can be resolved when enforcement legislation is being considered. The issue now is the spirit and intent of the convention—outlawing wholesale destruction of a people.

Those opposed to this treaty cannot argue rationally that its adoption will endanger the rights of our own people. Rather, it will proclaim the right of all peoples to survive. The treaty does not propose a diminution of our rights, nor would the Constitution allow it. To further postpone adoption of the accords would indicate that we are unwilling to speak out for basic rights.

Therefore, Mr. President, I again urge that we act without delay to ratify the Genocide Convention.

KANSAS PLEASED WITH SUCCESS OF ERTS

Mr. MOSS. Mr. President, the Honorable Robert B. Docking, Governor of Kansas, has sent me a most comprehensive letter describing how ERTS imagery has been useful to institutions and agencies in his State.

Listen to this portion of the Governor's letter:

> We have been pleased with the success made to date in applying ERTS imagery to a wide range of problems in a number of state agencies. Some such problems could only be addressed with this new view of our landscape, or painstakingly with far greater expense through conventional means over extended periods . . . I am assured . . . that we have only scratched the surface.

Speaking of the future of ERTS Governor Docking says:

> It is my understanding that the realization of the true potential of satellite based earth observation data will only be achieved when such systems are made operational and the agencies can depend on receiving the transmitted data in a timely and continuing manner.

Mr. President, I ask unanimous consent that the letter of the Governor of Kansas be printed in the RECORD.

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

OFFICE OF THE GOVERNOR,
Topeka, Kans., August 1, 1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: Thank you for your letter of June 24th requesting information on the use of the Earth Resource Technology Satellite system by the State of Kansas.

I have followed the progress of the investigations conducted in Kansas with the ERTS system since they were first proposed under the Kansas Environmental and Resource Study Program. We were very pleased to have investigators at the University of Kansas Space Technology Center, the Kansas Geological Survey and Kansas State University funded by NASA to do research with this new technology. It has been a major objective of the Kansas program to translate the results of the initial research studies into applications within various state and local agencies. In this regard I have called two Governor's Conferences on the application of satellite remote sensing designed to introduce directors and key personnel of Kansas state agencies and those in adjoining states to the potential it offers.

We have been pleased with the success made to date in applying ERTS imagery to a wide range of problems in a number of state agencies. Some such problems could only be addressed with this new view of our landscape, or painstakingly with far greater expense through conventional means over extended periods. I am enclosing a brief summary of the initial research investigations conducted with the Earth Resource Technology Satellite and a listing of some of the applications projects completed or underway in Kansas. I have been pleased to see the progress made in the application of this new technology to the management of Kansas' critical resources; however, I am assured by those more actively involved in our universities and in our agencies that we have only scratched the surface. It is my understanding that the realization of the true potential of satellite based earth observation data will only be achieved when such systems are made operational and the agencies can depend on receiving the transmitted data in a timely and continuing manner. Additional benefits, of course, are expected as the resolution of the sensors are improved based on experience and new developments.

The ERTS–1 research investigators at the University of Kansas Space Technology Center have demonstrated a number of uses for satellite imagery. These uses might be reasonably implemented if data were available from an operational satellite. Among these applications are estimates of crop acreage, particularly winter wheat, which may be prepared on an acceptably accurate and quite timely basis. Satellite images may also be used to monitor the expansion of cropland under irrigation. Since irrigation tends to deplete groundwater supplies, knowledge of the location and amount of land being irrigated is quite helpful. Other types of major land use change may also be monitored from an operational satellite. Water quality as a function of sediment and pollution in Kansas reservoirs may also be monitored.

These results lend to the argument that it would be desirable to assign the ERTS system to a mission agency and change its status to operational.

With every good wish.

Yours sincerely,

ROBERT DOCKING,
Governor of Kansas.

THE VINTAGE SAM ERVIN REFLECTS

Mr. BIBLE. Mr. President, the September 1974 issue of the Alumni Review, which is the official publication of the Alumni Association of Senator ERVIN's alma mater, the University of North Carolina at Chapel Hill, carrier a cover story on Senator ERVIN which was divided into two sections—one entitled "The Vintage Ervin Reflects" and the other entitled "Down Home Truths of Senator SAM."

Since this story contains items of intrust him into the chairmanship of the special committee from which investigations leading to the President's resignation have RECORD.

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

THE VINTAGE ERVIN REFLECTS

As he prepared to retire from the U.S. Senate at the climax of his 20-year career in Washington, U.S. Sen. Sam J. Ervin Jr. '17 this month reflected on the role that alma mater has played in his life.

As an undergraduate at Carolina, he reminisced, he learned that "a people who do not heed the lessons which history teaches are doomed to repeat the mistakes of the past." History, and his reputation for fairness, thrust him into the chairmanship of the special committee from which investigations leading to the President's resignaaion have flowed.

Yet at this time when public malaise toward government is growing, the 78-year-old Morganton native has faith in the future of the country—and especially in its college students. "I believe the younger generation is going to do a much better job in running our government in the future than my generation has done in the immediate past," he declares.

Sen. Ervin responded in detail to a number of reflective questions put to him by the Alumni Review on his alma mater and his views toward the great issues of current events. The permanent President of the Class of '17, he has maintained close relations with the University at Chapel Hill. It presented him the Distinguished Alumnus Award last fall when he spoke on campus at University Day rites. He was President of the General Alumni Association 1947–48, twice a UNC trustee, and was awarded an honorary doctorate of laws here in 1951.

Despite the mutual admiration, and with the benefit of 57 years since he won his AB at Chapel Hill, he recalls that most of his Carolina friends would have described him during his student days as "some kind of happy-go-lucky fellow." His own appraisal of that era notwithstanding, the 1917 Yackety Yack carries a more positive description that "Everything he meets responds, and at once a sympathetic friendship ensues. Like Midas, he has that magic touch . . ."

The vintage Ervin since those days has drawn more specific appraisals from his contemporaries in light of the times. Richard Nixon himself has called him "a great Constitutional lawyer." His Arizona colleague Barry Goldwater, "would trust him with my wife's back teeth." Sen. Ted Kennedy, in backing him to head the Watergate investigation, saw Ervin as "a man beyond ambition." Senate Majority Leader Mike Mansfield apprised him succinctly: "Sam sticks pretty close to his wife and the Constitution. He's married to both."

Ask the senior senator from North Carolina how he views himself, though and the appraisal is much more mundane. If he could be one of Shakespeare's characters—in his "lighter moments"—he would "rather be Falstaff than any of them." He sees no difference in his public and private self: "I am just the same plain old shoe all the time."

Columnist Stewart Alsop has pictured Sen. Ervin as a great character actor—certainly the best since the late Sen. Everett Dirksen . . . master of the pregnant pause, the

eyebrows lifted in suspense, the jowl shaken in indignation, the droll interjection, the recondite history or constitutional reference."

Greensboro editor Ed Yoder '54 refined a bit: "What others, especially of the liberal persuasion, view now as the greening of a southern tory, albeit a jollifying. Bible-quoting storytelling tory—Tar Heels see as the fulfillment of a destiny ordained by history, geography, training and temperament." It all came down, he felt, to "a blend of mountain independence and cussedness, Calvinist conviction and the habitat of hard work." The ing . . . and a granitic deference to bedrock *parcel includes*, too, "a love of book-learn- principles."

The recent notoriety and "discovery" of Sen. Ervin by political fans who characterize him as a "folk hero" is in fact a revelation only to them. Sam Ervin, the self-styled "country lawyer," has been consistent in his discerning libertarianism. He was completing studies at Harvard Law School when friends back in North Carolina put his name on the ballot for the General Assembly. He found himself representing Burke County in the N.C. Legislature in 1925 when the state's public schools were threatened with a "monkey bill" to bar the teaching of evolutionary theory. His argument against this emotionally-charged legislation was a classic that claused even its supporters to chuckle: "Such a measure serves no good purpose except to absolve monkeys of their responsibility for the human race." The staunch Presbyterian went on to declare that any bill intended to bar such scientific teaching was insulting to Christianity: "If the faith needed that buttress, then that religion cannot claim to be powerful enough to save men's souls." The truth of falsity of evolution was irrelevant. To Ervin the issue was freedom of speech.

Last year he chose "Light and Liberty," the "Lux et Libertas" of the University's official seal, as the topic for his University Day speech at Chapel Hill. The imperativeness of political, economic, intellectual, and religious liberty was still the foundation of his presentation from the platform in Memorial Hall.

"These freedoms are exercisable by fools as well as by wise men," he said, "by agnostics or atheists as well as by the devout, by those who defy our Constitution and laws as well as by those who conform to them, and by those who hate our country, as well as by those who love it. To be sure, the exercise of these freedoms may require us to put up with a lot of intellectual rubbish. But our country has nothing to fear from them, however much they may be abused, as long as it leaves truth free to combat error."

As an associate justice of the N.C. Supreme Court, Sam Ervin became known as the writer of correct, savory, witty, and consistently conservative opinions. After six years on that bench he was appointed to the U.S. Senate at the death of Clyde R. Hoey. Vice President Richard M. Nixon administered the oath of office to him on June 11, 1954. Shortly he was appointed to the committee studying possible disciplinary action against Sen. Joseph McCarthy. Though many of his colleagues shied away from the issue, the freshman senator from North Carolina urged the Senate to censure McCarthy. His judgment was that the Wisconsin Republican was "guilty of disorderly conduct by 'flyblowing' "—a down home expression for "smearing." Ervin told story after story, ridiculing McCarthy as he had ridiculed the "monkey bill" in North Carolina 30 years earlier. A University professor recalled later "they hardly knew what to do about old Joe McCarthy until Sam Ervin hung a few mountain stories on him." Subsequently the Senate censured McCarthy by a 67-22 vote.

During the rise of the civil right movement in the succeeding decade, Sen. Ervin incurred the wrath of the liberal establishment which saw him as just another Claghorn-type demagogue opposed to equal rights for blacks. While he did usually vote against civil rights measures, his reasons for doing so went far beyond those of many of his southern colleagues. Sen. Ervin called attention to lesser-known provisions of the bills that he felt might be used to destroy civil rights instead of to protect them. Columnist William S. White commented on this difference: "Sam Ervin is far above the mere stereotype. There isn't an ounce of Bilboism or that kind of rubbish in him at all."

His opposition to a 1962 civil rights bill was based on his belief that he had "never yet seen a so-called civil rights bill which was not calculated, if not intended, to sell constitutional truth to serve the political hour." Several years later he argued to his colleagues on the Senate floor that "righteous ends must never be permitted to justify non-legal means, because once accepted, those same means can be used for less desirable ends, and the rule of law is overthrown."

His constant concern has been to insure that no proposed law goes against the Constitution—a penchant which caused his Tar Heel colleague, the late Sen. B. Everett Jordan, to label him "the Constitutional conscience" of the Senate. Sen. Ervin invoked the 13th Amendment to oppose the drafting of railroad workers into the army to end their strike. Except for purposes of national security, he held that a draft would violate the prohibition of slavery and involuntary servitude.

He is similarly reluctant to change the Constitution itself, which he feels was "written primarily to keep the government from being masters of the American people." Recognizing this penchant, the New York Times Magazine published an article in 1970 under the heading: "Sam Ervin thinks the Constitution should be like mountain whiskey—undiluted and untaxed."

When the anti-poll tax Amendment was proposed he argued against "diluting" the Constitution by noting that only five states still used payment of poll taxes as a prerequisite for voting. He suggested they repeal these laws to avoid cluttering up the Constitution. Yet he deplored the denial by any election official of the right to vote "for two reasons: First, he does a gross wrong to the individual concerned; and second, he adds immeasurably to the task of those of us who reverence the Constitution." Time and again he has invoked the dictum: "When it is not necessary to change, it is necessary not to change."

Quietly and often independently, Sen Ervin has worked to advance individual liberties—opposing the omnibus crime bill for Washington, D.C. ("the ominous crime bill"), inspiring the revised Uniform Code of Military Justice, promoting a bill to prevent Indian tribal councils from depriving Indians of their Constitutional rights, leading a reform of the bail system, and securing passage of a bill limiting use of lie detector tests in screening federal employees.

The years at Chapel Hill influenced monumentally the course of his later life. Sen. Ervin feels. "I owe so much to Carolina that I cannot specify any aspect of my personality or life which was not influenced very much by the friendships and the teachings I had there," he recently declared. Specifically he recalled English Profs. John Booker, Norman Foerster, and Edwin Greenlaw, philosophy Prof. Horace Williams, Roulhac Hamilton of the history faculty, and Dean Lucius P. McGehee and A. C. McIntosh of the Law School. "I am deeply indebted to them for teaching me more about how to live than how to make a living, he recalled. Booker Greenlaw, and Foerster gave him a life-long love of good literature, and "Dr. Hamilton did much to enrich my life by teaching North Carolina and Constitutional history," he continued. "I think my studies at Chapel Hill assisted me in enjoying life as well as in a political career where a knowledge of history and a knowledge of literature are extremely helpful."

The University today, he feels, is "essentially the same kind of an institution it was when I was a student there . . . Carolina has sought to instill in its students sound learning and a love of intellectual and spiritual freedom. In an educational sense, Carolina has insisted, it seems to me, that we should strive to pursue with consistency the knowledge and wisdom lying beyond the next visible range of mountains."

Introspectively, Sen. Ervin winks at himself. Asked if there were any misconceptions about himself that he'd like to correct, he said "If I did make any correction such as that suggested by this question, I would probably have to reform myself . . . and I am compelled to confess that I am beyond reforming. Anyway it would be too painful a process."

He responded in a similar vein to another self-probing question: "What is the thing that you tolerate about yourself that you find intolerable in other people?" The Senator said, "In seeking the aid of my secretary in answering this question, she stated this would be a more appropriate question for a psychiatrist to ask. I agree with her, and for this reason will refrain from attempting to penetrate my psyche to answer it."

Conversely, he was asked "What is the one thing in your life you would repeat if you could?" "There are times when each of us wishes we had a second chance to live our lives again," he responded. "In my most solemn moments, however, I doubt whether it would be wise for us to have a second chance. If I have lived at a later time, I would have been denied the privilege of knowing some of the earth's most gallant spirits, such as (President) Edward Kidder Graham, (Dean) Marvin Hendrix Stacy, and others who occupy very soft spots among my treasured memories."

On more fundamental and significant questions concerning the nation today, he speaks directly: "The history of mankind shows that governments have an insatiable thirst for power. This desire for power will carry them to tyranny unless it is prevented." That his colleagues agreed with him in this feeling, led the Senate last year to choose Ervin to head the special committee investigating all aspects of the Watergate case. As the "enfant terrible" of Congress, he was Richard Nixon's nemesis. "He (President Nixon) is treading on our Constitution," the Senator declared. "I would suggest two books that should be in the White House. One is the Constitution of the United States and the other is Dale Carnegie's 'How to Win Friends and Influence People.' "

With the work of the Select Committee now completed, Sen. Ervin was asked if he felt the reforms his Committee had recommended would have come about other than through the impetus of the Watergate episodes, and about programs he had previously worked for which were in the Committee recommendations. While he felt he had not previously been very active in seeking presidential campaign regulations, he noted that some of the most important legislative reforms he'd worked for were pre-Watergate: Protecting the Constitutional rights of the mentally ill in the District of Columbia, the Criminal and Military Justice Acts, and the bail reform and Indian rights bills.

The Watergate investigations have not, in his judgment unearthed the need for any Constitutional amendments. Though there has been some popular sentiment for substituting a vote of lack of confidence in the President for the more painful impeachment procedure, he does not favor this. The U.S. cannot have both its own Constitutional system and the English system, he reasons.

Noting that he is often referred to as a strict Constitutionalist, Sen. Ervin felt this designation incorrect. He believes the Constitution should be interpreted according to

its true intent when the words are plain in meaning and "in the experiences of the men who drafted its provisions when its words are ambiguous."

In the latter case—which is where Constitutional controversies so often arise, he believes "we must put ourselves in the position of the men who wrote the ambiguous provisions and then determine what they intended those provisions to mean. I believe in denying to the federal government every power not expressly or impliedly given it by the Constitution. But I believe also in interpreting most liberally the provisions of the Constitution vesting powers in the federal government."

As to his place in history, Sen. Ervin hoped it would record as his most important contributions "my fight for the preservation of Constitutional government and my fight to preserve the basic liberties of the individual."

DOWN HOME TRUTHS OF SENATOR SAM

(Excerpted from an unpublished manuscript compiled by Bruce M. Tindall '77—and on file in North Carolina Collection of Wilson Library at the University.)

THE VINTAGE ERVIN

A young lawyer went to an old lawyer for advice on how to try a lawsuit. The old lawyer said: "If the evidence is against you, talk about the law. If the law is against you, talk about the evidence." But what do you do when both the evidence and the law are against you?" asked the young lawyer, "In that event," said the old lawyer, "give somebody hell. That will distract the attention of the judge and jury from the weakness of your case."

That is precisely what Sen. McCarthy is doing. . . . He insists that the Senate shall try everybody and everything except the junior Senator from Wisconsin and the issues which the Senate was called into special session to try.—U.S. Senate, November 15, 1954.

HIMSELF

Any indiscretions I may have committed in the past have been voided by the statute of limitations, and I have long since become incapable of committing any more.—Watergate hearings.

SENATOR SAM'S EPIGRAMS

. . . a patriot favors some bill that the gentleman is supporting, and a lobbyist is opposing that bill. Is that not the fundamental difference between the two?—House of Representatives, March 15, 1946.

There is an old Spanish proverb which says that an ounce of mother is worth a pound of priest.—Senate, August 19, 1970.

THE CONSTITUTION

Everyone will concede that the Constitution is written in words. If these words have no fixed meaning, they make the Constitution conform to Mark Twain's description of the dictionary. He said the dictionary has a wonderful vocabulary but no plot.—Playboy, February 1972.

A FREE PRESS

A natural enemy of freedom of the press is government, because no administration likes to see and hear things about itself which aren't glamorous. But all things done in government aren't worthy of praise and the way to prevent these things is to give them publicity.—Greensboro Daily News, February 20, 1973.

A FREE SOCIETY

It is one of the great tragedies of this generation that there are so many sincere persons who are so convinced of the rectitude of their own notions that not only would they like to impose and require conformance on the part of others, but they would also deny to others the right to protest and to point out the unsoundness of such notions.—Senate, January 22, 1963.

THE SUPREME COURT

Whether a statute produces a just or an unjust result is a matter for legislators and not for judges.—N.C. Supreme Court opinion 1953.

THE QUINTESSENTIAL CONSTITUTIONAL FUNDAMENTALIST

We will not fool history as we fool ourselves when we steal freedom from one man to confer it on another. The preservation of liberty is tedious work, and we must not be distracted from it by the civil rights sideshow which robs us in its own name's sake.—N.Y. Times Magazine, November 15, 1970.

20TH CENTURY WITCHCRAFT

We stand in danger of letting technology—the creed of efficiency, the dogma of the expert—become the religion of our culture.—Milwaukee speech, April 15, 1967.

OLD COUNTRY LAWYERS

. . . one time when I was presiding over a first degree murder trial they had a special venire summoned in from another country, and I asked one of these jurors if he could give him a fair trial. He said, "I think he is guilty . . . and he ought to be sent to the gas chamber. I can give him a fair trial."—Military Justice hearings 1966.

GOD AND CAESAR

The most heart-rending story of history is that of man's struggle against civil and ecclesiastical tyranny for the simple right to bow his own knees before his own God in his own way.—Senate, September 20, 1966.

Some ministers of the Gospel now seem to have more faith in the coercive power of manmade laws than they do in the persuasive power of the Gospel of Christ.—Senate, May 18, 1954.

BIBLE BELTS

Sam Ervin is a Calvinist. That means, he says: "We don't refrain from sinnin', but we don't get as much pleasure out of it as other people."—Playboy, February 1972.

WOMEN'S RIGHTS

I think there is a difference between men and women, and I thank God for the difference. I do not think we can wipe it out by legislation.—Senate, July 2, 1960.

A GOOD STORY

A fellow had what he considered a cantankerous mother-in-law. He received a telegram from the undertaker saying. "Your mother-in-law died today. Shall we cremate or bury?" He wired back: "Your telegram received. Take no chances. Cremate and bury."—Senate, April 4, 1960.

There is this man known as the most ignorant person in Burke Co. Somebody once asked him if he knew what county he lived in, and he answered flat out, "Nope." They asked him if he knew the name of the state, and he again said "Nope." Well, then they asked if he had ever heard of Jesus Christ. "No," he answered. Finally, they asked if he had ever heard of God. "I believe I have," he said. "Is his last name Damn?"—Time, April 16, 1973.

THE "OMINOUS CRIME BILL"

I think it's a sorry plight when the Congress of the United States is willing to pass a law that says an officer of the law can enter a man's house just like a burglar does.—Greensboro Daily News, March 7, 1971.

EXECUTIVE POPPYCOCK

I love my country. I venerate the office of the President. And I have the best wishes for the success of the incumbent . . . because he is the only President this country has at this time.—Watergate hearings, July 23, 1973.

On the 1972 election: . . . a choice between stupidity and duplicity.—Attributed, 1972.

FOREIGN POLICY

Vietnam is an example of what happens when we don't abide by the Constitution . . . We wouldn't be there in the first place if we had gone along with Constitutional directives.—Morganton News-Herald, August 12, 1968.

FEDERAL FISCAL FOLLIES

It is time for Congress to quit appropriating the unearned income for unborn Americans.—Senate, June 17, 1960.

Down in North Carolina there was a fellow named George who said to his friend Bill, "My wife is the most extravagant woman. She always wants 50 cents for this, 50 cents for that, and 50 cents for the other thing." Bill asked "What does she do with all that money?" George said "She don't get it."—Senate, January 25, 1963.

POLITICAL SALLIES

People in public life are sometimes subject to the same embarrassment as that of a young man who was persuaded to become a candidate for the state legislature. His father tried to talk him out of it. "Son, don't go into politics. Before it's over, they'll accuse you of stealing a horse." Sure enough, the young man lost and went back home where his father recalled his horse-stealing prediction. "Pa, it was much worse than that," the young man lamented. "They dern near proved it on me."—Time, April 16, 1973.

MY DISTINGUISHED COLLEAGUES

Mr. President, I have never in my life heard so much fine oratory used to complicate simplicity.—Senate, August 21, 1958.

BROMIDES, CHESTNUTS, AND IRISH BULLS

It is like the North Carolina mule which a tourist once stopped to admire. He asked the mule's owner what the animal's name was. The farmer replied, "I don't know, but was call it 'Bill.'"—Senate, September 6, 1966.

THE ECONOMY

Mr. PELL. Mr. President, ever since Malthus, more thas 200 years ago, spelled out his economic theory of ultimate disaster for mankind, economics has been known as the dismal science. And that term seems particularly appropriate today as we take a look at what has happened to production, prices, and jobs.

It is indeed a dismal outlook. Recently President Ford called to the White House a dozen of the Nation's most eminent economists. One of the few items on which these professional economists agreed is that there is little cause for optimism.

The statistics are depressing:

First. Inflation continues to gallop on, unchecked and unabated. The current annual rate of price increases, measured by the Consumer Price Index, is 11 percent. The most hopeful of the Ford administration goals is to reduce that rate to 7 percent by the end of the year, but few think that is a realistic possibility. One very bad omen has been the continued increase in wholesale prices, which ultimately will work their way down to the consumers. In July, the Wholesale Price Index jumped 3.3 percent—or an astounding annual rate of 44 percent. That was the second largest increase in 28 years, and it was followed last month by an even larger increase—3.9 percent.

Second. While inflation continues unchecked, unemployment, instead of declining, has begun to creep up ominously. The jobless rate increased in July by one-tenth of 1 percent to a national level of 5.3 percent. In my own State of Rhode Island, the jobless rate continues at an unacceptably high level of more than 7 percent.

Third. Industrial production has actually decreased during the first 6 months of this year.

Fourth. Interest rates are at historic high levels, primarily as a result of tight monetary policies imposed by the Federal Reserve Board. The prime interest rate—the rate that commercial banks charge on loans to major corporations—has jumped from 6 percent early last year to a current rate of 12 percent.

High interest rates for corporations mean higher interest rates for every Rhode Islander—when he buys an auto or tries to buy a home for his family. It means that the Federal Government—meaning the taxpayers—must pay a higher interest rate on Government borrowing. The higher interest rates are the primary cause of a $5.3-billion increase in interest payments on the Federal debt between fiscal 1973 and fiscal 1974.

What I am really concerned about, however, is what all of this means to the average American. The average American does not need a mass of statistics to know that he is worse off than he was a year ago, or 2 years ago. The average worker knows that although he may be making a little more money, he is getting less for it at the supermarket.

The fact is that wages have fallen far behind the rapid increase in consumer prices. But it is startling to realize how great a loss the average worker has taken because of inflation.

The take-home pay of the average worker in June of this year brought, in actual goods, 4.5 percent less than it did in June of 1973. The June, 1974 take-home pay of the average worker bought nearly 7 percent less than it did in October of 1972, even with pay raises during those 20 months. The average worker's take-home pay in June of 1974 would buy just about what he was able to buy in 1965. And that is heartbreaking. It means that the average worker, after 9 years of work and effort in an expanding economy, finds himself economically today right where he started 9 years ago.

Inflation and high interest rates also mean that for the majority of young American families, the dream of owning their own home is an impossible dream. The average new home now costs about $36,000. With current high interest rates on mortgages, a family would need an income of $18,000 a year to pay all of the costs involved in owning a home with a $30,000 mortgage. And three out of every four American families simply do not have that kind of money.

I will not go on with the dreary statistics. Summing it all up, it is clear that for the average American family, the confident expectation of continued economic improvement has been shattered. And for those less fortunate than the average American—for the elderly, the social security recipient, for those who retired on fixed pensions, the price rises of the past 2 years are a disaster. Each percentage hike in the cost of living pushes thousands of retired, older Americans into poverty.

What can be done to restore stability to our economy and to restore confidence and hope for better times to the average American?

As I noted, the best economists in the Nation, meeting at the White House, could not agree completely on a comprehensive economic policy. But if we were to wait for the economists, each with his own prejudices and favorite theories, to reach agreement, nothing ever would be done.

And we should not, as the White House has suggested, wait until January to adopt a forceful and comprehensive policy to stabilize the economy and restore economic growth.

The beginning of any new economic policy must be a realization that the situation is serious—much too serious to permit a delay of months and months while our new President reviews policy options.

I think one of the first things our new President should do is to purge his administration of the economic advisers who have been making economic policy for the past 5 years. President Ford, as the new head coach of our economy, has no reason to keep on the economic team of his administration the players who have fumbled the ball so consistently for the past 6 years.

We in the Congress also have a major responsibility. Because I share in that responsibility—indeed I feel it very deeply—I offer my suggestions on what should be done.

First, and most urgently, we should have a hold-fast, or a freeze, on prices and wages. I realize that our experience with economic controls during the Nixon administration was not a good one, but in part that was because they were on again, off again. I know too, as one who believes strongly in the free marketplace, that price and wage controls can only be temporary—it is a drastic treatment used only in emergencies. But I believe our economy is close to a state of emergency and that a hold-fast is necessary to cool down the frantic pace of price increases. I know that labor leaders will object to a freeze, claiming that they must have wage increases to catch up with previous price increases. But, for the past year, workers have been running hard to catch up and falling further behind with each passing month. If I were running that kind of losing race, I would welcome a quick halt.

And, I would add that wage and price controls under the Nixon administration did not provide a fair test, because the controls were administered in such an outrageously unfair and unwise manner. Even under the Nixon administration, however, phase I and phase II were successful in halting inflation. It was the premature loosening of controls under phase III that let loose a new flood of inflation.

Second, with a hold-fast in place, we should take steps to increase production. One of the very first steps must be a relaxation of the tight money policy pursued by the Federal Reserve Board. High interest rates are one effective means of combatting inflation—by discouraging investment in an overheated economy. But after a time, high interest rates become counterproductive—instead of combatting inflation, high interest costs become a part of inflation.

So let us ease interest rates, selectively if possible, so that the interest rates are lowest in the construction field so that we can get the construction workers back to work—building homes that American families desperately need. And let us ease interest rates, so those American families can afford to finance the purchase of a home. Primarily because of high interest rates and lack of mortgage money, more than 10 percent of construction workers are now out of work. Let us put them back to work building the homes, the stores, and the production facilities that America needs. It is a far better policy than a public works program paid for with taxpayers' dollars.

We should take other steps to encourage economic growth, to provide productive jobs. But, frankly, I do not believe we can justify across-the-board and indiscriminate investment incentives to industry. Not when business profits, after taxes, have been running well ahead of inflation.

But we should consider selective incentives or investment tax credits for industries in which increased production is essential, and, I believe, for small businesses. For example, we should provide every incentive possible for increased production facilities for agricultural fertilizers to meet the worldwide shortage. And small businesses have had far greater problems in adjusting to the runaway inflation. Small businesses have not shared in the extraordinary increases in corporate profits. They deserve some special consideration because of their vital importance to our economy.

A third point in an economic program must be steps to provide some relief and assistance to those who have been hurt the most by inflation and unemployment. I believe we should provide tax relief, through an income tax credit, to lower income families and individuals. These are the people who have been hurt most by inflation. And, in recognition of the upward trend in unemployment, I believe we must be prepared to provide jobs for the unemployed through an expanded program of public service employment, although the numbers in need of such a program would be reduced if we get the construction workers back at their regular job—building buildings.

It is obvious that providing tax relief to those most in need and providing public service employment for the jobless are steps that will cost money. Tax relief will reduce revenue to the Government, and public service jobs will require increased expenditures. Because large Federal Government budget deficits tend to increase inflationary pressures, we must take other actions to move the Federal Government budget nearer a balance.

To offset the revenue loss of tax relief measures, we should consider increasing corporate tax rates, increasing taxes on those who are better off, perhaps by a progressive personal income surtax, and we should plug some of the unjustified loopholes that now cost billions of dollars in revenue. For example, considering the record profits of the petroleum companies, the foreign tax credit allowance for the oil companies should be changed to a straight deduction. This measure could raise about $2 billion a year and would mean that the American tax-

payer would cease subsidizing oil companies abroad.

Oil depletion allowances should be reduced. Profit levels of the industry are at such levels now that elimination of the allowance will have little impact on the ability of these companies to raise the capital needed for development of new oil resources.

And while we are talking about tax reform, one reform which I believe is essential is a reform of our capital gains taxes. The rate of taxation of capital gains on investments held for a relatively short time should be increased, while capital gains taxes on long-term investments should be reduced. The effect of these changes would be to discourage short-term market speculation on one hand, and, on the other hand, to make available for productive investments billions of dollars that are new locked into old securities by prohibitively high capital gains taxes.

I am happy to see that the Ways and Means Committee of the House of Representatives approved a capital gains tax revision much along these lines, increasing the minimum time requirements from 6 months to a year and reducing the effective tax rate on capital gains from investments held for 5 years or more. The committee also has recommended complete elimination of the oil depletion allowance by 1979.

To avoid large budget deficits, we must make every effort to eliminate unnecessary nonessential Government spending. The Democratic majority of the Senate has pledged an effort to cut substantially the administration's $305 billion budget. We have already voted across-the-board reductions on several appropriation bills. I would emphasize that there is no realistic way to cut the Federal budget significantly, without imposing some of those reductions on the Defense Department.

I am firmly committed to restraining Federal Government expenditures, as one part of the effort to control inflation. There is no doubt that the huge Federal Government deficits of $15 and $20 billion a year, during the Vietnam war, contributed subsantially to inflation at that time. I do not believe, however, restraining Government spending should be used as an excuse for decimating or eliminating Federal Government services that are essential to the well-being of the people of the United States or of our own Rhode Island.

One of the few points of agreement among the professional economists at the recent White House conclave was that while restraint in Government spending is necessary, drastic reductions in Government expenditures might well have the effect of depressing the economy and creating a very high level of unemployment.

Most importantly of all, however, is the point, which I cannot emphasize too strongly, that the economic policy must be considered with a sense of urgency. It should have priority over our scheduled congressional recess. Accordingly, I am submitting to the President a memorandum listing the economic policy recommendations I have discussed in these remarks, for his consideration in connection with the White House Economic Summit Conference.

No other issue—whether it be amnesty or Presidential pardons—should prevent all of us, the Congress, the White House, and the public, from focusing our primary energies and attention on the most important problem we face—restoring our national economic health.

FOOD STOCKPILING

Mr. THURMOND. Mr. President, an editorial entitled "Food Stockpile Bad Idea" appeared in the September 11, 1974, issue of the Aiken Standard newspaper, Aiken, S.C. This editorial expressed an interesting comment on the current food stockpile question.

Full public discussion of this issue is necessary and important and I welcome thoughtful editorials such as the one published by the Aiken Standard newspaper.

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

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

FOOD STOCKPILE BAD IDEA

Despite increased crop yields in some nations resulting from improved fertilizers, more productive seeds and modern farming practices, the worldwide problem of food supply appears more serious than ever.

Droughts, floods and other conditions difficult or impossible to control account for some of the shortage, but equally significant is the growing affluence of much of the world. Simply stated, many people are gaining the means to buy more and better food and advances in agriculture are not keeping up with the world's affluence and population growth.

There is a growing clamor to develop an international system to get food from the nations with surpluses—such as the United States of America—to those with deficits. Improving emergency relief programs make good sense, for many pockets of famine in the world could be treated quickly by better distribution of available supplies. However, in October the United Nations will consider proposals to create a worldwide stockpile of food to stabilize supplies and prices regardless of whether crops are short or plentiful.

One element of the world stockpile of food would be storage bins in the United States. To manage farm stocks on any sizable scale in the U.S., however, would end up requiring a full gamut of price, production and export controls—a return to the discredited farm program of recent years. To load the American farmer with regulations again would serve only to stifle production and in the long run exacerbate global supply-demand imbalances.

Secretary of Agriculture Earl L. Butz declared after federal farm production controls were lifted recently, "The government has gone out of the commodity business, and we want to stay out of the business of managing stocks of farm products for the nation and the world."

A better solution, surely, is the route we are now following where the government is encouraging U.S. farmers to produce more food which can be sold abroad. Economically, such a policy is sound because the United States gains from the improved trade balances resulting from the agricultural sales. Also, if we concentrate on developing better world distribution systems for farm products, U.S. surpluses would more easily get to those in need.

To object to an international food cartel as a means of creating a stockpile is not to deny the need for an emergency reserve of food for famine relief. A limited stockpile may be developed when the U.N. worldwide food conference is held in Rome this fall.

Over the long range, however, the U.S. policy should encourage world-wide self-sufficiency in food and minimum dependence on the country's farm production capacity. U.S. technical assistance, fertilizer, and modern farm machinery can bring closer the day when, despite droughts, floods and other natural disasters, the world food supply and its distribution are in sufficient balance to diminish the scourge of famine.

DO WE HAVE A SOUND BANKING SYSTEM?

Mr. PROXMIRE. Mr. President, for years economists and other students of the banking industry have criticized our system of bank regulation as being too restrictive and too concerned with preventing failures. These critics of the system argued that our present pattern of bank regulation grew out of the 1930's when the prevention of failure was the paramount objective of public policy. Since that time, according to the critics, the problems have changed and instead of worrying about failure we should be worrying about economic growth. According to this view, we should remove many of the restrictions placed upon banks and other financial institutions and rely more on the forces of the marketplace to regulate our financial system.

It is ironic that the critical view of our banking system has become the conventional wisdom at the very time when we may need to establish a neo-orthodox view of banking regulation. For example, the conventional wisdom in the field of banking policy is embodied in the recommendations of the Hunt Commission which call for relaxing many of our present restrictions on banking. However, given the renewed concern which many regulators have over the safety and solvency of our banking system, it may be that we need more restrictions and not fewer restrictions.

Many of the danger points in our banking system were pin-pointed in a recent article in Business Week entitled "Are the Banks Overextended?" The article points out that in the last few years, many of our banks have become overloaned, overborrowed, overdiversified, and undercapitalized. Despite the occasional admonitions from our bank regulators, the banks have proceeded pretty much on their own course without serious interference. Moreover, given the bail-out of the Franklin National Bank by the Federal Reserve Board and possibly the FDIC, we seem to be establishing the principle that no big bank can be permitted to fail. If we continue on this course, we are headed for disaster.

It is clear that our present system of bank regulation has failed us. It is equally clear that our bank regulators are largely bereft of ideas of how to deal with the problem. If any reform is to be realized, it will have to come from the Congress. Most people forget that Federal deposit insurance was passed by the Congress over the active opposition of President Roosevelt and the New Deal

administration. The Hoover administration also opposed deposit insurance.

Mr. President, I am hopeful that as one of its top priorities, the Congress can give serious attention to the problems of our banking system and what measures are needed to strengthen the financial condition of our banks and restore confidence. I hope we can draw upon the best thinking of students of the banking industry in this effort.

Mr. President, I ask unanimous consent to print in the RECORD the article from Business Week on our banking system.

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

ARE THE BANKS OVEREXTENDED?

When BankAmerica Corp., the world's biggest bank holding company, tried to acquire a foreign insurance company last summer, it was turned down flat by the Federal Reserve Board. In concurring with the rejection, Fed Governors Henry C. Wallich and John E. Sheehan explained why.

"We agree that Applicant's capital position is somewhat lower than what the Board would consider appropriate," they wrote. "We also agree with our colleague's concern over the tendency of many U.S. banking organizations to pursue a policy of rapid expansion and agree that funds earmarked for expansion by U.S. banking organizations with capital positions not considered appropriate should be used instead to strengthen the capital positions of such organizations."

Translated into plain language, that means that the Fed is worried about the health of the U.S. banking system—and for good reason. Taken as a whole, the system is in more trouble today than at any time since the 1930s, with a distressing number of banks over-loaned, over-borrowed, over-diversified, and undercapitalized.

The same regulators that permitted banks to grow and diversify at breakneck speed are now trying to bring things back under control. Not only BankAmerica, but Citicorp, second biggest in the world, and Bankers Trust and First Chicago, each among the nation's 10 biggest banking operations, have all had planned acquisitions turned down by the Fed in recent months. Two weeks ago, the Fed announced that it would not allow bank holding companies to underwrite mortgage guarantee insurance because it feared the holding companies were growing too fast.

But the Fed and the other regulators may be too late. Investors, for instance, have already written off the banks. In a stock market where there are 50 losers for every winner, the banks stand out—the value of virtually every issue down 50% to 80%. Most banks are woefully short of equity capital but in today's market it is the rare bank that could sell stock. Meanwhile, nearly every business that the holding companies have gone into, from real estate to equipment leasing, is in some degree of trouble today.

MERGERS AND FAILURES

The 1970s probably will not be like the 1930s when over 6,000 banks failed. But there may very well be an unprecedented wave of bank mergers and consolidations as weaker fish seek shelter, and there almost certainly will be some failures. The biggest banks, by and large, will fare the best—not because they have avoided the excesses that plague the system but because both investors and depositors seek security above all else today. And both groups tend to equate security with size. The victims will be among the smaller, non-money center banks, though some good-sized banks may need help from the regulatory agencies.

"We are in a tremendous liquidity crisis, which is causing the worst crisis in confidence I've ever seen," says Professor Paul Nadler of Rutgers University, a long-time observer of the banks. What makes it so scary is that today's twin perils of more inflation and serious recession have caught the banks just as they were catching their breath after the most tumultuous decade in banking history. Between 1964 and 1974 the banks went from local institutions that did only banking to multinational financial conglomerates. Banks needed time to digest, time to replenish capital. Instead, they got 12% inflation and tight money.

No one bargained for today's inflation rate or the degree of monetary restraint it has brought. Business needs money at a prodigious rate this year because inflation has sent the price of everything it buys skyhigh. But few companies want to lock themselves into today's record long-term rates, while fewer and fewer companies qualify to borrow in the commercial paper market. So the demand for money has hit the banks hardest. But tight money has forced the banks to pay dearly for lendable funds—bankers themselves becoming heavy short-term borrowers at today's record rates. Never have the banking system's resources been stretched more thinly:

In 1967, the average bank had nearly 7¢ in equity capital and reserves for each $1 in assets (loans for the most part). Today that is down to 5¢.

In 1967, the average bank had only about 65¢ in loans for each $1 of deposits. That has jumped to 75¢ today—at a time when deposits have never cost more to buy and when the economic climate raises serious doubts that many of those loans will ever be paid off.

In 1967 the average bank covered barely 2% of its assets with short-term borrowed money. That has jumped to 12% today. Some of the loans run on for years while much of the borrowing is federal funds (the excess reserves of other banks) which frequently go just for a single night.

Those are the average figures. Some banks appear anything but average, according to statistics compiled for BUSINESS WEEK's annual survey of bank performance (pages 60–63). On June 30, according to these figures, Citizens & Southern National Bank in Atlanta had $1 in loans for each $1 in deposits. At Industrial National Corp. in Providence, the figure was $1.02, and at First Pennsylvania Corp. in Philadelphia it was $1.03. It was 85¢ at NCNB Corp. in Charlotte, N.C., 96¢ at rival Wachovia Corp. in Winston-Salem.

On the same date, Wells Fargo of San Francisco had 20% of its loans covered by federal funds while at Republic of Dallas the figure was 22%, at State Street Boston Financial Corp. 23%, and at First Union, Inc., in St. Louis 31%. There is no "safe" level of federal funds borrowing, though anything beyond 10% is going to raise eyebrows. The critical thing, warned Justin T. Watson, First Deputy Comptroller of the Currency, last week is that banks avoid borrowing short and lending long. Any bank that does too much of that, he said, is heading for trouble. Just before Franklin National of New York began to come apart last spring it had nearly 50% of its loans covered by federal and other short-term funds.

THE FRANKLIN FALL

Franklin used to be the nation's 20th biggest bank, but not any longer. At midyear, it had fallen to 47th on the BUSINESS WEEK survey, its deposits down by 40%. It is deeply in debt to the Fed and to other banks, and it is struggling to keep from being merged into another bank. A staggering loss in foreign exchange trading finally pushed Franklin over the edge, but it would have been a poor risk for survival even without that. It made too many chancy loans and paid too dearly to cover those loans.

The Federal Deposit Insurance Corp. keeps a "watch list" of troubled banks. Comptroller of the Currency James E. Smith, the supervisor of national banks, notes that while the list contains only 152 names today against 159 a decade ago, the average size of the problem bank is $28-million against $3-million a decade ago. What worries the FDIC's Chairman Frank Wille is that "an increasing number of banks in the size categories over $100-million are showing up as casualties." Wille hints that one problem bank is in the "billion-dollar" class, though he will not identify it by name.

With holding companies in so many businesses besides banking, there is real concern today about the ripple effect of a nonbanking subsidiary getting into trouble—as some already have—and draining resources from the bank. "The problem," says Paul K. Kelley, vice-president of First Boston Corp., the investment bankers, "is that the holding company has limited sources of capital and liquidity, and if a subsidiary gets into trouble it may call on the bank's resources to bail it out."

Regulators earlier this year had to hurriedly merge Beverly Hills National Bank ($98.2-million in deposits) into Wells Fargo Bank because the financial distress of its parent, Beverly Hills Bancorp, brought a run on the bank.

Certainly, the Fed is worried these days—not only about the financial ties between a bank and its holding company but also about financial ties between banks. In a speech last week, Brenton C. Leavitt, director of the Fed's Supervision & Regulation Div., cautioned against a holding company or a nonbanking subsidiary turning to its bank "in times of adversity." And Leavitt also challenged the practice of some banks of making loans to other banks or holding companies, warning that, "the problems of one institution may become problems in many." One of the major creditors of Franklin National, for instance, is Manufacturers Hanover Trust.

For all their concern today, the regulators not only permitted but actually encouraged the frantic growth of the past decade.

On one level, all that the regulators were trying to do was create a banking system able to supply capital to a booming economy that needed it in record quantities. But the U.S. has a terribly convoluted system of banking regulation: national banks, state banks, banks that belong to the Fed, banks that do not, banks that are insured by the FDIC, banks that are not. If one regulator gave his banks a break, competitive pressures forced other regulators to follow. When James J. Saxon was Comptroller of the Currency in the early 1960s, he gave so much to the national banks that so vast an enterprise as Chase Manhattan converted from state to national charter, and state regulators quickly copied Saxon.

"When a bank tries to grow rapidly and compete with established institutions," says one federal regulator, "it has a salutary effect competitively, so regulatory people favor that." But there is an ominous phrase in the lexicon of banking—"competition in laxity"—and to many observers, the regulators were guilty of that.

Today, of course, the banking regulators are worried. Comptroller Smith has ordered the first major study of his office since it was created 111 years ago. He wants to know if bank examination techniques are all that they should be, and he wants a better definition of what is a problem loan. The Fed, in turn, has been badgering banks all year to raise more capital—equity capital especially. Banks have sold a record amount of debt so far this year, says Kelly of First Boston, but almost no equity at all.

Any bank that did not get the message that Wallich and Sheehan of the Fed were trying to convey simply was not listening.

And plenty of banks have gotten the message—cutting back because capital is so hard to come by. A single issue of *The American Banker*, the industry's daily newspaper, reported that United Tennessee Bankshares Corp ($600 million in assets) was retrenching by selling some of its branches and that First Tennessee National Corp. ($1.7-billion in assets) had called off a proposed merger because of "adverse economic conditions."

AN UNREAL WORLD

Albert M. Wojnilower, chief economist of First Boston, sees bankers as living in an unreal world, enjoying "the unique advantage of having a lender of last resort in the Fed, which is more afraid of bank failures than are the banks themselves." The Fed did put in more than $1-billion to keep Franklin National alive. But another message that the Fed has been trying to drive home is that it will not help everyone. Sheehan warns that it would be a mistake for any banker to assume that the regulators "are just not going to allow major banks to fail."

Last week, the Fed, in a move that the FDIC's Wille describes as "unprecedented," refused to help a bank caught in a liquidity squeeze. The bank is American Bank & Trust Co. in Orangeburg, S.C., with 29 branches, $120-million in deposits, and nearly $150-million in assets. "American is not a member bank," said the Fed. "It has insufficient collateral of the sort that the Federal Reserve Act requires."

So the FDIC is helping with an offer of credit lines up to the full value of the bank's deposits. That, too, is "unprecedented" says Wille. He says that the FDIC is only doing it because the bank's problems appear short-term.

It is not the 1930s when there was no FDIC and the Fed blithely watched the nation's banking system collapse. The FDIC has $5-billion in assets and the resources of the Treasury to fall back on. The Fed can create billions to keep banks going. When U.S. National Bank of San Diego failed early this year, the FDIC quickly sold what still was viable to Crocker National Bank and most customers hardly knew there had been a failure. Doubtless the regulators will play marriage broker again and again in coming years—finding shelter for banks that cannot make it.

But even if there are no big failures, public confidence in the banks will be shaken. "The image of banks as safe and sound will be tarnished for quite a while," warns Benet Gellman, counsel to the House Banking Committee.

Now there are the recriminations and the questions about how not only the banks but also the banking regulators could have made so many wrong guesses over the past 10 years.

Bank holding companies plunged deeply into real estate, both here and abroad—doing more real estate lending, buying up mortgage bankers, creating real estate investment trusts. But now the real estate market is in shambles worldwide—smashed nearly flat by tight money—and many banks will be reporting hefty losses on their real estate portfolios this year. "Regional banks were hardest hit because of their dependence on single small areas," says a New York banker.

There have been innumerable rumors of banks in serious trouble because of real estate losses, though the only visible casualty is First Wisconsin Bankshares Corp. in Milwaukee ($3.9-billion in assets). It saw operating income swing from a $9.3-million gain in the first half of 1973 to a $1.2-million loss in this year's first half because of severe losses in its REIT.

Almost every bank that could afford a brass nameplate opened up abroad. But the world economy is in worse shape than the U.S. economy, and as oil bills go up and inflation abroad worsens, the chances of a major international loan default grow by the hour. Italy owes U.S. banks billions but it is nearly broke and it may not be able to pay the money back. Most disturbing perhaps, is that while the oil states are drawing in money from throughout the international banking system, they are putting money back into just a few giant banks. The giants can still make loans: The hundreds of smaller banks overseas just watch the dust pile up.

"Every one of those smaller banks," says a U.S. banker based overseas, "would like to be the second bank that closes down in Europe. No one wants to be the first because it might imply to its depositors that it is in trouble."

The U.S. banks learned to trade foreign currencies in monumental quantities—mostly for their customers but sometimes for their own account in search of a fast profit. But the international monetary system has gone topsy-turvy and some banks have lost fortunes in the foreign exchange markets: Franklin among U.S. banks, Lloyds Bank among foreign banks. Germany's biggest private bank, Bankhaus I. D. Herstatt, lost $200-million in foreign exchange and failed.

The big speculators in foreign exchange were mostly the Swiss and German banks, but the lure of a fast profit excited some U.S. banks as well. A bank offered marks for future delivery can lay off the contract, but if it thinks the mark will be up in 30 days, it may hold the contract itself. If the mark does go up, it has made money. If the mark falls, though, it winds up buying marks for more than it could get them in the "spot" market, and so has lost. The Herstatt failure has cooled the speculative interest of most banks, but that lesson may fade, and banks may again start speculating in the markets.

True, most banks insist their loses came from undetected, "unauthorized" trading. But all that seems to show is that bank controls have not kept pace with bank growth. "When banks grow too fast," says one U.S. banker, "controls don't get a chance to catch up." And if slipshod controls are perilous anywhere in a bank, they can be devastating in the foreign exchange markets, where billions of dollars change hands every day and a brief lapse can mean a fortune lost. So closely are banks linked together that trouble at one bank can mean trouble at many banks. When Herstatt went under, it left its U.S. correspondent, Chase, holding the bag, and cost Morgan Guaranty and Seattle-First National substantial amounts of money.

The banks saw finance companies as a natural extension of their lending business only to run into ceilings placed by State usury laws. "The finance companies looked just great when they went in," says Kelly of First Boston. "You could get money at around 6% or 7% then and get 10% for it in some states and as much as 18% in others. But there were problems in states like Arkansas, where the usury laws limit consumer financing charges to 10%. When money cost more, those finance companies didn't look so good."

It was former Comptroller Saxon who first gave the banks the green light to go into leasing, and such giant banks as First National City and Bank of America jumped at the opportunity. Because leasing is off-balance-sheet financing, it is almost impossible to know just how much of it the banks have done, but clearly the amount is in the billions. But here, too, there are questions today. Much of the nation's fleet of big jet aircraft is leased from banks, and if the problems of a Pan Am get out of hand, some banks could find themselves the perplexed possessors of a few 747s for which there seems to be no market.

Given today's economic climate, every bank lives with the knowledge that a major customer could easily run into trouble. The debt burden of the U.S. is enormous, and too much of it is owed to the banks. Corporate working capital and current assets are each up about 30% over the past four years but commercial and industrial loans by the banks are up 60%. Personal income has climbed by less than 50% in the past four years but installment debt held by the banks is up 70%.

To Professor Nadler at Rutgers, "Banks have become famous for liability mismanagement, where they make the loans and then go out and look for the money to cover them. Then they're forced to borrow short for long-term purposes. That's a highly expensive and uncertain method of financing."

Today, banks are in a ferocious competition for "hot" money to support all those loans. Nadler explains that hot money falls into three categories: "Hot certificates of deposit that have been broker-solicited and will go to the highest bidder; hotter short-term funds with maturities anywhere from a few days to a few months; and, the hottest, federal funds."

It would be serious enough if the agony were spread evenly throughout the banking system. It is not. The largest share of what money is available has been flowing to the big New York money center banks because they look the safest to depositors. That is why the balance sheets of the New York banks look better than those of banks elsewhere. "When bad news about one bank gets out," says Nadler, "people panic, figuring that if it can happen to one bank it can happen to another. So they withdraw their money from regional banks and ship it all off to the 'biggies' because people equate bigness with soundness."

So deposits are up by 39% at Morgan over the 12 months ending June 30, up 41% at Citibank, and up 44% at Manufacturers Hanover. But deposits rose by only 14% at First Pennsylvania. At NCNB, deposits were up only 10%, while Citizens & Southern National in Atlanta saw deposits actually fall by 1% during the 12 months.

Regional banks get the money only if they pay a stiff premium for it, and that knifes into profits. Operating income for the 12 months rose 26% at Citicorp and 20% at Morgan. But the gain at NCNB was only 8%, at First Pennsylvania only 6%. Operating income fell by 2% at Valley National and by 9% at Citizens & Southern.

With banks stretched so thin, it is small wonder that regulators are worried about the adequacy of bank capital—all the more so since major loan losses would eat away what little capital the banks have. Yet no one—not even the regulators—can agree on what constitutes capital adequacy: whether to measure only equity capital, or long term debt as well. When the Fed turned down the BankAmerica application, the holding company was quick to argue: "Our capital position is strong and fully capable of building dividend growth. Liquidity management is a key element in the evaluation of capital adequacy. BankAmerica has a reputation of superior performance in this area. Capital adequacy is a complex subject, and a whole host of management relationships must be taken into consideration. Capital ratio analysis, taken by itself, doesn't do justice to the subject."

That is a mouthful, but it indicates the sort of debate that is going on over how much capital is enough, compounded by the difficulty banks are having raising equity capital today.

In short, if banks are to bolster their capital positions, many if not most will have to do it by cutting back rather than by raising more money. So the whole rush to expand and diversify is pretty much over—for the time-being, at least—leaving only the question of what are its long-term consequences.

There almost certainly would have been a shakeout of some severity after so intense and prolonged a period of change. Current economic conditions probably brought the

shakeout faster than it otherwise would have come, and they probably will make it more intense. It is anyone's guess how the banking system will look when the shakeout runs its course.

"After this is over," says the treasurer of one New York City bank, "I think we'll see some of the regional banks culled. The small banks will remain, but concentration of banking will end up in the hands of 25 or 30 banks." What seems certain is that the banking system of 1984 will look as different from today's system as today's looks compared with that of 1964.

HOW THE TOP 200 BANKS ARE PERFORMING

In terms of sheer, mind-bending size, there is not a thing wrong with the U.S. banking system. There are 14,338 commercial banks in the U.S., and their assets came to $853-billion at midyear—up 11% over the year before. Deposits on June 30 came to $679-billion, loans to $519-billion.

The bulk of those assets—and deposits and loans—belong to the 200 banks included in Business Week's annual Survey of Bank Performance. They are the biggest banks, and some of them are very big indeed. One-quarter of all bank deposits and 22% of all bank loans belong to the five banks that lead the list: BankAmerica, Citicorp, Chase Manhattan, Manufacturers Hanover, and J. P. Morgan. No fewer than 107 of the 200 banks have at least $1-billion in deposits, up from 96 banks a year ago.

The list is complied by Investors Management Sciences, Inc. of Denver, a subsidiary of Standard & Poor's Corp. Most data are as of June 30, 1974, but the 10-year records of growth in common equity and earnings per share are as of Dec. 31, 1973.

WHO OWNS WHO

It really is not a survey of banks, of course, but of bank holding companies, since virtually every big bank has turned itself into a holding company over the past six years. And that explains why some familiar names are missing from the list. United California Bank of Los Angeles had $7.5-billion in deposits on June 30—enough to put it 16th on the list, just ahead of Mellon National of Pittsburgh. But UCB is owned by Western Bancorp., which shows up in 8th place. Irving Trust Co. of New York is owned by Charter New York Corp. Of the 200 names on the list, only 28 are not holding companies.

The list has its share of names that are thoroughly unfamiliar. It is plain enough that BankAmerica Corp. owns Bank of America. Most people know that Citicorp owns First National City Bank of New York. But only a serious student of banking would know that Bancal Tri-State Corp. owns Bank of California (it operates in Oregon and Washington as well as California). Seattle-First National Bank only became Seafirst Corp. at midyear.

FOREIGN INFLUENCE

Some names are unfamiliar because they are foreign-owned. Bank of Tokyo Trust in New York City is 80th on the list. Then there are Bank of Tokyo of California (129th), Sumitomo Bank of California (160th) and European American Bank & Trust of New York, owned jointly by six European banks (193rd place). Finally, the list has three Puerto Rican banks, all of which operate on the mainland: Banco Popular de Puerto Rico, of San Juan (125th), and Banco Credito Ahorro Ponceno (158th) and Banco de Ponce (185th), both of Ponce.

Twelve-month earnings for the banks were mixed, though most reported both loans and deposits up smartly for the period. More important, however, are the relationship between time and demand deposits (time deposits cost the moon these days) and between foreign and domestic deposits (some banks are finding it hard to keep foreign deposits today). Then there is the percentage of loans covered by borrowings in the federal funds market. Loans can run for years but federal funds are often borrowed overnight.

GLOSSARY

Deposits: Total deposits as of June 30, 1974. Time and savings deposits and demand otherwise indicated. Foreign and domestic deposits will together total 100% unless otherwise indicated.

Loans outstanding: Aggregate face value of all outstanding loans before deduction of loan loss reserves. Excludes federal funds sold and securities purchased under agreements to resell unless otherwise indicated.

Net federal funds borrowed as percent of loans outstanding: Net federal funds borrowed is defined as the sum of federal purchased and securities sold under agreements to repurchase less the sum of federal funds sold and securities purchased under agreements to repurchase less the sum of federal funds sold and securities purchased under agreements to resell. A minus sign indicates that the bank is a net seller of federal funds.

Net operating income: Net current operating income after minority interest and taxes but before securties gains and losses and preferred dividends for the 12 months ended June 30, 1974. Percentage change in net operating income may not reflect mergers, acquisitions, and accounting changes.

Earnings per share: Net operating income available for common per share after the effect of common stock equivalents and minority interest and before securities gains and losses and extraordinary items, for the 12 months ending June 30, 1974.

Return on common equity: The ratio of net available for common stockholders to average common equity, which includes common stock, undivided profits (retained earnings), capital surplus, and contingent reserves.

Growth in common equity: Annual percentage growth in common equity for 10 years ending Dec. 31, 1973, based on least squares method.

Growth in earnings per share: Annual percentage growth in earnings per share, including all common stock equivalents, for 10 years ending Dec. 31, 1973, based on least squares method.

ANNUAL SURVEY OF BANK PERFORMANCE

[Dollar amounts in millions]

Bank	Deposits: Total June 30, 1974	Deposits: Percent: Change from 1973	Deposits: Percent: Time	Deposits: Percent: Demand	Deposits: Percent: Foreign	Deposits: Percent: Domestic	Assets June 30, 1974	Loans: Total O/S June 30, 1974	Loans: Change from 1973 (percent)	Loans: Loans as percent of deposits June 30, 1974	Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974	10-yr. growth (percent): Com. eqy.	10-yr. growth (percent): E.P.S.
1 BankAmerica (San Francisco)	$46,862	28	69	31	42	58	$57,351	$28,758	30	61	4	$235.0	17	3.41	15.1	6.7	8.9
2 Citicorp (New York)	41,468	41	[1] 25	[1] 24	52	48	53,546	32,075	33	77	8	286.2	26	2.35	15.7	6.1	10.5
3 Chase Manhattan (New York)	35,266	34	[1] 24	[1] 34	42	58	43,182	25,559	34	72	8	173.8	12	5.43	12.9	5.0	7.5
4 Manufacturers Hanover (New York)	21,986	44	[1] 26	[1] 47	28	72	25,778	16,059	31	73	7	114.2	25	3.98	14.2	5.1	8.2
5 Morgan (J.P.) (New York)	18,302	39	[1] 20	[1] 37	43	57	24,055	12,017	31	66	9	159.2	20	4.19	16.5	4.3	10.9
6 Bankers Trust New York	17,939	33	[2] 65	35	39	61	21,383	11,653	26	65	6	69.6	8	6.63	12.9	4.6	4.9
7 Chemical New York	16,693	28	[2] 66	34	30	70	21,027	11,919	27	71	8	78.1	24	5.63	11.1	3.6	3.8
8 Western Bancorp (Los Angeles)	14,740	9	[2] 63	37	14	86	18,428	10,671	11	72	8	79.6	7	3.39	11.6	6.5	6.4
9 First Chicago	14,403	35	[1] 45	[1] 18	37	63	18,419	11,867	34	82	8	99.6	21	2.52	14.1	5.6	10.6
10 Continental Illinois (Chicago)	13,957	24	[1] 41	[1] 23	36	64	19,060	11,972	38	86	17	90.7	13	5.24	13.3	5.7	8.2
11 Security Pacific (Los Angeles)	12,571	11	[2] 70	30	23	77	15,498	8,774	25	70	10	60.8	4	3.01	10.8	6.3	7.0
12 Marine Midland Banks (Buffalo)	11,793	18	64	36	32	68	13,991	6,915	17	59	7	42.1	0	3.36	10.5	6.1	5.4
13 Charter New York	9,786	24	[2] 55	45	26	75	11,293	[4] 5,036	18	51	[4] 1	36.1	16	4.14	11.2	6.1	1.7
14 Wells Fargo (San Francisco)	8,880	7	[1] 54	[1] 30	16	84	11,982	7,311	14	82	20	45.6	6	2.32	11.4	4.8	6.1
15 Crocker National (San Francisco)	8,326	27	[1] 51	[1] 28	21	79	9,853	5,512	22	66	8	28.2	16	2.75	9.1	4.7	4.7
16 Mellon Natl. (Pittsburgh)	7,431	18	[3] 74	26	34	66	10,078	4,448	31	60	9	57.3	16	5.84	10.3	3.5	5.8
17 First Natl. Boston	7,165	37	[1] 32	[1] 27	41	59	9,203	4,656	23	65	6	55.8	21	4.63	12.8	5.3	8.0
18 National Detroit	6,299	17	[2] 60	40	19	81	7,741	3,478	25	55	15	44.4	19	7.44	12.3	6.8	9.0
19 Northwest Bancorp (Minneapolis)	5,191	12	62	38	0	100	6,874	4,180	14	81	[4] 15	48.3	6	4.08	13.4	6.3	9.9
20 First Bank System (Minneapolis)	4,994	14	65	35	1	99	6,824	4,080	19	82	19	54.4	6	3.69	14.0	7.1	11.9
21 First Intl. Bancshares (Dallas)	4,143	25	[3] 66	34	31	69	5,209	2,375	22	57	12	39.7	27	2.89	15.8	10.3	10.4
22 First Pennsylvania (Philadelphia)	3,896	14	[3] 72	28	21	79	6,898	4,023	18	103	11	43.6	6	3.35	16.6	8.7	13.1
23 Bank of New York	3,514	14	[3] 58	42	20	80	4,160	2,095	9	60	[4] 9	31.7	17	5.25	14.7	9.5	3.9
24 Union Bancorp (Los Angeles)	3,311	13	[3] 64	36	7	93	4,108	2,424	3	73	13	22.6	NA	1.92	13.5	NA	NA
25 Nortrust (Chicago)	3,262	36	73	27	40	60	4,027	2,151	21	66	8	23.4	18	4.69	13.4	7.9	10.7
26 Philadelphia Natl.	3,259	27	57	43	28	72	4,505	2,580	23	79	8	28.0	17	4.81	13.7	7.1	9.8
27 Seafirst (Seattle)	3,136	19	[3] 66	34	14	86	4,231	2,353	21	75	4	27.5	18	3.05	14.6	6.6	9.4
28 Harris Bancorp (Chicago)	3,099	5	[3] 67	33	21	79	4,126	1,871	12	60	11	25.6	26	8.44	13.5	7.9	8.9
29 First Wisconsin Bankshares (Milwaukee)	3,088	22	68	32	24	76	3,881	1,985	13	64	[3] −24	7.3	−60	1.76	4.8	7.1	9.5
30 Republic of Texas (Dallas)	3,083	19	62	38	38	62	4,341	2,156	15	70	22	27.4	21	3.32	14.2	3.9	9.7

Footnotes at end of table.

	Bank	Deposits						Assets June 30, 1974	Loans			Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974	10-yr. growth (percent)	
		Total June 30, 1974	Percent Change from 1973	Time	Demand	Foreign	Domestic		Total O/S June 30, 1974	Change from 1973 (percent)	Loans as percent of deposits June 30, 1974						Com. eqy.	E.P.S.
31	First City Bancorp of Texas (Houston)	$3,014	20	54	46	13	87	$3,914	$1,802	13	60	17	$23.1	16	2.60	13.8	6.3	9.0
32	Clevetrust (Cleveland)	2,924	16	69	31	5	95	3,637	2,134	19	73	5	36.9	22	6.10	11.6	6.8	9.6
33	Girard (Bala Cynwyd, Pa.)	2,809	13	64	36	22	78	3,719	2,006	27	71	15	16.7	2	6.69	11.6	5.4	6.5
34	NCNB (Charlotte, N.C.)	2,792	10	60	40	20	80	4,313	2,374	27	85	16	26.8	8	1.60	14.8	13.3	13.9
35	Wachovia (Winston-Salem, N.C.)	2,629	9	62	38	10	90	4,038	2,511	18	96	8	33.6	2	2.29	11.6	15.9	11.1
36	Michigan Natl. (Bloomfield Hills)	2,513	4	69	31	0	100	2,966	2,035	7	81	[3] −1	21.7	1	5.52	16.4	13.7	9.3
37	Texas Commerce Bancshares (Houston)	2,466	31	58	42	14	86	3,131	1,557	19	63	[5] 10	23.8	22	2.50	14.2	8.0	9.4
38	Natl. Bank of North America (N.Y.)	2,431	8	62	38	13	87	2,914	1,806	−0	74	3	24.8	40	NA	12.7	16.7	NA
39	Detroitbank	2,411	5	70	30	0	100	3,062	1,757	11	73	18	24.5	18	7.39	13.4	6.3	9.4
40	Manufacturers Natl. (Detroit)	2,409	9	66	34	2	98	2,896	1,757	11	73	12	17.3	10	5.59	13.4	6.6	8.3
41	Bancohio (Columbus)	2,400	6	63	37	0	100	3,004	1,587	8	66	6	20.1	2	2.77	10.5	11.5	5.8
42	Bancal Tri-State (San Francisco)	2,372	13	[2] 62	38	14	86	3,064	1,868	15	79	[5] 18	5.2	−30	1.59	5.7	4.3	.3
43	Valley Natl. Bank of Arizona (Phoenix)	2,343	4	63	37	0	100	2,901	1,818	6	78	7	15.5	−2	1.74	11.8	8.7	8.3
44	Southeast Banking (Miami)	2,234	21	58	42	0	100	2,886	1,506	19	67	1	22.2	23	2.17	15.0	18.4	11.5
45	Citizens & Southern Natl. (Atlanta)	2,126	−1	49	51	3	97	3,153	2,130	7	100	8	22.7	−9	.93	11.3	14.1	11.8
46	Fidelcor (Philadelphia)	2,086	13	65	35	27	73	2,990	1,837	22	88	20	20.7	10	4.37	15.6	7.2	9.5
47	Franklin New York [6]	2,085	−39	62	38	24	76	4,151	2,631	5	126	13	NA	NA	NA	NA	NA	NA
48	U.S. Bancorp (Portland, Oreg.)	2,052	6	60	40	6	94	2,634	1,603	7	78	10	22.2	22	2.74	15.8	5.1	9.4
49	Pittsburgh Natl	2,046	17	59	41	4	96	2,784	1,422	16	70	[3] −5	26.1	16	4.35	13.7	6.5	10.1
50	Lincoln First Banks (Rochester)	1,996	1	61	39	0	100	2,628	1,479	8	74	[3] −1	12.7	−9	3.30	8.7	8.3	5.5
51	Marine Bancorp (Seattle)	1,978	17	[1] 48	[1] 36	17	83	2,572	1,415	19	72	7	12.0	18	3.22	10.2	9.4	9.5
52	Barnett Banks of Florida (Jacksonville)	1,884	10	57	43	0	100	2,279	1,289	20	68	3	21.9	31	2.46	15.6	43.4	9.4
53	United Virginia Bankshares (Richmond)	1,804	13	60	40	4	96	2,432	1,639	21	91	6	15.1	3	2.91	13.4	12.1	8.7
54	Centran Bancshares (Cleveland)	1,726	9	59	41	6	94	2,176	1,292	15	75	9	13.5	11	3.51	12.0	7.6	6.8
55	Shawmut Association (Boston)	1,694	0	45	55	3	97	2,255	1,348	3	80	15	11.3	−1	5.90	9.1	7.2	3.9
56	Financial Gen Bankshares (Washington, D.C.)	1,691	2	58	42	0	100	1,988	1,101	10	65	0	7.7	−6	1.62	9.6	14.2	18.0
57	First Natl. State Bancorp (Newark)	1,632	3	60	40	3	97	1,953	1,042	12	64	[3] −1	13.9	15	3.38	11.8	10.0	2.1
58	Baystate (Boston)	1,596	10	48	52	0	100	1,816	1,071	11	67	[3] −4	15.0	15	4.95	13.0	7.3	8.1
59	Mercantile Bancorp (St. Louis)	1,577	26	[3] 57	43	5	95	2,345	1,134	9	72	−28	20.1	15	3.56	13.6	6.5	7.5
60	National City (Cleveland)	1,522	8	61	39	10	90	2,321	1,031	22	68	12	25.5	10	3.63	15.1	7.4	9.9
61	Society (Cleveland)	1,509	14	72	28	1	99	1 775	1,124	19	74	4	9.0	13	4.63	11.8	9.6	11.3
62	First Union (St. Louis)	1,502	34	55	45	6	94	2 194	1,101	32	73	31	15.2	12	5.25	11.3	[7] 9.6	[7] 2.2
63	Maryland Natl. (Baltimore)	1,499	12	53	47	2	98	1 992	1,371	42	91	15	18.7	20	2.57	15.5	8.0	12.4
64	Cameron Financial (Charlotte)	1,487	14	61	39	3	97	2 115	1,304	4	88	8	13.7	2	2.25	13.6	11.8	9.7
65	Equimark (Pittsburgh)	1,484	20	73	27	18	82	2 472	1,090	16	73	[3] −9	9.9	15	2.37	14.2	8.8	8.8
66	Southwest Banschares (Houston)	1,457	16	57	43	4	96	1 781	897	6	62	0	15.2	16	2.50	12.5	9.2	8.9
67	First Empire State (Buffalo)	1,456	8	66	34	8	92	1 919	1,223	10	84	11	7.1	−17	2.46	9.5	4.8	5.1
68	Virginia Natl. Bankshares (Norfolk)	1,455	12	61	39	1	99	1 877	1,254	16	86	7	13.2	13	2.93	15.5	9.8	5.9
69	Industrial Natl. (Providence)	1,454	8	73	28	5	95	2 128	1,488	20	102	9	17.1	4	3.08	13.8	8.7	12.6
70	United Jersey Banks (Princeton)	1,440	4	63	36	1	99	1,847	1,167	11	81	9	9.2	−20	1.72	11.3	[7] 15.1	8.5
71	Security Natl. (Hempstead, N.Y.)	1,432	−10	57	43	0	100	1,771	1,264	−9	88	10	8.8	−23	1.79	7.2	23.8	9.7
72	Hartford Natl	1,422	6	44	56	6	94	1,848	1,043	10	73	11	8.9	3	3.18	10.2	5.2	4.6
73	Flagship Banks (Miami Beach)	1,417	9	59	41	0	100	1,728	875	19	62	4	15.0	19	2.20	16.0	NA	NA
74	Midlantic Banks (Newark)	1,411	1	59	41	3	97	1,788	1,096	12	78	8	13.2	−9	4.35	11.3	12.7	8.8
75	First Security (Salt Lake City)	1,411	12	54	46	0	100	1,761	1,064	15	75	4	18.9	13	3.58	16.9	[7] 6.0	[7] 12.7
76	Indiana Natl. (Indianapolis)	1,409	20	57	43	14	86	2,186	1,202	20	85	18	11.7	−3	2.35	11.4	6.8	8.7
77	First Commercial Banks (Albany)	1,407	16	43	57	0	100	1,547	750	−1	53	[3] −16	9.9	2	1.90	11.6	11.9	−1.1
78	CBT (Hartford)	1,403	3	49	51	9	91	1,889	1,175	22	84	9	11.7	24	6.40	13.0	6.8	6.9
79	American Fletcher (Indianapolis)	1,402	9	59	41	12	88	2,120	1,174	24	84	24	13.7	12	3.00	14.8	7.9	9.8
80	Bank of Tokyo Trust (New York)	1,399	45	[1] 38	[1] 29	33	67	1,629	779	33	56	4	NA	NA	NA	NA	[7] 36.7	NA
81	Sun Banks of Florida (Orlando)	1,396	9	54	46	0	100	1,741	879	10	63	NA	16.6	9	1.76	13.6	37.3	14.8
82	First Natl. Holding (Atlanta)	1,376	33	45	55	0	100	2,250	1,331	23	97	14	12.9	19	3.26	13.1	6.2	6.0
83	Union Commerce (Cleveland)	1,366	20	69	31	13	87	1,771	942	7	69	1	6.8	−54	1.52	7.6	3.7	14.1
84	First & Merchants (Richmond)	1,336	19	64	36	0	100	1,712	1,082	12	81	4	13.0	9	3.95	15.1	8.9	7.5
85	Fidelity Union Bancorp (Newark)	1,309	6	52	48	4	96	1,624	963	7	74	3	17.4	NM	4.82	12.5	9.0	9.6
86	State Street Boston Financial	1,255	21	47	53	2	98	1,875	1,069	35	85	23	12.4	22	5.67	12.6	4.4	7.0
87	United Bank N.Y. (Albany)	1,254	2	53	47	0	100	1,455	668	7	53	[3] −9	14.4	13	2.67	11.7	14.1	3.4
88	First Tenn. Natl. (Memphis)	1,252	−5	55	45	0	100	1,704	937	2	75	11	11.6	−4	1.30	10.9	10.9	11.2
89	Provident Natl. (Philadelphia)	1,243	10	57	43	3	98	1,868	1,198	19	96	17	14.1	3	3.45	9.9	7.4	8.4
90	Albama Bancorp (Birmingham)	1,241	11	56	44	0	100	1,523	841	20	68	2	14.6	16	2.55	13.7	9.5	6.0
91	Florida Natl. Banks of Fla. (Jacksonville)	1,227	8	56	44	0	100	1,459	701	18	57	[3] −5	16.2	5	1.64	10.6	[7] 10.6	[7] 13.4
92	Trust Co. of Georgia (Atlanta)	1,216	6	46	54	2	98	1,663	978	10	80	8	14.5	17	3.35	14.7	8.0	13.8
93	Riggs Natl. Bank (Wash. D.C)	1,210	12	[1] 35	[1] 57	8	92	1,451	762	5	63	[3] −8	15.8	16	5.64	14.9	8.6	9.8
94	First Banc Group of Ohio (Columbus)	1,156	10	58	42	0	100	1,382	832	12	72	1	15.4	19	3.06	16.1	23.5	9.9
95	Commerce Bancshares (Kansas City)	1,125	11	48	52	0	100	1,414	803	7	71	3	14.6	−0	3.05	11.7	9.1	10.1
96	Atlantic Bancorp (Jacksonville, Fla.)	1,124	8	49	51	0	100	1,414	812	12	72	4	12.3	47	2.39	13.1	14.7	8.2
97	Bank of Virginia (Richmond)	1,119	10	66	34	4	96	1,599	1,148	16	103	4	10.5	6	2.41	12.9	18.4	9.2
98	American Natl. Bank & Trust (Chicago)	1,109	11	57	43	21	79	1,417	834	24	75	20	10.4	9	NA	12.9	[7] 6.2	NA
99	First Western Bank & Trust (Los Angeles)	1,104	3	62	38	2	98	1,389	884	11	80	NA	5.0	NA	3.58	7.1	3.0	−1.0
100	Huntington Bancshares (Columbus)	1,090	5	61	39	0	100	1,370	780	6	71	[3] −6	10.9	8	4.68	11.6	20.8	1.9
101	Texas American Bancshares (Fort Worth)	1,076	27	54	46	2	98	1,431	743	22	69	5	9.9	33	2.79	12.1	13.0	9.6
102	First Natl. Bancorp (Denver)	1,074	14	49	51	0	100	1,451	812	9	76	14	11.2	33	4.94	15.4	7.8	11.0
103	Equitable Bancorp (Baltimore)	1,062	8	57	43	0	100	1,210	713	13	67	[3] −2	9.4	16	2.88	13.2	17.0	14.8
104	Northern States Bancorp (Detroit)	1,059	9	73	27	15	85	1,305	853	18	81	3	5.6	26	2.17	11.9	14.6	13.7
105	First Amteen (Nashville)	1,051	18	63	37	6	94	1,422	930	34	89	11	8.3	−19	1.61	10.3	14.0	7.7
106	New England Merchants (Boston)	1,030	8	42	58	4	96	1,353	794	9	77	17	7.0	6	2.87	12.4	5.1	7.2
107	Third Natl. (Nashville)	1,012	29	64	36	4	96	1,271	808	28	80	5	9.2	15	3.85	13.2	4.3	5.6
108	Dominion Bankshares (Roanoke, Va.)	987	10	60	40	0	100	1,208	774	23	78	0	8.9	8	1.81	14.7	11.9	10.7
109	Hawaii Bancorp (Honolulu)	979	8	59	42	1	99	1,115	722	11	74	1	10.0	9	1.51	18.0	5.6	11.3
110	American Security (Washington, D.C.)	976	7	48	52	12	88	1,227	636	14	65	11	13.1	7	5.41	14.6	7.5	8.9
111	First-Citizens B & T (S'field, N.C.)	970	13	60	40	0	100	1,126	656	11	68	6	NA	NA	NA	NA	[7] .4	NA
112	Tenn. Valley Bancorp (Nashville)	956	16	73	27	7	93	1,187	796	32	83	[5] 7	7.7	28	2.05	12.5	17.8	7.0
113	Central Bancorp (Cincinnati)	934	7	55	45	0	100	1,169	632	9	68	[5] 8	11.5	−1	3.09	12.8	[7] 16.1	[7] 6.7
114	Continental Bank (Norristown, Pa.)	926	20	63	37	0	100	1,108	826	22	89	6	10.0	8	3.41	16.1	7.2	9.6
115	Federated Capital (Houston)	909	14	55	45	1	99	1,142	554	9	61	1	7.6	NA	1.51	12.5	NA	NA
116	First Financial (Tampa, Fla.)	909	6	57	43	0	100	1,121	563	19	62	6	7.6	7	1.09	13.8	[7] 29.5	[7] 13.6
117	Marshall & Ilsley (Milwaukee)	897	4	58	42	1	99	1,107	656	6	73	7	9.0	20	5.27	13.0	11.8	8.2
118	Republic New York	897	31	79	21	38	62	1,096	518	28	58	[3] −13	11.6	21	5.15	NM	27.0	13.

Footnotes at end of table.

ANNUAL SURVEY OF BANK PERFORMANCE—Continued

[Dollar amounts in millions]

Bank	Deposits						Assets June 30, 1974	Loans			Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974	10-yr. growth (percent)	
	Total June 30, 1974	Percent: Change from 1973	Time	Demand	Foreign	Domestic		Total O/S June 30, 1974	Change from 1973 (percent)	Loans as percent of deposits June 30, 1974						Com. eqy	E.P.S.
119 First Alabama Bancshares (Birmingham)	$896	7	58	42	0	100	$1,052	$618	7	69	2	$12.1	26	2.74	17.4	[7] 19.9	[7] 10.6
120 Union Planters (Memphis)	895	−8	[1] 55	[1] 42	4	96	1,266	747	2	84	29	−8.9	NM	−2.91	−12.1	5.3	−2.2
121 American Bank & Trust (Reading, Pa.)	889	17	73	27	0	100	1,018	699	21	79	[3] −1	9.1	7	2.30	15.2	11.5	10.2
122 United Banks of Colorado (Denver)	881	1	54	46	0	100	1,157	710	2	81	14	5.8	−29	1.90	8.9	6.8	8.9
123 Bank of the Commonwealth (Detroit)	875	2	75	24	0	100	1,052	734	−1	84	[3] −2	1.3	NM	−.10	−5.4	−12.1	NA
124 Northwestern Fin. (N. Wilkesboro, N.C.)	857	11	67	33	1	99	1,118	751	NA	77	0	7.2	−8	1.57	13.5	13.9	NA
125 Banco Popular de Puerto Rico (San Juan)	864	4	59	41	0	100	1,031	589	−1	68	7	6.9	−15	3.14	10.3	13.7	8.1
126 Old Kent Financial (Grand Rapids, Mich.)	855	10	73	27	0	100	1,016	553	9	65	5	10.6	17	2.73	16.0	17.0	13.0
127 Whitney Natl. Bank (New Orleans)	840	11	48	52	0	100	1,064	558	13	67	9	NA	NA	NA	NA	NA	NA
128 First Hawaiian (Honolulu)	840	10	61	39	0	100	947	554	10	66	4	8.6	10	2.85	16.4	6.7	14.1
129 Bank of Tokyo of Calif. (San Francisco)	835	9	76	24	12	88	959	619	18	74	1	5.6	18	1.92	11.5	26.5	19.1
130 First Va. Bankshares (Arlington)	821	9	67	33	0	100	1,029	657	15	80	[3] −2	7.6	−15	.84	13.7	16.6	9.9
131 First Maryland Bancorp (Baltimore)	819	2	49	51	0	100	1,063	566	10	69	7	8.0	−15	2.58	11.0	6.9	9.8
132 First Natl. Bank Trustees (Louisville)	818	26	52	48	11	89	1,071	588	43	72	12	9.5	20	3.54	10.8	7.1	9.8
133 *Hamilton* Bancshares (Chattanooga)	816	21	62	38	0	100	1,169	737	50	90	8	8.3	31	2.12	13.0	[7] 15.1	[7] 15.1
134 Idaho First Natl. Bank (Boise)	816	19	60	40	0	100	935	559	18	69	0	9.0	17	4.00	16.8	14.1	12.2
135 Arizona Bank (Phoenix)	805	15	62	38	1	99	944	599	16	74	4	5.2	16	1.85	14.2	17.2	13.0
136 Marine (Milwaukee)	801	4	64	36	0	100	969	596	6	74	2	5.7	11	4.62	10.4	6.8	3.4
137 South Carolina Natl. (Columbia)	799	13	37	63	0	100	1,000	627	12	78	0	11.5	25	3.05	18.7	9.6	16.1
138 Southern Calif. First Natl. (San Diego)	796	−1	51	49	0	100	926	528	−5	66	1	4.9	44	1.34	10.8	9.1	−0.8
139 Natl. Central Financial (Lancaster, Pa.)	792	16	66	34	0	100	930	598	19	75	6	8.4	14	2.59	13.6	[7] 6.1	[7] 9.5
140 Central Bancshares (Birmingham)	789	12	54	46	0	100	908	555	9	70	[3] −3	9.9	21	1.45	17.4	[7] 26.5	[7] 15.0
141 Ind'L. Valley B & T (Jenkintown, Pa.)	783	10	68	32	0	100	978	542	11	69	7	8.2	15	3.99	20.4	11.4	13.8
142 Heritage Bancorp (Cherry Hill, N.J.)	781	4	60	40	0	100	924	593	14	76	1	9.3	13	2.38	16.4	[7] 12.9	[7] 4.0
143 Suburban Bancorp (Hyattsville, Md.)	766	11	54	46	0	100	863	485	4	63	[3] −1	10.8	14	2.60	18.1	[7] 13.7	11.3
144 Southern Bancorp (Birmingham, Ala.)	766	13	55	45	0	100	988	581	26	76	8	8.3	27	2.41	14.3	[7] 20.6	[7] 11.5
145 First Commerce (New Orleans)	765	10	56	44	4	96	1,131	598	10	78	[3] −2	5.4	3	2.56	11.1	[7] 8.7	[7] 37.3
146 Mercantile Natl. Bank at Dallas	762	14	56	45	0	100	927	495	14	65	4	9.6	10	2.39	12.8	5.2	7.7
147 Citizens Fidelity (Louisville)	761	14	59	41	0	100	997	507	20	67	5	7.2	16	3.60	12.0	[7] 8.9	[7] 6.8
148 First Natl. Charter (Kansas City)	749	13	46	54	0	100	1,028	433	12	58	5	9.4	23	6.14	11.7	[7] 12.8	[7] 4.0
149 Union Natl. Bank (Pittsburgh)	742	1	53	47	0	100	861	531	3	72	1	8.7	37	3.50	15.4	10.1	3.5
150 Security N.Y. State (Rochester)	742	15	67	33	0	100	890	565	22	76	NA	5.3	23	2.64	8.4	16.8	4.9
151 First Natl. Cincinnati	727	8	45	55	0	100	1,064	484	8	67	[3] −1	11.8	15	3.29	13.3	6.0	6.8
152 Old Stone (Providence, R.I.)	717	10	91	9	0	100	813	590	20	82	NA	NA	NA	NA	NA	NA	NA
153 Greater Jersey Bancorp (Clifton, N.J.)	698	9	66	34	3	97	862	509	13	73	[3] −1	6.0	9	2.98	13.9	9.1	6.7
154 Merchants Natl. (Indianapolis)	695	12	62	38	0	100	1,172	535	21	77	35	6.3	10	2.87	10.2	10.4	9.6
155 Allied Bankshares (Houston)	682	24	57	43	0	100	797	470	24	69	[3] −3	8.4	NA	2.56	NA	NA	NA
156 Landmark Banking (Ft. Lauderdale)	679	11	56	44	0	100	902	376	7	55	9	6.0	5	1.04	13.5	[7] 34.5	[7] 1.8
157 New Jersey Natl. (Trenton)	671	3	64	36	0	100	822	496	26	74	0	7.0	4	3.96	15.4	[7] 7.6	[7] .2
158 Banco Credito y Ahorro Ponceno (Ponce)	669	1	NA	NA	0	100	809	477	4	71	[3] −21	6.6	5	2.85	13.5	13.3	10.5
159 Affiliated Bankshares of Colo. (Boulder)	668	9	58	42	0	100	799	446	6	67	3	6.7	−4	2.70	14.7	[7] 24.8	[7] 9.1
160 Sumitomo Bank of Calif. (San Francisco)	667	5	72	28	14	86	761	553	17	83	1	4.4	−5	2.00	12.5	20.7	24.4
161 Deposit Guaranty (Jackson, Miss.)	666	14	52	48	0	100	815	475	13	71	5	6.4	1	2.45	13.3	[7] 9.6	[7] 6.4
162 Fid. Am. Bankshares (Lynchburg, Va.)	665	9	70	30	0	100	815	505	16	76	4	4.4	−12	1.69	10.8	[7] 12.7	[7] 1.9
163 Union Trust Bancorp (Baltimore)	653	7	50	50	0	100	781	479	15	73	5	8.9	28	3.63	13.9	7.6	6.1
164 Hospital Trust (Providence)	650	6	64	36	0	100	849	539	7	83	14	6.2	−8	3.11	9.9	5.6	6.5
165 Natl. Community (Rutherford, N.J.)	648	6	69	32	0	100	723	329	2	51	0	8.3	3	3.67	16.3	15.1	7.5
166 First United Bancorp (Fort Worth)	645	10	54	46	2	98	859	420	7	65	[3] −5	7.2	20	2.89	14.2	NA	NA
167 Northeast Bancorp (New Haven)	638	7	50	50	0	100	744	482	3	76	0	7.6	21	4.16	14.5	NA	NA
168 United Mo. Bancshares (Kansas City)	636	4	48	52	0	100	887	416	6	65	[3] −1	7.5	9	3.50	11.8	10.7	[7] 7.2
169 Central Natl. Chicago	636	4	56	44	11	89	855	541	8	85	6	1.9	−39	1.73	6.0	9.3	3.6
170 First N. Mex. Bankshare (Alduquerque)	634	9	58	42	0	100	724	383	15	60	[3] −9	6.2	8	1.58	18.7	[7] 27.6	[7] 11.5
171 Multibank Financial (Boston)	629	10	58	50	0	100	718	452	12	72	[3] −3	4.1	27	2.58	10.5	NA	NA
172 Natl. State Bank (Elizabeth, N.J.)	628	5	37	63	0	100	715	381	5	61	7	5.4	51	1.80	19.1	15.8	9.1
173 Ellis Banking (Bradenton, Fla.)	618	11	71	29	0	100	692	367	17	59	[3] −3	5.7	14	1.16	18.1	NA	NA
174 First Tulsa Bancorp	609	26	57	43	0	100	812	441	14	72	14	6.3	−11	3.79	10.7	7.8	9.8
175 FrostBank (San Antonio)	609	13	59	41	0	100	755	366	19	60	[3] −3	6.0	−5	3.18	14.0	NA	NA
176 Fifth Third Bank (Cincinnati)	601	14	51	49	0	100	765	460	14	77	3	7.9	58	3.42	11.0	6.2	−2.0
177 First Capital (Jackson, Miss.)	590	13	53	47	0	100	695	393	11	67	[3] −1	6.8	2	4.08	14.5	[7] 8.3	[7] 14.3
178 First Okla. Bancorp (Oklahoma City)	590	10	54	46	0	100	947	406	9	69	27	10.2	6	1.11	10.6	8.5	13.6
179 General Bancshares (St. Louis)	589	14	67	33	0	100	662	381	11	65	[3] −10	5.2	9	2.17	12.3	7.6	8.3
180 First Natl. Bank of Akron	585	4	61	39	0	100	670	325	9	56	[3] −4	6.1	−1	3.64	10.6	8.8	7.4
181 Liberty Natl. (Oklahoma City)	578	4	55	45	1	99	801	350	7	61	4	4.2	13	4.99	13.0	4.0	7.8
182 Citizens Commercial (Flint, Mich.)	576	3	78	22	0	100	673	392	8	68	0	5.6	−20	6.02	11.6	14.6	14.2
183 Peoples Natl. Bank of Wash. (Seattle)	564	11	55	45	0	00	719	396	3	70	6	3.2	14	5.02	8.1	6.8	−5.3
184 Pan American Bancshares (Miami)	557	19	58	42	0	100	691	359	21	65	7	6.8	23	1.52	15.4	[7] 44.0	[7] 11.9
185 Banco de Ponce (Ponce, P.R.)	555	12	65	35	0	100	666	[4] 421	20	76	NA	6.6	16	5.44	16.0	22.3	15.7
186 Winters Natl. (Dayton)	549	5	53	47	0	100	682	414	15	75	11	6.1	14	4.63	12.1	8.8	2.8
187 Mercantile Bankshares (Baltimore)	548	15	NA	NA	0	100	687	440	23	80	[3] −2	9.0	NA	2.91	17.1	[7] 24.8	[7] 2.2
188 Fulton Natl. (Atlanta)	547	7	37	63	0	100	753	394	7	72	3	5.2	6	2.33	13.4	12.0	9.5
189 CP Financial (Philadelphia)	545	1	52	48	0	100	724	476	7	87	19	5.1	NA	2.05	11.2	[7] 7.2	[7] .5
190 Wilmington Trust (Delaware)	539	9	47	53	0	100	825	296	7	55	[3] .4	8.6	−5	4.31	15.3	4.7	6.0
191 LaSalle Natl. Bank (Chicago)	536	5	65	35	8	92	694	379	7	71	2	2.7	15	3.93	11.3	8.2	2.6
192 Colorado Natl. Bankshares (Denver)	516	1	56	44	0	100	642	397	−0	77	2	3.5	−5	2.57	11.6	6.7	8.8
193 European-American Bank & Trust (N.Y.)	514	6	71	29	47	53	576	370	−0	72	[3] −7	NA	NA	NA	NA	[7] 7.9	NA
194 City Natl. (Beverly Hills)	511	9	60	40	0	100	661	301	9	59	NA	4.1	3	2.90	11.9	5.6	12.0
195 Hibernia (New Orleans)	510	14	56	44	5	95	670	339	12	66	12	2.6	20	2.90	9.2	3.8	−.3
196 United Michigan (Flint)	503	8	82	18	0	100	562	329	1	65	[3] −8	5.3	2	3.98	16.6	12.9	14.4
197 United Tenn. Bancshares (Memphis)	502	−2	59	41	0	100	632	[4] 371	6	74	6	0.3	NM	.08	NA	NA	NA
198 Commonwealth Natl. (Harrisburg, Pa.)	497	9	59	41	0	100	560	365	9	73	[3] −6	4.5	−19	3.24	11.2	[7] 5.8	[7] 8.0
199 Zions Utah Bancorp (Salt Lake City)	489	13	64	36	0	100	605	401	11	82	NA	4.8	−15	2.29	12.8	29.8	24.1
200 Washington Bancshares (Spokane)	478	9	57	43	0	100	579	318	15	66	7	3.4	33	2.54	9.9	[7] 7.7	[7] .4

[1] Does not total 100 percent because foreign deposits, which cannot be broken out between time/savings and demand, are excluded.
[2] Assumes that all foreign deposits are time/savings, but a breakdown from the bank is not available.
[3] Bank is a net seller of Federal funds.
[4] Loans includes Federal funds sold.
[5] Borrowings include other short-term obligations.
[6] Data are for Franklin National Bank since holding company data not available.
[7] 5-yr growth rate, 10-yr data not available.
NA, not available.
NM, not meaningful.

Data: Investors Management Sciences, Inc.

APPOINTMENT OF GEORGE BUSH TO BE U.S. REPRESENTATIVE IN PEKING

Mr. TUNNEY. Mr. President, I was pleased to note the recent nomination of George Bush to head the Liaison Office of the United States in Peking. In all but name, George Bush will now be our Ambassador to the 800 million people of the People's Republic of China.

I have, of course, the greatest admiration for David Bruce, the present head of the U.S. mission. Mr. Bruce has done an excellent job in cementing our relations with Peking in a difficult period internally in that country.

George Bush will be a worthy successor to this important post. He has had wide political experience in this country, and is very well connected with the centers of influence and power in Washington. I find this an important asset, since one of Mr. Bush's primary tasks will be to explain and interpret to the Chinese leadership what is happening in the United States. But this is not George Bush's only asset and responsibility. He has spent several years already in diplomatic service, as Ambassador to the United Nations, and represented our Nation ably and diligently.

I congratulate George Bush on his new appointment. I am confident that he will do an excellent job in this demanding and crucial post.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. HASKELL). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 70–770, appoints the Senator from North Dakota (Mr. BURDICK) to the Migratory Bird Conservation Commission, in lieu of the Senator from Montana (Mr. METCALF), resigned.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business which was pending on yesterday be laid before the Senate and made the pending business at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill, S. 3585, to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, and so forth, and for other purposes.

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland (Mr. BEALL).

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of neither side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside, so that I may call up my amendment to the pending amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

VITAMIN AMENDMENT (NO. 1880)—AMENDMENT TO PREVENT THE FOOD AND DRUG ADMINISTRATION FROM REGULATING SAFE VITAMINS AS DANGEROUS DRUGS—EXECUTIVE FIAT WITHOUT LEGISLATIVE APPROVAL

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1880.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. 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:

At the end of the bill insert the following:

SEC. . (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", and "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use.

"(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act."

SEC. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"SEC. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.".

The PRESIDING OFFICER. The Chair inquires whether the Senator offers this as an amendment to the committee amendment.

Mr. PROXMIRE. I offer this as an amendment to the pending Beall amendment.

The PRESIDING OFFICER. The Senator desires to submit this as an amendment to the Beall amendment, despite the fact that the time on the Beall amendment has not expired?

Mr. PROXMIRE. That is correct. I ask unanimous consent, Mr. President, to offer this amendment. I shall take only about 10 minutes.

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

Mr. PROXMIRE. Mr. President, I modify the amendment as follows: On page 2, line 1, after the letters "SEC.," Arabic "1" should be inserted. This is simply a technical amendment. It was an omission from the printed amendment.

Mr. President, I offer this amendment on behalf of myself and Mr. ABOUREZK, Mr. ALLEN, Mr. BENTSEN, Mr. BIBLE, Mr. BROCK, Mr. BUCKLEY, Mr. CHILES, Mr. CHURCH, Mr. CRANSTON, Mr. DOLE, Mr. DOMENICI, Mr. DOMINICK, Mr. EASTLAND, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GRAVEL, Mr. GURNEY, Mr. HANSEN, Mr. HARTKE, Mr. HATFIELD, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mr. MATHIAS, Mr. MANSFIELD, Mr. MCCLURE, Mr. MCGEE, Mr. MCGOVERN, Mr. MONTOYA, Mr. MOSS, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. RANDOLPH, Mr. ROTH, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. SPARKMAN, Mr. STEVENS, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, and Mr. TUNNEY.

This is an amendment to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

WHAT THE AMENDMENT DOES

The Food and Drug Administration, for several years now, has been attempting to regulate safe vitamins and minerals—which are foods—as dangerous drugs. They have tried to do this through FDA regulations and orders rather than through legislation.

What this amendment does—and all it does—is to stop that action. It restores the status quo. It says to the FDA that they shall continue to regulate vitamins and minerals as foods.

FDA ATTEMPTS TO DISTORT MEANING

Time and again throughout the debate over this amendment, the FDA has attempted to distort its meaning by claiming that it would limit their jurisdiction and shift the burden of proof for safety to the FDA rather than the vitamin manufacturer or retailer.

Nothing could be further from the truth. The key language in the amendment is taken either directly from part 1.11, 21 Code of Federal Regulations, which have been in effect since 1955—or

for two decades—or taken directly from the law itself—namely, from section 402 (a) (1), which states that the FDA cannot limit the potency, number, combination, amount, et cetera, of a vitamin or mineral "if the amount recommended does not ordinarily render it injurious to health." That is our phrase, and it is already in the law. The amendment restores that phrase and would supersede the FDA's intended regulations.

BUSINESSES AT STAKE

Why is this amendment so urgent? The health food industry—not the big drug manufacturers, but the health food industry and the small health food stores—the Mom and Pop health food stores found all over this country, are in grave danger of being put out of business.

The FDA's regulations say that when they go into effect, any vitamin sold in quantities in excess of 150 percent of the so-called U.S. recommended daily allowance—U.S. RDA—will become a drug and be regulated as a drug. Those regulations were to have gone into effect next January. Now they have been postponed by court order until next July 1. But then they can go into effect.

The health food stores have this Damoclean sword hanging over their heads. It has been there since 1966, when the FDA first put out its regulations. It is time we settled this matter and settled it for good.

We are proposing this amendment on this bill to save those businesses. We are also doing it to save the consumer from being ripped off, because if vitamins cannot be bought in amounts greater than 150 percent of the U.S. RDA, the consumer will have to pay through the nose for quantities of vitamins he now uses routinely.

COMMITTEES WILL NOT ACT

Hearings have been held in both the House and the Senate. But neither the House committee nor the Senate committee intends to act this year. Further, it is extremely doubtful that they can act or will act by July 1 of next year. Meanwhile, thousands of small proprietors of health food stores and millions of consumers are kept in an almost perpetual state of apprehension.

The time has come to deal with this matter and to deal with it decisively. What this amendment does, therefore, is to restore the matter as it was before the FDA came forward with its regulations. It tells the FDA that instead of acting by executive fiat or through regulations, if they are going to make drastic changes affecting the livelihood of millions of people, then do it through legislation and not by administrative regulation.

U.S. RDA'S ARE AN ARBITRARY, SUBJECTIVE, AND CAPRICIOUS STANDARD

One of the reasons for this is that the RDA's are questionable standards. The FDA's U.S. RDA's, which are based on the Food and Nutrition Board's so-called recommended daily dietary allowance, are an arbitrary, subjective, and capricious standard.

First, they are, more often than not, too low. And the reason for that is so that the orthodox food industry can put on the side of its breakfast food containers that the breakfast food contains a very high proportion of the recommended daily allowances. The lower the RDA's, the better the nutritional value of the breakfast food industry, and other food industry products look.

Second, the Food and Nutrition Board's RDA's, upon which the FDA's U.S. RDA's are based, have had major changes in values almost every time they are issued. For example, the 1968 RDA's had 55 changes in values over the 1964 RDA's which varied from 20 to 700 percent.

Take vitamin E, for example. In 1964 there was no RDA. In 1968, the RDA for pregnant women was 30 international units. In 1974, the RDA for vitamin E for pregnant women was 15 RDA's.

If the FDA's regulations had been in effect for each of these years, this would have been the situation.

In 1964, since vitamin E was not even on the list, it could have been purchased in unlimited quantities.

In 1968, with an RDA of 30 international units, one could have purchased vitamin E in 45 international unit capsules.

But in 1974, vitamin E in excess of 22.5 international units would become a drug and would be regulated either as an over-the-counter-drug or put on prescription.

Even the experts differ on the RDA's. I ask unanimous consent to have printed in the RECORD a table indicating the difference between the RDA's recommended in 1970 by Dr. W. H. Sebrell, Jr., the chairman of the committee which established the 1968 RDA's, and the 1974 RDA's.

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

	Dr. Sebrell	1973–74 RDA's	Percent Sebrell above RDA's
Pregnant women:			
Vitamin A (IU)	8,000	5,000.0	160
Vitamin E (IU)	30	15.0	200
Vitamin B_{12} (Mcg.)	8	4.0	200
Child under 4: Vitamin B_{12} (Mcg.)	4	1.5	333

Mr. PROXMIRE. What that table indicates is that the experts differ and differ very much on the proper amounts that should be proposed as recommended daily dietary allowances. If these amounts were simply advisory, there would be no complaint. But the FDA has taken those amounts and put them into regulations. And what that means is that if some manufacturer or some health food store makes vitamins or sells them in greater quantities, they are subject to the "criminal law." That is too harsh a penalty to hand out when the basis for the regulations is so controversial.

The Second Circuit Court of Appeals, which delayed the date when the regulations will now go into effect, stated:

> Our examination of the record (of the FDA vitamin hearings) has turned up not a single instance in which the scientific processes by which the RDA figures were developed were subject to searching examination.

Other experts differ as well. Among them are Dr. Paul Gyorgy, the discoverer of vitamin B–6, who recommended in 1971 that the RDA for vitamin B–6 should be set at 25 milligrams a day, or 12.5 times the 2 milligram level the Food and Nutrition Board established for 23–50 year old females.

Dr. Linus Pauling recommended daily levels of vitamin C which are over 100 times the 45 milligrams recommended by the Food and Nutrition Board.

The RDA's, about which there is so much controversy even among the scientific community, is no standard on which to base the criminal law.

AMENDMENT DOES NOT TOUCH EXISTING FDA POWER TO REGULATE TOXIC, UNSAFE, OR MISLABELED FOODS

This amendment does not change the vast power the FDA has to regulate foods. All it states is that the FDA shall regulate vitamins as foods and not as drugs.

If a vitamin or mineral is toxic, the FDA has adequate authority to regulate it. They have done so in the case of vitamins A and D and vitamin K.

If a vitamin or mineral is mislabeled, there is more than adequate authority to deal with it under existing law. In fact, many people believe that the FDA has already gone too far, as, for example, when they banned the sale of a book on the favorable effects of vinegar and honey when it was displayed and sold in a store which sold vinegar and honey. Since vinegar and honey are also proposed in the Old Testament as nutritious foods, there are many who believe that if the FDA had gotten its way on that one—and fortunately they did not—then Macy's or Gimbel's would be barred from selling vinegar and honey if they also sold the Old Testament in their stores.

Finally, there are a great many food substances which are highly toxic—far more than vitamins—but which are regulated as foods—because they are foods—and not as drugs.

If the FDA is to retain any logic in its point of view, it should regulate sugar, salt, coffee, tea, and even water as dangerous drugs, because they are toxic if used in large or excessive quantities.

CONCLUSION

The amendment does nothing more than restore the status quo. Its language is that of the law and of the regulations which have been in effect for two decades.

It does not take away from the FDA any power over toxic foods or mislabeled foods or foods made in unsafe surroundings.

But it does tell the FDA that they are not to place the businesses of thousands of small health food stores in jeopardy through executive fiat and administrative regulations.

And the amendment would do that now because these small businesses and millions of consumers have had the FDA regulations hanging over their heads for years and will shortly experience the final coup de grace if the FDA has its way.

The PRESIDING OFFICER. Who yields time?

Mr. BEALL. Mr. President.

Mr. KENNEDY. Mr. President, I shall be glad to make a brief statement expressing my opinion, unless the Senator from Maryland wishes to do so. It is an amendment on his substitute.

Mr. BEALL. I want to accept it.

Mr. KENNEDY. Very well.

Mr. President, this amendment was incorporated in legislative form by the Senator from Wisconsin and is a matter which was before the Senate Subcommittee on Health. We had 2 days of hearings. The Senator from Wisconsin appeared and made a very effective presentation on this issue. We had a number of witnesses who favored this issue.

I do not think I have received more mail on any issue than I have received on the question of vitamin legislation. But we had some disturbing testimony as well by the spokesmen for the Food and Drug Administration and a number of other consumer groups, as well as a number of other clinical researchers.

It seems to me that the best way to proceed is by way of the orderly process of the committee. The Health Subcommittee should review this legislation and the varying testimony that we received and consider its appropriateness. There is other legislation dealing with this question as well which has been introduced by the junior Senator from Wisconsin (Mr. NELSON).

There has been yet another approach; it was presented to the committee by the Representative from Maine, Mr. KYROS. We are in the process of considering these different alternatives.

I think the Senator is accurate in stating that we shall not have the opportunity to act on it in this session of Congress. The need for it has been somewhat attenuated, as the Senator from Wisconsin pointed out, by the court order that is going to defer any action on the regulations until July of next year. I indicate to the Senator from Wisconsin that this will be a matter which will be considered in the early part of next year, and then the Committee will work its will on the legislation.

The point that I wish to make, Mr. President, is that this particular legislation goes far beyond the question of just vitamins in and of themselves. It reaches the whole issue of food additives. We received testimony before our committee that recent research on vitamin C, for example, has pointed out that high doses of vitamin C, taken over long periods of time, may very well bring about toxic effects. We had some distinguished scientists who testified about research that they have done in this area.

The fact remains that there has been very little research done about the effects of large quantities of vitamins taken over a long period of time. The impact that that has on the health and well-being of individuals has been the subject of little, if any, concrete study. The argument is, on the other hand, that there has not been any evidence to show that there is anything toxic, but the fact remains that the types and quantities being considered here are vastly above what any individual could ever take by way of consumption of natural foods. Even the regulations would not provide any prohibition, and would not, as the Senator from Wisconsin suggests, provide that no capsule be above the amount that was established as the daily requirement.

Beyond this, Mr. President, an effect of the Proxmire amendment, according to counsel from the Food and Drug Administration and other consumer groups, would be to virtually eliminate the requirement that presently exists that sets, for example, labeling requirements on certain food products.

There are some extremely serious consumer concerns on the whole subject of labeling of food products. It seems to me that this legislation is better left until we have an opportunity to examine it in the Committee on Health.

Now, having said that, I also want to say that we recognize there are a number of cosponsors, people who feel strongly about this legislation. I question, really, its appropriateness as an amendment to this particular legislation, but have indicated to the Senator from Wisconsin that if he is going to ask for a rollcall vote, I intend to vote in opposition to it.

I am going to file a more detailed statement in the RECORD in explanation of my position. In addition, I am indicating that in recognition of the realities that this amendment will pass, and wanting to eliminate any impact that it might have on other votes or questions. Senator JAVITS and myself have also included this amendemnt in a later substitute to the Beall amendment, because we recognize that if our amendment is accepted as a substitute, it would not be open to further amendment. I understand that the handwriting is on the wall, and that the Senator from Wisconsin has the votes on this particular measure.

I wish to give the Senator assurance, on the one hand, that we are going to conduct hearings on this measure in the early part of the next session and that we will permit the committee to exercise its will on this measure. Then I am hopeful that we can bring something to the floor which the Senate will then itself be able to work its will on.

I do not want to offer much assurance to those interested in the legislation that this is going to become law on the basis of Senate action, because the House has not moved. This will be in conference. There has been no record made in the House of Representatives concerning the relevence of this amendment to any manpower proposal, and therefore there will be strong objections from the House.

With these brief comments on this matter, I have very little further to say, other than I know the Senator from Wisconsin wants a rollcall vote. I hope we can get it at the appropriate time.

I would like to ask that my prepared remarks detailing my objections to this amendment be printed in the RECORD at this time.

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

FLOOR STATEMENT TO ACCOMPANY PROXMIRE AMENDMENT, BY SENATOR EDWARD M. KENNEDY, CHAIRMAN, SENATE HEALTH SUBCOMMITTEE, TUESDAY, SEPTEMBER 24, 1974

I would like to note that Senator Proxmire's food supplement amendment has been incorporated into the Kennedy substitute to the Beall amendment. I have incorporated the Proxmire amendment not because I endorse it or approve it, but because of the wide support it has attracted from members of the Senate, and in my opinion, because of the inevitability of its adoption in any event.

However, I would like to go emphatically on record as believing that this amendment is very bad legislation. I entered into two days of unusually extensive and complex hearings concerning the food supplement amendment of 1974 with an open mind. However, after hearing from essentially all witnesses who requested to testify, I concluded that the dangers of this particular bill far outweighed its benefit.

I am sympathetic and supportive of those who fear unnecessary federal intervention into their freedom to purchase and eat any food they desire. However, I believe that as long as the food and drug administration is given the mandate to regulate the safety of foods, drugs, and cosmetics, it should be allowed to retain the authority to do so.

The Proxmire amendment is bad legislation for a number of reasons. First of all, in the view of the food and drug administration and many consumer groups, it would strip the FDA of its authority to regulating food supplements going into baby foods, foods for pregnant lactating women, foods for diabetics and hypertensives, and other foods for special dietary use.

Second, it would shift the burden of proof with respect to toxicity of a food additive to the food and drug administration. It would leave no margin of safety, requiring the Government to show that the recommended amount of the additive "does not ordinarily render it injurious to health" before limits can be required. The manufacturer would not be required to prove safety.

Evidence presented in the hearings indicate that high doses of Vitamin C taken over long periods of time may have toxic effects. The same is true of other vitamins. This bill will seriously weaken the FDA's ability to guard against such toxic effects until they actually occur.

In addition, the provision of the amendment stating that regulation to establish labelling for special dietary foods shall not be construed as exempting any food from the other food provisions of the act, merely restates present law. It confuses the issue. If the intent of this provision is to insure that the consumer protection features of the act are not diminished, the provision renders the rest of the bill meaningless.

The Congress has been the target of a large, well-organized mail campaign concerning this legislation. Many of the letters received by my office have misstated the impact of the current regulations. For the record, I would like to point out that the new regulations would *not* remove one nutrient or other food component that has been available to consumers up to now and they would remain available in the future.

The new regulations would *not* replace all nutrients on prescription. All but two will remain available to consumers for purchase in grocery stores, pharmacies, and other retail stores throughout the country as dietary supplements or nonprescription products. The only two exceptions are potentially toxic high levels of vitamins A and D. Nutritional levels of those two vitamins would also remain as dietary supplements.

The new regulations would not limit the amounts or kinds of nutrients that the public can consume. An individuals remains free to eat as many different products as he chooses.

The new regulations would guarantee that every consumer has complete freedom of choice in the marketplace. Consumers may choose what they wish to buy, as is their right. In fact, the new regulations would as-

sist the consumer in making more intelligent choices by requiring more informative labeling.

In addition, many witnesses, including Consumer's Union and the National Association of Retired Persons, expressed fear that the Proxmire bill would open the floodgates to massive consumer fraud in the vitamin and food supplement industry.

I hope that during the next session of Congress, the Senate will have an opportunity to reconsider this issue, and to enact legislation which will both protect the freedom of the consumer with respect to vitamins and food supplements, and assure that his economic and physical safety is protected.

Mr. PROXMIRE. Mr. President, I shall be very brief in responding to my good friend from Massachusetts.

I appreciate very much his holding the hearings, and he was very courteous and helpful in the hearings. I do want to say that there are several points he raised. One is that there is a finding now that very large amounts of vitamic C may be toxic. I argue that if it is true, and I have not seen the evidence that it is, then there is nothing in my amendment which would prevent the FDA from prohibiting the larger amounts of vitamin C from being sold. Of course, they have this power in regulating food. If it is toxic, they can stop it.

In the second place, the Senator argued that my amendment would affect labeling orange juice, for example.

There is absolutely nothing in the amendment, nothing at all, that would in any way affect the labeling of food, or of drugs, for that matter. Labeling is not covered in any way, shape, or form in my amendment.

Mr. President, the argument has been made that the vitamin amendment is an "irresponsible" amendment because it diminishes the FDA's power over food additives, not just vitamins. There is no way under our amendment the FDA could not regulate cyclamates.

This is an outright misrepresentation of our amendment.

First, our amendment provides—as the present existing laws provides—chapter IV, food, section 402(a)(1)—the FDA with every existing authority to regulate adulterated foods. The language comes directly from the "adulterated food" section of the law.

Second, our amendment does not limit or take away any power the FDA now has over "food additives" such as cyclamates, the reason being that a food additive by definition is "a chemical ingredient not generally recognized as safe."

Third, a "special dietary food"—on the other hand—which our amendment affects—is a product generally regarded as safe.

What the FDA wants to do—and which we object to and which our amendment would prevent—is for them to treat safe vitamins and minerals, which by definition are special dietary foods, as "unsafe food additives."

Vitamins are special dietary foods. Vitamins are not food additives. The entire fight is whether or not the FDA is going to treat vitamins—which are foods—in the same way they treat unsafe chemical additives or drugs, like cyclamates.

But our amendment does not prevent the FDA, in any way, from acting under the existing food laws to regulate vitamins if they are toxic, if they are misbranded, or if they are made in unsafe or unclean surroundings. They have that authority now. We reinforce it by saying that vitamins shall be regulated under that authority. And our amendment does not prevent—in any way—the FDA from acting against "food additives"—which are by definition "unsafe chemical." We do not touch that authority. We do not limit that authority.

HISTORY OF FDA ENFORCEMENT

The FDA also argues that they need the new drug regulations in order to get needed enforcement powers for abuses. They say it is too difficult to bring cases one by one and hence need blanket authority. Here is the answer to that.

Under our amendment—as under the existing food laws—the FDA has every needed authority to regulate "toxic" or unsafe foods. Under the present laws—which our amendment merely restores—the FDA has regulated vitamins A and D, and K because of their apparent toxicity. This authority remains under our amendment. We do not touch it.

There is no evidence that there has been any more fraud or misrepresentation in the food supplement industry than in any other industry or business. The FDA's own figures bear this out. There has been only a "mild" incidence of violations of the FDA regulations in this area and the FDA has had no difficulty in controlling them. Here are the facts:

First, the nature of the cases: 90 percent of the regulatory actions begin with seizures under section 502(a)—which has to do with misbranding because of false or misleading labeling.

In 28 years the total number of cases was 1,028, or 36 a year.

Of these 649—or 23 a year—involved supplements of vitamins or minerals.

Of these 649—70 involved products containing iodine or sea water preparations, 41 involved weight reducing aids, and 283 concerned miscellaneous health foods.

Second, the disposal of the cases indicates the existing authority is adequate.

Of the 1,028 cases, 883 were civil seizure cases of which 99 percent were disposed of either by default—638—or consent decree—234.

That took no great enforcement effort nor does it show that the laws are inadequate as the FDA claims.

One hundred twenty-two were criminal cases—of which 85 percent were disposed of by guilty pleas—102.

In the last 28 years the FDA has had to try only about 20 cases. Of these, 15 went for the Government and 5 for the defendants.

The FDA's legal branch has not been overworked and needs no new authority.

Finally, the Food, Drug, and Cosmetic Act is an unusual criminal statute because the courts have regularly held that the FDA does not have the usual burden of proving that the perpetrators of alleged felonies intended to misbrand the food, or even knew that it was misbranded.

Thus, the FDA now has great authority under the food laws.

Our amendment does not diminish that authority. What it does is to continue to allow the FDA to act under the food laws but prevents them from acting under the "drug" laws by calling vitamins—which are foods—dangerous drugs.

All the factual information I have cited was presented to U.S. Court of Appeals for the Second Circuit.

DOES NOT SAY ONE WORD ABOUT SO-CALLED MEDICAL CURES

The opponents of the amendment charge that the amendment authorizes the sale of vitamins for unproven medical cures.

There is not one line in the bill doing any such thing.

If the vitamin is toxic, it can be regulated under the amendment.

If the vitamin is mislabeled— it can be seized under our amendment and the present law.

If it is made in unclean surroundings, the FDA can act as well.

The amendment does not authorize the sale of vitamins for any purpose such as an unproven medical cure.

If that is illegal now, then it is equally illegal under our amendment.

The Proxmire amendment does not "retreat" to 1938 and put the burden of proof on the Government. Under the food laws the burden of proof is now on the Government with respect to foods.

And there is a very good reason for that.

The FDA exercises criminal statutes.

The Food, Drug, and Cosmetic Act is unique in that the criminal act requires no intent. People can be sent to jail for what are essentially innocent actions.

When a Government agency exercises criminal laws—and very stringent criminal laws—the burden of proof should be on the Government. People should be innocent until proven guilty.

That fact has not prevented the FDA from acting against any toxic, unsafe or mislabeled vitamin or mineral in the past.

They have put vitamins A and D in large quantities on prescriptions and under this amendment that would and could continue.

They have seized mislabeled and misbranded foods. That authority continues.

All the amendment does is to prevent the FDA from treating safe vitamins as drugs, which is what they are determined to do if not stopped either by legislation or by the courts.

VITAMINS AS OTC AND PRESCRIPTION DRUGS

The FDA charge that the proponents of the amendment falsely state that the FDA would put vitamin pills on prescription rather than treating them as over-the-counter drugs.

Here is the answer:

First. It is true that what the FDA would do, mainly, is to treat vitamins as over-the-counter drugs—OTC—if they exceed 150 percent of the so-called U.S. recommended daily allowance.

Second. However, if treated as an over-the-counter drug, the manufacturer or retailer must prove to the FDA that vi-

tamins are not only safe—which is no problem and already provided under the food laws—but that they are "efficacious."

Third. But the FDA has already said that such vitamins as vitamin C and vitamin B–6, and other vitamins are not needed in quantities more than 150 percent of the RDA and are not effective or useful in such amounts.

In fact in its vitamin regulations—which the courts have stopped temporarily—the FDA stated that a food shall be misrbanded if its labeling represents, suggests, or implies six items including item 1 which states:

(1) That the food because of the presence or absence of certain dietary properties, is adequate or effective in the prevention, cure, mitigation, or treatment of any disease or symptom.

It is now illegal to claim that. Yet to become an over-the-counter drug, a manufacturer would now have to make such a specific, illegal claim for the vitamin.

That is impossible.

What it means is that the FDA Over-the-Counter Committee, if it follows the proposed FDA regulations, would have to reject such a claim for "effectiveness" out of hand.

Fourth. In those circumstances, the vitamin could then only be sold under prescription in amounts greater than 150 percent of the RDA's.

That is why there is very great chance vitamins in amounts greater than 150 percent of the RDA's will have to be gotten under prescription. That is a genuine possibility. It is no idle threat.

Mr. SPARKMAN. Mr. President, I am no expert in what constitutes a drug and what constitutes a health food, but I do recognize serious differences of opinion among Federal agencies which have responsibilities in this field. The Food and Drug Administration has proposed heavy regulations for the health foods industry—regulations which can have the effect of sharply limiting the availability of health foods. These regulations fly in the face of a National Institutes of Health study which expresses concern about the lack of proper nutrition in the United States, especially among the elderly. On the other hand, FDA contends that it is a myth that major segments of the population of the Nation are now suffering or are in imminent danger of suffering from nutritional deficiency.

The amendment before us now seeks to prevent the Food and Drug Administration from carrying out its determination to classify safe vitamin and mineral supplements as dangerous drugs and to regulate them under the drug provisions of the law rather than as foods or food supplements.

A study at Duke University indicated that half of all psychiatric patients over 65 had "borderline" or worse nutritional status in at least one major food needed for the body and brain to function. The NIH survey showed "abnormally low levels" of vitamins and minerals among a random group of elderly men rich and poor.

The effect of the proposed FDA regulations seems to indicate that certain vitamin and mineral supplements will be harder to get and be more expensive if the regulations are finally approved.

I think this amendment should pass simply because the elderly people of this Nation have a large stake from a health point of view in the availability of vitamin-mineral supplements and in what vitamin-mineral supplements cost.

Mr. DOLE. Mr. President, as one of the 45 Senators who have already indicated their support of the proposal by the distinguished Senator from Wisconsin (Mr. PROXMIRE)—through cosponsorship of his bill to limit proposed Food and Drug Administration regulation of vitamins—I am pleased to add my endorsement of the amendment version now under discussion.

Despite the recent court decision to delay and review the contemplated FDA action, I think it is essential that we move legislatively to preclude the "bureaucratic paternalism" in which that agency is attempting to engage. It is a little inconceivable to me that there would be such an effort to control the retail sale of vitamin and mineral nutrients in the first place, but I would nevertheless like to be on record as absolutely opposing such restraints.

EXCESSIVE INTAKE POSSIBILITY NO JUSTIFICATION

While I can appreciate the notion that unusually large quantities of fat soluble vitamins might precipitate some adverse effects, I fail to see that as a justification for tight restrictions on their distribution. For the simple truth is, nearly any item—food or otherwise—if ingested in foolishly indiscriminate amounts, could produce potentially harmful conditions.

The fact that FDA would seek to exercise undue authority over products that American consumers have been buying and using with great individual satisfaction for decades is plainly, then, an insult to the average citizen's intelligence and good judgment. And one cannot help but wonder just where ths "excessive intake" argument might lead us in the regulatory arena if we should begin applying it first to food supplements, and eventually, perhaps, to high vitamin-content foods themselves.

MATTER OF FREE CHOICE

The real question here is one of personal preference and fundamental rights—and whether we are going to permit unfair and unnecessary infringement upon those basic privileges. But that is not a unique observation, as everyone well knows who has read the United Press International assessment of this dispute as one which has prompted "one of the biggest letter-writing campaigns in the history of Congress."

Certainly, I am not among the Senators who may have been overlooked in this massive outpouring of public sentiment. For my office has received literally thousands of mail inquiries on this very issue.

CONSTITUENT APPEALS

The feeling expressed by these "grassroots" concerned constituents is unelaborate and straight-forward, and should, I think, be recognized by all of us. It reads, in general:

DEAR SENATOR DOLE:

My personal freedoms are being eroded, and I appeal to you to help protect them.

I want to be able to continue buying and using the vitamin, mineral and food supplements that I feel contribute to my personal nutrition. But proposed F.D.A. regulations, which will automatically go into effect on January 1, 1975, unless Congress passes legislation to the contrary, would interfere with my freedom to do this.

While I oppose this arbitrary F.D.A. action, I do favor legislation that would make sure that my food supplements continue to be safe, wholesome and accurately labeled. This is why I urge you to work for the passage of Senator Proxmire's bill (Senate Bill 2801). Please let me know how you stand on this issue.

AVERAGE AMERICAN KNOWS BEST

Mr. President, the text of these appeals makes it very clear that the Government does not always know best; that rather, it must sometimes go to those who are governed to learn what is both desirable and appropriate. And I seriously doubt that the FDA took the views of the average American into full consideration when it set out on its course to "protect" him from the less-than-substantiated and overstated dangers of vitamins and minerals.

Nobody will contest the need to adequately inform our citizenry—through established labeling procedures—of the composition and recommended dosages of the food supplements which they purchase. But neither should we endorse such an extreme as would be evident from the attempt to impose restrictions on such items which are not—taken as directed—injurious to health.

CORRECTIVE LEGISLATION

It is unfortunate, in situations like this, that we must turn to the lawmaking process to preclude an action which—save the absence of logic, reason and an attitude of fairness—would never have been initiated at all. It is equally encouraging, however, that as I have already mentioned, nearly half the Senate has responded to that need in this instance to cosponsor Senator PROXMIRE's efforts at prospectively correcting an FDA "abuse of power."

I am in full support of the purposes which this amendment seeks to accomplish, thus sharing in the belief that present labeling standards and advertising claim limitations are completely sufficient to afford whatever "protection" is necessary for the public well-being. It should be adopted by an overwhelming margin to prevent the implementation of what Dr. Roger Williams of the University of California described as a classification control measure which "would better serve the convenience of the Government than the cause of truth."

I urge each of my colleagues to reject the argument that this amendment is "precipitous"—based on the premise that the FDA will refine its own regulations to satisfy all legitimate criticism—and

join me in supporting its inclusion in the health manpower bill.

PREVENT FDA FROM CLASSIFYING SAFE VITAMINS AS DRUGS

Mr. PACKWOOD. Mr. President, at long last we have an opportunity to debate here on the Senate floor an important piece of legislation, which I have cosponsored with 45 of my colleagues, S. 2801. This bill is our response to an arbitrary action by the Food and Drug Administration in attempting to regulate and restrict the sale and availability of vitamins and minerals. This bill stems from the FDA's effort to classify safe vitamin and mineral supplements as dangerous drugs and to regulate them as drugs rather than as the food supplements they in fact are.

For the past 2 years, I have received a broad expression of concern from Oregonians over the FDA's actions. And a Federal court in New York has echoed those concerns by delaying the effective date of the FDA's proposed regulations. Although sustaining the FDA's broad authority to issue regulations standardizing vitamin and mineral supplements, the court ruled that the FDA may not prevent vitamins and minerals from which there is no established recommended daily allowance from being sold separately, included in general purpose foods, or sold as optional ingredients in dietary supplements.

As my colleagues well understand, it is the standardization authority which is the object of our consideration today. Only with passage of S. 2801, today offered as an amendment to S. 3585, can we guarantee that the FDA will not limit the potency, number, combination, amount, or variety of any vitamin or mineral when the recommended amount is not injurious to health. This means that FDA will not be permitted to classify safe vitamins as "drugs" to be sold over the counter or by prescription, which would greatly increase the cost to the consumer. If the vitamin or mineral in the potency recommended is injurious to health, then FDA will of course have the authority to impose limitations.

Mr. President, the issue boils down to this. As long as vitamins or minerals are nontoxic in the recommended quantities, and are accurately labeled, the FDA should not interfere, except to assure cleanliness. I urge my colleagues to adopt this amendment today to put the Senate clearly on record, and to encourage early House consideration of this issue.

Mr. PROXMIRE. Mr. President, I have just talked with the majority leader. He suggests that the best time for a vote on this amendment might be 12:15, because it would give the committees a little longer to meet, and we could then take up the conference report in the meantime.

Mr. KENNEDY. Make it 12 o'clock.

Mr. BEALL. Mr. President, if the Senator will yield, let us not set a time until the majority leader gets here and we can find out how long this appropriation bill will take, so we will have time to discuss a substitute apparently to be offered by the Senator from Massachusetts.

Mr. PROXMIRE. The majority leader was not firm on that 12:15 time. If it would accommodate the Senator from Maryland and the Senator from Massachusetts to vote at 12 o'clock, that would be fine, too.

Mr. KENNEDY. In any event, the amendment of the Senator from Wisconsin would be voted on first.

Mr. PROXMIRE. Fine. I want a rollcall on it.

Mr. KENNEDY. Mr. President, I am prepared to send to the desk a substitute for the Beall amendment, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HASKELL). The Chair would advise the Senator from Massachusetts that until the Proxmire amendment is closed in some way, the amendment is not in order.

Mr. KENNEDY. I ask unanimous consent that we may set aside the Proxmire amendment for the consideration of this amendment, with the clear understanding that the rights of the proponent of the amendment would be protected, and the assurance that we will have an opportunity to vote on his amendment as the No. 1 business on this particular legislation, if that is agreeable.

Mr. PROXMIRE. That is fine, as long as my rights are protected. The time is completely open as far as I am concerned.

The PRESIDING OFFICER. Is there objection?

Mr. BEALL. And with the further understanding that at the time the Kennedy substitute reverts back to the Proxmire amendment, I will not have lost any of my rights under my amendment, should the Senator's substitute be rejected.

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

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, the time to be charged against the time on the bill.

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. I ask for the yeas and nays on the Proxmire amendment.

The yeas and nays were ordered.

Mr. KENNEDY. 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. KENNEDY. 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. KENNEDY. Mr. President, the substitute amendment which Senator JAVITS and I have sent to the desk is intended to substantially reduce any inflationary impact in the bill.

Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. Until time has expired on the Beall substitute, the Chair is advised that it would require unanimous consent to consider the Senator's amendment.

Mr. KENNEDY. I ask unanimous consent that it be in order to consider my amendment for the purposes of discussion, with assurances that the rights of the Senator from Maryland will be protected. Is that satisfactory?

Mr. BEALL. I am sorry; I did not hear the Senator's statement. Has the amendment been offered?

Mr. KENNEDY. Yes, the substitute has been offered.

Mr. BEALL. What is the unanimous-consent request?

Mr. KENNEDY. The Chair has reminded us that it is not appropriate to begin the discussion of this amendment, because we currently have the Beall amendment before us. Therefore, we are asking unanimous consent to be able to discuss it without the time being charged to the Senator from Maryland, or——

Mr. BEALL. Without the Senator from Maryland losing any rights or privileges accruing to him had the debate not taken place?

Mr. KENNEDY. That is my understanding.

Mr. BEALL. I have no objection.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Professions Educational Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds and declares that—

(1) the availability of high quality health care to all Americans is a national goal;

(2) the availability of high quality health care is, to a substantial extent, dependent upon—

(A) the availability of qualified health professions personnel;

(B) the availability of adequate numbers of physicians engaged in the delivery of primary care services and in the various specialties; but numbers which do not exceed the needs for physicians in such specialties; and

(C) the standards applicable to licensure of physicians and dentists;

(3) there are many areas in the United States which are unable to attract adequate numbers of health professions personnel to meet their health care needs;

(4) the trend among physicians toward specialization has resulted in inadequate numbers of physicians engaged in the delivery of primary care services, while services where needed and no minimum standard of competence is assured;

(5) standards for licensure of physicians and dentists vary from State to State and discourage or prevent professionals qualified

to practice in a State from moving to another State or crossing State boundaries to provide services where needed and no minimum standard of competence is assured;

(6) standards for licensure of physicians are not applied uniformly within the States, but permit many graduates of medical schools located in foreign countries to practice although they do not meet the standards applied to graduates of medical schools located in the United States and no minimum standard of competence is assured;

(7) many Americans throughout the United States are unable to obtain high quality health care as a result of the problems discussed above and these problems are becoming more serious;

(8) current efforts to deal with these problems through voluntary means and at the State level have had little, if any, impact in reducing the problems;

(9) the inability of many Americans to obtain high quality health care has become a matter of grave national concern and action must be taken at the Federal level in response to that concern.

(b) The Congress further finds and declares that—

(1) health professions personnel are a national health resource and the Federal Government shares the responsibility of assuring that such personnel are available to meet the health care needs of the American people;

(2) it is therefore appropriate to provide support for the education and training of such personnel;

(3) at the same time it is appropriate to provide such support in a manner which will assure the availability of health professions personnel to all of the American people.

(c) The Congress further finds and declares that—

(1) the quality and availability of health care in the United States affects interstate commerce;

(2) the lack of adequate health care for individuals in the United States often results in illness which may result in unemployment, an increased rate of absence from employment, and reducing the ability of such individuals to engage in activities which affect interstate commerce, and has a depressant effect on general business conditions;

(3) low quality health care or unavailability of health care in an area in a State may discourage the movement of persons into that area from other areas and from other States and thereby adversely affect the movement of industry and other activities between States;

(4) the provision of health care, as evidenced by expenditures undertaken for such provision, has a substantial effect on the Nation's economy;

(5) virtually all drugs, biologicals, medical devices, and medical appliances and equipment utilized in the provision of health care move in interstate commerce;

(6) many persons, especially those residing in metropolitan areas which cross State boundaries, move between States in order to receive health care; and

(7) a nationwide program of obligated service of health professions personnel in areas and institutions with shortages of such professionals, of certification of postgraduate physician training positions, and of minimum standards for licensure of physicians and dentists will remove an undue burden on interstate commerce.

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health'" and inserting in lieu thereof "'school of public health, and school with a graduate program in health care administration'"; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so redesignated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, (2) eight full-time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"SEC. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices."

"RECORDS AND AUDIT

"SEC. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

"NATIONAL HEALTH PROFESSIONS PERSONNEL DATA BASE

"SEC. 707. (a) The Secretary shall establish a health professions personnel data base which shall include data respecting all physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, public health personnel, health care administration personnel, audiologists, speech pathologists, chiropractors, nurses, physician extenders (including nurse practitioners) and allied health personnel in the United States and its territories and such other health personnel as the Secretary deems appropriate. Such data base shall include, but not be limited to, information respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice and hours of practice spent in each such place, hospital affiliations, place and date of birth, sex, and such other descriptive and demographic information regarding health professions personnel as the Secretary shall prescribe.

"(b)(1) The Secretary shall collect the available information described in subsection (a) from appropriate State and Federal agencies and other appropriate sources.

"(2) The Secretary shall conduct or enter into contracts for the conduct of analytic and descriptive studies of health professions personnel, including, but not limited to, evaluations and projections of the supply, specialty, and geographic distribution, and quality of services delivered by health professions personnel.

"(c)(1) The Secretary is authorized to make grants to States for the purpose of establishing a uniform health professions personnel reporting system. The Secretary shall determine the amount of any grant but no grant shall exceed $100,000 and no State shall receive more than one grant.

"(2) To be eligible for a grant under this subsection a State shall submit an application, in such form and manner and containing such information as the Secretary shall require. Such application shall include reasonable assurances, satisfactory to the Secretary, that (A) such State will establish a program of mandatory annual registration of the health professions personnel described in subsection (a) who reside of practice in such State and of health institutions licensed by such State, which registration shall include such information as the Secretary shall prescribe, specifically including data regarding graduates of medical schools located in foreign countries, and (B) such State shall collect such information and report it to the Secretary in such form and manner as the Secretary shall prescribe.

"(d) For purposes of providing the Secretary with information described in subsection (a), each school which receives financial support under section 770 shall report to the Secretary annually information respecting the students which attend such institution and their postgraduation career plans (if available).

"(e)(1) The Secretary shall provide technical assistance to the States and political subdivisions thereof in the development of model laws concerning confidentiality and comparability of data collected pursuant to this section.

"(2) Subject to applicable law regarding confidentiality, the data collected by the Secretary under this section shall be made available to bona fide researchers and analysts for the purpose of conducting studies respecting health professions personnel.

"(f) The Secretary shall assemble and sub-

mit to the President and to Congress not later than September 1 of each year a report on the status of health professions personnel in the United States, which report shall include a description and analysis of the data collected pursuant to this section.

"(g) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

(g) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the data of the enactment of the Health Professions Educational Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(h) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

(4) contain a listing identifying the principle analyses and studies supporting the major conclusions and recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(i) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS".

(j) The heading for part H of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

SEC. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarian, and professional public health personnel.

"(b) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975".

SEC. 202. (a)(1) Subsection (a) of section 722 is amended to read as follows:

"(h) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VI of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

SEC. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1975".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by inserting after June 30, 1974 the following: "$2,000,000 for the fiscal year ending June 30, 1975".

SEC. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).",

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702", and

(6) by adding at the end thereof the following: "The Secretary shall not approve any application under this part unless such application has been recommended for approval by the Council."

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or school with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b)(4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree, or graduate degree in health care administration or an equivalent degree,",

(3) by striking out "and" at the end of paragraph (4),

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for any academic year (or its equivalent) an amount equal to the sum of—

"(1) the cost of tuition for such year at the school for which such fund was established, and

"(2) $2,500.",

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (b) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (l) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by amending subsection (f)(1)(C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 71(b).",

(7) by amending subsection (f)(2) to read as follows:

"(2) The payments described in paragraph (1) shall be made by the Secretary as follows:

"(A) Upon completion by the individual for whom the payments are to be made of the first year of the practice specified in section 771(b), the Secretary shall pay 50 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice.

"(B) Upon completion by that individual of the second year of such practice, the Secretary shall pay the remaining 50 per centum of the principal of, and interest on each such loan.",

(8) by amending subsection (f)(3) by (A) striking out "or (2)(C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(9) by striking out "(A)" in subsection (f)(4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of this Act, by virtue of his employment as a member of the National Health Service Corps or in such other uniformed or

civilian situation as the Secretary may deem appropriate, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975. For the fiscal year ending June 30, 1976, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1975, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1978".

(f) (1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744 (d) (1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(g) (1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. (a) Section 747(c) is amended by adding at the end thereof the following:

"(3) (A) No loan under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a loan pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section, and who has been selected by the Secretary under section 771(b), to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with such section, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A = \phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid to such individual under this section and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with section 771(b). Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States."

(b) Section 747(d) is amended by striking out "two" and inserting in lieu thereof "three".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under part F of title VII of the Public Health Service Act for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b) (1) (A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' include Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within 180 days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) Ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made.

"(B) Indicators of the population's access to health services.

"(C) Indicators of health status of the population.

"(D) Indicators of such population's need and demand for health services.

"(E) Relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section health services for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such populations by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c) (1) (A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1) (A) (i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e) (1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a), an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically

underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii)(II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2)(A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various health professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5)(A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d)(1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2)(A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides, and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e)(1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entitled to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f)(1) The Secretary shall conduct, at medical and nursing schools and other schools (and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public

Health Service with whom the Secretary has entered into an agreement under section 313 of title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay shall be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f)(1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c)(2)(B)(ii), and determinations made under subsection (c)(2)(B)(iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e)(1), and (C) paid to the Secretary in such year under such arrangements.

"(h)(1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the "Council"). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses and allied health personnel) and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services..

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review and approve regulations promulgated by the Secretary under this section and section 750.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence; as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975.

(b)(1) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 329 of the Public Health Service Act, National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health professions personnel who are more likely to remain in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health professions personnel, (C) the appropriate conditions for assignment of physician extenders (including nurse practitioners) in areas in which medically underserved populations are located, and (D) the effect that primary care postgraduate physician training in such areas has on the health care provided in such areas and on the decisions of physicians who received such training respecting the areas in which to locate their practice.

(3) The Secretary of Health, Education, and Welfare shall (A) conduct or contract for the conduct of studies to determine factors responsible for the lack of adequate numbers of health professions personnel in medically underserved areas, (B) maintain continuous surveillance of the health status of such populations, and (C) on the basis of information obtained under subparagraphs (A) and (B), develop adequate health professions personnel resource development programs applicable to such populations.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

(d) The authorizations of appropriations provided by section 329(i) of the Public Health Service Act are extended for the fiscal year ending June 30, 1976 in amounts authorized for the preceding fiscal year unless before June 30, 1975 Congress has passed legislation repealing this subsection.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Service.

"(b) To be eligible for acceptance in the program, an applicant for the program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Secretary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be

eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such an approved course of study and maintain an acceptable level of academic standing in it.

"(c)(1)(A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O-1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

(d)(1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') prescribed by the Secretary which may not be less than one year of such service for each academic year of training received under the program. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for the period of time required to complete postgraduate physician training if the National Health Service Corps approves such deferment. In the case of any individual obligated to provide service in accordance with this subsection who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2)(A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Federal Health Programs Service.

"(C) If there are no positions available in the National Health Service Corp, Indian Health Service, or the Federal Health Programs Service at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps nor either Service has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e)(1) If, for any reason, a person fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount equal to the amount paid under this section to or on behalf of such individual plus interest at the maximum prevailing rate. Any amount which the United States is entitled to recover under this paragraph shall, within the three-year period beginning on the date the United States comes entitled to recover such amount, be paid to the United States.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program"

SEC. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years." and inserting in lieu thereof "in accordance with subsection (d)(3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3)(A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771(b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula $A=\phi(t-s/t)$ in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under this section to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with section 771(b). Any amount which the United States is entitled to recover under this paragraph shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States."

(d) Subsection (e) of section 751 (as so redesignated) is amended—

(1) by striking out "two" in paragraph (1) and inserting in lieu thereof "three";

(2) by striking "1975" in paragraph (2) and inserting in lieu thereof "1976"; and

(3) by striking out "1974" in paragraph (2) and inserting in lieu thereof "1975".

SEC. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended—

(1) by striking out "under section 741(f)(1)(C)" and inserting in lieu thereof "under section 329(b) or otherwise determined by the Secretary" and

(2) by striking out "under section 768(c)(3)(B)" and inserting in lieu thereof "under section 783(c)(3)(B)".

(c) Section 752(b)(2) (as so redesignated) is amended by striking out "$5,000" and inserting in lieu thereof "$6,000,".

(d) Section 754 (as so redesignated) is amended to read as follows:

"SEC. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated, $4,000,000 for the fiscal year ending June 30, 1975. For the fiscal year ending June 30, 1976, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1975) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

(e) Such Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"SEC. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants, to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 754. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to stu-

dents who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year."

SEC. 308. The heading of part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs for health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive —

"(A)(i) in the case of a full time student (except those described in subpargraph (B)) enrolled in such school in such year in a training program which is more than 3 years, $3,250 for each such full time student;

"(ii) in the case of a full time student (except those described in subparagrph (B)) enrolled in such school in such year in a training program which is not more than 3 years, $4,333 for each such full time student; and."

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) Each school of dentistry shall receive—

"(A)(i) in the case of a full time student (except those described in subparagraph (B)) enrolled in such school in such year in a training program which is more than 3 years, $2,475 for each such full time student;

"(ii) in the case of a full time student (except those described in subparagraph (B)) enrolled in such school in such year in a training program which is not more than 3 years, $3,300 for each such full time student; and".

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(3)(A) Each school of public health shall receive $2,000 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subpargraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(4) Each school of veterinary medicine shall receive $1,850 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $1,100 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $1,025 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $1,025 for each full-time student enrolled in the last four years of such school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,650 for each full-time student enrolled in such school in such year."

"(8)(A) Each school with a graduate program of health care administration shall receive $2,000 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c)(1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' whether such term is used by itself or in connection with a particular year-class, means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, to a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on a full-time basis."

(3) Subsection (i) of section 770 is (A) redesignated as subsection (e), and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration", and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $186,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3)(A) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(B) There are authorized to be appropriated $49,500,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975, for payments under grants under subsection (a)(3) to schools of public health.

"(5) There are authorized to be appropriated $11,729,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of veterinary medicine.

"(6) There are authorized to be appropriated $4,448,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of optometry.

"(7) There are authorized to be appropriated $25,625,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of pharmacy.

"(8) There are authorized to be appropriated $3,027,750 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of podiatry.

"(9) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975 for payments under grants under subsection (a)(8) to schools for graduate programs in health care administration.".

"(10) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC) PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY AND SCHOOLS WITH GRADUATE PROGRAMS OF HEALTH CARE ADMINISTRATION".

SEC. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new *section:*

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries, in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, (or, in the case of a school with graduate program of health care administration, for support of such program) during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which such grant is sought.

"(b)(1) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after such grant is made and or each school year thereafter during which such grant is made such school shall require that each individual accepted for admission as a student, as a condition of, and prior to, such admission, enter into a written agreement with the Secretary to practice his profession in accordance with paragraph (2).

"(2)(A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. The period of obligated service shall be spent providing health services—

"(i) to a population designated under section 329(b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession.

In designating areas and institutions pursuant to subparagraph (A)(ii), the Secretary shall follow the procedures required by section 329(b)(1). No institution shall be designated pursuant to subparagraph (A)(ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B)(i) Except as provided in division (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated service may be deferred for (I) the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, general pediatrics, or obstetrics or gynecology, (II) a period of not to exceed three years to complete general postgraduate physician training in psychiatry, or (III) the period of time required to complete postgraduate physician training if such training is in a field of specialization for which there is projected to be a critical need in Federal health care facilities not able to be met by usual recruitment methods, as certified to the Secretary annually by the head of the department or agency of which each such facility is a part, and if the individual whose service is to be so deferred has agreed in writing to practice, upon completion of such postgraduate physician training, in such department or agency to which such individual is assigned pursuant to subparagraph (C)(i)(II) of this paragraph.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(C)(i)(I) The Secretary shall, for each year, establish the number of individuals in each profession needed to provide health services under this subsection for the populations and in the areas and institutions described in subparagraph (A) and shall select for service under this subsection such number of individuals in each profession from among all of the individuals in such profession who are obligated to begin their service obligation in such year.

"(II) In addition, the Secretary shall, for each year, establish the number of individuals in each field of specialization needed to meet the certifications made to him under subparagraph (B)(i)(III) for future service in Federal health care institutions, and, as long as the number of individuals established by the Secretary under subdivision (I) is less than the number of such individuals who are available to begin their service obligation in such year, shall select for deferred service under this subsection, pursuant to the provisions of subparagraph (B)(i)(III), such number of individuals established under this subdivision from among all of the individuals eligible for such deferments who are obligated to begin their service obligation in such year.

"(III) Except for those individuals who are obligated to serve under section 750 and those who volunteer to serve (which individuals shall be first counted against the number needed to serve), the selection of individuals for service pursuant to this division shall be made in an impartial and random manner, under such regulations as the Secretary shall prescribe. Prior to establishing a method of selection, the Secretary shall consult with representatives of students who will be obligated to provide service under this subsection.

"(ii)(I) The Secretary shall, for each year, assign, in accordance with this subparagraph those individuals selected in accordance with division (i), to provide service during such year for populations and in areas and institutions described in subparagraph (A). The Secretary shall permit any individual who is so assigned to become a member of the National Health Service Corps for the length of his period of obligated service and to perform such obligated service for any such population or in any such area or institution as a member of the Corps, upon a finding that such population, or the population of such area, or such institution lacks resources adequate to pay for the services of such individual.

"(II) In making assignments of Corps members, the provisions of section 329 shall be applicable to the extent that they are consistent with the provisions of this subsection. In making assignments of non-Corps members, the provisions of section 329(c)(4) and (5)(A) shall be applicable to the extent they are consistent with the provisions of this subsection.

"(III) In making assignments of Corps and non-Corps members, the Secretary shall, to the extent practicable, assign individuals in accordance with their stated preferences. Individuals who have volunteered for service shall be considered first in making assignments by stated preference.

"(iii) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign, in accordance with division (ii), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service during such year: *Provided,* That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And, provided further,* That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(iv) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall assign, in ac-

cordance with division (ii), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments with such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.".

"(D) If, for any reason, an individual who is obligated to provide service under this subsection, and who has been selected by the Secretary under subparagraph (C) to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—$A=\phi(t-s/t)$ in which 'A' is the amount the United States is entitled to recover; Φ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States.

"(3)(A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided*, That the period to be served is at least equal to the period of obligated service of this subsection.

"(ii) any individual who receives a National Research Service Award under section 472 may provide service in accordance with the provisions of subsection (c) of such section in lieu of providing service under this section,

"(iii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iv) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(v) No individual shall be required to provide health services under this subsection before June 30, 1980.

"(vi) No individual shall be required to provide services under this subsection after June 30, 1980, unless the Secretary determines, after evaluating the effectiveness of other programs authorized under this title in providing adequate health services for the populations and in the areas and institutions described in paragraph (2)(A)(i) and (ii), that such individual is needed to provide health services under this subsection for the populations and in the areas and institutions described in paragraph (2)(A)(i) and (ii)."

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2)(A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will not be less than twenty-five, and for the second school year beginning after the close of the fiscal year in which such a grant is first made and for each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; diagnosis, treatment, and prevention of drug and alcohol use and abuse; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care health professions personnel with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family medicine.

"(v) Projects to establish and operate programs in the interdisciplinary training of health professions personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act.

"(vi) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-sepaking ability, with special emphasis on training programs which includes clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vii) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(viii) Projects to assist such schools to plan, develop, and implement a program of nutrition education within their curricula.

"(ix) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from medical schools located in foreign nations.

"(x) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(xi) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(xii) Projects to establish and operate programs to encourage greater knowledge of, and sensitivity toward, the special health problems of women;

"(xiii) Projects to establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of, and sensitivity toward, the special health problems of handicapped individuals, especially women who are handicapped;

"(d) SCHOOLS OF DENTISTRY.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2)(A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will be not less than twenty-five and for the second school year beginning after the close of the fiscal year in which

such a grant is first made and for each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care dentists, with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family practice.

"(v) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vi) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(vii) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from dental schools located in foreign nations.

"(viii) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health profession personnel in such areas.

"(e) SCHOOLS OF PUBLIC HEALTH AND SCHOOLS WITH GRADUATE PROGRAMS IN HEALTH CARE ADMINISTRATION.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to provide for increased emphasis on, and training in, health care administration and management training.

"(C) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(D) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(E) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(F) Projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) SCHOOLS OF VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school of pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(C) In the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology.

"(D) In the case of schools of optometry, projects to develop residency training programs respecting optometry.

"(E) In the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry.

"(F) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(G) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(H) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(I) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year,

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h)(1)(A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (f) with respect to any school, upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b)(1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j)(1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was not entitled because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b)(1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever (a) civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b)(1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k)(1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health in meeting the costs of special projects to—

"(1) effect significant improvements in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the team approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care;

"(5) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(6) assist in increasing the supply, or improving the distribution, by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(7) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(8) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(9) establish and operate programs designed to identify, and increase admissions to and enrollment in schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, of individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(10) establish and operate programs designed to increase admissions to and enrollment in such schools of qualified individuals from minority or low-income groups;

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provisions of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) provide training (at such schools or elsewhere), and traineeships and fellowships for the advanced training of individuals to enable them to teach, or improve their teaching skills, in the medical (allopathic and osteopathic), dental, podiatric, optometric, pharmaceutical, veterinary medicine, or public health fields;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals, especially women who are handicapped;

"(19) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(20) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(21) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(22) in the case of schools of medicine (allopathic and osteopathic) and dentistry, assist such schools to plan, develop, and implement a program of nutrition education within their curricula;

"(23) in the case of schools of pharmacy, provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse,

and, where appropriate, clinical pharmacology;

"(24) in the case of schools of optometry, develop residency training programs respecting optometry;

"(25) in the case of schools of public health, provide for increased emphasis on, and training in, health care administration and management training;

"(26) in the case of schools of optometry develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(27) in the case of schools of podiatry assist in the planning and implementation of affiliations of such schools with academic health centers.

The Secretary may also enter into contracts with public or private health or educational entities to carry out any projects described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) The Secretary may make grants to assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

"(d) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e)(1) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975, for the purpose of making payments pursuant to grants and contracts under subsections (a) and (b).

"(2) Of the sums appropriated under this subsection for any fiscal year, not less than 30 per centum of such sums shall be used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health. If the National Advisory Council on Health Professions Education fails to approve, under section 775(c), applications for grants for a fiscal year under this section in an amount at least equal to 30 per centum of the sums appropriated under this subsection, then, in lieu of the requirement imposed by the preceding sentence, the sums used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health under this section for that fiscal year shall be not less than the total of grants requested by those approved applications.

"(f) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for the purpose of making payments pursuant to grants under subsection (c)."

SEC. 404. Section 772 (as so redesignated) is amended by—

(a) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and inserting in lieu thereof "dentistry, podiatry, or optometry".

(b) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances, that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(c) by amending paragraph (6) of subsection (a) to read as follows:

"There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(d) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1975", and (2) striking out "1975" and inserting in lieu thereof "1976".

SEC. 405. Section 774 (as so redesignated), is amended by—

(a) amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974 and for the next fiscal year, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(b) striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

SEC. 406. (a) Section 776 (as so redesignated is amended to read as follows:

"HEALTH PROFESSIONS EDUCATION INITIATIVE AWARDS

"SEC. 776. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health professions personnel and the health services delivery system, and encouraging the regionalization of educational responsibilities, the Secretary may make grants to public or nonprofit private health or educational entities, and may enter into contracts with public or private health or educational entities, for projects—

"(1) to encourage the establishment or maintenance of programs to alleviate shortages of health professions personnel in order to improve the delivery of health services to medically underserved populations, designated under section 329(b), through training or retraining of health professions personnel in community hospitals and other facilities serving such populations or to otherwise improve the distribution of health professions personnel by area or by specialty group;

"(2) to provide training programs leading to more efficient utilization of health professions personnel;

"(3) to initiate new types and patterns or improve existing patterns of training, retraining, continuing education, and advanced training of health professions personnel, including practitioners of family medicine, general internal medicine, and general pediatrics, teachers, administrators, specialists, and allied health personnel (particularly physician extenders (including nurse practitioners), and expanded duty dental auxiliaries);

"(4) to encourage new or more effective approaches to the organization and delivery of health services (including emergency medical services), reflecting the needs of all health professions, through training individuals in the use of the team approach to delivery of health services (including emergency medical services);

"(5) to plan and develop special programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals of limited English-speaking ability, such programs to be established at academic health centers situated in communities where a substantial proportion of the population is of limited English-speaking ability, and such programs to offer training in cultural sensitivity awareness to all types of health professions personnel in training as well as in practice in the community;

"(6) to assist State, local, or other regional arrangements among schools and related organizations and institutions to carry out the purposes of this subsection; or

"(7) to determine the extent of unmet health needs served by health professions personnel (including audiology and speech pathology) currently unaffected by parts E and F of this title, the personnel required to meet such needs, and the appropriate Federal role (including financial assistance under this Act) in supporting appropriate development of such health professions personnel.

"(b) The Secretary may also make grants to public or nonprofit private health or educational entities to assist in meeting the cost of special projects to—

"(1) establish or operate projects designed to identify, and increase admissions to, and enrollment in, schools of medicine, (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, public health, or other health training of individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession; or

"(2)(A) identify individuals with a potential for education or training in the health professions (including veterans of the Armed Forces of the United States with training or experience in the health field and individuals who are bilingual in an appropriate language, as determined by the Secretary) who due to socioeconomic factors are financially or otherwise disadvantaged and encourage and assist them (including the payment to them of such pertinent stipends, with allowances for travel and for dependents, as the Secretary deems appropriate) (i) to enroll in a school of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, podiatry, veterinary medicine, public health, or other training; or (ii) if they are not qualified to enroll in such a school, to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

"(B) publicize existing sources of financial aid available to persons enrolled in schools described in clause (i) of subparagraph (A) or who are undertaking training necessary to qualify them to enroll in any such school; or

"(C) establish such programs (including counselling programs) as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals described in subparagraph (A) in schools described in clause (i) of such subparagraph.

Of the sums appropriated under subsection (d) for any fiscal year, not more than 15 per centum of such sums, but in no event less than $5,000,000, shall be used to make grants under this subsection in such fiscal year. Of the sums available for grants under this subsection for any fiscal year, not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (1) and not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (2).

"(c)(1) No grant may be made or contract entered into under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary shall not approve or disapprove any application for a grant or contract under this section except after consultation with the National Advisory Council on Health Professions Education (established by section 702). The Secretary shall not approve any such application unless such application

has been recommended for approval by such Council.

"(2) The amount of any grant under this section shall be determined by the Secretary. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975 for payments under grants and contracts under this section. Of the sums appropriated under this subsection for any fiscal year, not less than thirty per centum of such sums shall be used to make grants to, and enter into contracts with, schools of veterinary medicine, optometry, podiatry, pharmacy, and public health."

(b) For the fiscal year ending June 30, 1975, there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

SEC. 407. Section 775 is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702). The Secretary shall not approve any such application unless such application has been recommended for approval by such council.";

(5) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

SEC. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

SEC. 501. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975";

(3) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following ", with special priority to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(4) by renumbering clause (3) as clause (4); and

(5) by inserting immediately after clause (2) the following new clause (3);

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

SEC. 502. Part F of title VII is amended by adding after section 781 the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL OR DENTAL SCHOOLS

"SEC. 782. (a) The Secretary may make grants to schools of medicine (allopathic and osteopathic) and dentistry to—

"(1) plan, develop, and initially operate new programs, or

"(2) substantially expand existing programs, to train United States citizens who have transferred from medical or dental schools in foreign countries and who have enrolled in such schools as full-time students with advanced standing. The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the foreign medical or dental school education of such students, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such students for successful completion of licensure examinations. A grant under this subsection may only be made for costs of such programs for one school year. No school may receive more than three grants under this subsection.

"(b) Any school of medicine or dentistry which receives a grant under subsection (a) for the fiscal year ending June 30, 1975, shall submit to the Secretary before January 1, 1976, a report on the deficiencies (if any) identified by the school in the foreign medical or dental school education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1976, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(c) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, for payments under grants under subsection (a)."

SEC. 503. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS" is transferred to part F of title VII, inserted after section 782, and redesignated section 783.

(b) Section 783 (as so redesignated) is amended by (1) inserting immediately after "1974" in subsection (a) "and for the next fiscal year" and (2) inserting before the semicolon in subsection (c)(3)(A) "and shall not approve any such application unless such application has been recommended for approval by such Council".

SEC. 504. Part F of title VII is amended by adding after section 783 (as so redesignated) the following new sections:

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"SEC. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or clinical pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1975, for grants under this section."

SEC. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 784 and redesignated as section 785.

(b) Section 785 (as so redesignated) is amended by inserting immediately after "1974" subsection (e) "and for the next fiscal year."

SEC. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"SEC. 786. There are authorized to be appropriated for the fiscal year ending June 30, 1975 $5,000,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

SEC. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 786, and redesignated section 787.

(b) Section 787 (as so redesignated) is amended by—

(1) striking out "under sections 767, 769, and 769A" each place it occurs and inserting in lieu thereof under this part",

(2) striking out under sections 767 and 769" in subsection (b) and inserting in lieu thereof under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsections:

"(d) The Secretary shall not act upon any application for a grant under section 784 unless an appropriate scientific peer review group has reviewed such application or contract."

SEC. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

SEC. 509. The heading for part F of title VII is amended to read as follows:

"PART F—ASSISTANCE FOR SPECIALIZED TRAINING".

SEC. 510. The heading for part D of title VII is amended to read as follows:

"PART D—MISCELLANEOUS PROVISIONS"

SEC. 511. The Secretary shall arrange for the conduct of a study or studies to determine the effectiveness of health education institution admissions examinations in evaluating accurately the potential and ability of the student applicant of limited English-speaking ability to participate in and benefit from the educational program, taking into account the need to eliminate any cultural bias in the presentation of admissions examinations offered at institutions supported under titles VII and VIII of the Public Health Service Act. Not later than twelve months after the date of enactment of this section, the Secretary shall report to the Congress on the findings and recommendations of such study or studies and the steps he has taken or proposes to take to carry out such findings and recommendations, including recommendations for any necessary legislation.

TITLE VI—ALLIED HEALTH PERSONNEL

SEC. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 789. For purposes of this subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination and management of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) Programs, methods, and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, of means of adopting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields.

"(5) New types of roles and uses for allied health personnel.

"(b) In coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience.

"(7) Methods of recruitment and retention of allied health personnel.

"(8) Providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe.

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of States or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance, or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1975.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) to (A) identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such post-secondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake post-secondary allied health personnel training (including continuing education); and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975.

"SCHOLARSHIP GRANTS

"SEC. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonprofit private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retraining programs of such agency, institution, or organization to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of, training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b)(1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 603. (a)(1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2), arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there is a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2)(A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate non-profit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a)(1)(D).

TITLE VII—POSTGRADUATE PHYSICIAN TRAINING

SEC. 701. Title VII is amended by adding at the end thereof the following new part:

"PART H—POSTGRADUATE PHYSICIAN TRAINING

"NATIONAL COUNCIL ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 790. (a) There is established in the Public Health Service the National Council on Postgraduate Physician Training (hereinafter in this part referred to as the 'National Council').

"(b) The National Council shall consist of twenty-four members. The Director of the National Institutes of Health, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense and an individual chosen by the Secretary of Health, Education, and Welfare to represent that Department shall be ex officio members of the Council. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve members shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practicing physicians associated with specialty and subspecialty physician (including osteopathic) organizations, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representatives of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physican training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator;

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and shall be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities enaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of the National Council shall select a chairman from among their own number.

"(c) Each appointed member of the National Council shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term,

"(2) the terms of office of the appointed members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (b) shall be not more than two years.

No member shall be eligible to serve continuously for more than two terms.

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

"DUTIES OF THE NATIONAL COUNCIL

"SEC. 791. (a) Upon appointment (which shall be within six months after the date of enactment of this part) and prior to July 1, 1976, the National Council shall conduct studies and other activities relevant to the various matters relating to the postgraduate training of physicians specifically including the following:

"(1) The commissioning and supervision of the study of physician specialty distribution in the United States and its possessions as prescribed by section 798A.

"(2) The development of collaborative working relationships with each physician specialty organization to determine and

assist its individual activities with respect to the number and location of practitioners within each specialty.

"(3) An assessment of the need for financial support for postgraduate physician training, especially training in primary care specialties.

"(4) An assessment of the service needs of hospitals and other health institutions, the role of postgraduate physician trainees in meeting such needs, and alternate means of meeting such needs.

"(5) An assessment of the educational component of postgraduate physician training programs.

"(6) An assessment of the impact of practice in the United States by graduates of medical schools located in foreign nations on the present and future health care in the United States and foreign nations.

"(b) The National Council shall make recommendations to the Secretary pursuant to section 794.

"(c)(1) The Council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"REGIONAL COUNCILS ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 792. (a) The Secretary shall establish ten regions throughout the United States for purposes of carrying out the provisions of this part. For each such region the Secretary shall establish a Regional Council on Postgraduate Physician Training (hereinafter referred to in this part as a 'regional council'). Each regional council shall consist of twenty-four members. Four of the members shall be appointed upon the recommendations of the ex officio members of the National Council, each making recommendations with respect to one member. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to the appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practicing physicians, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representative of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physician training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator; and

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities engaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of each regional council shall select a chairman from among their own number.

"(b) Each member of a regional council appointed pursuant to paragraph (1), (2), (3), or (4) of subsection (a) shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term.

"(2) the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (a) shall not be more than two years.

No member shall be eligible to serve continuously for more than two terms.

"(c) Members of a regional council, while attending meetings or conferences thereof, or otherwise serving on business of such regional council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(d) All members of a regional council shall be residents of, and employed in, the region served by such regional council.

"DUTIES OF THE REGIONAL COUNCILS

"SEC. 793. (a) Upon appointment (which shall be within six months after the date of enactment of this part), and prior to July 1, 1976, each regional council shall conduct studies and other activities relevant to the various matters related to postgraduate physician training within the region served by such regional council, specifically including the following:

"(1) A survey of the institutions providing postgraduate physician training within the region, including an analysis of the types of training currently provided, as well as the types of training that might be provided by such institutions.

"(2) An assessment of the service needs of hospitals and other health institutions within the region, the role of postgraduate physician trainees in meeting such needs, and alternative means of meeting such needs.

("3) An assessment of the educational component of the postgraduate physician training programs conducted within the region.

"(4) An assessment of the need for financial support for postgraduate physician training within the region, especially training in primary care specialties.

"(5) The development of collaborative working relationships with State and local health planning programs, State departments of health, and Federal health care facilities operating within the region.

"(b) Each regional council shall make recommendations to the Secretary pursuant to section 795.

"(c)(1) Each regional council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) Each regional council may procure temporary and intermittent services to the same extent as is authorized by section 3109 (b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"ESTABLISHMENT AND ASSIGNMENT OF POSTGRADUATE PHYSICIAN TRAINING POSITIONS

"SEC. 794. (a) On July 1, 1979, and not later than July 1 of each year thereafter, the Secretary shall, in accordance with the recommendations of the National Council, conduct a certification program as follows:

"(1) Establish the total number of postgraduate physician training positions to be certified for the twelve-month period beginning on the following July 1. Those positions which are established for first year postgraduate physician training may not exceed 125 per centum of the number of doctor of medicine and doctor of osteopathy degrees expected to be granted in the intervening twelve-month period in the United States, except that for the intervening twelve-month periods beginning on July 1, 1979, and July 1, 1980, that per centum shall be 140 and 130, respectively.

"(2) From the total number of positions so established, assign positions to the various categories of specialty and subspecialty practice of medicine recognized within the United States. In assigning positions to the various categories of specialty and subspecialty practice of medicine, the Secretary and the National Council shall take into consideration the findings of the study conducted to section 798A.

"(3) From the positions so assigned in each physician specialty and subspecialty, assign positions, except as provided in subsection (b), to each of the ten regions and, if the Secretary chooses, to each State within such region.

"(b) The Secretary, upon the recommendation of the National Council, shall, on October 1, 1979, and October 1 of each subsequent year, directly certify positions in entities, and associations of such entities, which directly provide postgraduate physician training in those medical specialties in which sufficient numbers of physicians are not needed nationally to permit a proper distribution of such positions to the regions. Such positions shall not, in any year of the program, exceed 10 per centum of the total number of positions established under subsection (a) for each year. On or before August 1, 1979, and August 1 of each subsequent year, the Secretary shall inform the respective regional councils of all positions proposed to be directly certified within such region. No position may be directly certified by the Secretary, if the respective regional council disapproves such position within thirty days of notification by the Secretary of such proposed certification, except that the Sec-

retary may certify such a position if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"(c) The Secretary shall not establish any position under this section unless such position has been recommended for establishment by the National Council.

"SEC. 795. (a) The Secretary shall, upon the recommendation of each regional council, not later than October 1, 1979, and October 1 of each subsequent year, certify postgraduate physicians training positions in entities, and associations of such entities, which directly provide such training within the region served by such regional council. In certifying such positions, the Secretary shall not certify any position—

"(1) except as provided in section 794(b), in any medical specialty or subspecialty in excess of the number of established positions in such medical specialty or subspecialty assigned to the region under section 794(a)(3);

"(2) in any entity or association of entities which has, or will have, in the aggregate, fewer than 100 such certified positions;

"(3) in any entity which maintains any postgraduate physician training position, or any association of entities in which any participating entity maintains any such positions, which is not certified under this part as a postgraduate physician training position; or

"(4) which is not a part of, at a minimum, an integrated three-year postgraduate physician training program.

"(b) In certifying positions, the Secretary and each regional council shall—

"(1) to the extent feasible, insure that the certified positions are distributed on a geographically equitable basis within the region served by the regional council; and

"(2) insure that the educational component of each training program meets acceptable standards, as determined by the Secretary in consultation with appropriate professional organizations.

"(c) The Secretary shall not certify any position under this section unless such position has been recommended for certification by the appropriate regional council, except that the Secretary may certify such a position, if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"COORDINATION OF ACTIVITIES

"SEC. 796. In carrying out the provisions of sections 791(a)(5), 793(a)(3), and 795(b)(2) relating to the educational component of postgraduate physician training, the National Council and each regional council shall coordinate its activities with the appropriate professional and other organizations concerned with graduate medical education.

"GRANTS AND CONTRACTS FOR CERTIFIED POSITIONS

"SEC. 797. (a) The Secretary shall make grants to, and contract with, entities which directly provide, or associations of such entities which directly provide, or have the capacity to directly provide, postgraduate physician training and which are certified to the Secretary by the National Council and the appropriate regional council as likely to receive an increased number of certified postgraduate physician training positions subsequent to July 1, 1980, to allow such entities to develop new, and expand existing, postgraduate physician training programs.

"(b) In the awarding of grants, the Secretary shall give special priority to (1) programs of postgraduate physician training in primary care specialties and (2) programs, especially programs described in clause (1), conducted by entities which serve medically underserved populations, as designated under section 329(b).

"(c) No entity may receive—

"(1) a grant or contract for more than $100,000 for the establishment of a program, or the expansion of an existing program, in the training of physicians in any particular specialty or subspecialty area, in any fiscal year.

"(2) a grant or contract for more than two consecutive years for the establishment of a program, or the expansion of an existing program, for the training of physicians in any particular specialty or subspecialty area.

"(d) For the fiscal year ending June 30, 1978, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR REDUCING POSITIONS

"SEC. 798. (a) The Secretary shall make grants to entities which—

"(1) directly provided postgraduate physician training on July 1, 1980; and

"(2) because of the operation of this part, are able to obtain a decreased number of postgraduate physician trainees following July 1, 1980; and

"(3) have a plan to utilize the funds from such grants to initiate the provision of services, previously provided by postgraduate physician trainees, by other health professions personnel, especially nurse clinicians. The Secretary shall pay to such entities $10,000 for each individual position decrease in the first year following such decrease and $5,000 for each position decrease in the second year following such decrease.

"(b) For the fiscal year ending June 30, 1981 and for each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"STUDY OF PHYSICIAN SPECIALTY DISTRIBUTION

"SEC. 798A. (a) The Secretary shall, within ninety days of the appointment of the National Council, contract, with the approval of the National Council as provided in subsection (b), for the conduct of a study to:

"(1) Analyze the current distribution of physicians by specialty and subspecialty in the United States and its possessions. The distribution of medical and osteopathic physicians by specialty and subspecialty by geographic area shall be determined. Medical specialties and subspecialties shall be defined in a manner consistent with recognized categories; geographic area shall be defined as reasonable medical trade areas for each specialty or subspecialty; special attention shall be given to determining what part of the practice of physicians in each specialty and subspecialty is spent in primary care activities.

"(2) Project the expected distribution of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training and choice of practice sites, the activities of various specialty boards and other organizations, and the retirement-death rate of physicians by specialty and subspecialty.

"(3) Examine and critically evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area. Methodologies examined and evaluated shall include methodologies utilized by foreign countries.

"(4) Develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

"(b) The National Council shall approve the organization selected by the Secretary to conduct the study required by subsection (a). Such organization shall—

"(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

"(2) have the capability to readily marshal the widest possible range of expertise and advice relevant to the conduct of such studies;

"(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

"(4) have a history of interest and activity in health policy issues related to such studies; and

"(5) have extensive existing contracts with interested public and private agencies and organizations.

"(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives by January 31, 1975; and a final report giving the results of the study shall be submitted by such organization to such committees by January 31, 1976.

"(d) There is authorized to be appropriated $10,000,000, which shall be available without fiscal year limitations, for the conduct of the study required by subsection (a).

"TERMINATION OF FINANCIAL ASSISTANCE

"SEC. 798B. (a)(1) No entity which maintains, or has at any time after July 1, 1980, maintained, any post-graduate physician training position which is not certified in accordance with this part as a postgraduate physician training position shall receive any financial assistance (including grants, contracts, loans, loan guarantees, or interest subsidies) under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

"(2) No individual or entity which is affiliated with, or individual who is employed by, any entity described in paragraph (1) shall receive any financial assistance described in such subsection.

"(b)(1) No individual who has received postgraduate physician training by filling a postgraduate physician training position in any institution which position had not been certified in accordance with this part at the time he received such training shall receive any financial assistance described in subsection (a)(1).

"(2) No entity which employs or in any way pays or reimburses individuals described in paragraph (1) shall receive any financial assistance described in subsection (a)(1).

"(c) The provisions of subsections (a) and (b) shall become effective on July 1, 1980, and shall not apply with respect to any individual who completes his postgraduate training prior to that date."

TITLE VIII—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

SEC. 801. Title VII is amended by adding at the end thereof the following new part:

"PART I—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"SEC. 799. As used in this part the term—

"(1) 'physician' means a doctor of medicine or a doctor of osteopathy.

"(2) 'dentist' means a doctor of dentistry.

"(3) 'State agency' means the department, commission, board, or other agency of a State which is charged by the law of that State with the administration of laws and regulations regarding licensure of physicians and dentists.

"MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"SEC. 799A. (a)(1) Within two years of the date of enactment of this part, the Secretary

shall, in consultation with appropriate professional organizations, and in cooperation with any recognized national professional testing organization or organizations, develop and establish national standards for the licensure of physicians and dentists and prepare appropriate examinations for the initial licensure and appropriate procedures for the subsequent renewal of such licensure (which shall be required periodically, but at least once every six years). Such standards shall include satisfactory performance, as defined by the Secretary, on an initial examination, demonstration of written and spoken proficiency in the English language in a manner approved by the Secretary, and compliance with such other requirements as are determined to be appropriate for the evaluation of competence to practice medicine or dentistry.

"(2)(A) A physician or dentist licensed to practice his profession in any State shall be deemed to have complied with the appropriate procedures for renewal of his license required by this section if he has complied with the procedures established by any appropriate professional organization and certified by the Secretary in accordance with subparagraph (B).

"(B) The Secretary shall certify the procedures for renewal of licenses under this part, established by any appropriate professional organization, except upon a finding that such procedures are not adequate to assure appropriate continuing competence to practice medicine or dentistry. If the Secretary fails to certify any such procedures he shall publish in the Federal Register a statement of the reasons for such action.

"(3) Procedures for the renewal of licensure prescribed under this section shall not, so far as they are applicable to physicians and dentists who are licensed to practice their professions in any State on the date of enactment of this section require the taking of an examination as a condition of relicensure. Nothing in this paragraph shall be construed to preclude a State or appropriate professional organization from establishing such procedures as it deems necessary for the relicensure of physicians and dentists.

"(b) The Secretary shall periodically, but not less often than once every two years, review the national standards (including the examinations and certifications) established pursuant to subsection (a) and shall, in a manner consistent with such subsection, revise such standards as appropriate to assure that such standards are adequate for evaluation of competence to practice medicine or dentistry.

"(c) Prior to the establishment or revision of the national standards, pursuant to this section, the Secretary shall publish a notice in the Federal Register and afford all interested parties a reasonable opportunity to present their views by oral and written submissions. The final action of the Secretary in establishing and revising the national standards shall be subject to judicial review in accordance with section 799B(e)(3) in the United States Court of Appeals for the District of Columbia Circuit.

"(d) nothing in this title shall be construed to permit the Secretary or any other officer of the U.S. to license or suspend the license of any individual for the practice of medicine or dentistry.

"STATE PROGRAMS FOR LICENSURE IN ACCORDANCE WITH THIS TITLE

"SEC. 799B. (a)(1) By July 1, 1980 a State may establish a program for licensure of physicians and dentists in accordance with this part.

"(2) A State licensure program is in accordance with this part only if it meets or exceeds all of the national standards and complies with the provisions of sections 799C and 799D. A State program 'meets' the national standards only if the substance of the State program requirements is the same as or the equivalent of the corresponding requirements of the national standards. A State licensure program 'exceeds' the national standards only if it includes requirements which are the same as or equivalent to the corresponding requirements of the national standards, and imposes additional requirements which are reasonably necessary to assure competent physicians and dentists, and which are not inconsistent with the national standards.

"(b) Upon the establishment of a program, pursuant to subsection (a), in any State, the State agency shall promptly submit to the Secretary a certified copy of such program, together with all relevant information which is requested by the Secretary. Within one hundred and twenty days after the Secretary receives a copy of a State licensure program established under subsection (a), the Secretary shall make a determination whether such State has established a licensure program in accordance with this part. Unless the Secretary determines pursuant to this section that a State licensure program is not in accordance with this part, the program shall go into effect in such State on the date designated in the program. In no event shall such State program go into effect less than nine months or more than twelve months after the date of its establishment.

"(c) The Secretary shall periodically, but not less often than once every three years, review each State licensure program which has been determined under subsection (b) to be in accordance with this part to determine whether such program is still in accordance with this part. To facilitate such review each State agency shall submit to the Secretary periodically all relevant information which is requested by the Secretary. The Secretary shall report to the President and Congress simultaneously on July 1 of each year on the results of such reviews, including any recommendations for legislation.

"(d)(1) If, by July 1, 1980 a State has not established a licensure program in accordance with this part (as determined by the Secretary under subsection (b)), the national standards established by the Secretary pursuant to section 799A(a) and the provisions of sections 799C and 799D shall become applicable in such State. The national standards shall go into effect in such State on the first day of the ninth month after such standards become applicable or on a date designated by the Secretary, whichever is earlier.

"(2) If, after the national standards are applicable or in effect in a State, the Secretary, upon petition, makes a determination, pursuant to subsection (b), that such State has established a licensure program in accordance with this part, such State licensure program shall go into effect and the national standards shall cease to be applicable or in effect on a date to be designated by the Secretary.

"(3) If, after a State licensure program in accordance with this part is in effect in a State, the Secretary makes a determination, pursuant to subsection (c), that such State licensure program is no longer in accordance wih this part, then such program shall cease to be in effect on a date to be designated by the Secretary, and on that date the national standards and the provisions of sections 799C and 799D shall go into effect in such State.

"(e)(1) Before making any determination under this section, the Secretary shall publish a notice in the Federal Register and afford the State and all interested parties a reasonable opportunity to present their views by oral and written submission.

"(2) The Secretary shall notify in writing the Governor and the State legislature of the affected State of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register.

"(3) Any determinations made by the Secretary under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States court of appeals for the circuit in which is located the State whose plan is the subject of such determination or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall instituted within sixty days from the date on which the determination made by the Secretary is published in the Federal Register.

"RECIPROCITY

"SEC. 799C. A physician or dentist licensed to practice his profession in any State shall be deemed to be qualified for licensure in any other State in which the national standards are in effect or which has a licensure program which meets the national standards, as determined by the Secretary under section 799B. In the case of any State which has a licensure program which exceeds the national standards, as determined by the Secretary under section 799B, such a physician or dentist shall be deemed to be qualified for licensure in that State upon compliance with the additional requirements imposed by the licensure program of such State.

"STATE LICENSURE REQUIREMENTS

"SEC. 799D. (a) No State shall establish any requirement for licensure of physicians or dentists which requires that the individual applying for licensure reside in such State for a designated period of time as a condition prior to such licensure.

"(b) Each State shall apply the requirements of its licensure program equally to all individuals who apply to be licensed in such State whether they have received an education in medicine or dentistry in the United States or in a foreign nation. Each State licensure program shall have only one set of licensure requirements and no State shall license (including issuance of temporary, partial, limited, institutional, and conditional licenses) any individual to practice medicine or dentitry unless such individual has met all of the requirements of its licensure program.

"(c) In the case of any physician or dentist obligated to provide health services in accordance with section 747(c), 750(d), 751(d), or 771(b)(2) and selected by the Secretary to provide such service, each State in which such physician or dentist is licensed to practice his profession shall suspend any license given to such physician or dentist upon certification by the Secretary that such physician or dentist has not fulfilled such obligation in accordance with the requirements of such section.

"(d) A State shall suspend a license previously given to any physician if such physician has received any postgraduate training by filling a postgraduate physician training program position in any institution unless such position had been certified in accordance with part H at the time he received such training, except that this subsection shall not apply to any individual who completes his postgraduate training prior to July 1, 1977.

"(e) The requirements of this part with respect to licensure shall not apply to any physician or dentist in any State who has been given a license to practice his profession in such State prior to the date upon which the provisions of this part take effect in such State, except that any such physician or dentist shall, after the provisions of this part take effect in such State, be subject to the requirements of this part respecting suspension and renewal of licenses.".

TITLE IX—RADIATION HEALTH AND SAFETY

SEC. 901. This title may be cited as the "Radiation Health and Safety Act of 1973".

SEC. 902. It is the purpose of this title to—

(a) provide for the protection of public health from the potential adverse effects of unnecessary consumer-patient radiation exposure by assuring efficacious consumer-patient radiologic services;

(b) assure adequate training of radiologic technologists by providing for the establishment of criteria and minimum standards for the accreditation of schools training radiologic technologists;

(c) provide for the establishment of criteria and minimum standards for the licensure of radiologic technologists; and

(d) provide for establishment of programs for the accreditation of education institutions training radiologic technologists and of State programs for the licensure of radiologic technologists, with authority for the Secretary to take necessary action in the absence of State action.

SEC. 903. Part F of title III of the Public Health Service Act is amended by inserting after subpart 3 the following new subpart:

"SUBPART 4.—RADIOLOGIC TECHNOLOGISTS

"DECLARATION OF PURPOSE

"SEC. 360G. The Congress finds and declares—

"(a) that, consistent with the recommendations of the National Council on Radiation Protection and Measurement and the International Commission on Radiological Protection, it is in the national interest and in the interest of public health and safety to minimize exposure of the public to potentially hazardous radiation from all sources;

"(b) while the operation and use of radiologic equipment and methods is essential in modern medicine, even the most advanced radiologic equipment and procedures will not adequately protect the health and safety of either the consumer-patient subjected to radiologic procedures or the individuals performing such radiologic procedures, including their progeny, unless the individuals performing radiologic procedures are fully qualified by reason of training and experience in the operation of radiologic equipment or in the performance of radiologic procedures so as to avoid unnecessary consumer-patient and operator exposure to unnecessary radiation and to assure efficacious consumer-patient radiologic services;

"(c) that it is in the overall public health interest to have an adequate and continuing supply of well-trained radiologic technologists and that any person who operates radiologic equipment or administers radiologic procedures to consumer-patients should be required to demonstrate competence by training, experience, and examination;

"(d) that the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation from all sources is the primary responsibility of State and local government, within minimum criteria and standards established by the Federal Government; and

"(e) that, consistent with the recommendations of (1) the National Advisory Committee on Radiation to the Surgeon General in 1966, (2) the Secretary's Task Force on Environmental Health and Related Problems in June 1967, (3) the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in October 1967, (4) the 1970 report of the Secretary to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, (5) the National Academy of Sciences-National Research Council's Advisory Committee on the Biological Effects of Ionizing Radiations in November 1972, and (6) the Conference of Radiation Control Program Directors in May 1974, it is in the national interest and in the interest of public health and safety to provide for mandatory licensure of persons administering potentially hazardous radiation to consumer-patients.

"RECOMMENDED CRITERIA AND STANDARDS

"SEC. 360H. (a) The Secretary shall, as soon as practicable but not later than one year after the date of enactment of this subpart, develop and issue criteria and minimum standards for the accreditation of education institutions conducting programs for the training of radiologic technologists and for use in the accreditation of education institutions conducting programs for the training of medical and dental practitioners, dental hygienists, and dental assistants. Such criteria and standards shall be published in the Federal Register.

"(b)(1) The Secretary shall, as soon as practicable, but not later than one year after the date of enactment of this subpart, develop and issue to the States criteria and minimum standards for licensure of radiologic technologists, and provide such other advice and assisance to the States as he deems necessary for the effective implementation of this subpart. Such criteria and minimum standards shall distinguish between the following categories of specialization: senior radiologic technologists, medical radiologic technologists, dental radiologic technologists, radiation therapy technologists, nuclear medicine technologists, photoroentgen technician, and technologist-in-training. The Secretary may provide in such criteria and minimum standards that graduation from an educational institution for the training of radiologic technologists accredited pursuant to this subpart satisfies the requirements for a provisional license as a technologist-in-training conditioned on licensure within one year in one or more categories of specialization. Such criteria and standards shall be published in the Federal Register. The Secretary may designate other categories of specialization or levels of competence for the purpose of licensure if he finds that such additional categories are required to assure adequate protection of public health from unnecessary radiation exposure or to assure efficacious consumer-patient radiologic services.

"(2) The Secretary shall, concurrent with the development and issuance of criteria and standards under paragraph (1) of this section, review and evaluate any voluntary certification programs in existence on the date of enactment of this subpart, and he shall, based on such review and evaluation, determine whether such programs meet the criteria and standards issued pursuant to this section. If he is satisfied that a program meets such criteria and standards he shall, within one year thereafter, license those individuals who have been certified under such programs in the appropriate categories of specialization established pursuant to paragraph (1) of this subsection.

"(c) In establishing criteria and minimum standards under this section the Secretary shall consult with the Environmental Protection Agency, State health departments, and appropriate professional organizations.

"(d) The Secretary shall give to the States such other advice and assistance as will foster enactment and enforcement of appropriate laws and standards. Such advice and assistance may include model laws and training curriculums, and training aids.

"(e) The Secretary shall, from time to time, revise the criteria and standards issued by him pursuant to this subpart.

"ACCREDITATION AND LICENSURE

"SEC. 3601. (a) The training and licensure of radiologic technologists who intend to apply radiation to humans for diagnostic or therapeutic purposes in any State or States shall be subject to the provisions of this subpart.

"(b) Consistent with the policy declaration of this subpart, State and local government shall be encouraged to minimize exposures of the public to potentially hazardous radiation from all sources and shall not be displaced by Federal action except as otherwise provided under subsection (c) or (d).

"(c) Upon issuance of the criteria and minimum standards pursuant to section 360H for the accreditation of educational institutions, the Governor of a State may file with the Secretary a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum, the standards of accreditation of educational institutions issued by the Secretary. If, after two years, a State fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for the accreditation of educational institutions shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(d) Upon application of a Governor, the Secretary may grant an extension under section (c) for not more than two years if after review the Secretary determines that good faith efforts have been made by the State and reasonable assurance is provided that an effective program to implement the purposes of this subpart will be provided by the State within the period of the extension.

"(e)(1) After receiving any criteria and minimum standards issued pursuant to section 360H for the licensure of radiologic technolgists, the Governor of a State may file a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum the standards for licensure of radiologic technologists issued by the Secretary. If, after two years, a Governor fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for licensure of radiologic technologists shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(2) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and criteria promulgated pursuant to this subpart, established standards for the accreditation or licensure of radiologic technologists, such State shall be deemed to be in compliance with this section unless the Secretary determines, after notice and hearing, that the standards of such State do not meet the minimum standards prescribed by the Secretary pursuant to this section or the conditions for approval of a State program set forth in paragraph (1) of this subsection.

"(f) The Secretary may authorize appropriate professional organizations to provide accreditation and licensing under this section if he determines that such organization will adhere to the criteria and minimum standards issued pursuant to section 360H. For the purposes of accreditation, the Secretary shall, to the maximum extent practicable, consistent with the purposes of this subpart, utilize organizations recognized by the Commissioner of Education for such purposes.

"(g) The Secretary may make grants to

States or professional organizations designated pursuant to subsection (f) of this section in an amount up to two-thirds of the first year and one-third of the second year costs of planning, developing, or establishing programs to carry out the purposes of this subpart.

"(h) The Secretary may make grants to educational institutions under section 773 and 789A of this Act to carry out the purposes of this subpart.

"(i) The Secretary shall annually review programs established pursuant to this subpart and shall suspend the effectiveness of any standards or regulations as to accreditation or as to licensure with respect to any State or certified professional licensing organization designated pursuant to subsection (f) when he determines that program of any State or organization is inconsistent with the purposes of this subpart or with revised criteria and minimum standards issued pursuant to subsection 360H(e).

"PROHIBITED ACTS

"SEC. 360J. (a) Upon the effective date of regulations and standards established pursuant to the subpart, it shall be unlawful for any individual to apply potentially hazardous radiation to humans for diagnostic or therapeutic purposes unless he is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or holds a valid radiologic technologist license issued in accordance with standards promulgated pursuant to section 360H, except, for a licensed photo-roentgen technologist or a licensed technologist-in-training who must be under the supervision of a radiologist or a more specialized radiologic technologist as provided for in section 360H.

"(b) The district courts of the United States shall have jurisdiction, for cause shown, to restrain violations of this section. The district courts of the United States shall also have jurisdiction in accordance with section 1355 of title 28 of the United States Code to enforce the provisions of this section.

"(c)(1) Any violation of this subsection by an individual applying potentially hazardous radiation to human beings for diagnostic or therapeutic purposes shall be subject to a civil penalty of not more than $1,000. For the purposes of this section, any such violation shall be with respect to each act or omission made unlawful by this section.

"(2) Any such civil penalty may on application be remitted or mitigated by the Secretary. In determining the amount of such penalty, or whether it should be remitted or mitigated and in what amount, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be deducted from any sums owing by the United States to the person charged.

"(d) Actions under this section may be brought in the district court of the United States for the district wherein any act or omission or transaction constituting the violation occurred, or in such court for the district where the defendant is found or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

"(e) Nothing in this subpart shall be construed as requiring the Secretary to report for the institution of proceedings minor violations of this subpart whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(f) The remedies provided for in this section shall be in addition to and not in subsection for any other remedies provided by law."

TITLE X—CHILDREN'S DENTAL HEALTH

SEC. 1001. This title may be cited as the "Children's Dental Health Act of 1974".

SEC. 1002. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—DENTAL HEALTH PROJECTS

"GRANTS FOR PROJECTS FOR DENTAL CARE FOR CHILDREN

"SEC. 1401. (a) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to the health agency of any State (or political subdivision thereof) or to any other public or nonprofit private agency, organization, or institution to pay for part of the cost of the carrying out (on a planned and systematic basis) by such agency, organization, or institution, of one or more comprehensive projects for dental care and services for children of preschool and school age. Any such project shall include such comprehensive corrective, followup and preventive services (including dental health education), and treatment as may be required under regulations of the Secretary.

"(b) Grants under this section shall not be utilized to provide or pay for dental care and services for children unless such children are determined in accordance with regulations of the Secretary to be (A) from low-income families, or (B) unable, for reasons beyond their control, to obtain such care and services.

"(c) Grants under this section may be utilized for the conduct of research, demonstrations, or experimentation carried on with a view to developing new methods for (1) the prevention, diagnosis, or treatment of dental problems, (2) the payment for dental care services, or (3) the utilization of dental health care personnel with various levels of training, except that not more than 10 per centum of any grant under this section shall be so utilized.

"(d) In making grants under this section, the Secretary shall accord priority to projects designed to provide dental care and preventive services for children of preschool age and school age children who are in the first five grades of school.

"GRANTS FOR WATER TREATMENT PROGRAMS

"SEC. 1402. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to States, political subdivisions of States, and other public or nonprofit private agencies, organizations, and institutions to assist them in initiating, in communities or in public elementary or secondary schools, water treatment programs designed to reduce the incidence of oral disease or dental defects among residents of such communities or the students in such schools (as the case may be).

"(b) Grants under this section may be utilized for (but are not limited to) the purchase and installation of water treatment equipment.

"(c) Grants under this section shall not exceed—

"(1) 80 per centum of the cost of the treatment program with respect to which such grant under this section is made in the case of any grant under section 1401; and

"(2) 66⅔ per centum of the cost of the treatment program with respect to which such grant is made in the case of any other grant.

"GRANTS TO TRAIN AUXILIARY DENTAL PERSONNEL

"SEC. 1403. There are hereby authorized to be appropriated $12,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to public and nonprofit private institutions to assist them in establishing and carrying out programs to educate and train persons for careers as auxiliary dental personnel with special emphasis on the education and training of veterans of the armed forces who have received experience and training in dental auxiliary functions.

"PROJECTS TO PROMOTE EFFECTIVE USE OF AUXILIARY DENTAL PERSONNEL

"SEC. 1404. (a) There are hereby authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants and enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 539) under subsection (c) and to make grants to dental schools, and to other public or nonprofit private agencies, organizations, and institutions, and to enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 529) with individuals, agencies, organizations, and institutions, for projects described in subsection (b).

"(b) Grants and contracts under this section may be made or entered into for projects for—

"(1) planning, establishing, demonstrating, or supporting programs to teach dental students and dentists the efficient and effective utilization of dental auxiliaries and the management and supervision of total dental health teams (including, but not limited to, teams consisting of various types of auxiliary dental personnel who are trained in carrying out expanded functions or procedures which do not require the knowledge and skill of the dentist), with special emphasis on the employment and utilization of veterans of the armed forces who have received experience and training in dental auxiliary functions;

"(2) demonstration and experimentation of ways to organize dental health services to achieve maximum effectiveness in the use of auxiliary dental personnel, which projects take into account such factors as patient aceptance, quality of care; and cost of services; and

"(3) planning, establishing, demonstrating, or supporting field training programs for dental students and auxiliary dental personnel in which dental care and preventive services are provided by such persons under professional supervision in areas characterized by low family incomes or shortage of and need for dental services.

"(c) The Secretary is authorized to utilize sums appropriated pursuant to subsection (a) to make grants to dental schools and to other public or nonprofit private agencies, organizations, and institutions, and to enter into contracts with individuals, agencies, organizations, and institutions for special projects related to investigation and demonstration of ways of providing incentives for developing or establishing dental facilities or services in areas or communities in a State determined by the appropriate State health authority in such State to have a shortage of and need for dentists.

"DENTAL ADVISORY COMMITTEE

"SEC. 1405. (a) The President shall appoint a Dental Advisory Committee consisting of seven members, four of whom shall be selected from the dental profession and three from the general public. Members shall be appointed from among persons who, by virtue of their training, experience, and background, are exceptionally qualified to appraise the programs established by this title. The Secretary shall be an ex officio member of the Committee.

"(b)(1) Members shall be appointed for six-year terms, except that of the members first appointed three shall be appointed for two years, two shall be appointed for four years, and two shall be appointed for a term of six years as designated by the President at the time of appointment. The members shall select their own chairman.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the

expiration of their terms until their successors have taken office.

"(3) The Dental Advisory Committee shall advise the Secretary in regard to the reports required under section 1406, in regard to programs established under this title, and in regard to activities carried on by the Department of Health, Education, and Welfare related to dental health, dental manpower, or dental training and services, and shall serve as a reviewing body for grants made pursuant to this title, where such review is deemed necessary by the Secretary.

"(4) Members of the Dental Advisory Committee who are not officers or employees of the United States shall receive compensation at rates not to exceed the daily rate prescribed for GS–18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

"(5) The Secretary shall make available to the Dental Advisory Committee such staff, information, and other assistance as it may require to carry out its activities.

"(6) The Secretary, after consultation with the Dental Advisory Committee, shall promulgate such rules and regulations as are necessary to carry out the purposes of this title.

"REPORT

"SEC. 1406. (a) The Secretary shall submit a report to the Congress not later than January 31 of each year on the progress of the implementation and administration of the programs established under this title.

"(b) The Secretary shall submit to the Congress a report containing his recommendations concerning the need and feasibility of a comprehensive national dental health program for children within ninety days before the end of the fiscal year ending June 30, 1977."

SEC. 1003. Section 1902(a)(10) of title XIX of the Social Security Act is amended by adding at the end thereof the following: "and except that services described in paragraph (10) of section 1905(a) may be made available to individuals or groups of individuals under age eighteen without making available such services to the same amount, duration, and scope to individuals of any other ages;".

TITLE XI—MISCELLANEOUS PROVISIONS

SEC. 1101. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e)(1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

SEC. 1102. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

SEC. 1103. Any action brought by an individual against an entity in which it is asserted that subsection (e)(2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

SEC. 1104. The authorizations of appropriations provided by title VII and Title XIV of the Public Health Service Act, as amended by this Act, are extended for the fiscal year ending June 30, 1976 in amounts authorized for the preceding fiscal year unless before June 30, 1975 Congress has passed legislation repealing this section.

SEC. 1105. The Secretary shall, within three months after the date of enactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

SEC. 1106. (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.CM. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", and "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use.

(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act."

SEC. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"SEC. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.

SEC. 1107. Section 799A of this Act is amended by inserting "or age" after "sex" each time it appears.

SEC. 1108 (a). "The Secretary shall provide individuals who are engaged in the practice of their profession under agreements entered into under section 771(b) with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps under section 329.

"(b) Any individual who has entered into an agreement under section 774(b) may extend the period of obligated service under the agreement for one year in exchange for a grant of $12,500 or two years in exchange for a grant of $25,000 from the Secretary to assist him in establishing and operating his medical or dental practice. Any grant under this subsection shall be expended in accordance with regulations prescribed by the Secretary, which regulations shall provide that no expenditures may be made for the purchase of construction of facilities.

SEC. 1109. "(a) With respect to any individual authorized to be assisted under section 776(b)(2)(A), the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care. For purposes of this paragraph a degree in public health administration shall not be deemed to be a degree in the provision of health care.

"(b) With respect to any individual authorized to be assisted under section 776(b)(2)(A), the Secretary may award a stipend, as described in the preceding paragraph, to assist the individual in meeting the costs of his first year of study in such program."

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. James Murphy of the staff of the Committee on Labor and Public Welfare be accorded the privilege of the floor during the time of this discussion.

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

Mr. KENNEDY. Mr. President, this amendment is intended to substantially reduce any inflationary impact in the bill. The President has quite appropriately characterized inflation as Public Enemy No. 1. We in the Congress must make every effort to cooperate with President Ford in bringing this runaway economy under control.

Our amendment is designed to do that in the health manpower area. The bill, as reported from the committee, contained 5 years of new budget authority, totaling $5.1 billion. Our amendment would eliminate the last 4 years of the bill, thereby resulting in savings amounting to more than $4.2 billion. In addition, the amendment provides for an automatic, 1-year extension of the authority, through fiscal year 1976, if the Congress does not otherwise act. This provision for an automatic 1-year extension has already been adopted by the Congress earlier this year on the health services research and development bill.

Mr. President, the amendment now pending also makes important adjustments in the committee's bill regarding mandatory service, specialty maldistribution, and licensure. This amendment proposes to substantially delay the provisions of the committee's bill in order to give the voluntary sector one final attempt to overcome these problems without direct governmental involvement.

For example, the amendment contains the Nelson-McGovern amendment which provides that Noone would perform mandatory service prior to June 30, 1980. And that after that date, no individual shall be required to serve unless the Secretary of the Department of Health, Education, and Welfare determines that the voluntary efforts have been insufficient.

I want to point out to my colleagues that this provision is warmly endorsed by the Association of American Medical Colleges, which has heretofore adamantly opposed mandatory service. I ask unanimous consent that their letter supporting this amendment as "eminently fair, appropriate, and feasible," be included in the RECORD at the conclusion of my remarks.

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

(See exhibit No. 1.)

Mr. KENNEDY. Similarly, this amendment delays until 1980 the operative features of the postgraduate physician training program and the provisions respecting the licensure and relicensure of physicians and dentists. The amendment provides that—

Nothing in this title shall be construed to permit the Secretary or any other officer of the United States to license or suspend the license of any individual for the practice of medicine or dentistry.

Finally, Mr. President, this amendment incorporates the provisions of several other amendments which would have otherwise been offered to S. 3585 later in this debate. Each of these excellent amendments will, I am sure, be described at length by their authors.

I will only briefly describe them at this point.

First of all, we have included the provisions of Senator PROXMIRE's bill S. 2801, respecting the authority of the Food and Drug Administration concerning vitamins. We have talked about that measure here this morning. I am well aware of the strong and divergent views which are held concerning this bill. These differences of opinion were manifested in Health Subcommittee hearings, which I recently chaired. I do believe that the Senate should have the opportunity to consider the provisions of S. 2801 on their merits.

Our amendment also includes the Williams, Kennedy, Eagleton, Cranston and Javits amendment which is designed to overcome an inadvertent oversight in the bill which would have unfairly penalized schools of medicine and dentistry which have 3-year curriculums.

Our amendment includes Senator CHURCH'S amendment which insures that States which do not have a medical school, but which do make substantial contributions to another State's school, will qualify for the bonus provisions of the bill designed to overcome geographic maldistribution.

Mr. President, this amendment also includes the excellent proposal by Senators ALLEN and SPARKMAN which proposes to authorize the awarding of 10 scholarships a year for medical students who agree to enter family practice.

These would be known as Lister Hill scholars.

Senator Hill came to the Senate in 1938. And he was appointed to our committee in that year. He became a member of the Health Subcommittee in 1951, and became chairman of that subcommittee in 1955. During his tenure on the committee, he authored many innovative health bills. He was a pioneer in the health manpower area. And, in fact, the legislation before the Senate today builds upon the precedents he set.

Our amendment also includes the two Mathias provisions regarding age and sex discrimination and regarding schools of the health professions.

Our amendment incorporates the provisions of an amendment intended to be offered by Senators CANNON and BIBLE to insure that the graduates of 2-year American medical and dental schools are equally treated with respect to deriving the benefits of the substitute's provisions regarding the education of U.S. students proposing to enter American medical or dental schools after having begun their education in a foreign institution.

Mr. BIBLE. Mr. President, will the Senator from Massachusetts yield at that point?

Mr. KENNEDY. Yes, I yield.

Mr. BIBLE. I am delighted to hear that the Senator's substitute incorporates the amendment that my colleague, Senator CANNON, and I are prepared to introduce. This was not taken care of in the bill reported by the committee. I am glad that has been taken care of here.

Additionally, I understand that the Senator's substitute also provides for a continuation of the Federal assistance now available to 2-year medical schools that intend to convert to 4-year, degree-granting medical schools. This is also a matter of great importance to us since the University of Nevada Medical School at Reno is still a 2-year school.

I am told by the Senator's staff that this likewise has been taken care of in this substitute amendment.

Mr. KENNEDY. The Senator is entirely correct. There are two medical schools, one in the Senator's State and one in South Dakota. The medical school in South Dakota is converting to a 4-year curriculum, but there is no reason or purpose why this legislation should not include the excellent provisions that have been suggested by the Senators from Nevada. They are completely in compliance with the spirit and thrust of the legislation, so we have accepted their amendment and have included provision for continuing the conversion assistance program.

Mr. BIBLE. I appreciate the Senator's statement and I appreciate his taking care of these problems which are of some concern to both my colleague and myself.

I thank the distinguished Senator from Massachusetts.

Mr. KENNEDY. Finally, Mr. President, our amendment includes two excellent provisions from the substitute, which was offered yesterday by Senators BEALL, DOMINICK, and TAFT.

These two features provide:

First. That any individual who extends his period of obligated service shall receive in exchange a grant of $12,500 annually for a maximum of 2 years from the Secretary to assist him in establishing and operating his medical or dental practice. Such grant would not be available for the purchase of construction facilities.

Second. The disadvantaged assistance program which would provide with respect to any individual authorized to be assisted, that the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care and such stipend may be used to assist the individual in meeting the costs of his first year of study in such program.

In summary, Mr. President, our substitute provides a workable, affordable, and reasonable compromise for this vitally important health manpower legislation. Support of this amendment provides for every Member of the Senate an opportunity to record his unwavering support for continued assistance to the Nation's health professional schools and their students with adequate assurances that one way or another the Nation's health manpower problems will be overcome.

I urge my colleagues on both sides of the aisle to support the Kennedy-Javits-Hathaway amendment.

EXHIBIT NO. 1

ASSOCIATION OF AMERICAN MEDICAL COLLEGES,
Washington, D.C., September 19, 1974.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Health, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In a memorandum sent to your Health Subcommittee on July 31, 1974, the Association of American Medical Colleges expressed its concerns about the mandatory service requirements in S. 3585. That document conveyed the Association's recognition of the need for action to correct serious national problems of maldistribution among health professionals and proposed that a voluntary approach to those problems be given an opportunity to prove its worth before what amounts to a draft in disguise is mandated. More specifically we are convinced that if sufficient incentives are provided, such as a significant increase in the availability of National Health Service Corps Scholarships, sizeable numbers of students will signify their willingness to serve through acceptance of those scholarships. All evidence to date supports this contention in the light of oversubscription by a two or three to one ratio of the various types of scholarships currently offered.

It has come to our attention that Senator Gaylord Nelson has suggested what would seem to be a highly sensible compromise for testing the voluntary approach. He proposed a delay in the implementing date for the mandatory requirement. This would be paralleled with the clear understanding that if voluntarism does not suffice after a reasonable period of trial the extreme of mandated sign-up would be instituted.

It is also understood that the size of the National Health Service Corps Scholarship Program would be increased accordingly.

We urge your support of Senator Nelson's amendment as eminently fair, appropriate and feasible in terms of the precipitating problem, the limited leverage of the schools in this context and the anticipated reaction

of students to respond more willingly to a carrot than to a stick.

If further elaboration of the Association's position is desired, we shall be more than ready to assist you.

Sincerely yours,

DANIEL C. TOSTESON, M.D.,
Chairman.

CALL OF THE ROLL

Mr. BEALL. 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, and the following Senators answered to their names:

[No. 420 Leg.]

Beall	Haskell	Taft
Buckley	Hathaway	
Byrd, Harry F., Jr.	Kennedy	
	McClellan	

The PRESIDING OFFICER. A quorum is not present.

Mr. KENNEDY. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk	Fong	Moss
Aiken	Fulbright	Muskie
Allen	Griffin	Nelson
Baker	Gurney	Nunn
Bartlett	Hansen	Packwood
Bennett	Hart	Pastore
Bible	Hartke	Pearson
Biden	Hatfield	Pell
Brock	Helms	Percy
Brooke	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd, Robert C.	Huddleston	Ribicoff
Cannon	Humphrey	Roth
Case	Inouye	Scott, Hugh
Chiles	Jackson	Scott, William L.
Church	Javits	Sparkman
Clark	Johnston	Stafford
Cook	Long	Stennis
Cotton	Magnuson	Stevens
Cranston	Mansfield	Symington
Curtis	McClure	Talmadge
Dole	McGee	Thurmond
Domenici	McGovern	Tower
Dominick	McIntyre	Tunney
Eagleton	Metcalf	Weicker
Eastland	Metzenbaum	Williams
Ervin	Mondale	Young
Fannin	Montoya	

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

The PRESIDING OFFICER (Mr. HATHAWAY). A quorum is present.

Mr. KENNEDY. Mr. President, I should like to clarify the situation for the Members who are in the Chamber.

We have time limitations on the proposed legislation. Senator BEALL and I have been talking about the different approaches since yesterday. I think we are fairly close to a time when, hopefully, we can reach some resolution of these differences.

Before the Senate is the Proxmire amendment, as an amendment to the Beall amendment, on which we are prepared to vote. That has already been included in my substitute for the Beall amendment. Then, hopefully, we will be able to vote on my amendment. If that is adopted, there will then be a vote on final passage or on Senator Beall's amendment.

We had hoped to be able to talk about this matter for perhaps 15 minutes on each side and then reach a decision on definite time, so that Members would know when the vote would take place. I think this is agreeable to the Senator from Maryland. If it is, then perhaps we can move into that discussion and see where we are.

Mr. BEALL. Mr. President, if the Senator will yield, I am agreeable to spending 15 minutes to a side on the debate on the pending substitute to the Beall substitute and vote at the conclusion of that time.

Mr. DOMINICK. Mr. President, will the Senator from Maryland yield some time to me for some questions?

Mr. BEALL. Now?

Mr. DOMINICK. Now, I am trying to find out what the parliamentary situation is.

Mr. BEALL. Prior to the time requested by the Senator from Massachusetts, I will yield the Senator from Colorado time on the bill to make his inquiry.

Mr. DOMINICK. It is my understanding that the amendment of the Senator from Maryland, the Senator from Ohio (Mr. TAFT), and myself was up for a vote and that Senator KENNEDY has offered an amendment for a substitute. Is that correct?

Mr. BEALL. As the Senator from Massachusetts explained, the parliamentary situation is that I offered—and Senator DOMINICK and Senator TAFT cosponsored—a substitute to the committee bill. This matter was under debate. This morning, Senator KENNEDY offered a substitute to my substitute. This matter is now going to be discussed for 15 minutes to a side.

Mr. DOMINICK. The substitute does not materially change what was in the original bill, except that it delays it 2 years. Is that correct?

Mr. BEALL. I hesitate to take the liberty of explaining the Senator's substitute amendment, but I shall do so.

As I understand the Senator's substitute, it would give us a 2-year bill. We would have a 1-year program costing $900 million, with an automatic 1-year extension. It still retains the doctor draft, and it would be effective in 1980. It contains national licensure, and this also would be effective in 1980. It contains the specialty boards which also would be effective in 1980.

In other words, as I understand it, rather than getting a 5-year bill that costs in excess of $5 billion, we have a 1-year bill, with a 1-year extension, costing approximately $900 million, the same as in the reported bill. The other provisions—the ways of implementing this and getting some return for the investment—are delayed until 1980.

I am not certain that I understand the logic of the proposal, but I think that is the substance of it.

Mr. DOMINICK. It is my understand- that Senator PROXMIRE was going to offer a vitamin amendment, which I would be in favor of. I understood that Senator KENNEDY was very much against that, that he put it in the substitute.

Mr. BEALL. Again, the record of the proceedings this morning is that Senator PROXMIRE did offer his vitamin amendment. He offered it as an amendment to our substitute. I indicated that I thought it was a worthwhile amendment if he agreed that we would vote on the Proxmire amendment prior to the time that we vote on the Kennedy substitute.

In the meantime, the Senator is correct, Senator KENNEDY did include the Proxmire amendment as a part of his substitute proposal, which is about to be before the Senate for discussion.

Mr. DOMINICK. After saying that he was against it?

Mr. BEALL. The Senator will have to ask Mr. KENNEDY that question.

Mr. DOMINICK. I thank the Senator from Maryland.

Mr. KENNEDY. Mr. President, I should like to yield to myself 7 minutes on this bill.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, since 1951, there have been four major studies on health manpower: The Truman study of 1951; the rural poverty study of 1967; the Carnegie study of 1970; and the Presidents' Commission on Health Manpower of 1971.

Mr. BEALL. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. BEALL. Did the Senator get agreement on time?

Mr. KENNEDY. I just yielded myself 7 minutes.

Mr. BEALL. We have had no agreement on time, have we?

Mr. KENNEDY. No.

If we are not going to be able to agree on when we are going to vote, I thought the Members of the Senate would agree on 15 minutes per side. I shall be willing to make an agreement on voting on the Proxmire amendment at 10 minutes to 1, with a 15-minute rollcall; then my substitute; and then the substitute of the Senator from Maryland, if he wishes.

Mr. BEALL. I must demur from the Senator's request, because that is during the Republican policy lunch.

Mr. KENNEDY. Can we agree?

Mr. BEALL. Why not proceed with the understanding that we shall take 15 minutes for a side and see where we get?

Mr. KENNEDY. Very well.

As I said, Mr. President, there have been four major manpower studies. Everyone of these manpower studies has come up with the same fundamental conclusions which are demonstrated in

these charts here in the Senate Chamber: First of all, that there is a geographic maldistribution of medical manpower in the country and the problem is becoming more serious; second, that there is a maldistribution of physicians respecting specialties within this country and that is becoming more serious; third, that the number of foreign medical school graduates who are coming to this country is increasing dramatically. In one New England State, better than half the number of newly licensed physicans were foreign medical school graduates this past year.

The PRESIDING OFFICER. The Senate will be in order. The Chair is having difficulty hearing.

Mr. KENNEDY. Fourth, the various licensing provisions regarding physicians and dentists that exist in these States are riddled with loopholes. There is the national board exam, there is what is called the FLEX, where States grade each of these exams differently. Forty-three States have different provisions for provisional or conditional licensing, and there are at least 14,000 unlicensed foreign medical graduates in the country who are practicing medicine which is of suspect quality.

Another fact is that the voluntary sector has been working in this area for a period of 30 years. And they have failed. There have been more than 22 States who have developed different programs to try to do something about maldistribution of medical professionals and maldistribution within the specialties. The tragedy is that the most recent studies show that the problem still is becoming more and more acute.

A final fact is this, Mr. President: The U.S. taxpayer has spent more than $3.5 billion on medical schools in this country over the last 10 years.

We are now going to be providing, this year, the medical schools with $1 billion. That money is generally coming from middle-income people and from low-income people. Those are the people who are being increasingly denied opportunity to have access to medical manpower.

What are we attempting to do with the substitute that we have offered here today? The point has been made by the Senator from Maryland and the Senator from Colorado and the Seantor from Ohio (Mr. TAFT) that the action that we took before the Committee on Labor was too arbitrary and too abrupt, that what we were attempting to do was require service from every graduate of every medical school, that he go into an underserved area until the need was met, and then it was going to free these medical schools if it was not necessary.

What we have attempted to do is take the recommendation that has been put forward from the Senator from Wisconsin (Mr. NELSON) to defer the action for a period of 6 years, to 1980. We defer it in order to give the voluntary sector a chance to respond. After all, this is what the reported bill provided for anyway.

If the medical schools say, "We can handle this problem now that we know Congress is serious about it," we are prepared with the amendment and the substitute that we have offered here to say, "Alright, we are deferring action for 6 years." If the voluntary sector can move into this area, then we can actually eliminate the operative provisions of this legislation. So we are giving them the 6 years.

This is what the American Association of Medical Colleges said:

> It has come to our attention that Senator Gaylord Nelson has suggested what would seem to be a highly sensible compromise for testing the voluntary approach. He proposed a delay in the implementing date for the mandatory requirement. This would be paralleled with the clear understanding that if voluntarism does not suffice after a reasonable period of trial the extreme of mandated sign-up would be instituted. It is also understood that the size of the National Health Service Corps Scholarship Program would be increased accordingly.
>
> We urge your support of Senator Nelson's amendment as eminently fair, appropriate and feasible in terms of the precipitating problem, the limited leverage of the schools in this context and the anticipated reaction of students to respond more willingly to a carrot than to a stick.

We have incorporated Senator NELSON's amendment to our substitute. We have said that the Congress wants to move ahead on this immediately.

The second provision is as follows: This was a $5 billion authorization. We are cutting $4.2 billion out, with a 1-year authorization, a period of 1 year authorized at a similar level unless the committee is going to take action. I think that this is a problem and an issue that this subcommittee ought to scrutinize very carefully. I am prepared to say that if we move ahead now over a period of a year, if we get a good bill on the floor, a good bill out of the conference with the House of Representatives, then we can go for the 2-year extension. If we do not, then our Subcommittee on Health ought to review it after a period of 1 year.

What does this amendment do? If the Senate votes for this amendment, we are saving $4.2 billion in authorization and we are deferring the operative provisions for service for a period of 6 years, accepting the provisions of the AAMC. What we are indicating to the medical schools of this country, is that the Congress of the United States is taking notice of the maldistribution of manpower, and the maldistribution within specialties.

What we are saying is that 6 years from now, if these problems are not being met, this act will be implemented and we will begin to get health manpower where it is desperately needed in this country.

Mr. PASTORE. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. PASTORE. When the year 1980 comes, are we talking about all medical students, or are we talking about medical students whose duties we subsidize?

Mr. KENNEDY. We are talking about every medical school that receives a capitation grant.

Mr. PASTORE. What if a medical student who receives his education and gets his doctorate refuses to go? Then what happens?

Mr. KENNEDY. Then he is denied his license to practice medicine.

Mr. PASTORE. He is denied his license to practice medicine?

Mr. KENNEDY. We provide for capitation repayment.

Mr. PASTORE. I realize the problem that is involved here. As a matter of fact, in my own State, we have Block Island, which is more or less isolated, and they could never get a doctor to go out there. In order to get a doctor to go there, the State of Rhode Island subsidized the doctor, because naturally, if he could set up his practice in a place where he could get more patients and collect more money, he would make that choice. So, in order to create this inducement, this encouragement, what we did was provide a subsidy.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. KENNEDY. I yield myself 4 more minutes.

Mr. PASTORE. I wonder if we could not have some incentive to encourage these young doctors to go to places where there is a scarcity of doctors. I wonder why that has not been considered.

Mr. KENNEDY. It has been considered.

There have been, first of all, loan forgiveness programs, to give support for young medical students to go to medical school and then serve in underserved areas, and we now have provided loans for young medical students to either go to underserved areas or repay the loans under repayment programs; and we have 86 doctors who have gone there under those programs and 133 dentists, and most of them say they would have gone without the incentive.

Mr. PASTORE. Would it not be better to enlarge that program.

Mr. KENNEDY. We have had 30,000 students who have taken advantage of the program. This is a forgiveness program.

Mr. PASTORE. I understand.

Mr. KENNEDY. But any graduate of a medical school knows with his potential income that it is easy to "buy-out" of the requirement to actually serve.

Mr. PASTORE. But we did have the Berry system, where, if the Federal Government subsidized your education, you had to serve a certain number of years in the Armed Forces.

Mr. KENNEDY. That was abolished.

Mr. PASTORE. I realize it was abolished, but we had it, and many of our doctors today had the opportunity to become doctors only because they were subsidized in order to serve their country.

This is a question of serving humanity, and I am asking the question, Why can we not have an inducement? Because I am afraid that unless there is some penalty upon the individual, Harvard Medical School can say to any young doctor, "You have received your degree and passed the medical boards, and we want you to go to Block Island," and the doctor can say, "You go fly a kite; I do not want to serve on Block Island, I want to serve on Park Avenue."

What do we do with them in that particular case?

Mr. KENNEDY. He has to, under the provisions of the act, pay back the amount, and he is not permitted to practice.

Mr. PASTORE. Pay back what amount, to whom?

Mr. KENNEDY. The amount of the capitation grant, to the Federal Government.

Mr. PASTORE. Well, he has already paid his tuition.

Mr. KENNEDY. The Federal Government has underwritten it in excess of 50 percent. The Federal Government underwrites about $13,000 for every medical school graduate.

Mr. PASTORE. Well, we pay some money for every lawyer and every college graduate, as far as that is concerned. No one pays the full cost of his tuition; the Senator knows that.

Mr. KENNEDY. But the medical schools are unique in this respect, that there is no professional education program that gets the degree of support that medical education receives, both in direct grants as well as in the biomedical research area.

Mr. PASTORE. Mr. President, I hope the Senator does not misunderstand me, because I think he is coming to grips with a very important problem, which is of very great concern to all of us. It is not a question, today, that we do not have enough doctors. The question is that we have a concentration of doctors, and somehow we have to spread them out, so that they can serve all of our society. I am afraid that unless we have some system of encouragement and inducement, this is not going to happen. That is what I am afraid of.

Mr. KENNEDY. Let me make one point that underlies the Senator's question about whether we could not provide scholarships to every young person who wants to go to medical school.

Mr. PASTORE. And then do his duty.

Mr. KENNEDY. And then do his duty. This is very similar to a proposal put forward by Representative ROY in the House of Representatives.

Mr. PASTORE. That is right.

Mr. KENNEDY. What we would do is reduce the capitation grant to the medical school.

Mr. PASTORE. That is right.

Mr. KENNEDY. We would provide an additional scholarship to the person, and then he could go, with the obligation of service.

Mr. PASTORE. That is right.

Mr. KENNEDY. Now, that program, as proposed by its principal sponsor, would cost $650 million annually. It is much more expensive.

Mr. PASTORE. But it is worth it, is it not?

Mr. KENNEDY. Well, I am, as the Senator knows, only too willing to expend those funds on a program like this, but as a practical reality, we will spend a whole lot less, about $300 million, on capitation grants. That proposal would raise it to $650 million. The question is whether the Appropriations Committee is prepared to go along with it. I doubt it.

Mr. PASTORE. I do not know about the Appropriations Committee, but I am prepared to vote for it.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. KENNEDY. I yield myself such additional time as I may require.

The PRESIDING OFFICER. The Senator from Massachusetts may proceed.

Mr. KENNEDY. So this would also, in effect, as the reduction occurs in terms of capitation grants to medical schools, require the medical schools to raise their tuition, because they would be getting less from the Federal Government. In many States, that tuition level is set by the legislatures of the respective States, particularly those States that have heavy underwriting of medical education, of which there are a number.

So that, in effect, would impose a requirement on the States to take certain kinds of action as well, in order to conform. It would, in effect, if we took that action, depend to a great extent on the willingness of the Appropriations Committee to come up with this kind of an appropriation, and a full appropriation.

Mr. PASTORE. I realize what the Senator is saying. The only thing that bothers me is that the imposition here is being placed on the medical schools, which will have no control over the person once he becomes a doctor. Otherwise, we would be getting ourselves into involuntary servitude, would we not?

Mr. KENNEDY. This amendment is unlike the Beall amendment. The Beall amendment says, "You have to get 25 percent."

It is interesting, in listening to the discussion, to consider whether the Beall amendment is voluntary and ours is involuntary. Under the Beall amendment, each school would have to require 25 percent of its entering class to serve. The dean of the medical school is going to have to go out there and say, "We need 25 percent; you fellows have to volunteer for it, or the medical school will not get the money, none."

I do not understand how his program is OK because he is doing this for 25 percent of the medical students, and ours is not OK because we are doing it for 100 percent of the medical students, particularly when we have the need.

Mr. PASTORE. I am not opposing the program.

Mr. KENNEDY. No, I know. But I am just trying to make the point of the distinction, which I would think is a very significant difference. Under his program, that medical school either has 25 percent of the students who are coming to it who will go serve in the underserved areas or the whole medical school loses the subsidy. What we are saying is that anybody who goes to the medical school has to agree to the service, but we are not putting the burden on the medical school; all they have to do is make sure that when you fill out your application, you are going to have to indicate that you are willing to serve.

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

Mr. KENNEDY. Yes.

Mr. PASTORE. When I was Governor of my State we tried hard to get someone who would head the cancer body. What we did was we got this doctor who agreed to take these special courses at Harvard. He went there at the expense of the State, and he went there for 2 years.

When he came back he went to another State where they offered him more money. So all we did was we educated somebody for another State. I do not want this to happen in this case.

The PRESIDING OFFICER. Who yields time?

Mr. BEALL. Mr. President, I yield myself 5 minutes.

I would like to point out to the Senator from Rhode Island something about our program that might be of interest to him but, first, let me review the history of the bill.

Mr. President, yesterday when we came in here the committee had reported a bill which cost $5 billion over a 5-year period and which, in return for the capitation grants, to the medical schools would require that each of the graduates of the medical school, whether he received Federal assistance or not, to be subjected to a national draft to serve in an area to be determined by the Secretary of Health, Education, and Welfare.

It also provided that we would establish minimum standards, national standards, for the licensing of doctors. If a State did not adhere to these standards then the Federal Government, through HEW, would start licensing doctors around this country.

Mr. PASTORE. Will the Senator yield? Can I ask the Senator a question, how does he pick out the 25 percent, by a lottery?

Mr. BEALL. Let me get to my subject, if the Senator will just yield. Some of us thought this was a bit of overkill—Senator TAFT, Senator DOMINICK and I, to be specific. We thought this was providing a cure worse than the disease, recognizing that there was a geographical maldistribution of physicians in this country as well as maldistribution by specialty, but we thought this was a matter that could be solved without resorting to a national draft or without resorting to the national licensing of doctors and dentists.

So we proposed as a substitute a bill that would provide that medical schools, in return for receiving their capitation, would reserve 25 percent of the positions in their first year class and every class thereafter for those students who would agree to serve in a doctor-shortage area, students making such a commitment would be entitled a scholarship. They would be required to serve 1 year in the area for each 1 year of their scholarship, but in no case less than 2 years. If they did not serve, they would be required to pay back at two times the amount of the Federal assistance that they received, plus interest.

Now, in addition to that——

Mr. TAFT. If the Senator will yield on that point, I think he also meant to explain they would not be subject to the sanction of removal of their licenses.

Mr. BEALL. Oh, most certainly.

Beyond that, we recognized that we were not going to solve this problem unless we also provided residencies so that doctors could be trained in primary care, and we required that certain percentages of postgraduate training

positions be in primary care on family medicine.

Then, we authorized a new program to encourage the development of primary care training opportunities in rural and inner city areas; then we have the requirement for medical schools to give comparable emphasis to the primary care such as that given by the schools to other clinical specialties, we also amended the present section of the law authorizing fellowships in family medicine by expanding this authority so as to include other comparable primary care.

Then we had the problem of foreign medical graduates. Now, the original bill as proposed by the committee suggested that we should license all doctors nationally, we strongly agreed that the foreign medical graduate must be addressed, but we searched and found the appropriate mechanism to deal with the problem, namely the immigration laws. We amend the immigration law to require when alien physicians come into the United States that they be required to take the same test that is being required of those students who graduate from medical schools in the United States. In addition, we require foreign medical graduates to be proficient in English, both oral and written. In medicine it is very important that the doctor and patient be able to communicate accurately with each other.

Now, apparently my substitute has some appeal because, as of 11 o'clock this morning, the chairman of the committee has introduced a substitute amendment for our substitute that was discussed all day yesterday.

We have not had very much time to go through this substitute because, as the Senator from Rhode Island can see, it is a rather voluminous document. But, I will explain my understanding of the substitute. First, the committee apparently recognizes they are authorizing an excessive amount of money. Their response is simply to cut the bill back to a 1-year extension with a 1-year renewal if Congress failed to act, but they would spend at the same level as in the reported bill. But in 5 years, it would add up to approximately the same $5 billion. So it does not make any difference how we slice it——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. KENNEDY. Mr. President, will the Senator yield at this point? We are authorizing the same amount that was authorized last year.

The PRESIDING OFFICER. Does the Senator from Maryland yield himself——

Mr. BEALL. I yield myself——

Mr. KENNEDY. Mr. President, charge it to my time.

I mean we are authorizing the same amount of money as was authorized effectively for last year. So I do not understand why the Senator is getting so excited about that, and—if I could just finish this point—we met with Secretary Weinberger last week and he asked for a reduction in terms of the authorization.

In an attempt to comply and work with the administration, we have taken this action. And this is a bipartisan effort, with the ranking member of that committee, we are continuing the request for an authorization which has been exactly what it was last year, very, very modest, I do not know how the Senator from Maryland can get so worked up over that.

Mr. BEALL. I can get myself worked up for this reason—I yield myself 3 additional minutes, Mr. President—because what the Senator from Massachusetts has done, as I said initially, is to take a 5-year bill that cost $5 billion, and made it into a 1-year bill costing $907 million.

What really upsets me was this letter received by Senator SCOTT from the Secretary of Health, Education, and Welfare. I think we have a problem, and I think we have to do something about it. I think one of the reasons we are here is to legislate in problem areas and come up with solutions to national problems.

The Secretary in his letter today says:

If the health manpower legislation that ultimately reaches the President contains excessive authorizations, such as those in Senate bill 3585, I believe that he would be compelled to withhold his approval, and I would so recommend.

Now, Mr. President, I ask that the entire letter from the Secretary of Health, Education and Welfare addressed to the minority leader be included in the RECORD.

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

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., Sept. 23, 1974.

Hon. HUGH SCOTT,
Minority Leader, U.S. Senate, Washington, D.C.

DEAR HUGH: I understand that the Senate is debating legislation (S. 3585) that would substantially revise and extend the health manpower activities of the Department of Health, Education, and Welfare. I would like to share with you and your colleagues our thought regarding this important legislation.

At the outset, I should like to express our appreciation to the members of the Labor and Public Welfare Committee for the long hours of hard work they and their staffs devoted to consideration of this legislation. Many points of view and legislative proposals were considered during the hearings and the Committee's mark-up sessions. The reported bill reflects the seriousness with which the members sought to grasp the nature of the Nation's health manpower problems, and to fashion a Federal response that can be effective and appropriate.

We are especially pleased that S. 3585 would substantially expand the National Health Service Corps Scholarship Program. That program will provide student aid to substantial numbers of health professions students, and will help us meet Federal responsibilities for health service delivery, such as the National Health Service Corps and the Indian Health Service. I am also pleased that S. 3585 would extend and modify the National Health Service Corps Program along the lines that we have supported.

S. 3585 reflects the Committee's conscious effort to deal with what many observers believe to be serious imbalances in the geographic and specialty distribution of health manpower, particularly doctors, and the need to improve the productivity of the health sector through the use of medical and dental paraprofessionals and auxiliaries who can extend the services and skills of the highly trained physician and dentist. I support those features of the bill that would permit us to target scarce resources upon special projects and initiatives that will assist the training institutions to be more responsive to these probelms.

The Committee bill attempts to meet the question of the extent to which the general taxpayer should subsidize the professional training of what is probably the most highly paid class of individuals in our economy. I strongly disagree with the approach taken by the majority of the Committee members in dealing with this issue. I am encouraged, however, by the fact that the bill endorses the basic principle that individuals who benefit directly from Federal subsidy should expect to repay the public subsidy directly, or serve the public in the skills which they received—in substantial part—at the public expense.

These are what we regard as the major positive aspects of the Committee's actions. It is therefore especially disappointing that S. 3585 contemplates funding levels for the health manpower activities for the coming five fiscal years that are too high. S. 3585 would authorize more than $5 billion for fiscal years 1975 through 1979. On an annual basis such sums would be nearly twice the level appropriated in 1974, and nearly three times the amounts requested in the 1975 budget. At a time when utmost restraint must be exercised in all areas of Federal expenditures, every effort must be directed toward targeting limited resources upon the areas of greatest need. The authorization levels contained in S. 3585 are neither realistic nor responsible. They do a great disservice to the potential recipients of the funds authorized by creating expectations that we all know cannot possibly be met.

If the health manpower legislation that ultimately reaches the President contains excessive authorizations such as those in S. 3585, I believe that he would be compelled to withhold his approval, and I would so recommend. We urge the Senate to eliminate the host of marginal activities authorized by S. 3585, and to set authorization levels that are responsible and reasonable.

Three other aspects of S. 3585 must be singled out for attention. *First*, the bill would expand the amounts and the categories of schools eligible for capitation subsidies. We are seriously concerned that the general taxpayer—by means of his Federal taxes—will be called on to subsidize in perpetuity the professional training of physicians, dentists, and other highly paid health professionals. Such subsidies are unnecessary to elicit adequate numbers of students for the schools, which today accommodate only one out of every two of three qualified applicants. Also, under the higher grant levels and broader eligibility, the practitioners would reap an inordinately high return on their own investment in their education. The Senate should seriously examine the social equity of these features of S. 3585, and provide for the gradual phase-out of capitation grants along the lines suggested by the Administration's legislative proposal.

Second, the bill would establish a domestic "physician draft" and compel two years of service from every student graduating from the entire range of health professions schools receiving operating subsidies. In the near future this requirement could mean that the Federal Government would have responsibility at any given time for placing and monitoring the professionals activities of upwards of 100,000 individuals in the health system. Numbers such as these would quickly overwhelm the areas of health service scarcity in this country, and would be an inordinately difficult and expensive—not to mention undesirable—undertaking for the Federal Government. The service required of recipients of National Health Service Corps Scholarships can be expected to adequately meet the health manpower needs of the Nation's health service scarcity areas.

Compulsory service by *all* health professions students is unnecessary and undesirable.

Third, S. 3585 would impose a Federal regulatory scheme to control the numbers and allocation of training positions for graduate medical education, and would institute a national licensure system for physicians and dentists. While we share the concern over geographic and specialty imbalance which give rise to these provisions of the bill, there are indications that the professions involved are aware of the nature of the problems and are moving to remedy the most serious ones. We believe that the problems are not so severe as to call for this type of direct Federal intervention at this time, and that the professional groups should be allowed additional time in which to formulate remedies of a voluntary or self-policing nature. We would not be opposed, however, to certain of the studies called for in S. 3585 that would shed further light on the nature and extent of the problems in this area, in the event that the professions fail to put their own houses in order. Such studies would help to lay a better foundation for Federal intervention in this area, if this ultimately should become necessary.

There are numerous other provisions of S. 3585 that are either unnecessary or undesirable, but they have previously been brought to the attention of the Committee by representatives of the Department. We urge the Senate to consider these carefully so that a new bill can be developed on which the Congress and the Executive Branch can reach responsible agreement.

Sincerely,

CASPAR WEINBERGER,
Secretary.

Mr. BEALL. Mr. President, the new proposal is the same as the reported bill. It is excessive any way you slice it. Our proposal costs approximately $600 million.

Finally, Mr. President, I think that we should point out that this substitute appropriates this money for 1 year, and then it says, "We are committing ourselves, the Congress of the United States is committing itself, to the idea that a draft of doctors is a good idea, and we are going to do this in 1980."

So instead of doing it next year; they are going to do it in 1980. But we are still getting ourselves into a national draft of doctors and dentists.

Furthermore, we are committing ourselves to doing the same thing for national licensing of doctors and dentists in the year 1980, and I do not think that is the kind of commitment that this Congress wants to make at this time.

I agree we have serious health manpower problems and we should do something about them. I do not think we just ought to throw money at the problem. I am suggesting that is what we would be doing under the Kennedy substitute. We would be throwing new money to the medical schools, with no guarantee of a return, except we are telling them we are making a national commitment for a doctor draft and national licensing of doctors in 1980.

We are still left with the problem of the foreign medical graduates who are coming into the country at the rate of some 7,000 a year. That problem is going to persist until 1980 under this substitute. I am suggesting to the Senator that the substitute as offered by Senators DOMINICK, TAFT and myself is something that will get national attention to the problem of providing doctors in geographically short areas. It encourages the medical schools to do this, and it will respond to the foreign medical graduate problem beginning July 1975.

I am happy to yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I thank the Senator for yielding. As I said in my opening remarks on this bill, I am very hopeful that we can come out with some legislation that means something. About all the Kennedy substitute means is that it is going to continue the system of the medical schools. We are going to get absolutely nothing back for it. It is going to be more expensive than the Beall-Taft-Dominick substitute, and we are not going to get any of the problems solved.

Let me just read from page 213 of the committee report.

The majority opinion states:

The committee did hear a substantial amount of testimony which essentially called for the committee to stay its hand so that the "voluntary system" could solve the problems. The dismal track record of the "voluntary system" in dealing with these problems and the lack of proof that its theories on coping with the problems will work is what has caused the committee to embark upon its present course. The committee believes that these problems can only be met through a private sector public sector partnership. For without the pressure and the incentives from the public sector, history teaches us that it is treasonable to expect that the private sector will continue to place its own interests first.

Well, how about putting off all the things we want to get something done on? The foreign medical students, licensure, and the matter of underserved areas, how about putting that off 6 years?

That is exactly what this Kennedy substitute now proposes to do. We are going to get absolutely nothing for our money.

We have these beautiful charts here showing where the underserved areas are. I am afraid unless we do something about it, which our bill would do, we are going to come back with the same charts, possibly in the same form they are now, not any good to us, and we will have wasted money putting the charts together, to boot.

Mr. KENNEDY. Will the Senator yield?

Mr. TAFT. No; I do not think I will yield at this point, I think the Senator has taken his time and time is running out.

Mr. KENNEDY. I will yield some of my time.

Mr. TAFT. Well, if the Senator has time remaining, he may take it.

Also, I think the approach being taken very clearly would discourage me from going into the medical profession, if it is adopted.

Now, it is being put off 6 years. The real question, I think, arising under this bill, perhaps rather than what it does or does not do, is how far we are going to go to protect the committee's sponsorship of this measure, abandoning what I thought were primary public interests.

If I have to, in the long run, I can possibly vote for the Senator's original proposal, with a few changes in it, but I do not see how I can possibly vote for this one, nor any Senator here, how any Senator could stand up and vote, putting off a problem as serious as this for a period of 6 years. I think that is the basic issue.

The cost will go up. The illusion attempting to be created that somehow we will save money voting for a 1-year bill, or an extension, seems to me to be totally fallacious.

Now, I am glad to yield to the Senator.

Mr. KENNEDY. Mr. President, the fact is, listening to the Senator talking about deferring this problem, it is just a question of simple arithmetic.

The students who enter medical school this year are not graduating, in effect, for a period of 6 years, including some residency training.

Mr. TAFT. Mr. President——

Mr. KENNEDY. So, if the Senator would just let me finish on the time—it was never intended, if the Senator read the report beyond just excerpting that part, he would find it does not apply for this year's graduate, nor the graduate of next year, nor the graduate the third year.

Through the provision that passed our committee report, it only applies in 6 years, so I do not understand why the Senator is getting so excited.

We are not putting anybody out in the field for 6 years anyway, but what we are saying is just what we said in those words quoted previously.

This is to be a partnership. We are going to give the private sector 6 more years to try and deal with these problems. We have 6 years, but if we do not, we will make sure we get doctors in those areas.

That is what we are saying. I do not see that we are turning our backs on the fundamental plans.

If the Senator wants to do something in the interim in regard to foreign medical graduates, the Senator is not going to find anybody a warmer supporter of that concept than the people sponsoring this.

I am happy to yield.

Mr. TAFT. Why not do something here?

I would like to correct the Senator on one thing, and if I am wrong, he can correct me.

I understand it will not do anything about the problem, not for 6 years, for 9 years, because of the very 3-year lag the Senator just pointed out.

The individuals come in, as I read the bill, up to 1980, will not have any obligation on them at all.

This will actually put a burden, if we still have this problem that is here, if we do not we will not need to act, but we see the problem displayed by the chart, this will be burdening all those later graduates for an obligation which I think should be taken up by every man who starts school next year.

Mr. BEALL. Will the Senator yield?

Mr. TAFT. I yield.

Mr. BEALL. I think it should be pointed out, scholarships may be immediately available to those in school.

As a matter of fact, we made provisions for scholarships for students in the second, third, and fourth year of medical

school, we comtemplate making scholarships available for service for 10 percent of each of these classes.

Mr. TAFT. So that could be started.

Mr. BEALL. That is right.

Mr. TAFT. Doing something about it.

Mr. BEALL. When the system is fully in operation, the 25 percent, we will put 3,750 students per year out into the medically underserved area. It will not be years from now when this will happen.

Mr. TAFT. I yield to the Senator.

Mr. COTTON. Will somebody yield?

Mr. BEALL. I am happy to yield to the Senator.

Mr. COTTON. I do not understand about this time situation. Yesterday, hours were devoted to this, now we find ourselves under a gun and the discussion is confined, quite naturally, to the principals in this contest.

After the vote sometime, can somebody else get 5 minutes?

Mr. BEALL. I would say to the Senator from New Hampshire, there is adequate time, although we have no formal time agreement on the particular substitute, there is plenty of time.

Mr. President, how much time is left on the Beall-Taft-Dominick substitute?

The PRESIDING OFFICER. The Senator from Maryland has 104 minutes and the Senator from Massachusetts has 74 minutes.

Mr. BEALL. Mr. President, how much time is left on the bill?

The PRESIDING OFFICER. One-hundred thirty-four minutes for the proponents of the bill, 177 minutes for the opponents.

Mr. BEALL. There is adequate time for discussion any time the Senator from New Hampshire would like to talk. I think the scenario at the present time is that we are intending to vote on the Proxmire amendment and the Kennedy substitute at some time yet to be arranged, not too far off, I understand.

Mr. COTTON. Would it be possible on the bill or from some of these sources to get 5 minutes?

Mr. KENNEDY. I yield 5 minutes, whatever time the Senator from New Hampshire wants.

Mr. BEALL. I yield whatever time the Senator from New Hampshire wants.

Mr. KENNEDY. I yield whatever time the Senator from New Hampshire wants.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. COTTON. Mr. President, I have been listening with intense interest to this debate.

I read the bill rather carefully, the amendment.

Now, Mr. President, I would not venture to intrude myself into this debate were it not for the fact that I have had some practical experience on this problem that I would like to get into the RECORD.

Actually, it was 8 years ago that I introduced the first bill, which was patterned after the teacher's bill, by the way, to forgive loans to medical students, 10 percent of their loan each year that they would practice in those areas designated by the State board, or authorities of the State, as badly in need of a doctor and not having practitioners.

The bill passed the Senate, passed the House, and was signed by President Johnson. Nobody did one thing about it. Whoever was in HEW did not even give the matter any publicity. Somewhat to my amazement, and also my amusement, President Johnson came up with his state of the Union message the next January and called for the passage of the exact bill that had been passed and that he had signed. Someone wrote it into his message.

Now, Mr. President, I come from a State where we have some areas that have been desperately in need of doctors; where people have had heart attacks and there was not a doctor in the community, there was not a district nurse in the community, and there was not a school nurse in the community. Nobody could administer first aid. They bundled them into an automobile—an ambulance was not available—and drove 25 or 30 miles to the county seat, to the nearest hospital, and they were dead on arrival.

This happened in the town where I was born and raised. We have been through this.

Some of the medical schools have taken this in hand, and they are constructively accomplishing something.

We would get a doctor in and he would not stay. If the local community paid him a bonus to come in, nobody would pay their doctor bills because they said he was already being supported by the community and there was no need to pay the bills. The doctors would not stay.

The situation became desperate. The Medical School at Dartmouth College, in working with the Hitchcock Clinic, has instituted an outreach program, so-called. It is working marvelously. It is being financed out of private funds. As a matter of fact, I helped get some funds from the regional funds to help in it.

What they are doing is this: They go into a town—and here is an actual happening—that used to have four general practitioners. They only had one left, and he was older than I am. And I am 74. He was soon going out of the scene.

They had no medical facilities, and yet there was a whole area of towns around this central town.

What happened was the Dartmouth Medical School and the Hitchcock Clinic started sending down to this community for 2 days a week, interns or residents, people still receiving their medical instruction. I will not call these people students. They were interns and residents. They were well along the pathway to becoming licensed physicians.

They established a closed television circuit. The interns and residents would hold their office hours. If they had a case that perplexed them as to what should be done about it, they immediately talked to the specialist at the hospital or at the clinic on this closed circuit. He could look at the patient. He could talk to the patient. He could even have the patient undress and show his symptoms.

Then he would instruct the intern, if this was a hospital case, to get that man to the hospital. If not, he would give him instructions about the series of treatments.

The significant thing is this, and I shall not take more than 2 additional minutes: when these young interns got into the community, the community got interested and they became interested. They became fascinated by the work they were doing. The result was a medical center was established and two of these interns, when they received their license to practice, located in that community, still having facilities with the medical school and the clinic.

In other words they were not isolated out in the country somewhere. They had immediate access to specialists; the community had immediate access to specialists.

The community raised money for the center. Now they have four doctors, two of them specialists, in this community and serving the surrounding area.

This is now being done in another section which, for years, has been starved for medical assistance.

Mr. President, I do not think that you are going to be able, by just handing out an incentive of forgiving loans to medical students, to get them to isolate themselves in some remote community. It is not going to be sufficient, as has been pointed out. I cannot speak for the situation, of course, in the urban areas where they need more doctors. But I do not think you are going to get anywhere by taking a doctor's license away from him if he does not banish himself to some Siberia.

I think if we back the medical schools and make our contribution to the medical schools contingent on their devoting a part of that contribution to this so-called outreach service that takes their interns and their residents into these communities, keeps them in touch with closed television so that they are working with experts and it makes the thing more attractive, the communities respond to it. In at least two cases—and I think in a third case—we have solved the problem, and we have adequate and even expert medical attention in these remote communities.

It has been done by the medical school working with the hospital and the clinic. It has been done in this outreach program.

The private sector and the public sector can work together that way. If we put the money into the medical schools but we put a tag on it so that a certain percentage of it must be used in this sort of situation, I think that is the constructive way to solve this problem.

What I have said is not particularly pertinent either to the substitute of the distinguished Senator from Massachusetts or the Senator from Maryland, but it is a general observation I wanted to get in at this point.

Mr. BEALL. Will the Senator yield?

Mr. COTTON. Certainly.

Mr. BEALL. It is pertinent to the substitute because if the Senator will look at the substitute on page 93, we include the community-based health manpower education program. We authorize $46 million initially and $50 million in succeeding years for this program. It is our intent that this would enable a program in every State to do just what the Senator has in mind.

Mr. KENNEDY. Will the Senator yield further?

Mr. COTTON. Yes.

Mr. KENNEDY. The Senator's suggestion, of course, has been an idea and a concept which I know he has supported for many years in the Appropriations Committee. The regional medical program, which the Senator supported, had that as one of its key components. We have struggled in recent times, as I know the Senator from New Hampshire is aware, against the efforts made to kill the regional medical program.

Beyond that, in this manpower bill there are special projects for the medical schools. There is a $150 million authorization and about $35 million in appropriations that can be used by the medical schools at the present time. Some schools are already devising a variety of different innovative, creative ways to try to reach out into the communities, and I am all for that. I want to support that program. I think it is extremely worthwhile. If we get these health professionals out into these areas, they are going to need that kind of supoprt.

The question raised is whether that type of approach, even an outreach from various medical schools or even medical institutions, will be effective. I have seen this program myself. I have seen Massachusetts General Hospital reaching out into communities. The program is marvelous and worthwhile. The question is whether they would actually be able to meet the kind of maldistribution we are talking about in these amendments.

I agree with the point that the Senator from New Hampshire has made. It is well taken. I hope the medical schools will read his statement here today. I believe it will be a great help in moving in the whole area of geographical maldistribution. It is a very constructive suggestion.

Mr. COTTON. I thank the Senator for what he has said. I know of his interest, and I know of his cooperation, and I appreciate it.

The only point I might question is this: Most medical schools are part of a medical complex. There is a hospital; there is a clinic; or there is a hospital and a clinic; sometimes they are separate. Many times there is a veterans hospital in the complex.

The medical schools will listen, if they will not get a substantial part of their money if they do not cooperate. I am not suggesting that Congress lay down the exact methods of going about this. But I cannot quite understand why we need to take the rather drastic steps that are suggested now, of even deferring it 5 to 6 years.

In this case, incidentally, it is not a matter of waiting until they are practicing doctors. This sort of approach can be used before that, so we do not have to wait too long. I am not suggesting that we lay down and fix the exact program, but I am suggesting that some of these medical schools take this matter very seriously. Others do not. There are conservatives and there are liberals on the faculties of medical institutions, just as there are in other bodies.

If we approach this matter by saying, "If you find a method not only to serve these needy localities but also to serve them in such a way that they continue their connection and access to your institution, and if the doctors who locate there are not isolated and shut away from your institution because you have a closed"—what do they call it?

Mr. KENNEDY. A closed panel.

Mr. COTTON. When doctors bring patients into the hospital and sever all connection with them.

I believe that this matter can be taken care of without resorting to any drastic steps, even now. Congress will be here, I hope, in 5 or 6 years. Some of us will not be here, but others will take our places. We can cross that bridge when we get to it.

I cannot see saying, "Go ahead and see what you can do; but if you do not do it on X date, we are going to adopt a certain system which will nationalize, in a sense, the practice of medicine."

Mr. CLARK. Mr. President, will the Senator from Massachusetts yield me 2 minutes?

Mr. KENNEDY. I yield.

Mr. CLARK. Mr. President, it seems to me that there are two great problems that come to mind immediately in connection with the Beall substitute.

If, indeed, we are not going to treat all medical graduates the same, if we are going to ask 100 percent to serve, if we are going to get a part of that group to serve—in this case, 25 percent—then obviously somebody is going to be discriminated against. The question is, Who? Then it becomes quite obvious, I think, that the poorest student is going to take the scholarship. Wealthy students, students who are well to do, who can find money other places, are not going to apply for this because they do not want to go to these areas. So the people serving these areas will be those who do not have independent wealth. This program, it seems to me, would discriminate against poor students.

The second thing that is equally dangerous is that the penalties that the Beall substitute includes—namely, that all money will be cut off from medical schools—will have the effect of putting that medical school out of business. If, in fact, they do not get 25 percent of their students to go for scholarships, what effect does this have? It means that in the entrance examinations, when the medical school must meet its 25 percent—let us suppose they only have 15 or 20 percent—in order to find the rest, they will have to go to lower standards, and we have no way of preventing that. So the normal standards for entering that medical school will be lowered, and they will take students of lesser ability in order to meet the 25 percent.

It seems to me that these are two matters, at least, to which the Senator from Maryland certainly should address himself.

Mr. BEALL. Mr. President, there is a variation now in the admission policies of medical schools.

I point out that the report prepared for the Health Resources Administration in the Department of Health, Education, and Welfare, in April 1974, points out that some schools emphasize the importance of producing medical scholars and researchers. There is a variation in standards from State to State and school to school with regard to the requirements for admission. They do give priority for a number of years.

So far as our proposal causing any erosion of academic requirements is concerned, I cannot see this happening, because today three times as many people are applying for admission to schools as are admitted. We have 15,000 people being admitted to schools and 30,000 being turned away. Most of them are qualified, according to the testimony we have received from the various institutions. Often there is a very narrow line academically dividing applicants. From a practical point of view, the situations to which the Senator from Iowa refers are not going to bear on the problem.

It is interesting to note that in Illinois they have had an evaluation of the program that provides emphasis for getting doctors. The evaluation of this program by the medical school concluded as follows:

> The results of this evaluation of the MSLFB program in Illinois should encourage members of admissions committees of professional schools. Faced with an abundant number of qualified candidates for admission, committees would like to make choices which will reflect the needs of society rather than small differences in academic credentials.

So, as a matter of fact, when the schools are required to take students who make a commitment, they are able to do something for society and not give up anything so far as the professional or academic qualifications of the candidate are concerned.

With respect to the poor students, we believe many students rich and poor will apply for this program. However, today poor students represent a very small minority of those who get into medical schools all over the country. In addition, we have a separate scholarship program for disadvantaged students. These scholarships will be available for admission in the unreserved positions.

So disadvantage students are going to have the opportunity to get a scholarship. I do not think it is going to work a hardship on them. One thing is certain if the student gets into medical school, he or she will not be poor anymore.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. BEALL. I yield.

Mr. DOMENICI. I come from a State that has this problem, and we also have had the experience of which the Senator from New Hampshire has spoken.

We have the medical school that has been trying to establish an outreach type of program. We also have had the use of paramedics and the like, tied in on closed-circuit television, so that we can provide a kind of service without the need for a fully licensed doctor.

Let me first say that I wholeheartedly agree that your approach in terms of getting some money into the graduating classes soon, with the commitment attached to those who have borrowed growing each year as they have more years

in this program, is a better approach. However, it does appear to me that neither approach is really going to solve the problem, because really, what we need is more encouragement for the doctor to go there rather than the servitude that is being put on him to go there.

I ask this question of the Senator: First, it seems to me the medical schools have to be encouraged to train the kind of people who might want to serve isolated and rural America. I understand the bill is cast in that direction. Is that correct?

Mr. BEALL. The Senator is correct.

Mr. DOMENICI. Second, I refer to the inquiry by the Senator from New Hamshire as to giving to the medical schools a source of funds that they can use in a very broad way to encourage not only that they go there for a 2-year commitment, or for some kind of contractual commitment, but that rural America be made more exciting, more palatable for even an older doctor, who might want to leave Massachusetts and go to New Mexico because he might want to live in a small community. I understand that the Senator said that there are $50 million in there that could be used for that purpose.

Mr. BEALL. The Senator is correct.

Mr. DOMENICI. Will the Senator explain to me how broadly the medical schools can use that money to make such a palatable type of environment and make the kinds of changes that the Senator from New Hampshire and I have been referring to?

Mr. BEALL. We do not deal with environment; it is beyond the scope of the legislation. But we do encourage programs that will lead to community-based input.

We also provide management grants, in our bill. We say to the doctor going into this underserved area, who is going to have a difficult time finding an office, we are going to provide a grant of $25,000 to set him up in practice. In return for that, he serves additional time.

We are doing everything we can, not only to get him to go to the area, but to get him in operation at no particular expense to him after he gets there.

Mr. DOMENICI. Is it clear to the Senator that the Secretary of Health, Education, and Welfare and the medical schools involved in this thrust do understand that it is the intention of Congress that if we pass either his or Senator KENNEDY'S bill, they do use their best efforts in the maldistribution arena, aside and apart from the specifics of the bill, like 25 percent allocation?

Mr. BEALL. We want the medical schools to use the leverage they have in the admissions policies. We are specifying also, in our bill, that a certain percentage of the residencies have to be used for primary care and training.

We tie this in with the provisions encouraging community-based ambulatory setting for training, because we know from experience in Maryland that such are effective in responding to the shortage problem. Statistics have shown that there is a great likelihood that the doctor, after completing his residency, will serve in the area where he has taken his residency.

Therefore, we like to reach out to community hospitals, nursing homes and other ambulatory settings in the various States.

Mr. DOMENICI. To get back to that fund you have referred to, the $50 million, what are the guidelines on how it can be distributed by the Secretary of Health, Education, and Welfare, just generally?

Mr. BEALL. Seventy-five percent Federal money and 25 percent from the State.

Mr. DOMENICI. You indicated that perhaps $1 million could go to each State. That is just the way it might happen?

Mr. BEALL. We cannot specify that, because every State does not have a medical school, of course.

Mr. DOMENICI. I understand.

Mr. BEALL. But it is our intent that it should be spread equally around the country.

Mr. DOMENICI. It is not particularly on a population basis——

Mr. BEALL. No, it is not.

Mr. DOMENICI (continuing). But to try to spread it around the country?

Mr. BEALL. Yes.

Mr. KENNEDY. Will the Senator give us some information, so that we can notify the membership if we can agree on a time limitation?

We have the Proxmire amendment. If we could agree to vote on that at 10 minutes to 2, with a 15-minute time limitation——

Mr. JAVITS. That is a time limitation for the duration of the vote?

Mr. KENNEDY. For the duration of the vote.

After that, the Kennedy-Javits-Hathaway amendment, with a 10-minute time. Then the Beall substitute, depending on what the outcome is.

Mr. BEALL. I shall be happy to agree to the first two, but if the Kennedy substitute fails, we do not want an immediate vote on my substitute, because there are some amendments that the Members should be allowed to offer if they desire.

Senator CHURCH and others have amendments they will offer, so I do not think we should agree to vote on my substitute at this time, in order to avail them an opportunity to offer their amendments. I do not think it will take too long after that before we can vote.

Mr. KENNEDY. I ask unanimous consent for the vote to occur at 10 minutes to 2, I believe the yeas and nays have been ordered on the Proxmire amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. And that the time limit will be 15 minutes, and immediately following, that there be a vote on the Kennedy-Javits-Hathaway amendment. The time limit on that amendment will be 10 minutes.

The PRESIDING OFFICER. The vote will occur at 10 minutes to 2. Is there objections?

Mr. BEALL. Have the yeas and nays been ordered?

Mr. KENNEDY. We do not have the yeas and nays ordered, but there is the understanding that there will not be yeas and nays prior to the vote on the Proxmire amendment.

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

Mr. JAVITS. Mr. President, will the Senator yield me 10 minutes?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, for a long time, this measure has been debated in the Committee on Labor and Public Welfare, where Senator KENNEDY is chairman of the Subcommittee on Health, and I am the ranking minority member. I have joined with him in the fundamental approach which is represented by this bill, now by the substitute. I still believe that is the right course.

I believe that the debate which I have heard so far indicates that it is the right course for this reason: The whole concept of our society today is for equal opportunity. That is the essense of the difference between KENNEDY and BEALL. The Kennedy approach is an equal opportunity to all. Whatever the terms and conditions, they are the same for everybody.

The Beall approach involves a selectivity process, which may, on the one hand, involve the poor, as Senator CLARK described it, and may, on the other hand, involve those who are not quite up to par in terms of the kind of doctors that they will make, or who, for financial reasons, will go that route even though they do not have their hearts in it.

It seems to me that this is the vital, moral, professional and public policy difference. On that ground, I wish to go the Kennedy route. That is issue No. 1.

Second is the licensure issue and the problem of the individual doctor being periodically qualified. There is an enormous amount of interest in that. In a compromise which I, myself, worked out, the doctor, as he goes along in life, does not have to pass a license examination as he does when he graduates.

Whatever the State does reasonably to ascertain that the veteran doctor, the one who has already been in practice for a period of time, is able reasonably and adequately to perform his duties is adequate. Indeed, we even discussed whether relicensure has to be written or oral, and decided in the committee on no particular written or oral qualifications, just the fact that it should be, in the judgment of the Secretary, the development of appropriate procedures which are an adequate standard to judge reasonable professional conduct. That is all. These are the big, major issues in this bill.

Finally there is the question of the practice of the profession by those who come from abroad. Again, the egalitarian principle is found essentially in the Kennedy approach, because there, the same rule obtains for anybody: If you qualify, then you are OK to practice. If you do not qualify, you are not OK to practice.

Rather than endeavoring to limit the incoming professional at the immigration gate by whatever restrictions you put on, you immediately set a criterion

which is not the criterion which is congenial and adaptable to our country. This is the fundamental point on which Members will be voting in choosing between the two approaches.

Indeed, the virtue of the substitute now proposed by the Senator from Massachusetts (Mr. KENNEDY) for himself, Senator HATHAWAY, myself, and other Senators who may join, is that it adopts many of the good ideas which we ourselves have recognized, and incorporates them in the substitute. It is very well worthwhile considering the ideas which are adopted.

This amendment in the nature of a substitute to amendment No. 1919 proposed by Senators BEALL, DOMINICK, and TAFT to S. 3585, developed jointly by Senator KENNEDY and I, is intended to protect the procedural rights of other Senators' amendments to S. 3585, the committee reported bill—an amendment to S. 3585 as introduced; incorporate the features of Senator BEALL's substitute which we support and not included in the committee reported bill; and reduce the reported bill's authorizations. To achieve these goals:

First, the total cost of the bill, $5,115,573,850 is slashed to $909,479,750. This substantial cutback—in an effort to fight the forces of inflation—is effectuated by eliminating the final 4 years of authorizations in the reported bill and providing that in the event the Congress fails to act on this legislation by June 30, 1976, the authorizations set forth in the bill are continued for 1 year at the levels provided for the first year without any increase—except with respect to the Lister Hill scholarship program hereinafter discussed.

At the same time by providing for a maximum 2-year bill the Congress is assured that in regard to any concerns that have been expressed with respect to students seeking admission to the health profession schools and problems that might be encountered in regard to the development of licensure standards and relicensure procedures, that immediate congressional action will take place. Yet, we will be moving forward in achieving the necessary goals of overcoming our health manpower problems in the interest of the American taxpayers' investment in health profession education rather than standing still and doing nothing with blind faith and trust in the "voluntary" sector.

Second, the provisions of Senator PROXMIRE's bill (S. 2801) and amendment No. 1880, limiting the Food and Drug Administration statutory authority to regulate the addition of vitamins and minerals to foods are incorporated in the amendment.

Although I believe it would be more appropriate for the Committee on Labor and Public Welfare—which has completed hearings on the bill—to act, I recognize the strong public and senatorial support for the measure and we have acted accordingly.

Third, the amendment intended to be proposed by Senator WILLIAMS, and cosponsored by me and Senators KENNEDY, CRANSTON, and EAGLETON, to insure that medical or dental schools which have a 3-year curriculum will not be penalized in respect to the provisions of the committee's bill regarding capitation is incorporated in the amendment. In effect this is a hold harmless clause for those schools which have a 12-month program per year. It should be noted that in many instances these 3-year programs were the direct result of the schools seeking to comply with the legislative initiatives of recent health professions education law—Public Law 92-157—and we believe the schools should not be penalized for such action taken in response to congressional initiatives.

Fourth, the provisions of an amendment, intended to be offered by Senator CHURCH, to insure that States which do not have medical or dental schools but do make substantial contributions to another State's medical or dental schools, are entitled to the benefits of the provisions regarding assignment of personnel in accordance with State contributions, are incorporated in the amendment.

Fifth, the provisions of an amendment, introduced by Senators ALLEN, SPARKMAN, MANSFIELD, MCGEE, ERVIN, and STENNIS—to which I ask to be added as a cosponsor—to provide medical scholarships, to be known as the Lister Hill scholarship program, in addition to other student assistance are incorporated in the amendment. Senators ALLEN and SPARKMAN's amendment authorizes the awarding of 10 scholarships annually to be known as the Lister Hill scholars who agree to enter the family practices, and for these purposes a total of $600,000 is authorized. I had the privilege of serving with Senator Hill—truly "Mr. Health"—and I believe he not only deserves this honor but also it permits us in the Senate during his lifetime to recognize his outstanding achievements in a career dedicated to quality health care for all Americans.

Sixth, the provisions of an amendment introduced by Senator PELL which provide for the deletion of labeling provisions on dentifrice are incorporated in the amendment. We understand the administration supports Senator PELL's amendment since it already has sufficient authority for dentifrice labeling under the Food, Drug, and Cosmetic Act.

Seventh, the provisions of two amendments; intended to be offered by Senator MATHIAS, which provide for: first, a requirement that the Secretary of Health, Education, and Welfare shall within 3 months issue final regulations to implement sections 799A and 845 of the Public Health Service Act—which he authored—with respect to sex discrimination respecting the schools of the health profession; and, second, to prohibit schools of the health professions covered by title VII of the act to discriminate on the basis of age, as his provision in law prohibits sex discrimination, are incorporated in the amendment.

Eighth, the provisions of an amendment intended to be offered by Senators CANNON and BIBLE, to insure that the graduates of 2-year American medical and dental schools are equally treated with respect to deriving the benefits of the provisions regarding the education of U.S. students proposing to enter American medical or dental schools after having begun their education in a foreign institution, are incorporated in the amendment.

Ninth, the provisions of an amendment, intended to be offered by Senators NELSON and MCGOVERN respecting the mandatory service provisions of the bill are incorporated in the amendment. The amendment by Senators NELSON and MCGOVERN provides that no student will have to perform obligated services before June 30, 1980, and that after June 30, 1980, no individual shall be required to serve unless the Secretary of Health, Education, and Welfare determines that such individual is needed to provide services for the populations in the areas and institutions described in this amendment.

The amendment in the nature of a substitute adopts the provisions in amendment No. 1919 by Senator BEALL, which were not provided for in S. 3585 as reported and incorporated in the amendment and include:

A. The Secretary shall provide individuals who are engaged in the practice of their profession under obligated services agreements with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps;

B. That any individual who voluntarily extends his period of obligated service shall receive in exchange a grant of $12,500 annually, for a maximum of 2 years, from the Secretary to assist him in establishing and operating his medical or dental practice. Such grant would not be available for the purchase of construction facilities;

C. The assistance program which would provide with respect to any individual who due to socioeconomic factors is financially or otherwise disadvantaged that the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of school, above the undergraduate level, leading to the first professional degree in the provision of health care and that such stipend may be used to assist the individual in meeting the costs of his first year of study in such program.

Finally, the amendment incorporates provisions respecting specialty maldistribution and licensure and relicensure of physicians and dentists which are intended to assure that the operative provisions of the reported bill will not be effective until after June 30, 1980, if at all. These provisions are analogous to the previously described provisions contained in the Nelson/McGovern amendment respecting mandatory services. We believe that it would be preferable if these problems could be solved by the voluntary sector. And this provision will provide the voluntary sector with an adequate opportunity to demonstrate its capacity to overcome these manpower problems.

Mr. President, I urge my colleagues'

support of the "Health Professions Educational Assistance Act of 1974" (S. 3585) as set forth in the amendment. The measure deals with the manpower problems—geographic maldistribution; specialty maldistribution; foreign medical graduates; licensure—which continue to plague the health of the American people.

Our medical, dental, and other health profession schools have responded heroically in increasing production of physicians, dentists, and other health professionals. But merely producing more health professionals will not solve the health manpower problems facing the Nation.

We have serious national geographic maldistribution of health professionals; notwithstanding New York State having the Nation's highest physician-population ratio—2.44 per 1,000—there are 44 counties who have fewer physicians per population than the U.S. average of physicians per population—1.33 per 1,000. The Buffalo standard metropolitan statistical area has a physician-population ratio lower than the national norm for an area its size. Furthermore, huge disparities prevail within New York City where there are four times as many physicians per population in higher income neighborhoods as compared to the poor neighborhoods in New York City.

I ask unanimous consent that an HEW computer readout for New York State with respect to trends in physician distribution 1960–1970 be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. JAVITS. We have insufficient primary care physicians and probably have more specialists than are required—in 1949, only 36 percent of physicians limited their practice to a specialty, in 1970, 79 percent were specialists. In New York State, there is a 2,243 shortfall, the greatest in the Nation, of family physicians and general practitioners.

We increasingly continue to rely upon noncitizen foreign medical graduates to provide health care to the extent that we now have what has been termed a "medical underground" where there is an ever-increasing group of foreign medical graduates of noncertified physicians with unsupervised direct patient care responsibilities. And unfortunately for New York City, about one-fourth of all foreign-trained physicians practice there to the extent that about 36 percent of the physicians in New York State are graduates of foreign medical schools. In fact, 94 percent of psychiatric residents in the State hospital system are foreign medical graduates and 40 percent of the physicians in the mental hospital system are unlicensed.

I believe it is essential that we either effectively overcome these health manpower problems or conclude that the taxpayers' dollar can be more wisely expended for other purposes. To achieve the goals of overcoming the problems of geographic and specialty maldistribution, heavy reliance upon foreign medical graduates, and the existence of inconsistent and inequitable State licensure laws. the amendment would in essence provide, subject to my previous comments:

A. Prohibit the Secretary of Health, Education, and Welfare from making capitation grants to health professions schools after June 30, 1974, unless these schools require each student to enter into an agreement with the Secretary to serve at least 2 years in areas or institutions with manpower shortages;

B. Require the Secretary of Health, Education, and Welfare to establish—in cooperation with appropriate professional organizations—minimal national standards for State licensure of physicians and dentists, including appropriate procedures to periodically relicense such practitioners; and

C. Require the Secretary of Health, Education, and Welfare with the assistance of national and regional advisory councils and in cooperation with appropriate professional organizations to certify the number and appropriate balance of postgraduate physician training programs.

The decision to take such thoughtful—yet bold—legislative action is thoroughly supported and documented by the hearing record and set forth in great detail at pages 51 through 110 of the report on the bill (93–1133).

In order for our ultimate goal of national health insurance to become a reality we must guarantee that there is a sufficient number of well-trained physicians available to administer the best possible medical care to every American. Yet at the same time there is incontrovertible and overwhelming evidence of a serious and growing problem of physician geographic maldistribution.

I suggest to my colleagues that the proof of this geographic maldistribution can be readily determined by looking at their own State map of physician distribution, printed in the report at pages 468 through 519. It is clear that disproportionate distribution of physicians exists not only between urban and rural regions, States, and areas but maldistribution exists within metropolitan areas—between inner cities and suburbs—as well. Moreover, there has been no improvement even in States where specific programs have been directed toward the problem.

With respect to the need for more primary care physicians it is clear that any serious effort to modify specialty distribution requires us to intervene in the graduate medical education system. To quote Dr. Kenneth Endicott, Administrator of HEW's Health Resources Administration—

> Our primary care problem is quite substantial and it is not a matter that can be addressed by tinkering or making minor adjustments in the system.

The hard facts about the increased proportions of physicians who practice specialty medicine are set forth at pages 55 through 72 of the report.

I believe such direct Federal intervention in this area was inevitable but at the same time that we need substantial professional consensus on a number of key value judgments—such as how many specialty or sub specialty of any type are needed per unit of population—and for this the amendment provides.

It is essential that we take steps that lead to the reduction of our current excessive dependence on noncitizen foreign medical graduates.

I can find no reasonable, intellectual, or philosophical rationale for this Nation to take from less fortunate underdeveloped nations their desparately needed medical manpower to meet our national needs for physicians.

Foreign medical graduates are now approaching 20 percent of all physicians practicing in this country. In addition one-third of all hospital internship and residency training posts are filled by foreign medical graduates. In 1972, 46 percent of all licenses issued were to foreign medical graduates. I think this reliance is unwise because:

First. Most of the foreign medical graduates who have entered this country in recent years are graduates of medical schools whose curricula are very different from ours and which are located in countries whose cultures and institutions are so different from ours that their graduates are ill prepared to practice in the United States.

Second. Foreign medical graduates in the aggregate are less successful in obtaining unrestricted, permanent licenses to practice than are U.S. medical graduates. A significant proportion continually fail licensure exams while continuing to staff our health institutions to the detriment of quality patient health care. It should be noted that foreign medical graduates have a 600-percent greater failure rate on State medical licensure examinations as compared to U.S. medical graduates.

The pervasive nature of the problem of noncitizen foreign medical graduates, to which this amendment responds, is set forth in great detail at pages 93 through 111 of the report and the hearings have documented the existence of a medical underground of foreign medical graduates who are practicing medicine today and who have not completed their State licensing examinations. Also, the testimony documents that these foreign medical graduates are now practicing in State institutions, county hospitals, general hospitals, and city hospitals. They frequently cover emergency rooms, perform general practice functions, deliver babies, et cetera.

The need for Federal standards for medical and dental licensure is documented by the considerable variance in State requirements for licensure. Within States and from State to State, requirements vary from U.S. medical graduates, Canadian medical school graduates, and for graduates of foreign medical schools. Such policies reflect differing standards for premedical work, undergraduate medical training, internships and residencies, citizenship, and licensure examinations.

Although almost all States require candidates to pass either the National Boards—the examination developed by the National Board of Medical Examiners—or the FLEX exam—the examina-

tion developed by the Federation of State Licensing Boards—as a prerequisite for licensure, most U.S. graduates take the National Boards and most foreign medical graduates take the FLEX examinations. Each State has the prerogative of setting its own passing levels for the FLEX examination. Forty-three State boards issue temporary educational permits, limited and temporary licenses, or other certificates for the practice of medicine. State board policies for issuing such permits differ considerably.

In October 1970, the Carnegie Commission report entitled "Higher Education and the Nation's Health" recommended that the feasibility of national licensing requirements for all health manpower be explored and recommended national requirements for periodic reexamination and recertification of all physicians and dentists by specialty boards and other appropriate bodies.

Thereafter, in 1971, the Department of Health, Education, and Welfare study on health professions licensure flatly recommended that States adopt national examinations for the licensure of health professionals.

I recognize that this is highly controversial and presents solutions to the serious health manpower problems which are not in accord with many of the medical and dental schools—beneficiaries of the taxpayers' dollar—views yet billions of Federal assistance have been made available while problem areas have grown worse. I do not believe as others argue, that the problems are well on the way to solution when the evidence overwhelmingly indicates the opposite to be the case. I am concerned that the taxpayer—the American public—is not receiving full value for the investment we are making on their behalf in medical, dental, and other health professions education. We must either act to overcome the problems which deny the public and benefits they rightly deserve or we must fundamentally call into question the appropriateness of continuing to require the American public through their tax dollars to contribute so heavily to medical, dental, and other health professions education.

The amendment has chosen to do the former, believing that course represents the wiser one and the course truly to be in the public interest.

I believe it important to point out that without an obligated service program underserved communities will have to continue to rely upon the rhetoric of those who suggest the problem is not really extreme or that existing mechanisms will meet the need if only given more time.

Those who propose a different approach have no evidence to document its efficacy, and are unable to rebut the evidence contained in section V of the report and hearing record.

It is important to clarify certain common misconceptions respecting the obligated service provisions of the bill. First of all the bill does not require any health professional school to receive Federal capitation support. Second, the service agreement is betwcen the student and the United States, and does not directly involve the school. Third, any school may choose to admit students who refuse to agree to serve, though in that event the school would be denied its Federal capitation support. Fourth, in the event a licensed graduate fails to meet his service obligation, the institution from which he graduated is in no way involved or penalized.

Mr. President, if we are going to continue to require the American public to support medical, dental, and other health professions education, then I believe we in the Congress have a responsibility to insure that all Americans receive full value for this investment we are making on their behalf. To achieve this goal, I urge my colleagues to support the amendment.

Mr. President, it seems to me that we have now wrapped up, after all of these very extensive considerations, the whole situation, and it should practically and properly go to the House of Representatives, in the Kennedy substitute. But again I return to the fundamental proposition which I mentioned before, and that is the essentiality of the concept of equal opportunity for all, instead of establishing standards which to my mind violate two fundamental precepts of legislation and a principle in which I deeply believe: One, that there shall be selection by economic status, which is the 25-percent proposition in the Beall substitute, with which I disagree, which was very eloquently explained by the Senator from Iowa (Mr. CLARK) so I shall not go over the same ground again; and, second, stopping the incoming aspirant from the practice of medicine in this country at the immigration gate, which again I think runs counter to the basic policies which our country should pursue in the light of even higher responsibilities than those dealt with in this bill.

So for all of those reasons, Mr. President, I shall support the Kennedy substitute, and hope that the Senate will approve it.

Mr. President, I ask unanimous consent that Nik Edes of the staff have the privilege of the floor during the debate on this measure.

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

Mr. JAVITS. I yield the Senator from Maine (Mr. HATHAWAY) 10 minutes out of the time on the substitute.

The PRESIDING OFFICER. There is only time on the bill remaining.

EXHIBIT 1

TREND IN PHYSICIAN DISTRIBUTION—1960–70

State and county name	1960 M.D.s	1970 M.D.s	Ratio M.D.s per 100,000 population, 1960	Ratio M.D.s per 100,000 population, 1970	Percent change M.D.s per population, 1960–70	Percent urban population	City size code	Percent change income 1960–70
New York:								
New York	18,368	11,468	1,081	745	−32	100	11	62
Albany	562	866	205	302	47	85	21	92
Westchester	1,470	2,423	181	270	49	93	11	72
Monroe	1,160	1,637	197	229	16	87	21	102
Bronx	0	3,059	0	207	−100	99	11	51
Rockland	230	474	168	206	22	96	11	196
Onondaga	744	967	175	204	16	81	21	79
Nassau	1,829	2,900	140	203	45	99	11	78
Kings	0	5,063	0	194	−100	100	11	53
Warren	77	94	174	190	9	47	04	72
Erie	1,607	2,090	150	187	24	87	11	74
Schenectady	223	296	145	183	26	88	21	68
Queens	0	3,469	0	174	−100	100	11	77
Dutchess	275	381	156	171	9	42	41	119
Otsego	63	94	73	167	128	28	04	84
Broome	279	361	131	162	23	73	31	62
Tompkins	94	120	142	155	9	41	03	87
Richmond	0	443	0	149	−100	100	11	126
Franklin [1]	47	57	105	129	22	40	05	57
Oneida [1]	322	354	121	129	6	68	31	63
Seneca [1]	29	45	90	128	42	38	05	79
Orange [1]	219	283	119	127	6	51	03	99
Ontario [1]	89	99	130	125	−4	34	21	97
Suffolk [1]	725	1,377	108	122	12	89	11	188
Chemung [1]	108	117	109	115	5	74	41	63
Clinton [1]	60	79	82	108	31	40	04	60
Ulster [1]	120	148	101	104	2	37	03	93
Jefferson [1]	94	92	107	103	−4	39	03	62
Sullivan [1]	52	54	114	102	−11	19	05	90
Caitaraugus [1]	88	81	109	99	−10	35	04	60
Genesee [1]	50	57	92	97	5	38	04	77
Cayuga [1]	77	74	104	95	−9	44	03	74
Putnam [1]	27	53	85	93	9	38	11	185

State and county name	1960 M.D.s	1970 M.D.s	Ratio M.D.s per 100,000 population, 1960	Ratio M.D.s per 100,000 population, 1970	Percent change M.D.s per population, 1960–70	Percent urban population	City size code	Percent change income 1960–70
Rensselaer [1]	163	139	114	91	−21	63	21	78
Yates [1]	14	18	75	90	20	26	04	102
Schoharie [1]	19	22	84	89	5	17	06	90
Niagara [1]	200	210	82	89	9	72	11	47
Madison [1]	48	56	87	89	2	42	21	89
St. Lawrence [1]	100	98	89	87	−3	44	04	62
Fulton [1]	57	46	111	87	−22	56	04	59
Cortland [1]	39	40	94	87	−8	51	04	77
Montgomery [1]	53	48	92	86	−7	55	21	62
Delaware [1]	44	38	101	85	−16	25	06	86
Hamilton [1]	6	4	140	85	−40	0	06	62
Steuben [1]	100	84	102	84	−18	36	04	63
Chenango [1]	41	39	94	84	−11	19	05	78
Essex [1]	42	29	118	83	−30	21	05	67
Columbia [1]	51	43	107	83	−23	17	05	88
Chautauqua [1]	134	121	92	82	−11	54	03	58
Livingston [1]	43	43	108	79	−27	33	21	120
Wayne [1]	61	56	89	70	−22	28	21	108
Washington [1]	35	37	72	70	−3	34	05	75
Wyoming [1]	26	24	74	63	−15	29	06	84
Oswego [1]	96	61	184	60	−68	40	21	90
Herkimer [1]	49	40	73	59	−20	52	31	71
Greene [1]	26	19	82	57	−31	16	05	82
Schuyler [1]	11	9	73	53	−28	16	06	90
Saratoga [1]	68	64	76	52	−32	47	21	140
Orleans [1]	20	19	58	50	−14	31	21	89
Allegany [1]	34	23	77	49	−37	20	05	88
Tioga [1]	24	21	63	45	−29	33	31	116
Lewis [1]	15	9	64	38	−41	15	06	72

[1] Counties which have fewer physicians per population than the U.S. average of physicians per population.

NEW YORK

Counties which have fewer physicians per population than the U.S. average of physicians per population:

Franklin, Oneida, Seneca, Orange, Ontario, Suffolk, Chemung, Clinton, Ulster, Jefferson, Sullivan.

Cattaraugus, Genesee, Cayuga, Putnam, Rensselaer, Yates, Schoharie, Niagara, Madison, St. Lawrence, Fulton.

Cortland, Montgomery, Delaware, Hamilton, Steuben, Chenango, Essex, Columbia, Chautauqua, Livingston, Waynes.

Washington, Wyoming, Oswego, Herkimer, Greene, Schuyler, Saratoga, Orleans, Allegany, Tioga, Lewis.

Mr. HATHAWAY. Mr. President, as I understand the time-limitation agreement, we are going to vote at 10 minutes to 2 on, first, the Proxmire amendment, which would take away from the Food and Drug Administration any control over vitamins; and although the proponent of that amendment is not present in the Chamber, and not many other Senators, either, I thought I would address my first remarks in opposition to that amendment, because we are going to have to vote on it in just about 20 minutes.

I was privileged to preside over 1 of the 2 days of hearings on this vitamin controversy, and believe me, it is a very highly charged debate. We had much conflicting testimony as to the efficacy and particularly the safety of the employment of large doses of vitamins. There was testimony indicating that large doses of either vitamin A or vitamin D can have toxic effects. There was some statement that even vitamin C, which we had heretofore considered to be innocuous, if taken doses, could have a deleterious effect in that it offsets the beneficial effects of vitamin B_1 and, therefore, could possibly lead to pernicious anemia.

I think that there was enough doubt brought out during the course of those hearings to justify at least postponing the consideration of the amendment of the Senator from Wisconsin, especially in view of the fact that we have just had the recent court decision—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATHAWAY. Especially in view of the fact that we have had a recent court decision which threw out the Food and Drug Administration regulations which the Senator from Wisconsin objects to.

The FDA is going to have to revise its regulations so that there are really no regulations now in effect that the Senator's amendment would knock out. The court has already taken care of that. The FDA has indicated that it will take care of the objections that the Senator from Wisconsin sees in the first set of regulations and, I think, we should await the promulgation of the new regulations by the Food and Drug Administration before we adopt an amendment such as the one offered by the Senator from Wisconsin. Many witnesses before the committee stated the Senator's amendment was somewhat ambiguous and was questionable, and we should wait until such time as the Food and Drug Administration comes out with new regulations and then, perhaps, take the matter up again.

But I assume that the Food and Drug Administration will answer the objections of the Senator from Wisconsin. If it does not, we will be prepared to renew our hearings on this matter and be able to legislate upon it on a much firmer basis than we would if we should adopt the amendment of the Senator from Wisconsin today.

Mr. President, I ask unanimous consent that I may insert in the RECORD at this point a statement by the Consumers Union in regard to the amendment of the Senator from Wisconsin.

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

Under S. 2801, the protection of consumer health would be entirely reliant on government experimentation and proof of injury, which would amount to virtually no protection at all. New and reformulated products are constantly introduced into the marketplace. FDA would be unable to gather proof and act until long after damage might be done. If protection is to be truly adequate, the purveyor, not the government, must bear the initial burden of proving safety and efficacy. If the sponsoring manufacturer must come forward with evidence to the government, it would be forced to research directed to consumer safety as well as research directed only to sales promotion. The costs of such research would be distributed through the pricing mechanism to all users, as is appropriate. Of course, in a perfect world the government would have an adequately funded testing laboratory, free of all outside influences, to conduct such research. It is not optimal to let manufacturers collect their own data for the government merely to review. But that procedure is certainly preferable to requiring no showing by the purveyor, leaving the consumer without protection unless and until the government, seeing that a problem has already arisen, could initiate and complete testing.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that I may insert in the RECORD at this point a Health, Education, and Welfare Department letter and memorandum.

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

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., June 27, 1974.

RECENT DEVELOPMENTS RELATING TO VITAMIN AND MINERAL DIETARY SUPPLEMENT REGULATIONS

As you know, last August we published new regulations relating to dietary supplements of vitamins and minerals. Shortly after these regulations appeared in the *Federal Register*, several petitions for review were filed in Federal courts. These reviews have been consolidated in the United States Court of Appeals for the Second Circuit.

Because of the widespread interest in these regulations and legislation which has been proposed to overturn them, we believe you will find the enclosed brief our Counsel has prepared for the judicial review of the regulations helpful in considering the issues involved. We also enclose some additional material on this subject for your reference.

If we can be of further assistance, please let us know.

Sincerely yours,

ROBERT C. WETHERELL, Jr.,
Director, Office of Legislative Services.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
June 24, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of December 12, 1973 for a report on S. 2801, a bill "To amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements and for other purposes."

The bill would insert in the Federal Food, Drug, and Cosmetic Act a definition of "food supplement" as "food for special dietary uses." "Special dietary uses" would then be defined as particular (as distinguished from general) uses of food which supply particular dietary needs that exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight; uses which supply particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood; and uses for supplementing or fortifying the ordinary diet with any vitamin, mineral, or other dietary property. Any such particular use of a food would be regarded as a special dietary use regardless of whether the food also purports to be or is represented for general use.

S. 2801 would also provide that no regulation under the Department's authority under section 403(j) of the Act concerning labeling of food for special dietary uses shall be construed as exempting any food from any provision of the Act.

The bill would also insert in the Act a new section 410 providing that the Secretary shall not, in administering the Act, "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health."

The Department strongly opposes enactment of S. 2801. The purpose of S. 2801 and related bills is to in some way affect or modify our regulations regarding foods for special dietary use. As you know, we fully support these regulations, which are the result of several years of hearings, the review of massive numbers of comments, and consultation with appropriate scientific bodies. The regulations are now the subject of a number of suits pending in the Federal Courts, where they are receiving further review. Enclosed are copies of court decisions to date which concern regulation of dietary supplements and of our appellate brief in National Nutritional Foods Association v. Weinberger, now pending in the United States Court of Appeals for the Second Circuit. We believe our regulations to be fair and circumspect.

On October 29, 1973, Department witnesses presented testimony on bills similar to S. 2801 in the House of Representatives at hearings held by the Subcommittee on Public Health and the Environment of the Committee on Interstate and Foreign Commerce. We enclose a copy of our testimony, which outlines the reasoning behind our regulations and their history and explains some features of the regulations which have been misunderstood. One bill considered at the House hearings and addressed in our testimony was H.R. 10115, which is identical to S. 2801.

There has been a substantial amount of misinformation about the new Food and Drug Administration (FDA) regulations on vitamins and minerals.

1. The new regulations do not remove one nutrient or other food component from the marketplace. Every nutrient or other food component that has been available to consumers up to now will remain available in the future.

2. The new regulations do not place all nutrients on prescription. All but two will remain available to consumers for purchase in grocery stores, pharmacies, and other retail stores throughout the country as nonprescription products. The only two exceptions are potentially toxic high levels of vitamins A and D. And low levels of those two vitamins will also remain available as nonprescription products.

3. The new regulations do not limit the amounts or kinds of nutrients that the public can consume. An individual remains free to eat as many different products as he chooses.

In essence, the consumer has everything to gain, and nothing to lose, from these new regulations. We are enforcing rules that will guarantee that every consumer has complete freedom of choice in the marketplace. We will require accurate and truthful labeling, and rational combinations of ingredients. Consumers may then choose whatever they wish to buy, as is their right. The legislation designed to upset these regulations would promote widespread consumer fraud.

As we explained at the hearings, the effect of H.R. 10115 (and thus S. 2801 as well) upon our regulations concerning dietary supplements is rather unclear since one section of the bill (section 3) seems to be intended to limit our authority to provide for a margin of safety and seems to shift to the Government the burden of proving lack of safety, while another provision purports to preserve all present authority since it states that foods for special dietary uses are not exempt from applicable sections of the Federal Food, Drug, and Cosmetic Act. It is therefore quite unclear to us that enactment of S. 2801 would disturb our regulations at all.

This is, indeed, the problem with this legislation. If it fails to change our regulations, there is little point in enacting it. If it does change our regulations, it will permit the sale of unsafe and fraudulently promoted dietary supplement products, to the great harm of the public. We do not believe that, having enacted important consumer protection legislation to control foods and drugs over the years, Congress now wishes to exempt specific types of foods and drugs from those laws.

The provision of S. 2801, stating that regulations to establish labeling for special dietary foods shall not be construed as exempting any food from the other food provisions or drug provisions of the Act, merely restates present law. Moreover, the bill does not exempt special dietary foods from the food additive, color additive, food misbranding, or drug provisions of the Act. Regulations under section 403(j) have not been intended to exempt products from other applicable sections of the Act. If the intent of this provision is to ensure that the consumer protection features of the Federal Food, Drug, and Cosmetic Act are not diminished, then the provision renders the rest of the bill meaningless, for our present dietary regulations would not be disturbed.

Assuming, however, that the sponsors did not intend to propose a nullity and that some change is intended in FDA's present authority, we are constrained to oppose the bill since it negates important consumer protection principles incorporated in the Federal Food, Drug, and Cosmetic Act and our regulations. In particular, we object to the provision which would insert in the Act a new section 410 providing that the Secretary shall not "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health."

This language would exempt all ingredients in special dietary foods from the safety provisions of the current law. Such an exemption would apply to an enormous number of currently marketed foods, including all low-calorie foods, low-sodium foods, infant foods, and "medical foods" such as special diets for children suffering from phenylketonuria (PKU), as well as the common vitamin pill. Moreover, it fails to distinguish between nutrients (e.g., vitamin C) and other ingredients included in these products (e.g., preservatives, nonnutritional components, flavors, etc.).

This language quoted also appears to prevent provision for a reasonable margin of safety (which is important both because of limits of present scientific knowledge concerning effects of ingesting large quantities of many substances and because many individuals do not always adhere to recommended dosages). Our authority to provide a margin of safety has been recognized in Federal food and drug law for more than sixty years. To eliminate this authority would be a regressive change in the law and a setback for consumer protection, particularly in view of the broad definition of "special dietary uses" contained in S. 2801 which would apply the limitation on applying a margin of safety to a broad spectrum of products under the Act, including virtually all food additives and many drugs.

Furthermore, by requiring the Government to sustain the burden of establishing that the amount of substance recommended does not ordinarily render it injurious to health before limits can be required, S. 2801 would allow the sale of worthless substances as dietary supplements and would foster the sale of recognized essential nutrients as dietary supplements in amounts far too low for—or which far exceed—any known nutritional supplement need.

All consumers will definitely be hurt if the subject legislation is enacted. Those who will benefit are those promoters who want to sell unproven substances or irrational combinations of substances as dietary supplements and who want to make unfounded claims to promote the sale of these articles. We are of the view that every manufacturer who markets consumer products has the duty to assure that these products are safe, properly labeled and honestly promoted, and otherwise in compliance with applicable law. We oppose giving one segment of the food and drug industries a special interest exemption from compliance with duties applicable to other manufacturers of consumer products. If these bills became law and were construed in accordance with what seems to be the intent, this would, in effect, enable one segment of industry to return to the "patent medicine" abuses which prevailed at the turn of the century.

We therefore strongly oppose enactment of S. 2801.

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

Sincerely,

FRANK C. CARLUCCI,
Acting Secretary.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md.

The following are the court decisions mentioned on page 2 of the Secretary's letter:

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United

States District Court Southern District of New York; 73 Civ. 3448 Opinion

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United States District Court Southern District of New York; 73 Civ. 3448 Memorandum

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United States Court of Appeals for the Second Circuit; Docket No. 73-2430

Ajay Nutrition Foods, Inc., et al. v. Food and Drug Administration; United States District Court of New Jersey; Civil Action No. 328-73

National Nutritional Foods Association et al. v. Food and Drug Administration; United States Court of Appeals for the Second Circuit; Docket No. 73-2129

The National Nutritional Foods Association and Solgar Co., Inc., v. Alexander M. Schmidt and Caspar W. Weinberger in the United States District Court for the Southern District of New York.

United States of America v. Hunt Investment, Inc., d/b/a Miller Laboratories, Inc.; United States Court of Appeals for the Eighth Circuit; No. 72-1626 226 F. Supp. 266

Recent Enforcement Actions in Federal Courts Involving Food Supplements—April 15, 1960-September 15. 1961.

Recent Enforcement Actions in Federal Courts Involving Food Supplements—November 1, 1961-September 30, 1963.

National Health Federation et al. v. Caspar Weinberger; United States District Court Northern District of Illinois Eastern Division; No. 73 C 2466

Because of volume, we have not enclosed copies of these decisions. If you desire copies of any or all of these, we will be glad to provide them.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that I may insert another letter from the Department of HEW in regard to the vitamin issue.

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

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
May 8, 1973.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for a report on H.R. 135, a bill "to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes." The views expressed herein apply to similar bills referred to your Committee on which we have not been asked to report including H.R. 643.

The bill would insert in the Federal Food, Drug, and Cosmetic Act a definition of "food supplement" as "food for special dietary uses." "Special dietary uses" would then be defined as particular (as distinguished from general) uses which supply particular dietary needs that exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight; uses to supply particular dietary needs which exist by reason of age, including but not limited to the ages of infancy or childhood; and uses for supplementing or fortifying the ordinary diet with any vitamin, mineral, or other dietary property. Any such particular use of a food would be regarded as a special dietary use regardless of whether the food also purports to be or is represented for general use.

The definition of the term "drug," which now includes "articles (other than food) intended to affect the structure or any function of the body," would be amended to specifically exclude "food supplements."

The bill would also insert in the Act a new section (Section 708) providing that the Secretary shall not, in administering the Act, "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, substance, or ingredient of any food supplement unless such article is intrinsically injurious to health in the recommended dosage." The proposed legislation further provides that the Secretary "shall not require a warning label on any food supplement unless it is intrinsically injurious to health in the recommended dosage."

The Department strongly opposes enactment of H.R. 135. We believe that, for the reasons set forth below, enactment of the bill would be a serious and significant setback to consumer protection afforded under existing law.

1. Under existing law, a vitamin and/or mineral product may be a new drug as well as a food by reason of its being offered for the treatment or cure of disease. As a new drug, it would be required to be affirmatively proven to be safe and effective under the conditions of use recommended in the labeling. Under H.R. 135, the Government could not, apparently, require premarketing approval of a food supplement which is also a new drug.

By excluding "food supplements" from the drug provisions of the Act, products with unproven label claims—or products containing ingredients of doubtful and unproven safety or effectiveness—could be marketed unless the Department found them to be "intrinsically injurious to health in the recommended dosage." This would be especially detrimental if the food supplement-drug were offered or intended for use in a serious disease condition. It should be emphasized in this connection that delay in seeking proper medical attention because of reliance on an ineffective article may be just as dangerous as taking a preparation that is "intrinsically" injurious to health.

2. To place upon the Government the burden of establishing that a food supplement is "intrinsically injurious to health" before it could require a label warning or limit the use of food supplements would also thwart the consumer protection presently afforded by the Food Additives Amendment to the Act. Instead of placing the burden of proving the safety of food additives on the manufacturer, this bill would require the Government to prove that a food additive (covered by the broad definition of food supplement) is intrinsically dangerous before its use could be restricted.

The Food Additives Amendment to the Act became law in 1958 to protect the consumer against uses of additives in foods which have not been proven to be safe. The Congressional intent was to place upon the manufacturer, not the Government, the burden of proof of safety. For example, a regulation to permit the use of pangamic acid (Vitamin B_{15}), has been denied under the food additive provisions of the Act because the petitioner had failed to submit the required data to show that the proposed use of the vitamin would, in fact, be safe. Because B_{15} falls within the definition of "food supplement" in H.R. 135, however, the Secretary would be prohibited under this bill from limiting the "potency, number, combination, amount or variety" of the vitamin as proposed to be used and, therefore, would have to prove that the proposed use is "intrinsically injurious to health" before preventing its use on safety grounds.

To require the Government to establish that a product is "intrinsically injurious to health" before requiring a label warning, or before limiting the potency, number, combination, amount, or variety of food supplements would, moreover, reverse the philosophy of Section 402(a)(1) of the Act, which has been a part of the Act since its enactment in 1938, and which deems a food to be adulterated if it "bears or contains any poisonous or deleterious (added) substance which may render it injurious to health" (emphasis added). Thus a potential rather than actual risk of injury to man is sufficient for the Department to act under present law. This would not be true if H.R. 135 were enacted.

3. The bill would also limit authority under Section 401 of the Act which directs the issuance of a standard of identity for a food when, in the judgment of the Secretary, such action will promote honesty and fair dealing in the interest of consumers, and under Section 403(j) which requires the label of a food for special dietary uses to bear such information concerning the food's vitamin, mineral, or other dietary properties as is determined by regulation to be necessary in order to fully inform purchasers as to the value of these foods for such uses.

New regulations were issued for food for special dietary uses on January 19, 1973. These regulations have been subjected to extended scrutiny and deliberation and have been revised several times. These regulations were promulgated in recognition of the developments in nutritional science, in food technology, and industry marketing practices which have in many respects outmoded the regulations for food for special dietary uses which were issued in 1941. The standards for vitamin and mineral supplements were based, in part, on an adaptation of recommended dietary allowances established by the National Research Council for the National Academy of Sciences.

For all of the above reasons, we recommend against enactment of H.R. 135.

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

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Mr. HATHAWAY. Now, Mr. President, with regard to the Kennedy-Javits-Hathaway-Clark substitute, which we will vote on immediately after the vote on the Proxmire amendment, I have been here most of the morning and listened to the arguments of both sides. I think that most of the salient points have been made.

But I would like to point out just two things in my remarks in this regard: Under the Kennedy substitute, with the adoption of the Nelson amendment that is incorporated into the substitute, there will be a 6-year period before the provisions of the committee bill are implemented.

Now, the Senator from Maryland and other sponsors of the substitute of the Senator from Maryland, the Beall substitute, have indicated that they think that voluntary action can solve the problems that the committee bill addresses itself to. These problems are the distribution of medical people throughout the country and the quality of medical care throughout the country.

During the 6-year period we will have a chance to see whether or not the various voluntary efforts that have been spoken of by the Senator from Maryland and others will solve this problem. If they do solve this problem then there will not be any necessity for having those who have agreed to serve in the medically

underserved areas go to those areas. It is as simple as that.

If this bill passes with the Kennedy substitute rather than the Beall substitute prevailing, even though new medical students will have to sign up to serve in medically underserved areas, they will not have to fulfill this obligation, if there are no medically underserved areas 6 years from now when they are ready to serve.

If the thinking of the Senator from Maryland and the others supporting his position is correct, I would assume that through voluntary action this problem will be solved at that time.

The second point I want to make, Mr. President, and the final point, is that this is not a doctor draft, as has been indicated by some of the opponents of the committee bill. This is simply an agreement between the Federal Government and medical students, and the agreement is this: "That the Federal Government, paying 50 percent of the costs of your education, Mr. Student, in exchange for that asks that you make a commitment to serve in a medically underserved area for a period of 2 years after you have received your license to practice."

I think that is a very understanding agreement. I think that the people of the United States, the taxpayers of the United States, should get no less for their money. The various charts around the Chamber indicate the serious maldistribution that we have with respect to medical personnel. All of these people in these underserved areas are paying taxes to the Federal Government, and I think they are entitled to a return for the taxes that they pay.

Mr. CLARK. Mr. President, I am pleased to join Senators JAVITS, KENNEDY, and HATHAWAY in sponsoring this substitute amendment which will, in effect, delay the operative provisions of the original committee bill, S. 3585, for 6 years, until 1980.

The need for a comprehensive program to get health professionals into medically underserved areas has been conceded by both the proponents and opponents of this amendment.

Right now, good health care is not available to too many of our citizens, the rural and inner city residents, the elderly, the poor, and the disadvantaged.

Simply stated, this substitute amendment will provide a 6-year period for the private sector—the medical schools and the medical societies to respond to the health manpower needs in this country. If, at the end of this 6-year period, the private sector has not responded to the doctor shortage, the maldistribution of doctors by specialty and the geographical disparities between urban and rural areas, then the original provisions of the committee bill, S. 3585, will take effect.

The 6-year period will give States the opportunity to reexamine their licensing requirements, and it will give notice to medical schools and the medical profession, that they must deal with this Nation's most pressing manpower problems if they do not want the Federal Government to set standards on licensing and residency requirements, and to require all medical students to serve in medically underserved areas of this country.

The substitute amendment will continue to recognize that the taxpayers of this country underwrite the major share of medical education, and in return for that investment, they are entitled to a sufficient number of physicians and related health personnel in their communities to serve their health needs.

Hopefully, the private sector will respond to the needs which the Senator from Massachusetts and the committee report have so clearly drawn out. But, in the event that the private sector is unable to come to grips with this Nation's most pressing health manpower problems, then the operative provisions of the original committee bill will take effect in 1980.

Mr. President, it is essential that all the people of this country get good medical care, and this amendment will take the necessary steps to guide this country toward that goal. While I feel that the original committee bill would take a more concrete and realistic approach to our health manpower problems in the coming years, the compromise amendment offered by Senators KENNEDY, JAVITS, HATHAWAY, and myself, will not compromise our basic thrust—to get the healing services back to the people who have already paid for them through medical education.

Mr. DOLE. Mr. President, I cannot agree with the attempt of the distinguished Senator from Massachusetts (Mr. KENNEDY) to salvage, under the guise of a substitute, essentially the same bill reported from the committee by simply delaying its implementation for 6 years.

Apparently, he is hoping to avert a rejection of the original proposal by having us approve the identical revision of health manpower policy, but at some time in the future. The doctor-shortage problem is with us now, however, Mr. President, and I would hope that recognition of that fact—as brought out time and time again in the committee report on S. 3585—has not so soon been lost.

This proposed substitute makes, in my view, adoption of the compromise offered by the distinguished Senators from Maryland, Colorado, and Ohio (Mr. BEALL, Mr. DOMINICK, and Mr. TAFT) just that much more essential, for the Beall plan would address the problem so vividly portrayed by the graphs around us right now. It would begin in 1975 to prepare doctors for service in a shortage area—not wait until 1980.

Undoubtedly, the Kennedy substitute is intended to thwart the adoption of the Beall substitute. I sincerely hope that every Senator here will be quick to discern such a move, however, and will vote down the so-called substitute so that we can get on with approval of the far more realistic and acceptable Beall-Dominick-Taft approach.

I stress again that this is nothing more than "the same horse with a different collar"—although perhaps 6 years older—and that no one should permit himself to think otherwise. Mr. President, I urge the rejection of this substitute, and feel that the majority of us here are ready to take responsible action now.

S. 3164—THE REAL ESTATE SETTLEMENT PROCEDURE ACT OF 1974—SENATOR CRANSTON REPLACED BY SENATOR McINTYRE AS CONFEREE

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senator from California (Mr. CRANSTON) be excused as a conferee on S. 3164, the Real Estate Settlement Procedure Act of 1974, and be replaced by the Senator from New Hampshire (Mr. McINTYRE).

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

H.R. 15977—A BILL TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945—SENATOR McINTYRE AND SENATOR BENNETT ADDED AS CONFEREES

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the names of Senator McINTYRE and Senator BENNETT be added to the list of conferees on H.R. 15977, a bill to amend the Export-Import Bank Act of 1945, and for other purposes.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) 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.)

ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the annual report of the National Heart and Lung Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

The "National Heart, Blood Vessel, Lung, and Blood Act of 1972" created a National Heart and Lung Institute and required the Director in consultation with the National Heart and Lung Advisory Council to prepare and submit to the President for transmittal to the Congress an annual report and a plan for the next five years.

This report is enclosed. It is a detailed and thorough description of what is being done in research and treatment of heart and lung diseases, with a thoughtful plan for what might be done in the next five years. The keynote of the report is the same as that of the NHLI's first program plan: "to marshal national resources for promoting and restoring health, and for preventing and treating disease more effectively. . . ."

That part of the report which deals with the future proposes certain expenditures for fiscal years 1976 through 1980 which are in excess of what has been requested in the 1975 budget. The report, of course, frankly says that it represents a parochial, although important, point of view, and does not take into account the competing claims on the Federal budget at any time.

There is no conflict, however, about the depth of this administration's commitment to find cures and preventions for diseases of the heart, blood vessels, lungs, and blood. From a commitment of $182 million in 1971 to a proposed commitment of $309 million in 1975, the Federal Government's concern and determination on this matter has grown steadily greater. My administration reaffirms that commitment.

This report shows that the money spent by the NHLI has been well spent. I hope that the NHLI's accomplishments will be further milestones in our progress for our Nation and for mankind against those diseases which wreak so much heartbreak, death, and misery.

GERALD R. FORD.

THE WHITE HOUSE, *September 24, 1974.*

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

Mr. HATHAWAY. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides.

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

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I ask unanimous consent that the order for the quorum call be rescinded.

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

The hour 1:50 having arrived, the vote occurs on the amendment of the Senator from Wisconsin (Mr. PROXMIRE). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) and the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

The result was announced—yeas 81, nays 10, as follows:

[No. 421 Leg.]

YEAS—81

Abourezk	Fannin	Moss
Aiken	Fong	Nelson
Allen	Fulbright	Nunn
Baker	Griffin	Packwood
Bartlett	Gurney	Pastore
Beall	Hansen	Pearson
Bible	Hartke	Pell
Biden	Haskell	Proxmire
Brock	Hatfield	Randolph
Brooke	Helms	Ribicoff
Buckley	Hollings	Roth
Byrd, Harry F., Jr.	Hruska	Scott, Hugh
Byrd, Robert C.	Huddleston	Scott, William L.
Cannon	Humphrey	Sparkman
Case	Inouye	Stafford
Chiles	Jackson	Stennis
Church	Javits	Stevens
Cook	Johnston	Symington
Cotton	Long	Taft
Cranston	Magnuson	Talmadge
Curtis	Mansfield	Thurmond
Dole	McClellan	Tower
Domenici	McClure	Tunney
Dominick	McGee	Weicker
Eagleton	McGovern	Williams
Eastland	Metzenbaum	Young
Ervin	Mondale	
	Montoya	

NAYS—10

Bennett	Hathaway	Muskie
Burdick	Kennedy	Percy
Clark	McIntyre	
Hart	Metcalf	

NOT VOTING—9

Bayh	Goldwater	Mathias
Bellmon	Gravel	Schweiker
Bentsen	Hughes	Stevenson

So Mr. PROXMIRE's amendment No. 1880 to Mr. BEALL's amendment, in the nature of a substitute, was agreed to.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on the Kennedy-Javits substitute.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, for the information of the Senate there is unanimous-consent agreement that this be a 10-minute rollcall vote.

The PRESIDING OFFICER. Under the previous order, the question now is on agreeing to the Kennedy amendment in the nature of a substitute for the Beall amendment, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

The result was announced—yeas 33, nays 58, as follows:

[No. 422 Leg.]

YEAS—33

Abourezk	Hathaway	Metzenbaum
Aiken	Hollings	Mondale
Bible	Humphrey	Montoya
Burdick	Inouye	Moss
Byrd, Robert C.	Jackson	Muskie
Cannon	Javits	Nelson
Case	Kennedy	Pell
Clark	Mansfield	Ribicoff
Cranston	McGovern	Stafford
Hart	McIntyre	Tunney
Haskell	Metcalf	Williams

NAYS—58

Allen	Eastland	Packwood
Baker	Ervin	Pastore
Bartlett	Fannin	Pearson
Beall	Fong	Percy
Bennett	Fulbright	Proxmire
Biden	Griffin	Randolph
Brock	Gurney	Roth
Brooke	Hansen	Scott, Hugh
Buckley	Hartke	Scott, William L.
Byrd, Harry F., Jr.	Hatfield	Sparkman
Chiles	Helms	Stennis
Church	Hruska	Stevens
Cook	Huddleston	Symington
Cotton	Johnston	Taft
Curtis	Long	Talmadge
Dole	Magnuson	Thurmond
Domenici	McClellan	Tower
Dominick	McClure	Weicker
Eagleton	McGee	Young
	Nunn	

NOT VOTING—9

Bayh	Goldwater	Mathias
Bellmon	Gravel	Schweiker
Bentsen	Hughes	Stevenson

So the Kennedy amendment in the nature of a substitute for the Beall amendment, as amended, was rejected.

Mr. TAFT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BEALL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Will the Senator yield to me for 1 minute?

Mr. KENNEDY. Yes, I yield.

S. 707 AND H.R. 13163 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 857, S. 707, and Calendar No. 895, H.R. 13163, be placed under the heading "Subjects on the Table."

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I think it should be clear, because it was such a very hotly controverted bill, that one of these bills is the so-called consumer protection agency bill. The other sponsors of the measure and I are convinced that the cause of getting the bill enacted into law will be retarded, not advanced, if we continue to press the matter in this session.

Therefore, in the interest of getting a law which we are confident we can get when the Congress convenes, we are not

interposing objection to this procedure; we are simply recognizing reality.

The PRESIDING OFFICER. Will the Senator suspend?

May we have order in the Senate. The Senator from New York has the floor.

The Senator from New York is recognized.

Mr. JAVITS. Also, and I emphasize that we do this in the interest of insuring that we will prevail. We believe that that total effort will be prejudiced against us if we persist at this time.

Mr. CRANSTON. Mr. President, reserving the right to object, I wish also to join in stating that, in my judgment, the leader has made a wise decision in placing this measure aside.

However, I wish to join in the expression of confidence by the Senator from New York that we can and will pass this measure early in the next Congress.

The PRESIDING OFFICER. Is there further objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, I assure the leader I never had any doubt that the leader was going to take these bills down, because a commitment was made in the Senate that there be four cloture votes, and, as the distinguished Senator from New York has said, a fifth cloture vote will not advance the cause of the bill, because there were a number of Senators who voted for cloture on the fourth vote, who would not have voted for cloture had there been a fifth vote. I never had any doubt but that the majority leader would be fair and would live up to the commitment that was made, and I am delighted that he is taking this action at this time.

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

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BEALL. As I understand the parliamentary situation at the present time, the Beall-Taft-Dominick substitute is now before the Senate, with a time limitation.

The PRESIDING OFFICER (Mr. DOMENICI). That is correct, as amended.

Mr. BEALL. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BEALL. There are several amendments which Senators want to offer, which are acceptable, to the substitute. Does all time have to be yielded back before amendments are offered?

The PRESIDING OFFICER. That is correct, unless unanimous consent is obtained.

Mr. BEALL. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. CHURCH) and the Senator from Alabama (Mr. ALLEN) be permitted to offer amendments prior to the expiration of the time for debate on the substitute.

The PRESIDING OFFICER. Is there objection?

Mr. PASTORE. Mr. President, reserving the right to object, will the Senator answer one question for me? Does his substitute, in essence, in providing that those who may be assigned to a rural area or an area where there is a scarcity of medical assistance, further provide that this applies only to those students who receive either a loan or a grant as tuition during their time in the university?

Mr. BEALL. That is correct.

Mr. PASTORE. It does not apply to anyone else?

Mr. BEALL. It applies only to those people receiving assistance in the category reserved in the 25 percent slot at the schools.

Mr. PASTORE. In other words, they are obligated in return for some assistance given to them?

Mr. BEALL. That is right; and they are obligated for one year of service for each year of assistance, or otherwise they are required to pay back double.

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

Mr. BEALL. I yield.

Mr. BROOKE. Do I correctly understand that those who do not receive the assistance are in a separate category?

Mr. BEALL. They will be under a separate program so that disadvantaged students will have an opportunity to enter the unreserved positions.

Mr. BROOKE. And they are not affected by the Senator's amendment?

Mr. BEALL. That is correct.

Mr. CHURCH. 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. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that I may explain it.

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

Mr. CHURCH's amendment is as follows:

On page 63, line 9, insert "(1)" after "(B)".

On page 64, insert between lines 9 and 10 the following:

"(2) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under Section 329 or under agreements entered into with individuals under Sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions."

Mr. CHURCH. Mr. President, Idaho has no medical schools, but the Idaho State Legislature appropriates a sum of money to the State of Washington in order to receive for Idaho students a certain allotment of admissions at the medical school in Washington. The legislature has committed up to $12,500 a year for each Idaho student who is admitted under this program to the medical school at the University of Washington.

The purpose of this amendment is simply to give to Idaho the same status that is given to States which do maintain medical schools. That is to say, in conjunction with students who are obligated to give this service in areas that are not adequately serviced by medical personnel and for whom the Idaho Legislature obligates money to the State of Washington above or beyond tuition fees, Idaho will have a claim on 50 percent of such students in the same way that other States would have.

The substitute amendment before us specifies that a State which provides substantial financial assistance to one of its medical schools which receives capitation grants under this act is entitled to have an equivalent of 50 percent of the graduates of that school, who have incurred medical service obligations under the scholarship program, assigned within that State if there is need for these professionals.

I support this provision of the bill, but I find that it does not address itself to the matter of a State which supports a medical school outside its boundaries. The State of Idaho, for instance, does not have a medical school. This is most unfortunate for Idaho students since they often encounter difficulties in gaining admission to out-of-State schools which give admission preference to resident students. Because of this, and until such time as the establishment of a medical school in Idaho becomes feasible, Idaho has joined with the States of Montana and Alaska—also without medical schools—in developing a program in conjunction with the medical school at the University of Washington in Seattle, Wash. This program—called WAMI, the initials representing the States involved—allows the participating States without medical schools to contribute to the support of the medical program at the University of Washington in order to assure that an allotted number of slots will be held for qualifying nonresident students. For those of my colleagues interested in a more detailed description of this program, I ask unanimous consent that the

attached article be printed at the end of my remarks.

This is a relatively new program; and each State is allowed to participate to the degree desired, the allotment of student slots being in direct proportion to the degree of participation. For instance, the Idaho State Legislature agreed last year to pay Washington the full costs for 10 Idaho students above and beyond what the student himself paid in tuition fees. The University of Washington estimates the cost per year per student to run about $12,500 and this year they asked the Idaho Legislature for $89,000 to support these 10 slots. Next year it is hoped that 20 slots can be reserved for Idaho medical students, and is order to do so the Idaho Legislature will be called upon to more than double its appropriation for this purpose.

Now, my point is, since a situation exists where a State contributes to a medical school outside State lines, it seems only fair that such a State also receive 50 percent of the students it supports which have incurred a service obligation if it, too, can demonstrate need for these professionals in medically underserved communities. My amendment adds a new section to the bill to accomplish just that, and I hope that the distinguished author of this amendment, Senator BEALL, will recognize this inequity and agree to accept this amendment.

I ask unanimous consent to have printed in the RECORD an article entitled "WAMI Extends Medical Education in the Pacific Northwest," written by M. Roy Schwarz, M.D., and published in the current issue of WAMI News.

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

WAMI EXTENDS MEDICAL EDUCATION IN THE PACIFIC NORTHWEST

(By M. Roy Schwarz, M.D.)

Because you live in Washington, Alaska, Montana, or Idaho and will help determine the future of health care in your state, we'd like to introduce you to WAMI. Named for the four states participating in the program, WAMI is an experiment in broadening the base of medical education. Its goals are to reduce the physician shortage in the small communities in the region and to provide medical training to an increased number of students who are residents of the four states.

The program has made considerable progress since December, 1969, when it was conceived. Five universities in the WAMI states are participating. These include the University of Washington, which provides the bulk of the medical school experience. The other schools in the WAMI Program are the University of Alaska, the University of Idaho, Montana State University, and Washington State University. Family doctors, obstetrician-gynecologists, and pediatricians are training students in clinical medicine in eight small communities in the four states. Internists in outher outlying communities will be teaching in the program in the coming months, and plans are being made to include psychiatrists and surgeons in this part of the WAMI program.

WAMI owes its achievements to the extraordinary support by many persons and to funding by the Commonwealth Fund of New York, a private organization, and to the newly created Bureau of Health Resources Development of the Health Resources Administration (formerly the Bureau of Health Manpower Education of the National Institutes of Health).

You are reading the first issue of the WAMI News. It will be publishted bimonthly to tell you what WAMI is, why it was created, and current developments. We welcome your questions or comments on the program.

You may address your remarks to the WAMI Coordinator at the participating university in your state:

Dr. Richard Lyons, WAMI Program, University of Alaska, Box 95753, Fairbanks, Alaska 99701.

Dr. Guy Anderson, WAMI Coordinator, Life Science 112, University of Idaho, Moscow, Idaho 83843.

Dr. John Jutila, WAMI Coordinator, Montana State University, Department of Botany and Microbiology, Bozeman, Montana 59715.

Dr. Ronald J. Adkins, WAMI Coordinator, Washington State University, Box P—College Station, Pullman, Washington 99163.

Or to me: Dr. M. Roy Schwarz, Director, WAMI Program, University of Washington School of Medicine, Seattle, Washington 98195.

WAMI SEEKS TO REVERSE PHYSICIAN SHORTAGE

There is a clear need for more primary-care physicians in the small communities of the WAMI states. Alaska has only one-half of its fair share, based on its population, of the available U.S. physician pool. In 1969, Idaho's physician-to-population ratio was 89:100,000, compared to the U.S. average of approximately 150:100,000. Montana had only 100 physicians for 100,000 persons. Washington's physician population is only slightly less than the national average. The majority of the physicians are clustered in the Puget Sound and Spokane regions, boosting statistics there well above the norm, but leaving large rural areas of the state with few physicians and great health care needs.

Alaska, Montana, and Idaho are at a particular disadvantage. None of them has a medical school, and an estimated sixty million to one hundred million dollars would be needed to build one such facility. As do all other state-supported medical schools in the country, the University of Washington's school must give preference to applicants from its own state, and even then approximately three students apply for each one that can be accepted. None of the WAMI states has the economic resources to devote to construction of new facilities or, in Washington's case, to adequate expansion of the existing medical school.

To ease these problems, the UW School of Medicine created WAMI.

MORE SLOTS CREATED FOR TRAINING

The University Phase of WAMI began in the fall of 1971 at the University of Alaska in Fairbanks. Nine freshman medical students took the first academic quarter of their basic science curriculum at the university in Fairbanks. They then joined the rest of the first-year medical school class at the University of Washington. Last fall, Washington State University and the University of Idaho entered the program, and the three participating schools taught a total of thirty students for their first academic quarter of medical school. This fall, Montana State University is also teaching medical students. It is planned to allow students to take a full academic year at a participating university.

The University Phase of WAMI is expanding the classroom space and teaching faculty for medical students without the cost of building new facilities. This will allow more students from the states to enter medical school.

CLINICAL TRAINING PROVIDED IN OUTLYING COMMUNITIES

The other aspect of the WAMI program, the Community Clinical Phase, is increasing the number of sites for training medical students and, at the same time, giving them a firsthand view of medicine in practice in smaller communities of the region. Family physicians in four towns in Washington and one in Alaska take third- and fourth-year students and, more recently, residents into their daily practices for six weeks. These Community Clinical Units, as the sites are called, are in Omak, Grandview, Oak Harbor, and Anacortes, Washington, and in Kodiak, Alaska. A Community Clinical Unit in obstetrics-gynecology serving Nampa, Boise, and Caldwell (the Treasure Valley area) in Idaho began receiving students in March. Additional units in pediatrics opened in July in Pocatello, Idaho, and Great Falls, Montana. Units in internal medicine will be established in the coming months. Other sites for training students in psychiatry and surgery are being planned.

During their stay, the students become familiar with the patients and the community, the types of illnesses the family physician sees, and the role and kind of life the doctor has in a rural community. Because physicians often practice in the areas where they have had clinical training, it is hoped this exposure to the attractions of medical practice in a farm-related community will influence the WAMI students to return there to establish practices.

FIRST 2 YEARS YIELD ENCOURAGING RESULTS

The WAMI program is being funded as an experiment. The attitudes and performance of the students and participating faculty are continuously assessed to determine if the project could become a practical ongoing program.

While all the units expose the students to the private practice of community medicine, each one offers an experience unique to the area. In Omak, a small community in northeastern Washington, the students are conducting in-depth studies of patients' families. The UW Department of Psychiatry and Behavioral Sciences is working with the Omak physicians in improving a mental health program. The clinic's business manager has developed a computer program to learn which students are seeing what types of patients and the numbers involved.

In Kodiak, Alaska, the site of the most recently established family medicine unit, three physicians and one surgeon are responsible for the health care of a community of ten thousand persons on an island in the Aleutian chain. In addition to observing the local medical practice, the students are learning about another system of providing health care. A radio network links eight outlying villages with the Kodiak medical center. Once each day, health aides in the villages communicate with the Kodiak physicians on specific needs of the community and individual patients.

Other positive experiences are expected in Idaho and Montana as new Community Clinical Units are established.

WHAT LIES AHEAD?

WAMI, as an experimental program, has progressed more than halfway through its funding period. The Commonwealth Fund of New York, a private foundation, provided the original financing for the program. That funding period will end June 30, 1974. Additional funding, provided in the spring of 1972 and again this summer by the Federal Bureau of Health Resources Development, will end in 1975. Both the Commonwealth Fund and the government have made it clear that financing would be provided for this limited period as seed money to establish a sound, self-sustaining program of medical education in the Pacific Northwest. WAMI is perceived as a viable means of solving the physician shortage in rural areas. To sustain success and to reap the rewards of a broadened system of medical education, the participating states will have to assume the financial responsibilities the program requires.

To evaluate the success of the courses at the different schools and to compare the WAMI students' progress with that of their

classmates at the University of Washington, all the freshman students are given a common test at the end of the first academic quarter. Results of the tests given last December showed that students in the WAMI program scored at least as well as their classmates at the University of Washington. Student performances at one school did not differ significantly from performances at any of the other schools in the four states.

In the Community Clinical Units, the students and their physician-teachers have found rewarding experiences. Patients have expressed appreciation for the attentiveness and interest of the students. For the physicians at the Oak Harbor unit on Whidbey Island, for example, say they are learning from the students and from their link with the University faculty. They believe that because of WAMI they are providing better health care to the community. A hospital built three years ago on the island brought together physicians who, because of their previous geographical separation, had not worked with each other. Dr. John Teays at the Oak Harbor unit said WAMI has improved the physicians' relationships with one another and has contributed to their learning experiences and professional development in a way that "couldn't be equalled anywhere else."

Anacortea, the site of another WAMI Community Clinical Unit, has a physician shortage. Dr. Harold E. Clure said the students have had an important positive impact on the community. Because of the students, he said, two new primary care physicians were attracted to the area. Physicians want to be involved with students, teaching, and the University, he said.

The Community Clinical Unit in Grandview was the first to receive residents. The Grandview physicians believe that the residents, who are still involved in medical training, are teaching the Grandview doctors a few things in addition to doing the important work of instructing the medical students.

Mr. CHURCH. I have discussed this matter with the distinguished floor leader and the distinguished Senator from Maryland, who both find the amendment entirely acceptable and equitable, and I hope the Senate will approve it.

Mr. KENNEDY. Mr. President, whether you support our amendment or the Beall amendment, this proposal is eminently fair and makes eminently good sense. It covers a very special situation of Idaho in a tri-State arrangement, and should be accepted.

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

Mr. CHURCH. I yield.

Mr. STEVENS. Does the Senator's amendment apply to all those States that do not have medical schools, or specifically to the State of Idaho?

Mr. CHURCH. It applies to those States that do not have medical schools and are making contributions. Idaho makes a contribution.

Mr. STEVENS. I am concerned about WAMI, the Washington-Alaska-Montana-Idaho program. It has no effect on that?

Mr. CHURCH. It would have no effect on the operation of the program itself.

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

Mr. CHURCH. I yield.

Mr. HANSEN. The State of Wyoming, along with a number of other States, has been a participant and one of the compacting States in the Western Commission for Higher Education, which includes the kind of support, I think, which the distinguished Senator from Idaho has just reported. Am I right about that?

Mr. CHURCH. The Senator is correct.

Mr. HANSEN. Would this amendment, which as I understand recognizes the contributions the State of Wyoming is making, insure that proportional to the contribution the State has made it would be assured of the return and practice in the State for a commensurate period of time of doctors who had been participants in the program?

Mr. CHURCH. That is the purpose of the amendment. I do not know the situation in Wyoming. The Senator from Wyoming certainly does know it.

This is meant to apply to all those States which are contributing to the medical education of students from the States, who must go elsewhere to receive their medical education because of the lack of a medical school within the State.

Mr. HANSEN. Mr. President, if the Senator will yield further, I ask unanimous consent that I be included as a cosponsor of the amendment.

Mr. CHURCH. I am happy to have the Senator as a cosponsor.

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

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

Mr. CHURCH. I yield.

Mr. McCLURE. I ask that I also be included as a cosponsor.

Mr. CHURCH. Mr. President, I ask unanimous consent that the name of my colleague, Mr. McCLURE, be included as a cosponsor of the amendment.

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

The question is on agreeing to the amendment of the Senator from Idaho (Mr. CHURCH).

The amendment was agreed to.

The PRESIDING OFFICER. Is all time on the amendment yielded back? The question is on agreeing to the amendment of the Senator from Maryland, as amended.

Mr. BEALL. Mr. President, we previously received unanimous consent for the Senator from Alabama to offer an amendment.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

AMENDMENT NO. 1861 (AS MODIFIED)

Mr. ALLEN. Mr. President, I call up my amendment No. 1861, and ask unanimous consent that it be conformed so as to fit the Beall substitute, it having been drafted as an amendment to the original bill.

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

Mr. ALLEN. I further modify the amendment on page 2, line 4, by striking "section 754" and inserting in lieu thereof "section 752".

The PRESIDING OFFICER. The amendment will be so modified.

Mr. ALLEN'S amendment, as modified, is as follows:

On page 155 insert between lines 2 and 3 the following:

(c) Such Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"SEC. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 752. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year.".

Mr. ALLEN. Mr. President, this amendment is offered on behalf of myself and Senators SPARKMAN, ERVIN, MANSFIELD, McGEE, STENNIS, HUMPHREY, and BIBLE.

Mr. President, this is the amendment setting up the Lister Hill scholarship program providing for 10 medical school scholarships, 4-year scholarships, annually for the study and practice of family medicine, family practice medicine.

A separate bill was introduced, and this amendment, which is added to a section providing for several hundred scholarships in the Public Health Service Act, would provide 10 additional scholarships in honor of Senator Lister Hill.

I ask unanimous consent that the distinguished Senator from Rhode Island (Mr. PASTORE) be added as a cosponsor.

Mr. DOMINICK. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. DOMINICK. Would he mind if he joined the Senator from New York (Mr. JAVITS) and myself as cosponsors?

Mr. ALLEN. Yes; I would be delighted.

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

Mr. ALLEN. The Senator from Washington (Mr. MAGNUSON), the Senator from Kansas (Mr. DOLE), the Senator from New York (Mr. JAVITS), the Senator from Colorado (Mr. DOMINICK), and the Senator from North Dakota (Mr. YOUNG).

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

Mr. ALLEN. The distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from New York (Mr. JAVITS) agreed to accept this amendment to S. 3585. The distinguished Senator from Maryland (Mr. BEALL) agreed to accept it to his substitute.

I would like to yield back the remainder of my time.

Mr. KENNEDY. Will the Senator withhold and yield for one moment?

Mr. ALLEN. Yes.

Mr. KENNEDY. It seems to me, Mr. President, that this amendment makes eminently good sense. It honors one of the great legislative leaders in the

health area, Chairman Hill of Alabama, who has probably done more in the development of health manpower legislation than any other living or deceased Senator, and it is entirely appropriate that he be honored in this way, and I hope that it will be accepted and adopted.

Mr. ALLEN. I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. I am happy to support the amendment of the Senator from Alabama and to urge its adoption. I am ready to go back to my amendment.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. Mr. President, I ask unanimous consent that the Senator from Kansas (Mr. DOLE) and the Senator from Oregon (Mr. HATFIELD) be added as cosponsors of the substitute.

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

Mr. BEALL. Mr. President, I ask unanimous consent that it be in order to offer an amendment by my colleague from Maryland (Mr. MATHIAS) and myself.

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

The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. BEALL. 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:

On page 114, insert the following after line 19:

SEC. 705. The Secretary shall, within 3 months after the date of enactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

Mr. BEALL. Mr. President, this amendment was previously offered by my colleague, Senator MATHIAS, to the Kennedy substitute. It requires the Department of Health, Education, and Welfare within 3 months to issue regulations concerning sex discrimination in health institutions in accordance with amendments sponsored by Senator MATHIAS and Senator HART under the provision of the law in 1971.

There is no objection to this amendment; it is worthwhile and it should be added, and I am prepared to yield back the remainder of my time on the amendment.

Mr. KENNEDY. I yield back whatever time is remaining on my behalf.

Mr. BROOKE. Mr. President, may I ask the Senator one question? Suppose the money is not appropriated? I know the Senator used the word "entitlement" in this bill. Suppose the money is not appropriated? The student, as I understand it, is still required to serve?

Mr. BEALL. He is required to serve but there is a provision for loan forgiveness, so he can get reimbursement through the loan forgiveness procedures already established.

Mr. BROOKE. The Senator uses the language "entitlement."

Mr. BEALL. Well, we cannot bind the Appropriations Committee.

Mr. BROOKE. I know we cannot bind the Appropriations Committee. But I would hate to see a situation exist whereby the money is not there and then the student is still bound to serve.

Mr. BEALL. In all honesty I do not think we run that risk because the Appropriations Committee has a very good record of support for programs of this sort, and we do have the loan forgiveness programs in back of it, that feature, so I think the students will be adequately cared for.

Mr. BROOKE. So there must be some good faith in what the Appropriations Committee does to guarantee under these circumstances that there will be appropriations for the students to serve.

Mr. BEALL. Yes. There is good faith involved which, I think, is a reasonable expectation that the committee will accept the mandate of the Senate in issuing a program of this sort.

Mr. BROOKE. There is good faith in this legislation.

Mr. BEALL. There certainly is.

Mr. President, I ask unanimous consent that the Senator from New Mexico (Mr. DOMENICI), and the Senator from Indiana (Mr. HARTKE), be allowed to present amendments prior to yielding back the time on my substitute.

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

Mr. STAFFORD. Mr. President, will the Senator yield for a question? I would like to ask the distinguished sponsor if there is anything in this substitute which mandates an increasing enrollment in medical colleges year by year.

Mr. BEALL. One year only.

Mr. STAFFORD. Will the Senator advise this Senator how much this mandate or increase is?

Mr. BEALL. It is the same as in the reported bill.

Mr. STAFFORD. Ten percent required increase?

Mr. BEALL. Yes.

Mr. STAFFORD. Is there anything in the Senator's substitute which would provide for a situation, as the original committee bill did, that would give the Secretary some discretion——

Mr. BEALL. Yes.

Mr. STAFFORD (continuing). If there is some inadequate population in the area served by the medical school to permit the school to provide medical training if such increase occurs?

Mr. BEALL. The Stafford-Mondale amendment, as contained in the committee bill, has been preserved in the substitute.

Mr. STAFFORD. That is in the substitute?

Mr. BEALL. The Senator is correct.

Mr. STAFFORD. I thank the Senator very much.

The PRESIDING OFFICER. Has all time been yielded back on the amendment pending of the Senator from Maryland?

Mr. BEALL. Yes. All time has been yielded back.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland (putting the question).

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I send to the des an unprinted 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. DOMENICI. 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:

On page 86, line 13, strike the "(21)": and insert in lieu thereof "(22)"

On page 86, line 19, strike "(22)" and insert in lieu thereof "(23)".

On page 86, insert between lines 12 and 13 the following:

"(21) encourage experienced physician and other health care personnel to relocate to medically underserved areas determined under section 329."

Mr. DOMENICI. Mr. President, I have discussed this amendment with both the minority leader and the majority leader on this bill and, basically, that section of the bill wherein $75 million is provided, aside from scholarships and other things, to encourage the relocation of physicians in areas that are low on physicians. I am just adding a section that takes care of one of the problems we discussed this morning, and that is that it adds a section that reads:

To encourage experienced physicians and other health care personnel to relocate to medically underserved areas determined under section 329.

So what we have done is just added one more way for this bill to be administered in terms of attracting physicians to underserved areas.

This would permit physicians to move, say, from East to West or West to East and locate in a small town. This would permit a national game plan of some sort or a State plan to be funded which would so encourage experienced as compared with the new that have gotten scholarships.

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

Mr. DOMENICI. I yield.

Mr. KENNEDY. I hope the amendment will be accepted. It makes eminently good sense, and it follows the observations of earlier comments of the Senator from New Hampshire about encouraging medical schools to move in a more aggressive area. There are approximately $35 billion for special projects that will be appropriated. We have authorized $150 million and this makes eminently sound sense, and I hope it will be supported.

Mr. DOMENICI. I thank the Senator from Massachusetts.

Mr. BEALL. I second the remarks of the Senator from Massachusetts, if the Senator will yield. This is, indeed, in keeping with the discussion we had this morning, and another worthwhile effort

that should be made and should be added to the special projects.

Mr. DOMENICI. I thank the Senator.

Mr. BEALL. I am happy to accept the amendment.

Mr. DOMENICI. I yield back all my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Mexico (putting the question).

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. I have an amendment at the desk and I ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. 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:

Add the following new section to Title V:

Sec. —. Section 785 (as so redesignated) is amended by inserting after "entities" and before "to":

", or a State, a unit of general local government, or any other public entity which has established an emergency medical services system or given adequate assurances that it will establish such a system which meets the requirements of section 1206(b)(4) and which has entered into a contract or other agreement with an appropriate educational entity,"

Mr. KENNEDY. Mr. President, will the Senator yield without losing his right to the floor?

Mr. HARTKE. I yield.

Mr. KENNEDY. I believe this is the last amendment. I do not know if the Senator from Maryland has any additional amendments. I understand this can be done very briefly. We will have a vote on the Beall amendment, and then I would hope final passage.

Mr. HARTKE. Mr. President, this is an amendment which, at this moment, applies only to the State of Indiana. It applies to the State of Indiana simply because of the fact that Indiana has established an umbrella organization to coordinate all emergency medical service programs in the State, and this organization applied for funds and the Department told them they were not eligible under the definition of the act.

What the amendment does is simply enable State and local governments who established, or are about to establish, a medical service system and which entered into a contract with an educational institution to apply for and receive training grant funds.

I have cleared this matter with Senator KENNEDY, the distinguished floor leader, and with Senator JAVITS. I know of no objection. It is a technical amendment to clarify the issue.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, if the Senator would withhold for a moment.

This deals with an emergency medical program and is extremely useful. I hope it will be accepted, as well.

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOMENICI). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Indiana (Mr. HARTKE).

The amendment was agreed to.

Mr. BUCKLEY. Mr. President, I would like to ask a couple of questions of the Senator from Maryland.

The PRESIDING OFFICER. Will the Senators suspend, we must have order in the Senate.

Mr. BUCKLEY. Mr. President, I would like to ask the Senator a couple of questions with respect to his substitute amendment.

What would happen under his proposal if a medical school could not find enough volunteers to meet the requirement that 25 percent, or whatever percentage is decided upon, but students who have agreed to serve 2 years in a medically underserved area, would the situation remain empty, or other students admitted to fill it?

Mr. BEALL. Well, technically, this would be a problem, but practically it is not, because, there is no question that those positions will be filled. There are so many applicants for medical school that these positions will be filled by qualified applicants.

Mr. BUCKLEY. In other words, there are enough people so anxious that they are willing to sell their bodies for a 2-year period?

Mr. BEALL. Yes, currently 45,000 people per year apply for 15,000 slots, so there are 30,000 not being admitted, further, there are some 3,000 students each year going to medical schools in foreign nations to get their training and coming back to practice. Thus, there are plenty of students, very well qualified incidentally, who want to go to school and are deprived at the present time.

Mr. BUCKLEY. But the condition is that they must, nevertheless, commit themselves to go where the Federal Government wants them to go as an indentured service?

Mr. BEALL. In return for a scholarship.

Mr. BUCKLEY. No, not in exchange for a scholarship; we hope the scholarship will be appropriated, but if it does not come through——

Mr. BEALL. If they take one of these slots.

Mr. BUCKLEY. Any school with a funding would have that.

Mr. BEALL. They get a loan and that can be forgiven.

Mr. BUCKLEY. I thought the way the bill read was that we might have no loans, no scholarships——

Mr. BEALL. No. The present loan programs continue, they can be continued, the loan can be forgiven, at the rate of 25 percent a year.

It says that if they go into a shortage area the loan is forgiven.

Mr. BUCKLEY. What about the capitation provision for the school?

Mr. BEALL. That does not go to the school unless it agrees to set aside 25 percent of the slots, people who are willing to train people in primary care, and they are willing in return for a scholarship to serve in shortage areas.

Mr. BUCKLEY. Well, does the loan automatically accompany the capitation program?

Mr. BEALL. It does not automatically cover, but under the present law, if one serves a shortage area one can get a loan and it is forgiven.

Mr. BUCKLEY. So this is a loan to cover tuition?

Mr. BEALL. Tuition, plus expenses.

Mr. BUCKLEY. Under any circumstances.

I thank the Senator for that clarification.

Mr. President, on a number of grounds this legislation is objectionable. As is so often the case the Senate is confronted with a laudable objective, sought by means that are unwarranted and unwise. Certain methods employed in the Health Professions Educational Assistance Act are discriminatory and constitute an intervention and demand upon the lives of medical personnel that is fundamentally objectionable. From involuntary servitude to subsidization the defects with S. 3585 are so serious that this legislation should not be passed. S. 3585 should be returned to committee. This is one of those instances where there are so many problems you do not know where to begin.

It is generally accepted that the United States could use more doctors. It is also known that medical schools, like everybody else, are hard pressed by rising costs. Perhaps there is a role for the Federal Government to play in facilitating the entrance of qualified and motivated persons into the medical profession. But, Mr. President, S. 3585 embodies as objectionable a way to accomplish that goal as I can imagine.

The requirement that medical schools receiving capitation funding from the Federal Government be required to extract from their entering students the signed agreement to serve in the so-called "medically underserved" areas of our Nation is nothing short of involuntary servitude. It smacks of a willingness to employ authoritarian measures when none are required and where none should be tolerated.

Mr. President, I expect to support the substitute amendment when it is brought to a vote. But I wish to make it absolutely clear that I find certain provisions within the substitute no less objectionable. The Beall substitute would require that medical schools receiving capitation grants from the Federal Government reserve at least 25 percent of their slots for entering students who are willing to commit to serve professionally in areas where there is a designated shortage of medical personnel. The requirement is discriminatory. It could conceivably lead a medical school to accept less qualified students who will agree to the indentured service or mandate a form of blackmail: If you want to get in, you will agree. On this question, the substitute is better only in degree. The requirement constitutes an acceptance of the principle contained within the committee

bill. What the committee would demand of 100 percent, the substitute would demand of 25 percent.

If it is desired that it be the public policy of the United States that we encourage medical personnel to move into designated shortage areas, then it can and should be done by wholly different means. The technique should be grounded on the voluntarism that is part of the tradition of our political and economic freedoms, and that is essential to them. The method on which I would suggest we should rely can be incorporated into the payback provisions of a system of low-cost loans available to any student in medical school. In societies where freedom is the rule by which the society operates, there is always a chance that no doctor will choose to live north of the Arctic Circle. The implications of a government program which repudiates the essential element by choice in a free society, that substitutes compulsion for incentives in the achievement of governmental goals, is truly frightening.

Interestingly, the State of Alaska effectively employs a similar technique. It will remit student education loans, in whole or in part, to induce young Alaskans to take up residency in the State following graduation. The State would not even think that it had the right to order its young graduates to remain or return to the State. And yet this is exactly what the committee bill, and, to a lesser extent, the substitute would do. The notion that socially useful people can be ordered into State service is repugnant to the tradition of the free society. The Gulag Archipelago was constructed not just for the detention of political prisoners; but to bring people into the hinterlands by force to perform services which the resident population was unable to perform themselves. I find the principle of S. 3585 strikingly similar, even if the administration would be more artful and humane.

In addition to the provisions for indentured service, the committee bill presents a number of other problems. The committee would require that all doctors submit themselves to relicensing every 6 years. Aside from the fact that this would represent still another preemption by the Federal Government of responsibilities traditionally reserved to the States—the qualifications and licensing of professionals, I question whether there is a demonstrable need for such requirements. I wonder if the profession so amply represented in this body would consider it sound policy to require periodic reexamination for all who wish to maintain their license to practice law. Many doctors and attorneys soon after their admission examinations are passed proceed to specialize. The very act of specialization contributes to expertise, but at the same time it requires as a practical matter paying less attention to other areas of the law or medicine. To require these professionals to submit to necessarily general relicensing procedures would build into the law a disincentive to specialize.

Mr. President, I am also disturbed that the committee would have the Congress authorize the Secretary of the Department of Health, Education, and Welfare to determine within geographical regions the numbers of medical graduates who can enter into specializing residencies Giving any Government administrator the authority to control the total number of postgraduate residencies is an unconscionable act, in this instance, of Federal authoritarianism. We have spent many decades talking about eliminating second-class citizens. It occurs to me, Mr. President, that in service of some social goals that may or may not be relevant to the needs of particular States, there are Members of this body who actively and strongly favor the creation of new categories of second-class citizens as long as it coincides with their grand design.

The last point which I would like to make about this legislation is the method by which the Federal Government would subsidize the medical profession. Make no mistake about it that is what this bill is all about. The Government of the United States has for some time been giving "aid to medical schools" through a capitation grant formula. What this aid to medical schools accomplishes is to permit a medical school to use the subsidy to lower the cost of medical training to those very people who can anticipate very high earnings during their professional careers. Such a formula constitutes a discrimination against all low- and middle-income families whose children do not go to medical school. It is the kind of subsidization of the rich, or at least potentially rich, which frustrates the low- and middle-income taxpayer. It is not fair and it ought not to be condoned.

It occurs to me that it would serve the ends of justice if the capitation formula of aid were replaced by a complete system of loans to the medical students, with the terms tailored to need so that young doctors are not faced with heavy financial burdens before they can become established. This approach would in no way affect the desires of those who wish to get a medical education but cannot afford it. At one point in their career they will be able to afford it. There is no reason why taxpayers of modest means should subsidize these students.

I would like to return for a moment to the question of providing medical services to designated shortage areas. If the method on which the United States relied to aid the cause of more doctors was based upon loans there would be no need to even consider such a fundamental abridgement of the freedom of an individual who wishes to become a doctor.

If the Government wishes to act to correct some of these problems, then it can provide the necessary incentives by incorporating provisions into the payback provisions of the medical loans, or even by payment of appropriate bonuses. There is nothing discriminatory or unreasonable about giving a trained doctor who gained his education and entrance to his profession with the help of public loans the option to repay portions of loans in the form of social or military service.

What is happening is that we are becoming captive of our own method of direct subsidies to this very highly paid profession. To accomplish socially desirable goals, the Congress is now being asked to use wage subsidies as the means for inaugurating a coercive system of indentured service.

There is no reason why the Federal Government should not support policies and programs which would tend to facilitate entrance into the medical profession. To become fully trained doctors, students commit themselves to as many as 8 years beyond their bachelor degree. This is costly. It is almost prohibitively so for all but the very rich. But that does not mean the Federal Government must support capitation grants to schools when alternatives such as full-cost tuition loans would give the student and the medical school the necessary ways and means to function.

Undoubtedly it is too late this year to provide for a fundamental reform of the system. But it seems to me that those who are seriously committed to the cause of equitable treatment at and by the hands of Government would gladly support a review and redirection of Federal programs whose objective is to increase the Nation's supply of doctors.

Clearly, there is a better way. But unfortunately that matter must be laid aside until the Congress has disposed of the proposal that the Federal Government establish a system of indentured service.

Mr. DOLE. Mr. President, it is with a vital concern for the entire future status of our Nation's medical profession that I rise as a cosponsor in support of the amendment offered by the distinguished Senator from Maryland (Mr. BEALL).

I am seriously distressed by the approach which the committee has taken in advocating such a radical alteration of our health manpower policies, and feel that adoption of this substitute is our only hope of avoiding what will surely become the Federal domination of American medical schools.

CRASH PROGRAM

I cannot agree more with the minority view on this legislation that it will effectively create a civilian draft for the health professions—and that to me is an unacceptable and intolerable prospect. I personally worked for an end to the involuntary conscription of our young people for military service, and am not about to sanction the establishment of a similar program under the guise of its being a solution to our health care problems.

The important point to be made in this debate is that everyone recognizes, and supports efforts to remedy, the physician distribution problem in our Nation today. But an overnight crash program to address that shortcoming by changing the very direction and scope of American medicine is hardly a judicious and enlightened undertaking.

SOCIALIZED MEDICINE

Everyone, including the proponents of the excessive measures contained in this bill, will I am sure throw up his hands and say "Oh, no" at the very mention of the term "socialized medicine." But is not that the practical long-range effect of what is being advocated in this bill?

Although it may be masked under the not-so-unpalatable term of "federalized,"

anytime we start talking about mandatory service in an arbitrarily-assigned area; governmentally controlled licensing standards; and absolute authority to regulate certification and residency, then we are clearly on the verge of outright socialization—if not for the entire profession, itself, then at least a portion of it. And that to me is a dangerous and irreversible trend toward ultimate vacation of our fundamental free enterprise system.

NATIONALIZED INDUSTRY

We all get immediately upset anytime a foreign government talks about and acts to nationalize our private industrial investments abroad. Why, then, should we be willing to set out on a similar course with respect to our doctors and dentists here at home?

Historically, on the international scene, strict regulation or takeover of the medical practice has been the precursor of subsequent events relative to other professions or businesses. Of course, this first step—as put forward in the Health Professions Educational Assistance Act—is not quite that drastic initially, but how can we ignore the committee language expressing an interest to further expand this matter at an appropriate time?

ADVERSE RAMIFICATIONS

I think one of the major reasons I am so opposed to the doctor-distribution solution proposed in S. 3585 is that it reeks of the very things that will likely provoke a rebellion of sorts among our medical and dental professionals. And such a development can hardly be construed as an improvement in our present day health care, which is considered highly satisfactory by nearly 95 percent of all Americans.

Among the negative consequences which I can foresee from this legislation, as reported, are enhancement of the movement toward medical unionization; early retirement of experienced physicians; and suppression of the desire to even enter the field in the first place. Naturally, this is only speculation, but when we are considering such an unmitigated overhaul of our present system, we are forced to think in terms of "the worst that can happen."

TREND TOWARD UNIONIZATION

It has been an historical pecedent that licensing of different specialties has resulted in rapid unionization. By that I mean that it has fostered a trend toward collective bargaining between specialty groups which have been drawn together and made more prone to organize for their own interests alone.

I am not saying that this is inevitable if the bill under consideration passes as is, but it is certainly predictable. It is a fact that membership in the American Federation of Physicians and Dentists and the AFL-CIO affiliated National Physicians Council has more than quadrupled in the last year and a half, and I fully expect that we can count on the movement to expand even more rapidly if the Federal controls incorporated into this legislation become a reality.

RURAL RETIREMENT BILL

The drafters of S. 3585, and variations of the proposal on the House side, have taken a very saintly approach in purporting to afford instant relief to the health-care problems of our rural and other underserved areas. What they have not considered, however, is that the heavyhanded philosophy which they are espousing is likely to drive our most experienced and qualified practitioners right out of the business.

I have talked to numerous physicians in my State of Kansas who forthrightly state that if this bill—and related public utility-type health planning legislation is enacted—they will refuse to put up with it and seriously consider early retirement. Others have said they will be compelled to seek administrative positions, feeling that patient care will no longer be enjoyable or even manageable.

SECOND-CLASS HEALTH CARE

It is estimated that 61 percent of the practicing physicians in my State of Kansas today are aged 55 and above. Moreover, the most valuable medical resource in our rural areas is that very category of career family doctor who has spent his life in the small community. What then, if we suddenly create the disincentives for him to continue in that capacity by making it not only unattractive, but unfeasible as well?

If we are to replace those dedicated, experienced country doctors—who have known and understood their patient following for decades—with a young physician fresh out of medical school—who would probably be in an unfamiliar setting, unable to identify with the people, and aware of the fact that he was only going to be assigned there for a brief time—would we not in fact be promoting mediocre, second-class health care for our rural areas—with regular turnover every 2 years.

EMOTIONAL TIES

I am far from suggesting that our young doctors and dentists are not technically qualified to take charge of the health care needs of any patient who might come to them. For most certainly, I will be the first to laud the outstanding training which our medical and dental schools provide, and endorse the superior professional skills which students of medicine and dentistry possess when they are awarded their M.D. or D.D.S. degrees.

But we are talking about much more than that when addressing the subject of patient care. And by that I mean that the emotional factor has to be there as well: The provider has to have the desire to be where he is and want to be taking care of the patients whom he is. No matter what his qualifications, the personal—not just professional—dedication is essential to the best performance of his duties.

A BETTER ALTERNATIVE

Some may respond to all this that "any doctor is better than none at all" and I heartily agree with that. But I would qualify it by saying that if that doctor is there by choice; has returned to his own hometown; and intends to remain there to practice primary care throughout his medical career, then that is a vastly preferable alternative.

I think we have that alternative in the proposed substitute now before us, which would encourage the voluntary practice in underserved areas, while at the same time providing an environment which would encourage a physician to "stay on." I firmly believe that we must attract and keep a young doctor in a rural area in order to be successful in relieving present health-care problems.

QUESTIONABLE ASSIGNMENT PRACTICES

It seems to me that the amendment offered by my good friends and distinguished colleagues from Maryland, Colorado, and Ohio (Mr. BEALL, Mr. DOMINICK, and Mr. TAFT), and which I am cosponsoring, is an effective and workable way to accomplish this without resorting to a dismantling of a system that, despite its few deficiencies, has given us the best medical care in the world. The substitute proposal would guarantee that 25 percent of all students entering medical school would be doing so in anticipation of voluntarily establishing their practice in an area of their choice—which area would also be one in need of their service.

I seriously doubt that even the committee bill can match that percentage figure—regardless of the methodology involved in promising to "get doctors into" those same areas. For, practically speaking, we can just about count on the majority of the National Health Service Corps personnel being assigned to HEW units, Federal institutions, and even to military facilities—all of which would be authorized under the provisions of S. 3585—and not to rural communities.

SITUATION IN KANSAS

In our substitute proposal, however, 3,750 doctors a year would be attracted to practice primary care in underserved areas. They would receive a special scholarship under either the National Health Service Corps in the Federal service, or the physician shortage area scholarship program as a civilian practitioner—in exchange for their commitment to serve, and the Federal capitation grants would still be retained for the medical schools themselves.

This would go a long way toward bringing relief to the doctor distribution problem in Kansas, where 54 percent of our physicians practice in only 4 counties—leaving the other 46 percent to cover the remaining 101. Moreover, it would mean that the 2 Kansas counties which have no physician services and the 14 which have only 1 doctor could look forward to having a primary care practitioner who wanted to go there to open his office in the very near future.

ROOTS OF THE PROBLEM

Before yielding the floor, Mr. President, I would like to suggest that we need to do much more than just "mathematically assign"—as S. 3585 in its present form would do—a certain number of young doctors to perform service in what are determined to be shortage areas. That is, in proposing a solution to any problem, we need to first go to its roots and understand why it is a problem in the first place.

Aside from the financial incentives and equipment and facility attractions of locating in a big city, the principal reason why physicians do not go to rural areas is that they lose their professional contact and cannot keep up with

new developments. In order to have any hope of retaining the ones who do go, therefore, we must ideally work toward having two doctors in an area to allow each the opportunity to "get away" every other year—with assurances that there will be continued care for his patients—to bring himself up to date with new procedures.

I know that a very successful and sophisticated program of this type is underway in the State of Maine, and feel that it can provide an excellent model for rural health care development generally. Certainly, it addresses the continuity and retention factors which are noticeably absent from S. 3585, while at the same time permitting upgrading by individual motivation—not out of necessity to comply with some federally mandated standard.

LICENSING A STATE FUNCTION

I would like to coment, too, on that very point, by suggesting that it is going to be extremely difficult for any Federal bureaucracy to come up with a set of standards which could be applied to 360,000 physicians nationwide, and which could be realistically up-dated on a regular basis. This is not to mention the expense of such an operation which should, in my view, remain at the state level.

Licensure and relicensure have customarily been the province of the States, and I see no reason to change that practice. As the minority so aptly states:

Licensing and credentialing of health professionals is a legitimate state responsibility. The states are moving toward national uniformity in the licensing area, with all but two states having adopted the Federation's Licensing Exam (FLEX). Under FLEX, a doctor who passes the test in one state qualifies to be licensed in any other state where the test is offered.

Adoption of our substitute proposal would insure that present licensing provisions be retained. Additionally, it would strike from the bill the "Radiation Health and Safety Act" which has been aimed at creating licensure standards for radiologists—a measure which is at best an extraneous and premature attempt to unnecessarily regulate that group of technicians.

WHERE, IN WHAT, AND FOR WHOM

Although the American Academy of Family Physicians, and indeed medical societies in general, have set up their own, extremely rigorous standards for recertification, the proponents of S. 3585 apparently believe that HEW is more qualified to control residencies and dictate who and how many are going to practice what and where. Either that or they consider it somehow efficient to duplicate what medical societies are already doing.

This whole notion of imposing Federal restrictions on numbers and types of allowable residency positions—with suspension of licenses for education outside the restricted residencies—to me smacks of the attitude which prevails in a particular Eurasian country I know of where a young person is "told" for what he is qualified and in what he is to occupy himself "because the Government says so." I do not care to have any part of that type of policy and am at a loss to understand how it could even be brought to the floor of the Senate.

SOLUTION WORSE THAN PROBLEM

Mr. President, if the "constructive changes" implicit in this bill are indicative of the excesses and extremes we have to go to in order to solve a "pressing national problem" of any kind, then I am convinced that this is another occasion in which "the solution is worse than the problem." That does not have to be the case at all, however, for I genuinely feel that our amendment offers a workable alternative and effective solution to the very real problem which exists, but which can be met in a reasonable and responsible manner.

It is not just a "better way to go," but is, as far as I am concerned, the "only" way to go. As I stated before, I voted to end the military draft, and am not about to foresake that commitment by voting to begin the conscription of our health professionals.

There is still some room left in this country for voluntarism and freedom of choice, Mr. President, and I urge every Member of this body to make that fundamental liberty meaningful by supporting this effort to avoid a very costly, unfair, unreasonable and unnecessary legislative revamping of our national health manpower priorities.

I have received numerous communications from my constituents in Kansas expressing opposition to this bill, but a telegram which arrived just today summed up the general feeling which they convey. It said:

Do not wish doctor-son told where or what specialty to practice. Defeat S. 3585.

Mr. President, we can do just that by adopting this substitute.

Mr. BEALL. Mr. President, I ask for the yeas and nays for the Beall-Taft-Dominick substitute.

The PRESIDING OFFICER. Is there a sufficent second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senators yield back their time? The question is on agreeing to the Beall amendment, as amended. The yeas and nays have been ordered.

Mr. BEALL. Mr. President, I am ready to yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back my time.

The PRESIDING OFFICER. Will the Senators yield back their time?

Mr. BEALL. Mr. President, I yield to the Senator from New Hampshire.

Mr. COTTON. Just a minute.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. COTTON. I intend to vote for the Senator's substitute, but before final passage of the bill can the Senator tell us in figures now, with all the amendments adopted, how much more costly or more appropriations will be required to satisfy the bill than we are now giving to medical education?

Mr. BEALL. How much more costly than what is appropriated now, or how much more costly at the time the substitute was introduced?

Mr. COTTON. I am not talking about the original bill, I am talking about at the present time.

How much——

Mr. BEALL. The cost of this?

Mr. COTTON. Yes.

Mr. BEALL. I do not have any appropriation, but the cost of this particular substitute is just over $600 million per year.

Mr. COTTON. In addition to what we have now?

Mr. BEALL. No; this total authorization.

Mr. COTTON. Does that include or is it in addition to what we have been giving medical schools now?

Mr. BEALL. It includes what we have been giving the medical schools.

Mr. COTTON. But not all of it, there are some benefits we are giving medical schools in addition to capitation?

Mr. BEALL. Well, this is the whole program that we are now doing, plus some new additions we made in the substitute. In other words, everything which covers all the health manpower programs is just over $600 million.

Mr. COTTON. But the Senator is not in a position to tell us how much it exceeds what we are giving?

Mr. BEALL. No, I do have the current appropriation.

Mr. COTTON. I thank the Senator.

Mr. McCLURE. Mr. President, I rise in opposition to S. 3585 and in support of the Beall amendment. The draft-doctors bill, which goes under the guise of the Health Professions Education Assistance Act, is conscription no matter which way you slice it.

At best, the draft is a necessary evil in time of war. In peacetime, we have abandoned the idea in favor of the all-volunteer Army, the very principle upon which the Beall substitute is based.

The basic bill proposes that young doctors be drafted—or subject to the possibility of a draft. The unlucky ones would be caught by lottery. Does that sound familiar?

As you read this legislation you will find quite a few other things which sound familiar. As a matter of fact they sound like familiar discards. The young medics with the short straws will get a residency predetermined for them by the National Advisory Council on Health Research Facilities. Then they will be sent out to whatever part of the country that same group thinks they should go.

Liberals have often spoken of the importance of having teachers and doctors working among people of similar ethnic groups and backgrounds. This system would send New Yorkers to Oklahoma, Floridians to Alaska, and virtually assure that doctors would practice among religious and ethnic groups as dissimilar from their own as possible. The effect on the patient would be obvious. But the effect on the drafted doctor is incalculable. He would not only not be able to choose his specialty, but might very well not be allowed to specialize at all.

Furthermore, this legislation does not specify what would happen to a draftee who, after completing his residency does not choose to serve as required. Many of the supporters of this bill have been un-

equivocal in their remarks on two other subjects. They have strongly supported the notion of blanket amnesty to Vietnam draft dogers. They have also decried the pardon of the ex-President as a failure in the application of equal justice. The only logical reaction to the question of medical draft dodging is a policy of universal amnesty. What this does to the legislation in question is obvious. It renders it an exercise in futility.

I will admit that I sympathize with those people who will vote for it in one respect. There are a great many legislators who call continually for reduction in spending. These are most often those who find the opportunity to spend another billion dollars a year—as this bill would do—a delicious temptation which they can not resist, especially if it is sweetened by the delightful possibility of setting up that Frankenstein so dear to their hearts, another Federal bureaucracy. I know how strongly those instincts are inculcated in the thinking of many—and I am afraid as a result they will be blind to the absurdities in the bill itself.

For instance there are many people who go into the theoretical aspects of medicine, such as public health policies, and research, who have no interest in, or talent for, caring for the sick. The perfect research temperament is not necessarily even an acceptable one for practicing general medicine. But, says S. 3538, that does not matter.

I am afraid that it is a twisted notion of an intrinsically good principle which is at the root here. The great American tradition of equality before the law has been turned into something like an attempt to mandate a similarity of talent. To say that men are equal is not to say that they are equally gifted or, less still, similarly gifted, or that this would even be desirable.

American ingenuity will probably win out here, too. Canadian medical schools will probably find that they are getting the other kind of dodger, the one who wants to work, Mexican schools, heretofore a refuge for some of these unable to qualify in the United States, will probably improve. Teachers will start to move up to the ranks in those schools in other countries which do not try to mandate talent.

Although I have made a comparison to the draft, what this bill could do to a young person's life is really similar to the indenture system. Under the peacetime draft a man at best lost 2 years earlier. Under the doctor-draft a man may well suffer a change in the course of his whole life.

There is one aspect of this which does appeal to me. Conservatives prefer a quid pro quo exchange rather than a subsidy whenever possible. We do not generally enthuse over Government handouts. But we are treating doctors like the horses in Orwell's "Animal Farm," in that we are adding to the burden of our hardest working citizen while we maintain loafers on welfare systems. It is remarkable to me that just as there are those who see no correlation between spending and inflation, there seem to be those who see no connection between massive Government interference with the citizens' life, and the increasing lack of confidence in the Government. Idahoans have made it clear to me that part of my job in this body is to keep the Government off the peoples' backs. The person who pays the bill, the taxpayer, is once again being charged for the privilege of making fewer and fewer decisions for himself. He will not react favorably to being forced to add doctors to the Nation's busing programs. If we were to be perfectly consistent in implementing the theory that Government must control what it funds, we would have to accept further controls. For instance the Government should censor public broadcasting.

I would prefer an attempt at correcting this inequity to go in the direction of decreasing the Federal subsidy for doctors in residency in those areas which are most in demand. I would also remind you that those people have been proven right who told us that eventually what Government funded, Government would control. Everything has its price. The price paid for this bill is freedom.

Mr. DOMINICK. Mr. President, I rise in opposition to S. 3585, as reported by the committee. If passed, as reported, this bill will take us one giant step down the road toward a complete system of federalization of medical practice in this country to the detriment of both physicians and patients. I predict that the result will be further erosion of personal initiative and private innovation to be replaced with more enlightened guidance from Washington, D.C., for each and every Member involved in delivering health care in this country.

I, for one, come from a State which is very much aware of what I consider to be one of the most fundamental problems of health care delivery in this country—inadequate distribution of physicians and medical services. Clearly no one disputes the fact that in too many areas of this country, people do not have access to quality medical care. In my home State, we are often faced with small rural communities unable to attract the services of a qualified physician or unable to financially support the existence of a hospital or medical clinic. The search for solutions to these problems is ongoing, but I submit the committee's attempt to institute a mandatory service program for doctors, in short a doctor draft, is overreaction, is unwise and has serious constitutional problem which will be tested in the courts in cases initiated as soon as the ink of the pen signing this bill into law has dried.

In my own judgment, I believe that the volunteer approach will work, and the question which we should be facing on this floor is whether or not the present incentives to make the volunteer approach work are adequate, and if not, how can we improve them.

For example, currently efforts which the Congress has attempted in working toward a solution to the maldistribution Service Corps and the physician shortage scholarship program. This year, those two programs received over 2,000 applications, and better than 700 scholarships were awarded. I would note that the PSSP, of which I was an active supporter in 1971, was implemented in May of this year when regulations were issued. These two programs alone has a surplus of 1,200 applicants, and I submit that such a statistic, as well as the fact that applications for medical school are running almost three times the number of acceptances is indicative of the need to explore alternatives other than the doctor draft.

Senators BEALL, TAFT, and I have developed one alternative approach which aims at insuring that up to 25 percent of the places in a medical class go to those who have agreed to serve in medically underserved areas. In return for such an agreement, the student himself becomes eligible for Federal scholarship money to finance his education. Such a proposal will maintain the rights of students to choose to pursue their professional career without a draft.

Additionally, Mr. President, there are other parts of this bill which I believe are unwarranted at this time. These include Federal licensure and relicensure of physicians and dentists, establishment of "regional councils" on medical specialists, and the cost of this bill overall.

As reported, this bill would require national uniform standards for the licensure of physicians as well as a requirement that such license must be renewed every 6 years. In the committee, Senator HUGHES and I were able to amend the relicensure requirement to insure that practicing physicians could be relicensed through a program other than a written examination.

The more fundamental question, however, is whether the Federal Government in view of the progress already being made by the States and amongst private medical groups should be moving into this area at all. Already 48 out of the 50 States have adopted the examination developed by the Federation of State Licensing Boards. In addition, there has been no evidence produced that Federal reexamination standards as a prerequisite to licensure have any bearing on the quality of health care provided by a physician, but there is clear evidence that amongst private organizations there is a strong trend toward establishment of programs to insure continuing competence without need of Federal participation. Such groups include the American Board of Internal Medicine, the American Board of Family Practice, the American Board of Ophthalmology, and the American Board of Thoracic Surgery. I submit that here again, S. 3585 is premature, and that Federal licensure is not needed.

This bill creates "specialist" councils within HEW. As of July 1, 1976, the Secretary of HEW would establish the total number of postgraduate physician training positions in the United States, assign the positions to various categories of specialties, and then assign the specialties by number to the 10 regions in the United States. Any doctor who was then trained in a position uncertified by the Secretary would not be able to renew his license.

Mr. President, I believe that this approach will result in more than 200 addi-

tional bureaucrats to lay out the road that medical practice will take in this country in the specialty area without adding anything to quality care. Again, the problem which needs solution is the trend away from primary care practice. The solution proposed by the committee, however, a system of mandatory controls imposed by HEW, leads to the question: What do we control next?

The proposed substitute that we have offered will place more emphasis on getting physicians into primary care through use of incentives for training and participation in primary care programs.

Mr. President, every Senator on this floor is aware of the problems caused by inflation, and we all share a responsibility to seek out and reduce expenditures where Federal spending has contributed to our inflation rate. The total cost of this bill in the first 3 years is $2.99 billion, a cost that I believe to be excessive. The substitute bill has trimmed that figure to almost $2 billion, a cut of almost 33⅓ percent. The cuts were not easy, as no cuts are when we look at reducing programs. However, I believe they are reasonable, and the substitute is more acceptable as an inflation fighter.

As we proceed to vote on the substitute, I believe the choice before us is clear. Are we really ready to institute more Federal control or are we willing to seek an alternative approach which preserves the characteristic Federal-State partnership as well as freedom of choice? As succinctly stated in our minority views to S. 3585:

> We cannot believe that a Congress which has helped end the military draft and a nation and its youth who are making an all volunteer armed services work will support a civilian draft for the health professions.

Mr. President, my own opposition to this bill is such that I altered my campaign schedule in Colorado this past weekend when I learned when the vote would occur on this bill. I submit that we do not need more Federal control over our medical professions and schools, and I shall cast my vote accordingly.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. BEALL. 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 (No. 1919) of the Senator from Maryland (Mr. BEALL), as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. MONDALE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

I further announce, that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 70, nays 18, as follows:

[No. 423 Leg.]

YEAS—70

Aiken	Dominick	Metzenbaum
Allen	Eagleton	Montoya
Baker	Eastland	Nunn
Bartlett	Ervin	Packwood
Beall	Fannin	Pastore
Bennett	Fong	Pearson
Bible	Fulbright	Pell
Biden	Griffin	Percy
Brock	Gurney	Proxmire
Brooke	Hansen	Ribicoff
Buckley	Hartke	Roth
Burdick	Hatfield	Scott, Hugh
Byrd, Harry F., Jr.	Helms	Scott, William L.
	Hollings	
Byrd, Robert C.	Hruska	Sparkman
Cannon	Huddleston	Stafford
Case	Humphrey	Stennis
Chiles	Inouye	Stevens
Church	Johnston	Taft
Cook	Long	Talmadge
Cotton	McClellan	Thurmond
Curtis	McClure	Tower
Dole	McGee	Weicker
Domenici	McIntyre	Young

NAYS—18

Abourezk	Jackson	Moss
Clark	Kennedy	Muskie
Cranston	Magnuson	Nelson
Hart	Mansfield	Randolph
Haskell	McGovern	Tunney
Hathaway	Metcalf	Williams

NOT VOTING—12

Bayh	Gravel	Mondale
Bellmon	Hughes	Schweiker
Bentsen	Javits	Stevenson
Goldwater	Mathias	Symington

So Mr. BEALL's amendment (No. 1919), as amended, was agreed to.

Mr. BEALL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COTTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended by the Beall amendment.

The committee amendment, as amended by the Beall amendment, was agreed to.

The PRESIDING OFFICER. 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.

Mr. BEALL. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my 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 assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. MONDALE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 81, nays 7, as follows:

[No. 424 Leg.]

YEAS—81

Abourezk	Fong	Montoya
Aiken	Fulbright	Moss
Allen	Griffin	Muskie
Baker	Gurney	Nelson
Bartlett	Hansen	Nunn
Beall	Hart	Packwood
Bennett	Hartke	Pastore
Bible	Haskell	Pearson
Biden	Hatfield	Pell
Brock	Hathaway	Percy
Brooke	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Harry F., Jr.	Huddleston	Roth
	Humphrey	Scott, Hugh
Byrd, Robert C.	Inouye	Sparkman
Cannon	Jackson	Stafford
Case	Johnston	Stennis
Chiles	Kennedy	Stevens
Church	Long	Taft
Clark	Magnuson	Talmadge
Cook	Mansfield	Thurmond
Cranston	McClellan	Tower
Dole	McClure	Tunney
Domenici	McGee	Weicker
Dominick	McGovern	Williams
Eagleton	McIntyre	Young
Eastland	Metcalf	
Ervin	Metzenbaum	

NAYS—7

Buckley	Fannin	Scott, William L.
Cotton	Helms	
Curtis	Proxmire	

NOT VOTING—12

Bayh	Gravel	Mondale
Bellmon	Hughes	Schweiker
Bentsen	Javits	Stevenson
Goldwater	Mathias	Symington

So the bill (S. 3585) was passed, as follows:

S. 3585

An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes

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

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Manpower and Shortage Area Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health'" and inserting in lieu thereof "'school of public health, and school with a graduate program in health care administration'"; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so designated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (2) four time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"SEC. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices.

"RECORDS AND AUDIT

"SEC. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

(g) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

(4) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(h) The heading of part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS

(i) The heading of part II of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

SEC. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years for grants under this part.".

SEC. 202. Section 721 is amended by adding at the end the following new subsection:

"(f) The Secretary shall afford a priority, in the award of a grant under this part, to applications to aid in the construction of facilities intended to improve the quality or facilitate the use of existing facilities."

SEC. 203. (a)(1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

SEC. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1977".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by striking out "and $24,000,000 in the fiscal year ending June 30, 1974" and inserting in lieu thereof the following: "$1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977."

SEC. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).", and

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

(c) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the date of the enactment of the Health Manpower and Shortage Area Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the puropses for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio of the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or schools with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b)(4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree, or graduate degree in health care administration or an equivalent degree,",

(3) by striking out "and" at the end of paragraph (4),

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for an academic year (or its equivalent) an amount equal to $4,000.".

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (b) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (l) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by striking out "3 per centum" and inserting in lieu thereof "7 per centum" in subsection (e),

(7) by amending subsection (f)(1)(C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 771(b).",

(8) by amending subsection (f)(2) to read as follows:

"(2) Upon completion by the individual for whom the payments are to be made of each year of the practice specified in section 771(b), the Secretary shall pay 25 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice, except that this paragraph shall not apply to any loan made to the individual in or for an academic year for which the individual received any payment under a scholarship awarded pursuant to section 750 or section 752."

(9) by amending subsection (f)(3) by (A) striking out "or (2)(C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(10) by striking out "(A)" in subsection (f)(4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of this Act, by virtue of his employment as a member of the National Health Service Corps, as an officer of the Regular or Reserve Corps of the Public Health Service, or as a civilian employee of the Public Health Service, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years. For the first year ending June 30, 1978, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1979, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1980".

(f)(1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744(d)(1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under 744)" in paragraph (3).

(g)(1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. Section 747(d) is amended by striking out "two" and inserting in lieu thereof "five".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under subpart I of part F of title VII for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b)(1)(A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within one hundred and eighty days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made;

"(B) indicators of the population's access to health services;

"(C) indicators of health status of the population;

"(D) indicators of such population's need and demand for health services;

"(E) relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such popula-

tions by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c)(1)(A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1)(A)(i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e)(1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a), an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii) (II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2)(A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various health professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5)(A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned, and shall consider the assignment of any qualified individual from a medically underserved population to serve that population, in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. To the extent practicable, the Secretary shall assign individuals in accordance with their stated preferences.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d)(1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2)(A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides; and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease of acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e)(1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided

by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entitled to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f) (1) The Secretary shall conduct, at medical and nursing schools and other school and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public Health Service with whom the Secretary has entered into an agreement under section 313 of title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay may be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly incomes from an established practice of a number of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f) (1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c) (2) (B) (ii), and determinations made under subsection (c) (2) (B) (iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e) (1), and (C) paid to the Secretary in such year under such arrangements. "(h) (1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses and allied health personnel) and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services.

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review regulations promulgated or proposed to be promulgated by the Secretary under this section and section 750, and advise the Secretary with respect thereto.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977."

(b) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Public Health Service.

"(b) To be eligible for acceptance in the program, an applicant for the program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Sec-

retary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such an approved course of study and maintain an acceptable level of academic standing in it.

"(c)(1)(A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall not exceed (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other necessary and reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

"(d)(1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period (hereinafter in this section referred to as a 'period of obligated service') that is the larger of (A) one year of service for each academic year of training received under the program, and (B) two years. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of post-graduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for postgraduate physician training where appropriate to meet the needs of the National Health Service Corps or other units of the Public Health Service. In the case of any individual obligated to provide service in accordance with this subsetion who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2)(A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Bureau of Medical Services of the Health Services Administration.

"(C) If there are no positions available in the National Health Service Corps, Indian Health Service, or the Bureau of Medical Services at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps, the Service, or the Bureau has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e)(1) If, for any reason, an individual fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A = 2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program".

SEC. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years." and inserting in lieu thereof "in accordance with subsection (d)(3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3)(A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b), except that the period of obligated service for such individual shall be the larger of (i) one year for each year for which he receives a scholarship grant under this subpart, and (ii) two years.

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section. If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771 (b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in that section 't' shall be the period of the individual's obligated service under this section and 's' shall be the number of months of that period served by him."

(d) Subsection (e) of section 751 (as so redesignated) is amended (1) by striking out "1972" and inserting in lieu thereof "1975", (2) by striking out "1975" and inserting in lieu thereof "1978", and (3) by striking out "1974" and inserting in lieu thereof "1977".

SEC. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended to read as follows:

"(a) In order to promote the more adequate provision of medical and dental care for medically underserved populations the Secretary may, in accordance with the provisions of this subpart, make scholarship grants to individuals who are medical or dental students and who agree to engage in the practice of primary care or dentistry, as applicable, after completion of their professional training, in the provision of health services to a medically underserved population designated under section 329(b). For

purposes of this subpart the term 'primary care' means the practice of family medicine, general pediatrics, or general internal medicine."

(c) Section 752(b) (as so redesignated) is amended (1) in paragraph (2) by striking out "$5,000" and inserting "$6,000" in lieu thereof, and (2) by striking out paragraph (3).

(d) Paragraph (4) of section 752(c) (as so redesignated) is redesignated as paragraph (6), and the remaining paragraphs of that section are amended to read as follows:

"(c)(1) To be eligible to receive a scholarship award under this subpart an individual must enter into an agreement with the Secretary that provides that the individual—

"(A) will engage, within such reasonable period of time after the completion of his professional training as the Secretary's regulations prescribe, in the private practice of his profession in an area designated under section 329(b) for a period that is the larger of (i) one year for each academic year of that training for which a scholarship was received under this subpart and (ii) two years;

"(B) will, during the period prescribed by subparagraph (A), engage in the full-time provision of primary health care services or the practice of dentistry as applicable;

"(C) will charge any individual who receives medical or dental services provided by him the usual and customary charge for those services in the area in which it is provided unless the individual is unable to pay those charges, in which case the charges will be reduced or waived; and

"(D) will not discriminate against any individual on the basis of his ability to pay for care or services or because he seeks care or services for which payment will be made under the program established by title XVIII or XIX of the Social Security Act.

"(2) With respect to each individual who enters into an agreement under paragraph (1), the Secretary shall, except as provided in paragraph (5), guarantee the individual an annual net income from the practice of his profession under the agreement equal to the prevailing pay and allowances for an officer of the Commissioned Corps with similar training and experience, and will pay amounts due under the guarantee at the end of each quarter (including such adjustments as may be necessary to correct over or underpayments for prior quarters), as determined under regulations prescribed by the Secretary and on the basis of such information submitted by the individual as the Secretary may prescribe and such inspection of the records of the participant as the Secretary considers appropriate.

"(3) If the Secretary determines that an individual is not meeting his obligations under an agreement entered into under this subsection, he shall place the individual on probation for a period not to exceed one hundred and twenty days, and during that period shall provide technical assistance to the individual in meeting his obligations under the agreement. If, at the end of the probation period, the Secretary determines that the individual is still not meeting his obligations under the agreement, the United States shall be entitled to recover from the individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in that subsection 't' shall be the number of months that the individual agreed to practice his profession under paragraph (1), and 's' shall be the number of months that the individual practiced his profession in accordance with the agreement (including the period of probation).

"(4) The Secretary shall provide individuals who are engaged in the practice of their profession under agreements entered into under paragraph (1) with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps under section 329.

"(5) Any individual who has entered into an agreement under paragraph (1) may extend the period of obligated service under the agreement for one year in exchange for a grant of $12,500 or two years in exchange for a grant of $25,000 from the Secretary to assist him in establishing and operating his medical or dental practice. The provisions of paragraph (2) shall not apply to the period of such extension. Any grant under this paragraph shall be expended in accordance with regulations prescribed by the Secretary, which regulations shall provide that no expenditures may be made for the purchase or construction of facilities. In determining the amount of any recovery to which the United States is entitled under paragraph (3), the amount of any grant under this paragraph shall be included in the sum of the amount paid under this section to or on behalf of the individual."

(e) The heading of subpart V (as so redesignated) of part C of title VII is amended to read as follows:

"Subpart V—Health Services Shortage Area Scholarship Program".

(f) Section 754 (as so redesignated) is amended to read as follows:

"SEC. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975, $55,000,000 for the fiscal year ending June 30, 1976, and $70,000,000 for the fiscal year ending June 30, 1977. For the fiscal year ending June 30, 1978, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1977) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

SEC. 308. The heading of part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE".

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs of health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive—

"(A) for the fiscal year ending June 30, 1975, 1976, and 1977, $2,500, $2,350, and $2,200, respectively, for each full-time student enrolled in the medical training program of the school in each such year; and

"(B) $800 for each student who is enrolled in each such year on a full-time basis in a program of each such school of medicine for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) The amounts established by paragraph (1)(A) shall be $2,500 for the fiscal year ending June 30, 1976, or 1977, in the case of each school of medicine (allopathic or osteopathic) that presents evidence satisfactory to the Secretary that, in such fiscal year, not less than 50 per centum of the students who graduated from the medical training program of the school during the preceding fiscal year are serving a residency in the practice of family medicine, general pediatrics, or general internal medicine.

"(3) Each school of dentistry shall receive—

"(A) $2,200 for each full-time student (except those described in subparagraph (B)) enrolled in such school in such year; and

"(B) $800 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(4)(A) Each school of public health shall receive $1,100 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(5) Each school of veterinary medicine shall receive $1,650 for each full-time student enrolled in such school in such year.

"(6) Each school of optometry shall receive $800 for each full-time student enrolled in such school in such year.

"(7) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $800 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $800 for each full-time student enrolled in the last four years of school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(8) Each school of podiatry shall receive $800 for each full-time student enrolled in such school in such year.

"(9)(A) Each school with a graduate program of health care administration shall receive $1,100 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (1) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c)(1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on full-time basis."

(3) subsection (i) of section 770 is (A) redesignated as subsection (e) and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration," and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $145,000,000, for the fiscal year ending June 30, 1975, $152,000,000 for the fiscal year ending June 30, 1976, and $157,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3) There are authorized to be appropriated $45 000,000 for the fiscal year ending June 30, 1975, $46,000,000 for the fiscal year ending June 30, 1976, and $48,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(5) There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $7,000,000 for the fiscal year ending June 30, 1976, and $8,000,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a)(3) to schools of public health.

"(6) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $10,600,000 for the fiscal year ending June 30, 1976, and $11,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of veterinary medicine.

"(7) There are authorized to be appropriated $3,000,000 for the fiscal year ending June 30, 1975, $3,200,000 for the fiscal year ending June 30, 1976, and $3,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of optometry.

"(8) There are authorized to be appropriated $22,000,000 for the fiscal year ending June 30, 1975, $22,700,000 for the fiscal year ending June 30, 1976 and $23,800,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of pharmacy.

"(9) There are authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1975, $1,600,000 for the fiscal year ending June 30, 1976, and $1,700,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of podiatry.

"(10) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $2,250,000 for the fiscal year ending June 30, 1976, and $2,500,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a)(7) to schools for graduate programs in health care administration.

"(11) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VIII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC), PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY AND SCHOOLS WITH GRADUATE PROGRAMS OF HEALTH CARE ADMINISTRATION"

SEC. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries, in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be (or, in the case of a school with a graduate program of health care administration, for support of such program), during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which such grant is sought.

"(b)(1)(A) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the year in which such grant is made and for each school year thereafter during which such a grant is made 25 per centum of the individuals accepted for admission as students (or such lesser per centum as the Secretary may determine is required to meet the needs of medically underserved populations designated under section 329), as a condition of, and prior to, their admission, volunteer to enter into a written agreement with the Secretary to practice their profession in accordance with paragraph (2). In accepting, on behalf of the Secretary, applications for such agreements, a school shall give special consideration, to the extent feasible, to applications from individuals resident in areas containing medically underserved populations.

"(B) Upon the Secretary's determination that the needs of medically underserved populations for health services in any fiscal year will not be met by the number of individuals obligated to provide those services under the provisions of this Act, he may, with the agreement of each school affected, raise to 50 per centum the 25 per centum requirement with respect to any school for that fiscal year under subparagraph (A). In such case, the Secretary shall increase the amount otherwise payable to that school under section 770 for that fiscal year by 10 per centum. Amounts payable under section 770 by virtue of the operation of this subparagraph shall be obtained by reducing, pro rata, the amounts payable under that section to all medical and osteopathic schools that are not affected by this subparagraph.

"(2)(A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except that in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. A period of obligated service under this section shall run concurrently with any period of service an individual is obligated to perform as a condition of receiving any scholarship or other assistance under this Act. The period of obligated service shall be spent providing health service—

"(i) to a population designated under sec-

tion 329(b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession; and

"(iii) in the case of an individual entering the medical program of a school of medicine (allopathic or osteopathic) the health services shall be provided through his full-time practice of family medicine, general pediatrics, or general internal medicine.

In designating areas and institutions pursuant to subparagraph (A)(ii), the Secretary shall follow the procedures required by section 329(b)(1). No institution shall be designated pursuant to subparagraph (A)(ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B)(1) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under section 329 or under agreements entered into with individuals under sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service under this subsection during such year: *Provided*, That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And provided further*, That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(2) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under section 329 or under agreements entered into with individuals under sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(C)(i) Except as provided in clause (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated services may be deferred for the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, or general pediatrics.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(iii) An individual obligated to provide health services under this subsection shall be entitled, for the period of training required to obtain his first health professions degree, to receive a Public Health and National Health Service Corps Scholarship under section 750, or a scholarship under section 752, if otherwise eligible for that scholarship, upon his agreement to comply with the requirements imposed by the applicable section and by this subsection.

"(D) If, for any reason, an individual who is obligated to provide service under this subsection fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A = 2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; φ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(3)(A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided*, That the period to be served is at least equal to the period of obligated service of this subsection,

"(ii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iii) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year (hereinafter in this section referred to as the 'base year') preceding the school year beginning after the close of the fiscal year ending June 30, 1975, or the school year beginning after the close of the first fiscal year in which such grant was made to such school, whichever is later—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred;

"(2) the number of foreign medical graduates in its affiliated postgraduate training positions will not exceed 40 per centum, 35 per centum, and 25 per centum for the fiscal years ending June 30, 1975, 1976, and 1977, respectively; and

"(3) the school (except in the case of a two-year school of medicine) will establish, by the close of the fiscal year in which the grant is made, and maintain in each succeeding year in which a grant is made, an administrative unit (which may be a department, division, or other unit) to provide clinical instruction in family medicine or comparable primary care, as determined by the Secretary, which unit will (A) be comparable to academic administrative units for other major clinical specialties in the school, (B) be responsible for directing a portion of the curriculum for each member of the student body engaged in a program leading to the degree of doctor of medicine or doctor of osteopathy, which portion is determined by the Secretary to be comparable to the portion devoted by the school to other major clinical specialties, (C) employ a number of full-time faculty which, for the academic year ending in calendar year 1976, is determined by the Secretary to be sufficient to conduct the clinical instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties by the school, and (D) administer a three-year

approved or provisionally approved graduate training program in family practice, which program shall make available postgraduate physician training positions equal in number, in the fiscal year ending June 30, 1975, 1976, and 1977, to not less than 10 per centum, 15 per centum, and 20 per centum, respectively for those years, of the total postgraduate physician training positions established by, or affiliated with, the school; or, alternatively, administer a comparable graduate training program in the provision of primary care, as defined by the Secretary, which shall make available postgraduate physician training positions equal in number in those years to not less than 35 per centum, 40 per centum, and 45 per centum, respectively, of such total postgraduate physician training positions.

"(d) SCHOOLS OF DENTISTRY.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the close of the fiscal year ending June 30, 1975, or (if later) beginning after the close of the fiscal year in which such grant is made, and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(1) by 10 per centum of such number if such number was not more than one hundred, or

"(2) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

"(e) SCHOOLS OF PUBLIC HEALTH AND SCHOOLS WITH GRADUATE PROGRAMS IN HEALTH CARE ADMINISTRATION.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to provide for increased emphasis on, and training in, health care administration and management training;

"(C) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(D) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(E) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(F) projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) SCHOOLS OF VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school of pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary, medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(C) in the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology;

"(D) in the case of schools of optometry, projects to develop residency training programs respecting optometry;

"(E) in the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(F) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(G) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(H) projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas; and

"(I) projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year.

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h)(1)(A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (f) with respect to any school upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b)(1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the

submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j)(1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was not entitled because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b)(1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever a civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b)(1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k)(1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist a school of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or any other public or nonprofit private health or educational entity, to meet the costs of special projects to—

"(1) effect significant improvements, including increased emphasis on nutritional education, in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the term approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) develop new training programs to educate specialized physician assistants, to assume at least some of the service roles traditionally fulfilled by residents in hospitals;

"(5) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care;

"(6) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(7) assist in increasing the supply, or improving the distribution by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(8) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(9) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(10) establish and operate programs designed to identify, and increase admissions to and enrollment in dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health of, individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provisions of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals, especially women who are handicapped.

"(19) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(20) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(21) encourage experienced physicians and other health care personnel to relocate to medically underserved areas determined under section 329;

"(22) substantially expand programs to train United States citizens who have transferred from medical schools in foreign countries or from two-year medical schools in the United States and who have enrolled in such schools as full-time students with advanced standing; and

"(23) assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

The Secretary may also enter into contracts with public or private health or educational entities to carry out any project described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment, or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d)(1) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years for the purpose of making payments pursuant to grants and contracts under subsections (a) and (d)."

SEC. 404. Section 772 (as so redesignated is amended by—

(1) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and

inserting in lieu thereof "dentistry, podiatry, or optometry".

(2) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances, that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(3) by amending paragraph (6) of subsection (a) to read as follows: "There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(4) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1977", and (2) striking out "1975" and inserting in lieu thereof "1978".

SEC. 405. Section 774 (as so redesignated), is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(2) striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

SEC. 406. (a) Section 776(a) (as so redesignated) is repealed.

(b) For the fiscal year ending June 30, 1975, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(c)(1) Subsection (b) of section 776 (as so redesignated) is redesignated as subsection (a) and amended by striking out the matter following subparagraph (C) of paragraph (2).

(2) There is inserted before subsection (c) of that section a new subsection (b) to read as follows:

"Disadvantaged Assistance Program

"(b)(1) With respect to any individual authorized to be assisted under subsection (a)(2)(A), the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care. For purposes of this paragraph a degree in public health administration shall not be deemed to be a degree in the provision of health care.

"(2) With respect to any individual authorized to be assisted under subsection (a)(2)(A), the Secretary may award a stipend, as described in the preceding paragraph, to assist the individual in meeting the cost of his first year of study in such program."

(3) Subsection (e) of that section is amended to read as follows:

"(e) For the purposes of this section where there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, and each of the next two fiscal years."

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702);";

(5) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

SEC. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

SEC. 501. (a) Section 767 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for each of the two succeeding fiscal years";

(3) by inserting "or comparable primary care field" after "family medicine" and "family practice" each time they appear;

(4) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following: ", with special consideration to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(5) by renumbering clause (3) as clause (4); and

(6) by inserting immediately after clause (2) the following new clause (3):

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

SEC. 502. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") is repealed.

SEC. 503. There is inserted after section 782 a new section to read as follows:

"COMMUNITY-BASED HEALTH MANPOWER EDUCATION PROGRAM

"SEC. 783. (a) In order, through regional affiliations of health services institutions and health manpower educational institutions, which must include at least one school of medicine, to promote—

"(I) the training of undergraduate and graduate medical, nursing, and physician extender students in rural and inner city locations to expose them to career opportunities in such areas;

"(II) regional systems of continuing education to upgrade the skills of rural and inner city primary care providers; and

"(III) closer functional integration of regional health personnel and educational institutions,

the Secretary is authorized to make grants to, or contracts with public or private health or educational entities to—

"(1) train undergraduate and graduate students in health care in underserved rural and inner city areas in institutions which provide primary care including community hospitals, ambulatory care centers, nursing homes, and home health agencies;

"(2) rotate medical, nursing, and allied health teaching staff from the health education institutions to these rural and inner city teaching sites to provide instruction to improve the technical skills of local health professionals;

"(3) encourage new or more effective approaches to the organization and delivery of health services through the training of rural or inner city practitioners in the use of the team approach to the delivery of health services.

"(b) Grants under this section may be awarded to plan, develop, and operate new programs or to significantly expand existing programs and may include amounts for structural renovation in rural and inner city teaching sites necessary to carry out the teaching function, and travel costs and stipends to the temporarily assigned trainees and rotating teaching personnel as the Secretary shall determine is necessary.

"(c) Grants under this section shall be awarded to affiliations of health services providers in the target rural or inner city regions and health manpower educational institutions which demonstrate the capability of and commitment to providing the described educational program.

"(d) No application for a grant or contract under this section shall be approved unless the application contains or is supported by reasonable assurances satisfactory to the Secretary that:

"(1) the training programs covered by the grant or contract application will have a total of at least twenty-five individuals enrolled in them;

"(2) at least 25 per centum of the costs of the training programs for which such grant or contract is to be made will be met with funds from non-Federal sources;

"(3) the training in such regional sites of students enrolled in participating health manpower education institutions will, in the aggregate, total not less than four weeks per assigned student per year;

"(4) contains a specific plan for hiring, as members of the faculty of participating health manpower education institutions, some locally practicing health professionals to serve as instructors at the rural or inner city training sites, including a plan for frequent counseling and consultation between the faculties of the schools involved and these practitioner-instructors;

"(5) contains a detailed description of the type and amount of training to be given in the rural or inner city teaching sites including provision for periodic review and evaluation of such training and the periodic delivery of reports of such evaluations to the Secretary; and

"(6) contain a plan for phasing financial support of the proposed program from Federal to non-Federal sources.

"(c) No grant or contract for any training program under this section may exceed 75 per centum of the costs, as determined by the Secretary, of such program. The Secretary shall give priority in making awards under this section to applicants not affiliated with any health manpower educational institution.

"(f) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $50,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977, for carrying out the purposes of this section."

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"SEC. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or clinical pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for grants under this section."

SEC. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 785 and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended by inserting immediately after "1974" in subsection (e) "and for each of the three succeeding fiscal years."

SEC. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"SEC. 787. There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the two suceeding fiscal years, $2,500,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English-speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

SEC. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 787, and redesignated section 788.

(b) Section 788 (as so redesignated) is amended by—

(1) striking out "under section 767, 769, and 769A" each place it occurs and inserting in lieu thereof "under this part",

(2) striking out "under sections 767 and 769" in subsection (b) and inserting in lieu thereof "under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsection:

"(d) The Secretary shall not act upon any application for a grant under section 785 unless an appropriate scientific peer review group has reviewed such application or contract."

SEC. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

SEC. 509. The heading for part F of title VII is amended to read as follows:

"PART F—ASSISTANCE FOR SPECIALIZED TRAINING".

SEC. 510. The hearing for part D of title VII is amended to read as follows:

"PART D—MISCELLANEOUS PROVISIONS".

SEC. 511. Section 785 (as so redesignated) is amended by inserting after "entities" and before "to": ", or a State, a unit of general local government, or any other public entity which has established an emergency medical services system or given adequate assurances that it will establish such a system which meets the requirements of section 1206(b)(4) and which has entered into a contract or other agreement with an appropriate educational entity,".

TITLE VI—ALLIED HEALTH PERSONNEL

SEC. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 789. For purposes of this subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) methods of coordination and management of education and training at various levels for allied health personnel within and among education institutions and their clinical affiliates,

"(2) methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel,

"(3) programs, methods, and curricula (including model curricula) for training various types of allied health personnel.

"(4) programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields,

"(5) new types of roles and uses for allied health personnel,

"(6) in coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience,

"(7) methods of recruitment and retention of allied health personnel, or

"(8) providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall be regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe,

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of State or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may be regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June

30, 1976, and $9,000,000 for the fiscal year ending June 30, 1977.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) to (A) identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such post-secondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake post-secondary allied health personnel training (including continuing education); and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $500,000 for the fiscal year ending June 30, 1975, $1,000,000 for the fiscal year ending June 30, 1976, and $1,500,000 for the fiscal year ending June 30, 1977.

"SCHOLARSHIP GRANTS

"SEC. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonpublic private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retraining programs of such agency, institution, or organizaion to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including —

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b)(1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e)(1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

SEC. 702. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

SEC. 703. Any action brought by an individual against an entity in which it is asserted that subsection (e)(2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

SEC. 704. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by renumbering paragraphs (15) through (31) as (16) through (32), respectively, and by inserting after paragraph (14) the following:

"(15)(A) Aliens who are members of the medical profession, unless the Attorney General finds, after consultation with the Secretary of Health, Education, and Welfare that—

"(i) the alien has passed parts I and II of the National Board of Medical Examiners Examination or the Federal Licensing Examination; and

"(ii) the alien has demonstrated competency in oral and written English; and

"(iii) the admission of the alien will not lead to a surplus of practitioners in a speciality area or geographical area in which there is no present or projected need.

"(B) The Attorney General may grant a waiver of the provisions of paragraph (A) for a period of one year where he finds (after consultation with the Secretary of Health, Education, and Welfare) that a waiver—

"(i) is necessary to meet a critical need for which no reasonable alternative exists, and

"(ii) that the alien will be enrolled in a supervised training program designed to identify and correct the educational deficiencies of the alien so as to enable the alien to pass the required examinations within a one-year period.

"(C) The waiver provided for in subparagraph (B) may be extended for a period of one additional year.

"(D) The exclusion of aliens under this paragraph shall apply only to (i) special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted to the United States for permanent residence), (ii) to preference immigrant aliens described in section 203(a)(3) and (6), and (iii) to nonpreference immigrant aliens described in section 203(a)(8);".

(b) Section 212(a)(14) of the Immigration and Nationality Act is amended by inserting "(except aliens described in paragraph (15))".

(c) The amendments made by this section shall take effect July 1, 1975.

SEC. 705. This Secretary shall, within three months after the date of inactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

SEC. 706. The Public Health Service Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"SEC. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 752. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year.".

SEC. 707. (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of disease, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use."

(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act.

SEC. 708. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"SEC. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.".

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MCGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NO DOCTOR DRAFT

Mr. EAGLETON. Mr. President, I opposed the provisions of the Kennedy-Javits health manpower bill (S. 3585) that relate to mandatory service for graduates of health professions schools when it was under consideration in the Labor and Public Welfare Committee of which I am a member. For this reason, I voted against the Kennedy-Javits measure today and in support of the alternative proposed by the Senator from Maryland (Mr. BEALL). While I have been an active participant in the development of existing health manpower programs and will continue to support their existence and expansion, I cannot go along with a bill that would impose inequitable and unreasonable service requirements on every graduate.

Mr. President, the purpose for my opposition to the Kennedy-Javits bill is set out fully in my supplemental views that I added to the committee report on the bill. I ask unanimous consent that my supplemental views be printed in full in the RECORD.

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

XVI. ADDITIONAL AND SUPPLEMENTAL VIEWS RE: STUDENT ASSISTANCE

SUPPLEMENTAL VIEWS OF MR. EAGLETON

My disagreement with certain provisions of S. 3585, as amended by the Committee, rests upon the conviction that the "doctor draft" created by the bill is an unreasonable and inequitable scheme. I concur in the need to overcome the geographic imbalance that now characterizes the distribution of health professionals. In some circumstances, it may be perfectly proper to require a period of service for health professionals following graduation so as to make available health services to *all* Americans and particularly to those living in underserved areas of rural America and in the inner cities. But the service requirement embodied in S. 3585 is unreasonably coercive and, in my view, ought to be replaced by a method that will assist in overcoming the present geographic imbalance in a manner that treats students of the health professions in a fair and equitable fashion.

Over the last decade, programs authorized by the Health Professions Educational Assistance Act (HPEAA) have been of considerable benefit in supporting education in the health professions—medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, podiatry, public health and, in separate legislation, nursing. Through the assistance provided by these programs new institutions have been opened, facilities at existing institutions have been upgraded, new educational programs have been undertaken and enrollments have been increased. In some cases schools have been saved from going under and continue operating today to help meet the nation's needs for trained health personnel. Student assistance programs funded by the federal government (more than 70% of them in the form of repayable loans) have worked to make education in the health professions available on the basis of qualifications rather than according to family wealth.

These programs are grounded on that notion that institutions providing education in the health professions are a special kind of natural resource and federal programs supporting them ultimately contribute to the health care of all Americans. As a member of this Committee, I have consistently supported these programs and took an active part in developing and passing the Comprehensive Health Manpower Training Act of 1971. As a member of the Appropriations Committee, I have supported funding for the programs thus created. In my judgment, an adequate supply of health personnel is a key element in our efforts to increase the availability and accessibility of health services to the American people, regardless of whether the present system for financing health care is retained or some new mechanism is adopted.

S. 3585, as reported by the Committee, is laudable in that it maintains and, in some cases, enlarges most of the programs contained in the 1971 Act. Moreover, it seeks to deal with another major problem—that of maldistribution of health personnel by geography and, in the case of physicians, maldistribution by specialty.

These provisions relating to geographic maldistribution and the system thus established for mandatory service form the basis for my disagreement with the Committee bill.

There is no question that there are today, on a per capita basis, fewer health professionals in the Middle Western and Southern regions of our nation than in the New England and Western regions. There are also fewer health professionals, on a per capita basis, in our inner city and rural areas than in our suburban areas. And the maldistribution, both with respect to the regions of the country and to the inner city and areas, has increased over the past decade.

Previous efforts to deal with this problem have been almost totally ineffectual. Since 1965, the Health Professions Student Assistance Program has authorized the cancellation of loans in whole or in part for those individuals who agree to serve for a period of time in an area designated by the Secretary of Health, Education, and Welfare as an underserved area. Initially such service was rewarded by cancellation of up to 50% of the principal and interest of a student's loan at a rate of 10% for each year of practice in a shortage area. Thereafter, 100% forgiveness was authorized, first at the rate of 15% for each year of service and, later, in return for an agreement to serve two years in a designated underserved area.

Not surprisingly, few borrowers have taken advantage of these provisions. For the most part their training enables them to earn a sufficiently high income so that they can afford to repay their loans in order to be free to make their own choice of where to practice rather than serve by assignment by the Secretary—even for a period of only two

years. About 30,000 of the approximately 93,000 medical and dental students who graduated between 1965 and 1972 received loans under the Student Assistance Program. A study by the General Accounting Office found that, as of October 1973, only 86 physicians and 133 dentists had obtained cancellations through practicing in a shortage area. Moreover, inquiries by the GAO to these practitioners who had obtained cancellations through practice in an underserved area revealed that more than 80% of them would have chosen the same practice location even if loan cancellation provisions had not been available. The conclusion is inescapable that the present loan forgiveness program is inadequate to deal with problems of geographic maldistribution.

The Committee bill seeks to meet this situation by provisions that have the effect of making all students at health professions schools supported by the federal government subject to a two-year period of service in a shortage area following graduation. The goal is commendable—to provide service in hitherto underserved areas. But the mechanism chosen is unfortunate—every institution covered by this Act is required as a condition of receiving federal aid to impose as an admission requirement that the entering student sign an agreement to provide such service, regardless of whether the student himself receives any federal aid.

By tying the requirement of service to institutional assistance as well as to student assistance, the Committee bill gives truth to the often-heard claim that "federal assistance ultimately means federal control." Moreover, the practical effect of these provisions of the bill is that a "doctor draft" is being imposed even though all service requirements for everyone else were ended with the termination of the conscription system under the Selective Service Act.

I have no objection to legislation that meets the need for making health services available in all areas in this manner so long as the service requirement is reasonably related to benefits received by the individuals who have the obligation to render service. Thus, it is fitting to require those individuals receiving direct assistance from the federal government to agree to render service as a condition of their loan or scholarship agreement. But the Committee bill does not make this distinction. The inequities inherent in the system provided in the Committee bill can be seen in the following illustration:

(1) Student A receives student assistance covering tuition payments and, in addition, up to $2,500 for each year he is in school. As a consequence, he is subject to a two-year service requirement.

(2) Student B neither asks for nor receives any direct assistance from the federal government. The cost of his education is paid entirely through his own and his family's resources. Yet, he too is subject to a two-year service requirement merely because the institution he attended received federal assistance.

During Committee consideration of this legislation, I proposed an alternative system of student assistance and mandatory service which I believe would be a much more reasonable approach to this problem. Under this proposal, every student attending an accredited health professions educational institution covered under this Act would be assured of a scholarship covering the cost of tuition and, in addition, a fixed dollar amount to cover living expenses. The schools would be permitted to raise tuition to more nearly cover their costs than tuition fees presently do. This program would be in lieu of present programs of institutional support under which payments are made on the basis of capitation and special projects. Every student who received such a scholarship would be subject to a two-year service obligation as a condition of federal assistance.

This proposal has the advantage of linking service directly to benefits received. It enables institutions to receive support that would, in nearly every case, exceed the support now received through direct federal payments for institutional support. Those students who chose not to accept a scholarship would have no service obligation but the advantages of participating in this scholarship program would be so great that it could reasonably be anticipated that the overwhelming majority of students would seek such scholarships and thus would be obligated to render service after graduation.

The cost of such a system is somewhat greater than that contained in the Committee bill. However, the greater costs are necessitated by the federal government's paying for the service obligation that the Committee bill would extract without payment from the student who receives no direct federal aid.

In summary, I fully support the federal government's commitment to provide aid to both health education institutions and their students; I oppose the coercive elements of the new institutional support system contained in the Committee bill under which students who receive no direct benefits are obligated to put in a two-year period of service after graduation. We should avoid conditioning federal aid upon the kind of overwhelming federal control of educational institutions contemplated by the bill. Rather, we should provide inducements sufficient to recruit the numbers of persons needed to provide health care in shortage areas while allowing each individual a free choice as to whether or not to accept federal benefits and thus incur an obligation. This bill would make the Secretary of Health, Education, and Welfare the supreme arbiter of where every graduate of a health education institution practices his or her profession. How long before the Secretary dictates how each individual practices?

FOREIGN ASSISTANCE ACT OF 1974

The PRESIDING OFFICER (Mr. DOMENICI). Pursuant to the previous order, the Senate will proceed to the consideration of S. 3394, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Foreign Assistance Act of 1974".

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$291,000,000 for the fiscal year 1974, and $491,000,000 for the fiscal year 1975"; and

(3) by adding at the end thereof the following:

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

POPULATION PLANNING

SEC. 3. The Foreign Assistanct Act of 1961 is amended as follows:

(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975".

(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 4. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof $90,000,000 for the fiscal year 1974, and $92,000,000 for the fiscal year 1975".

HOUSING GUARANTIES

SEC. 5. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "$305,000,000" and insert in lieu thereof "$405,000,000".

(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 6. Section 302(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1975, $150,000,000" and inserting in lieu thereof "for the fiscal year 1975, $186,900,000".

MILITARY ASSISTANCE AUTHORIZATIONS

SEC. 7. Section 504(a) of the Foreign Assistance Act of 1961 is amended by striking out "$512,500,000 for the fiscal year 1974" and inserting in lieu thereof "$550,000,000 for the fiscal year 1975."

SPECIAL AUTHORITY

SEC. 8. Section 506 of the Foreign Assistance Act of 1961 is repealed.

MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

SEC. 9. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand, Laos, and South Vietnam".

(2) At the end thereof add the following new subsection:

"(c) After June 30, 1975, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

EXCESS DEFENSE ARTICLES

SEC. 10. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. LIMITATION ON THE GRANT OF EXCESS DEFENSE ARTICLES.—(a) The value of any excess defense article furnished to a foreign country or international organization by any agency of the United States Government shall be considered to be an expenditure made from funds appropriated under section 504 of this Act. Unless such agency certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a

defense article whose stock status is excess at the time ordered, a sum equal to the value thereof (less amounts to be transferred under section 632(d) of this Act) shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is canceled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) the appropriation made under section 504 of this Act for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the appropriation made under section 504 of this Act for the current fiscal year, upon delivery of such article, if at the time of delivery the stock status of the article is determined in accordance with section 644(g) or (m) of this Act to be nonexcess.

"(b) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapon system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery."

(b) Section 644(m)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) with respect to an excess defense article, the actual value of the article but not less than 33⅓ per centum of the amount the United States paid at the time the defense article was acquired by the United States;".

(c) Sections 8 and 11 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (84 Stat. 2053), as amended, are repealed.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 11. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by section 10(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 515. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved, or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate.

"(c) This section shall not be construed as conferring any authority to stockpile defense articles or war materials under this Act or such section 401(a), or subsequent corresponding legislation."

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 12. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a) and 11 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 516. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—An amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

TERMINATION OF AUTHORITY

SEC. 13. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a), 11, and 12 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 517. TERMINATION OF AUTHORITY.—(a)(1) The President shall gradually reduce assistance (other than military training) provided under this chapter so that, not later than September 30, 1977, no assistance (other than military training) shall be provided under this chapter.

"(2) Paragraph (1) of this subsection shall not apply to funds obligated prior to October 1, 1977.

"(b) For each of the fiscal years 1975, 1976, and 1977, the President is authorized to finance procurements of defense articles and defense services (other than military training) by any foreign country receiving defense articles or defense services during fiscal year 1974 under this chapter on terms providing for payment to the United States Government in United States dollars (1) of the value of such articles and services which value shall not exceed during each such fiscal year the value of such articles and services (other than military training) furnished that country in fiscal year 1974 under this chapter, (2) at a rate of interest of not less than four per centum a year, and (3) within ten years after delivery of the defense articles or rendering of the defense services.

"(c)(1) By not later than September 30, 1977, all the functions of a military assistance advisory group, a military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be transferred to the Chief of the United States Diplomatic Mission to that country. Upon the transfer of such functions, that group, mission, or organization, as the case may be, shall cease to exist.

"(2) On and after October 1, 1977, the total number of military attachés assigned or detailed to the United States Diplomatic Mission of a foreign country shall not exceed by more than twenty-five per centum the total number of military attachés authorized to be assigned or detailed to that mission on June 30, 1974.

"(3) On and after October 1, 1977, no military assistance advisory group, military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be established or continued unless such group, mission, or organization is authorized by law specifically for that country."

(b) Effective October 1, 1977—

(1) the heading of chapter 1 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 1—PROVIDING MILITARY TRAINING";

(2) sections 501, 502A, 514, and 516, subsection (g) of section 644, of the Foreign Assistance Act of 1961 are repealed;

(3) section 502 of the Foreign Assistance Act of 1961 is amended by striking out the caption "Utilization of Defense Articles and Services" and inserting in lieu thereof "Providing Military Training", by striking out of the text "Defense articles and defense services" and inserting in lieu thereof "Military training", and by striking out the last sentence;

(4) the heading of chapter 2 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"CHAPTER 2—MILITARY TRAINING";

(5) sections 503-505 of the Foreign Assistance Act of 1961 are stricken out and the following inserted in lieu thereof:

"SEC. 503. GENERAL AUTHORITY.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine, military training to any foreign country or international organization. Funds for such training shall be appropriated for each fiscal year pursuant to authorization for that fiscal year. After September 30, 1977, no such training shall be conducted outside the United States except by specific authorization of law.";

(6) section 511 of the Foreign Assistance Act of 1961 is amended by striking out of the section caption "Assistance" and inserting in lieu thereof "Training", and by striking out of the text "military assistance" and "such assistance" and inserting in lieu thereof "military training" and "such training", respectively;

(7) section 636(g)(1) of the Foreign Assistance Act of 1961 is amended by striking out "defense articles and defense services on a grant or sales basis" and inserting in lieu thereof "military training"; and

(8) section 644(m) of the Foreign Assistance Act of 1961 is amended by striking out subparagraph (1) and by striking out of subparagraphs (2) and (3) "nonexcess" wherever it appears.

TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA

SEC. 14. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a), 11, 12, and 13(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 518. TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA.—(a) The total of (1) the amount of funds obligated under this chapter to furnish assistance to South Korea, and (2) the value of excess defense articles

"(A) $91,500,000 during the fiscal year 1975;

furnished to South Korea under this chapter, shall not exceed

"(B) $61,000,000 during the fiscal year 1976; and

"(C) $30,500,000 during the fiscal year 1977.

"(b) The aggregate total of credits extended, including participations in credits, and the principal amount of loans guaranteed, under the Foreign Military Sales Act with respect to South Korea shall not exceed—

"(1) $42,450,000 during the fiscal year 1975;
"(2) $28,300,000 during the fiscal year 1976; and
"(3) $14,150,000 during the fiscal year 1977.
"(c) On and after October 1, 1977, no assistance shall be furnished South Korea under this chapter, and no credits, including participations in credits, shall be extended, and no loans shall be guaranteed, under the Foreign Miliary Sales Act with respect to South Korea. The preceding sentence shall not apply with respect to funds obligated prior to such date."

SECURITY SUPPORTING ASSISTANCE

SEC. 15. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed $585,550,000".

TRANSFER BETWEEN ACCOUNTS

SEC. 16. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:
(1) In subsection (a), immediately after "any other provision of this Act", insert (except funds made available under chapter 2 of part II of this Act)".
(2) Add at the end thereof the following new subsection:
"(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."
(b) (1) Section 614 of such Act is repealed.
(2) Such Act is further amended as follows:
(A) In section 109, strike out "sections 610 (a) and 614(a)" and insert in lieu thereof "section 610(a)".
(B) In section 210(c), strike out the comma and "nor may the authority of section 614(a) be used to waiver the requirements of this title".
(C) Section 251(c) is amended to read as follows:
"(c) The authority of section 610 may be used to transfer funds made available for this title only to funds made available for title I of this chapter."
(D) Section 302(b)(2) is amended by striking out "or 614(a)".
(E) Section 610(b) is amended by striking out "sections 451, 506, and 614" and inserting in lieu thereof "section 451".
(F) Section 634(d) is amended by striking out "or 614(b)".
(G) Section 652 is amended by striking out "section 506(a), 610(a), or 614" and inserting in lieu thereof "section 610(a)".
(H) Section 653(b) is amended by striking out "and may not be waived under the provisions of section 614(a) of this Act".

ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 17. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:
"SEC. 659. ACCESS TO CERTAIN MILITARY BASES ABROAD.—None of the funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under any law may be used to provide any kind of assistance to any foreign country in which a military base is located if—
"(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and
"(2) personnel of the United States carry out military operations from such base; unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."
(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

PROHIBITING POLICE TRAINING

SEC. 18. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 17(a) of this Act, is further amended by adding at the end thereof the following new section:
"SEC. 660. PROHIBITING POLICE TRAINING.—(a) None of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other internal security forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.
"(b) Subsection (a) of this section shall not apply—
"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which related to crimes of the nature which are unlawful under the laws of the United States; or
"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.
Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."
(b) Section 112 of such Act of 1961 is repealed.

LIMITATIONS UPON ASSISTANCE TO OR FOR CHILE

SEC. 19. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under this or any other law during fiscal year 1975 may not exceed $65,000,000, of which amount not to exceed $10,000,000 may be made available for the purpose of providing military assistance (including credit sales and the face amount of guaranties).

POLICY WITH RESPECT TO INDOCHINA

SEC. 20. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.
(c) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina, or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake immediately the following measures:
(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;
(2) to urge by all available means that the Government of the Khmer Republic enter into negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;
(3) to utilize any public or private forum to negotiate directly with representative of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;
(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and
(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 21. (a) Congress finds that, after expending over a billion dollars in funds for economic purposes in Indochina last year, and vast amounts in previous years, little in lasting economic benefit remains. A large proportion of the funds expended have been used for consumable items related to the war effort. Very little of our money has found its way into capital investments of a lasting productive benefit to the people. Congress calls upon the President and Secretary of State to take immediately the following actions designed to maximize the benefit of United States economic assistance:
(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;
(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;
(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;
(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;
(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress; and
(6) to include in Indochina economic planning and programming specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipients' efforts and to determine whether, and what amounts of continued United States funding is justified.
(b) This section is not meant to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 22. Section 802 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos as authorized by this part, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed $504,000,000, and for the fiscal year 1975 not to exceed $550,000,000. Of the amount appropriated for fiscal year 1975—

"(1) $420,000,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 806 of this Act;

"(2) $70,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 807 of this Act;

"(3) $45,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 803 of this Act;

"(4) $3,750,000 shall be available only for the regional development program; and

"(5) $11,250,000 shall be available only for support costs for the agency primarily responsible for carrying out this part.

Such amounts are authorized to remain available until expended."

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

SEC. Section 803 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), strike out "rights, particularly children fathered by United States citizens" and insert in lieu thereof "rights".

(2) In subsection (b), between the second and third sentences, insert the following: "Of the sums made available for South Vietnam under section 802(1) of this Act for fiscal year 1975, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section."

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 24. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 806. LIMITATIONS WITH RESPECT TO SOUTH VIETNAM.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $1,280,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of South Vietnam. Of that amount, there shall be available during such fiscal year—

"(1) $700,000,000 for military assistance;

"(2) $160,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) $420,000,000 only for economic assistance, of which there shall be available—

"(A) $95,000,000 for humanitarian assistance, of which there shall be available—

"(i) $66,500,000 for refugee relief;

"(ii) $8,200,000 for child care;

"(iii) $10,300,000 for health care; and

"(iv) $10,000,000 for the City-to-Farm program;

"(B) $188,000,000 for agricultural assistance, of which there shall be available—

"(i) $150,000,000 for fertilizer, POL, and pesticides;

"(ii) $20,000,000 for rural credit;

"(iii) $10,000,000 for canal dredging;

"(iv) $4,000,000 for low-lift pumps; and

"(v) $4,000,000 for fish farm development;

"(C) $95,000,000 for industrial development assistance, of which there shall be available—

"(i) $85,000,000 for commodities;

"(ii) $10,000,000 for industrial credit; and

"(iii) $600,000 for development planning; and

"(D) $41,400,000 for miscellaneous assistance, of which there shall be available—

"(i) $30,000,000 for transportation; and

"(ii) $11,400,000 for technical support.

"(b)(1) No funds made available under paragraph (2) or (3) of subsection (a) may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may any funds made available under subparagraph (A), (B), (C), or (D) of paragraph (3) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(2) Whenever the President determines it to be necessary in carrying out this part, any funds made available under any clause of subparagraph (A), (B), (C), or (D) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other clause of that same subparagraph.

"(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (2) of this subsection prior to making such transfer.

"(c) In computing the $1,280,000,000 limitation on obligational authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of South Vietnam in such fiscal year by gift, donation, loan, lease, or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of South Vietnam but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g)(1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Amed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

"(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(h) This section shall not be construed as a commitment by the United States to South Vietnam for its defense."

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 25. (a) Part V of the Foreign Assistance Act of 1961, as amended by section 24 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 807. LIMITATIONS WITH RESPECT TO CAMBODIA.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $347,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia. Of that amount, there shall be available—

"(1) $200,000,000 for military assistance;

"(2) $77,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) $70,000,000 only for economic assistance, of which there shall be available—

"(A) $20,000,000 for humanitarian assistance;

"(B) $31,000,000 for commodity import assistance;

"(C) $17,500,000 for multilateral stabilization assistance; and

"(D) $1,500,000 for technical support and participant training.

"(b) No funds made available under paragraph (2) or (3) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may any funds made available under any subparagraph of paragraph (3) of subsection (a) of this section be transferred to or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the $347,000,000 limitation on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or

on behalf of Cambodia but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g)(1) The total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. Effective six months after the date of enactment of this subsection, such total number shall not exceed at any one time one hundred and seventy-five.

"(2) The United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. Effective six months after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time seventy-five.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(4) This subsection shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia.

"(h) This section shall not be construed as a commitment by the United States to Cambodia for its defense."

(b) Section 655 and 656 of such Act are repealed.

LIMITATIONS WITH RESPECT TO LAOS

SEC. 26. Part V of the Foreign Assistance Act of 1961, as amended by sections 24 and 25(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 808. LIMITATIONS WITH RESPECT TO LAOS.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $100,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

"(1) $55,000,000 for military assistance; and

"(2) $45,000,000 only for economic assistance, of which there shall be available—

"(A) $13,000,000 for humanitarian assistance;

"(B) $9,900,000 for reconstruction and development assistance;

"(C) $17,500,000 for stabilization assistance; and

"(D) $4,600,000 for technical support.

"(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may any funds made available under any subparagraph of pragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provide to, for, or on behalf of Laos but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written reprt to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) This section shall not be construed as a commitment by the United States to Laos for its defense."

TRANSFER OF FUNDS

SEC. 27. Part V of the Foreign Assistance Act of 1961, as amended by sections 24, 25(a), and 26 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 809. TRANSFER OF FUNDS.—(a) The authority of section 610 of this Act shall not apply with respect to any funds made available to South Vietnam, Cambodia, or Laos.

"(b) Any funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development."

MIDDLE EAST ASSISTANCE

SEC. 28. (a) The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART VI

"SEC. 901. GENERAL AUTHORITY FOR ASSISTANCE TO THE MIDDLE EAST.—The President is authorized under section 902 of this Act to furnish, by loan or grant, assistance authorized by this Act, and to provide credits and guaranties authorized by the Foreign Military Sales Act. Any such assistance, credits, and guaranties shall be provided in accordance with all the purposes and limitations applicable to that type of assistance under this Act and applicable to credits and guaranties under the Foreign Military Sales Act.

"SEC. 902. ALLOCATIONS.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed $100,000,000 may be made available for military assistance in the Middle East.

"(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed $577,500,000 may be made available for security supporting assistance in the Middle East.

"(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed $330,000,000 shall be available for countries in the Middle East.

"SEC. 903. (a) SPECIAL REQUIREMENTS FUND.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed $100,000,000 to meet special requirements arising from time to time for the purpose of providing any type of assistance authorized by part I of this Act, in addition to funds otherwise available for such purpose. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by this Act in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

"(b) The President shall keep the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives currently informed on the programing and obligation of funds under subsection (a).

"(c)(1) Prior to obligating any amount in excess of $1,000,000 from funds made available under this section, the President shall transmit a written report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the same day giving a complete explanation with respect to such proposed obligation. Each report shall include an explanation relating to only one proposed obligation.

"(2)(A) The President may make such obligation thirty days after the report has been so transmitted unless, before the end of the first period of thirty calendar days of continuous session of Congress after the date on which the report is transmitted, either House adopts a resolution disapproving the proposed obligation with respect to which the report is made.

"(B) For purposes of subparagraph (A) of this paragraph—

"(i) the continuity of a session is broken only by an adjournment of the Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

"(3) Paragraphs (4) through (11) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(4) For purposes of paragraphs (2) through (11) of this subsection, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the —— does not approve the obligation for ——— and explained in the report transmitted to Congress by the President on ————, 19———;, the first blank space therein being filled with the name of the resolving House, the second blank space therein being filled with the name of the foreign country or organization on whose behalf the obligation is to be incurred, and the other blank spaces therein being appropriately filled with the date of the transmittal of the report; but does not include a resolution specifying more than one proposed obligation.

"(5) If the committee, to which has been referred a resolution disapproving a proposed obligation, has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same obligation which has been referred to the committee.

"(6) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposed obligation), and debate thereon is limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(7) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same obligation.

"(8) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an obligation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(9) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(10) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an obligation, and motions to proceed to the consideration of other business, are decided without debate.

"(11) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an obligation are decided without debate."

(b) Section 620(p) of such Act is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

SEC. 29. The Foreign Military Sales Act is amended as follows:

(1) Section 3(d) is amended to read as follows:

"(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(2) Section 22 is amended by adding at the end thereof the following new subsection:

"(c) No sales of defense articles shall be made to the government of any economically developed country under the provisions of this section if such articles are generally available for purchase by such country from commercial sources in the United States."

(3) Section 23 is amended to read as follows:

"SEC. 23. CREDIT SALES.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

"(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

"(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

(4) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

(5) Section 24 is amended by adding at the end thereof the following:

"(d) The President may guarantee under this section only those payments for any defense article or defense service which are due within ten years after that defense article is delivered or that defense service is rendered, except that such guaranty may be made for not more than twenty years if the President certifies to Congress that the national interest requires that the period of guaranty be longer than ten years, and states in the certification the country or international organization on whose behalf the guaranty is to be made, the period of the guaranty, and the justification for the longer period."

(6) In section 31—

(A) in subsection (a), strike out "$325,000,000 for the fiscal year 1974" and insert in lieu thereof "$455,000,000 for the fiscal year 1975"; and

(B) in subsection (b)—

(i) strike out "$730,000,000 for the fiscal year 1974" and insert in lieu thereof "$872,500,000 for the fiscal year 1975"; and

(ii) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, $100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

POLITICAL PRISONERS

SEC. 30. Section 32 of the Foreign Assistance Act of 1973 is amended by adding at the end therof the following new sentence: "Commencing with respect to 1974, the President shall submit annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written report setting forth fully the steps he has taken to carry out this section."

GORGAS MEMORIAL INSTITUTE

SEC. 31. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, as amended (22 U.S.C. 278), is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

SEC. 32. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed $16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed $11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

EXTENSION OF THE TERMINATION DATE OF THE EXPORT-IMPORT BANK

Mr. PACKWOOD. Mr. President, I send to the desk a joint resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated.

The joint resolution was read the first time by its title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section VIII of the Export-Import Bank Act of 1945 (12 USC 635F) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the joint resolution.

Mr. PACKWOOD. Mr. President, the House of Representatives has passed Export-Import Bank legislation, as has the Senate. We will not get to conference before October 1. Under present law, the life of the Bank terminates at the end of September, and this is simply a 15-day extension of the Bank's life.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the third reading be dispensed with.

The PRESIDING OFFICER (Mr. DOMENICI). Is there objection? Without objection, it is so ordered. The question is, Shall the joint resolution pass?

The joint resolution (S.J. Res. 244) was passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".

SENATE RESOLUTION 409—DESIGNATING THE WEEK OF SEPTEMBER 23 THROUGH SEPTEMBER 27 AS "MEALS-ON-WHEELS WEEK"

Mr. McGOVERN. Mr. President, I am about to ask for the immediate consideration of a resolution which has been fully cleared on both sides of the aisle.

One of the most worthy organizations in this country is the so-called "Meals-on-Wheels" program operated by church groups and synagogues across the Nation, to bring meals to shut-ins, invalids, and the handicapped.

Those organizations are designating this week as "Meals-on-Wheels Week," and this resolution would provide a similar designation by the Senate. I have cleared the resolution with the distinguished majority leader, the distinguished minority leader, the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and the appropriate members of the committee, and I ask unanimous consent for immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution designating the week of September 23 through September 27 as "Meals-on-Wheels Week."

Mr. McGOVERN. "(He that) hath given his bread to the hungry—shall surely live"—Ezekiel 18:16–17. No stronger imperative can be found in the religious heritage of our Judeo-Christian tradition than the call to feed the hungry and to share our bread with those who are in need. President Ford's address to the United Nations last week has helped emphasize the gathering world crisis in food supply, a crisis very much in our minds as we read daily reports of outright starvation in part of Africa and Asia.

The challenge of hunger among the people of the world presents us with a problem of major dimensions, both moral, and practical. However, our own personal response as concerned persons is to seek immediate implementation of our impulse to share—in short, to begin where we are and to do what we can. This is the primary reason that I, together with my good friends and colleagues, Senators SCHWEIKER, MANSFIELD, and SCOTT are sponsoring a Senate resolution designating the week of September 23 through 27 as Meals-on-Wheels Week in honor of the first National Conference on Meals-on-Wheels.

The history of the Meals-on-Wheels program provides a truly inspiring example of human response—person to person—to human need, and illustrates the power of men and women of good will to act together in behalf of the community of man. Born in London in the dark days of the Second World War during the blitz as a way of feeding victims of air raids, Meals-on-Wheels first came to the United States, just 20 years ago in 1954 when a kitchen opened in Philadelphia to feed the homebound in that city. Since that time it has been spread throughout the States, providing nutritious meals for elderly and handicapped citizens who for a variety of reasons related to age, economic need, or disability, are unable to prepare adequate meals for themselves.

The underlying objective of this project is to sustain the health of the elderly and handicapped, and so enable them to continue to live independently in their homes for as long as possible, thus relieving the pressures on institutions and nursing homes.

Our senior citizens and many handicapped are the ones hardest hit by economic dislocation and inflationary pressures. They are the ones least able to bear rising costs. In this regard, Meals-on-Wheels is nothing more nor less than a way in which fellow citizens can express their care for others who are in need, and in so doing can help others retain their sense of dignity as well as their health. It is a dramatic instance of how people can care for people.

The Senate Nutrition Committee, which it is my privilege to chair, will be directly involved in the work of the Washington, D.C., Meals-on-Wheels Confederation during the observance of National Meals-on-Wheels Week.

Participants from more than 30 States and Canada will attend the local sessions at the New York Avenue Presybterian Church, all of which are open to the public. A noon meal in the Cannon Office Building on Friday, September 27, will honor some 370 local Meals-on-Wheels volunteers and recipients, who will be served by Congressmen and Senators as well as Ambassadors from nations which have similar programs. After serving, the waiters-for-a-day will join other invited guests in the meal.

The local conference will actually begin on Wednesday, September 25, with a 9:30 a.m. workshop on the mechanics of Meals-on-Wheels as it operates differently in various communities. Wednesday afternoon's activities will include a legislative workshop led by members of the Senate Select Committee on Nutrition and Human Needs and of the House Agriculture Committee. A "fasting meal" of soup and unleavened bread at 6 p.m. will mark the observance of Yom Kippur. At 7:30 the evening program will feature the Toronto Meals-on-Wheels, which is administered by the Canadian Red Cross. Earlier that day at a noon luncheon, a prominent Jewish speaker will speak on the need for added kosher Meals-on-Wheels in programs throughout the country. The New York Avenue Church's own Meals-on-Wheels facilities, now observing their third year of service, will be used for this occasion.

A highlight of the Thursday session will be the interfaith, ecumenical service, led by Dr. Martin Luther King, Sr., on the theme, "Still Hungry in America: An Encounter in Worship." Participants will include local clergy—Christian and Jewish, Meals-on-Wheels leaders, congressional and Senate leaders, and representatives from the Mayor's office. There will be a noon address by Dr. Arthur S. Flemming, Commissioner of the Administration on Aging of HEW, which administers some federally funded Meals-on-Wheels programs.

At 6:30 p.m. a panel on funding, civic support, and volunteer service for Meals-on-Wheels will feature Nancy Clay of Colorado, Daphne Kralse of Minnesota, and Ruth Wise of Wheaton, Md.

The Friday sessions will move to Capitol Hill. The 9 a.m. program at the Longworth Office Building will feature Ms. Ruby Bancroft, director of Washington's Visiting Nurse Association, and Dr. Susan Schiffman of Duke University's Center for the Study of Aging. The noon meal at the Cannon Building will close the conference.

Meals-on-Wheels is a striking example of voluntary service in the best American tradition, which is why it has flourished in this land. The enterprise, compassion, and devotion of countless thousands of unsung volunteers clothes their service with the precious ingredients of human love and warmth for those who are too often isolated from these life-giving qualities. The overwhelming majority of Meals-on-Wheels programs are conducted in, by, and through private bodies, whether local churches, temples, synagogues, or concerned civic groups. It is a venture which deserves the support of all people, and we commend its observance to all who share a common concern for the religious and ethical teachings which have always marked our Nation at its finest moments.

The character of Ruth is beautifully described in the Book of Ruth as "a nourisher of thine old age." So may it be with those who participate in Meals-on-Wheels, responding to the spirit of him who said, "For as much as ye have done it unto one of the least of these, my brethren."

I ask unanimous consent that certain documents be printed at this point in the RECORD.

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

CAPITOL HILL UNITED METHODIST CHURCH,
Washington, D.C., September 24, 1974.

DEAR FRIEND: Today as delegates from 30 of the United States and Canada arrive in Washington, D.C. to assemble for the first national conference of Meals-on-Wheels, Senator George S. McGovern will introduce for himself and Senator Richard S. Schweiker, the attached resolution which would declare the week of September 23–27 national "Meals-on-Wheels" week.

It is our hope that you will join your fellow Senators in unanimous support of this resolution. It is designed to draw the nation's attention to a program which seeks to meet—now—the needs of those who are elderly and convalescent by providing them with home-delivered, hot nutritious meals.

These are mostly private programs, sponsored by local religious and civic groups. The programs work because volunteers prepare, cook, package, and deliver the food at cost.

It is a worthy program worthy of recognition. We hope you agree with us and will give your support by unanimous consent today when the resolution is introduced.

With warm wishes, I am

Sincerely yours,

NEIL SCOTT,
Chairman, Greater Washington Meals-on-Wheels Confederation.

HOME DELIVERED MEALS—A NATIONAL DIRECTORY

SOUTH DAKOTA

Aberdeen

Aberdeen Recreation-Home Service.
Sponsor, if any: Aberdeen Senior Center, Inc.
Meals served per week, 178. Different persons served per week, 34.
Restrictions: 55 years and over. Other, unspecified restriction.
Meals served: Hot lunch meal $.76–$1.00.
Provision for special diets: Flexible diets.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, none; 55-64, 2 percent; 65-74, 23 percent; 75-84, 61 percent; 85 and over, 14 percent.

Brookings

Meals on Wheels-Brookings Hospital Auxiliary.
Sponsor, if any: Hospital and Rest Home Auxiliary.
Meals served per week, 55. Different persons served per week, 11.
Restrictions: None.
Meals served: Hot lunch meal $1.01-1.25.
Provision for special diets: Flexible diets.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, 9 percent; 55-64, 37 percent; 65-74, 54 percent; 75-84, none; 85 and over, none.

Clark

Meals on Wheels.
Sponsor, if any: Local churches.
Meals served per week, 4. Different persons served per week, 4.
Restrictions: None.
Meals served: Hot lunch meal $.76-1.00.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, none; 55-64, none; 65-74, 50 percent; 75-84, 50 percent; 85 and over, none.

Madison

Meals on Wheels, Madison Senior Center.
Sponsor, if any: Interlakes Community Action.
Meals served per week, —.Different persons served per week, 35.
Restrictions: 55 years and over.
Meals served: Hot lunch meal, $.51–.75.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Not noted.

Milbank

Meals on Wheels.
Sponsor, if any: Ministerial Association.
Meals served per week, 75. Different persons served per week, 15.
Restrictions: None.
Meals served: Hot dinner meal, $.76–1.00.
Provision for special diets: salt and sugar substitutes.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, none; 55–64, none; 65–74, 10 percent; 75–84, 90 percent; 85 and over, none.

Rapid City

Mobile Meals, Inc., 213 Berry Pine Road.
Sponsor, if any: Independent Corporation.
Meals served per week, 50. Different persons served per week, 12.
Restrictions: Shut in, living alone.
Meals served: Hot dinner meal, $.76–1.00.
Provision for special diets: Special diet prescribed.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, none; 55–64, 10 percent; 65–74, 50 percent; 75–84, 40 percent; 85 and over, none.

Sioux Falls

Meals on wheels.
Sponsor, if any: Lutheran Social Services.
Meals served per week, 215. Different persons served per week, —.
Restrictions: Poor nutrition.
Meals served: Hot lunch meal, $.76–1.00.
Provision for special diets: Special diet prescribed.
Minimum length of enrollment: 5 days.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, 5 percent; 55–64, 24 percent; 65–74, 24 percent; 75–84, 29 percent; 85 and over, 18 percent.

Spearfish

Meals on wheels.
Sponsor, if any: Spearfish Senior Citizens Ser.
Meals served per week, 20. Different persons served per week, 6.
Restrictions: None.
Meals served: Hot lunch meal, $.76–1.00.
Provision for special diets: Flexible diets.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, 0 percent; 55–64, 0 percent; 65–74, 80 percent; 75–84, 20 percent; 85 and over, 0 percent.

Vermillion

Meals on wheels.
Sponsor, if any: Vermillion Civic Council.
Meals served per week, 60. Different persons served per week, 12.
Restrictions: 55 years and over; other, unspecified restriction.
Meals served: Hot dinner meal $.76–1.00.
Provision for special diets: Flexible diets.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, 0 percent; 55–64, 0 percent; 65–74, 10 percent; 75–84, 70 percent; 85 and over, 20 percent.

Watertown

Meals on wheels.
Sponsor, if any: None at present.
Meals served per week, 110. Different persons served per week, 22.
Restrictions: None.
Meals served: Hot dinner meal $.76–1.00.
Provision for special diets: Flexible diets.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, none; 55–64, none; 65–74, 50 percent; 75–84, 40 percent; 85 and over, 10 percent.

Yankton

Meals on wheels.
Sponsor, if any: Yankton Senior Citizens.
Meals served per week, 60. Different persons served per week, 15.
Restrictions: None.
Meals served: Hot lunch meal $.76–1.00.
Provision for special diets: Special diet prescribed.
Minimum length of enrollment: No limit.
Maximum length of enrollment: No limit.
Age distribution of participants: Under 55, 20 percent; 55–64, 20 percent; 65–74, 30 percent; 75–84, 20 percent; 85 and over, 10 percent.

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

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution (S. Res. 409), with its preamble, is as follows:

S. RES. 409

Resolution, designating the week of September 23 through September 27 as "Meals-on-Wheels Week".

Resolved, Whereas, the World Hunger Action Coalition has proclaimed the week of September 22 through September 29 as the "Week of Concern for World Hunger," and

Whereas, the thousands of Meals-on-Wheels organizations in the United States, Canada, and many other countries provide hot, nourishing meals each day to the hungry, housebound, elderly, handicapped, and the disabled, without regard to race, creed, color, or financal ability, and

Whereas, the vast majority of these Meals-on-Wheels organizations are privately organized as activities of local churches, temples, or concerned civic groups, and

Whereas, such Meals-on-Wheels programs enable millions of individuals to remain in their homes and maintain their health, and

Whereas, Meals-on-Wheels has grown to serve the purposes previously listed since it was first started in England in 1939 and begun in the United States in 1954, and

Whereas, as elected public servants, we welcome and encourage programs which serve the less fortunate and are especially grateful for efforts which originate on a volunteer basis in the private sector, and

Whereas, those meals are planned, packaged, and delivered by the enterprise, compassion and devotion of literally thousands of volunteers who are helping to bring a measure of human warmth and love to those they serve: Now, therefore, be it

Resolved, That the week of September 23 through September 27 be designated as "Meals-on-Wheels Week" in the United States in recognition of the selfless service these Meals-on-Wheels units perform and in honor of the first National Conference of Meals-on-Wheels.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 16243, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DOMENICI). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

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

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of September 18, 1974, at page 31505.)

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the requirement that the conference report be printed as a Senate report be waived, inasmuch as under the rules of the House of Representatives it has been printed as a report of the House.

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

Mr. McCLELLAN. Mr. President, on Tuesday, September 17, 1974, the conferees on the Department of Defense appropriations bill for fiscal year 1975 reached agreement on the differences between the two Houses after 2 days of meetings and about 8 hours of deliberations.

The total amount agreed to was $82,576,297,000 in new budget authority, including transfers of $480 million.

This is $4,481,200,000—or 5.15 percent—below the administration's amended budget request of $87,057,497,000.

It is also $817,273,000 below the amount approved by the House and $478,439,000 above the amount approved by the Senate.

The appropriation agreed upon by the conferees will result in a reduction in actual outlays of $2.5 billion during the 1975 fiscal year, which should have a significant impact on helping to combat inflation.

Although strong efforts were made by the House conferees to restore sizable appropriations which had been cut by the Senate, your conferees were successful in limiting add-ons to only 36.9 percent of the Senate reduction.

There were 57 amendments made by the Senate to the House bill, and in all, a total of 368 individual line-item dollar or language differences that needed to be resolved.

I am convinced that the conference committee has produced a reasonable compromise and that the amount appropriated in this bill establishes a level of funding that is a fair balance between the requirements of the Nation's defense and the need for reduced Federal spending in order to deal with inflation.

Mr. President, I wish to point out that the reductions made in the administration's budget request are significantly greater than was thought possible at the time that the Defense Appropriation Subcommittee of the Committee on Appropriations forecast a reduction of $3.5 billion in new budget authority.

We have, instead, by applying the most rigid standards, made savings of nearly $1 billion more than the target amount we set at the time the hearings were opened on this bill.

FISCAL YEAR 1975 SUPPLEMENTALS

Mr. President, I want to make it clear to my colleagues that, although large, this bill will not fund all of the Nation's military costs in fiscal year 1975. In addition to the military construction, family housing, military assistance, and civil defense areas, which will be included in other bills, there is $1,740 million which will be required in a fiscal year 1975 supplemental to pay for military and civilian pay raises to be granted in October 1974 and wage board pay increases which are automatically required as wages in the private sector rise. I want to make it very clear to the Defense Department that, barring exceptional and unexpected changes in the security posture of this Nation, the Congress will take a very dim view of supplementals for anything other than those statutory pay and wage board increases.

We do not want a repetition of last year's "readiness supplemental," which included many items that probably could have waited for the fiscal year 1975 appropriation. Of course, if there are compelling reasons for funding a critical item, they will be considered, but only after all means of readjusting within available funds and reprograming have been exhausted by the Department of Defense.

I wish to emphasize, Mr. President, that while some military authorities may regard this is a lean budget, their objectives will be met if they apply the same diligent scrutiny to their programs as the members of the Senate Committee on Appropriations applied in making our recommendations for spending during fiscal 1975.

In view of the economic and fiscal disarray in which the United States presently finds itself, the most strenuous efforts must be made at all levels of the Department of Defense to become more cost-conscious, to examine all items with the view of eliminating or dispensing with those that are unnecessary without unduly or adversely affecting essential operations.

Perhaps one of the problems with military spending is that the professional soldiers, the generals and admirals who manage programs and projects in the Defense Department, have not had the experience of working in the private marketplace where profits—and not appropriations—determine expenditures. We must get full value for every dollar expended. Our generals and admirals must come to realize that we do not intend to appropriate for any purpose unless it is fully justified.

I have asked each service secretary to make a determined effort to save dollars and personnel and to submit periodic reports on these efforts and their results.

In conclusion, Mr. President, it is my hope that we will soon enter a period in which international tensions will be reduced. But until then, we must maintain a defense posture that will be an adequate shield for our liberties and a deterrent to aggression—while taking into account the limitations of our resources. I am certain that the appropriations contained in this bill are adequate to meet this challenge.

As George Washington said in his first inaugural address:

To be prepared for war is one of the most effectual means of preserving peace.

Mr. President, I ask unanimous consent that a list of major items in conference and a tabulation summarizing the actions of the House, the Senate and the conference be printed in the RECORD at this point.

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

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975 (H.R. 16243)

Appropriations (by functional title)	Revised fiscal year 1975 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared with— Budget estimate	House allowance	Senate allowance
TITLE I—MILITARY PERSONNEL							
Military personnel, Army	$7,963,200,000	$7,875,013,000	$7,762,213,000	$7,780,263,000	−$182,937,000	−$94,750,000	+$18,050,000
Military personnel, Navy	5,809,900,000	5,720,230,000	5,665,510,000	5,679,810,000	−130,090,000	−40,420,000	+14,300,000
Military personnel, Navy 1969, 1971 (liquidation of deficiencies)	51,026,000	43,356,000	43,356,000	43,356,000	−7,670,000		
Military personnel, Marine Corps	1,732,500,000	1,713,506,000	1,686,206,000	1,695,456,000	−37,044,000	−18,050,000	+9,250,000
Military personnel, Air Force	7,475,700,000	7,332,151,000	7,210,881,000	7,229,531,000	−246,169,000	−102,620,000	+18,650,000
Reserve personnel, Army	490,600,000	498,600,000	485,800,000	493,800,000	+3,200,000	−4,800,000	+8,000,000
Reserve personnel, Navy	209,700,000	216,200,000	202,900,000	211,900,000	+2,200,000	−4,300,000	+9,000,000
Reserve personnel, Marine Corps	73,000,000	68,500,000	67,800,000	66,800,000	−6,200,000	−1,700,000	−1,000,000
Reserve personnel, Air Force	148,565,000	145,865,000	147,865,000	147,865,000	−700,000	+2,000,000	
National Guard personnel, Army	621,700,000	660,800,000	661,300,000	660,800,000	+39,100,000		−500,000
National Guard personnel, Air Force	198,577,000	204,527,000	205,027,000	204,527,000	+5,950,000		−500,000
Total, title I—Military personnel	24,774,468,000	24,478,748,000	24,138,858,000	24,214,108,000	−560,360,000	−264,640,000	+75,250,000

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975 (H.R. 16243)—Continued

Appropriations (by functional title)	Revised fiscal year 1975 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared with— Budget estimate	House allowance	Senate allowance
TITLE II—RETIRED MILITARY PERSONNEL							
Retired pay, Defense	$6,040,600,000	$6,040,600,000	$6,040,600,000	$6,040,600,000			
TITLE III—OPERATION AND MAINTENANCE							
Operation and maintenance, Army	7,048,500,000	6,228,389,000	6,137,532,000	6,137,532,000	−$910,968,000	−$90,857,000	
Operation and maintenance, Navy	7,665,900,000	7,177,915,000	7,140,575,000	7,151,175,000	−514,725,000	−26,740,000	$+10,600,000
Operation and maintenance, Marine Corps	457,100,000	451,624,000	449,284,000	449,284,000	−7,816,000	−2,340,000	
Operation and maintenance, Air Force	7,855,200,000	7,113,254,000	7,077,930,000	7,062,030,000	−793,170,000	−51,224,000	−15,900,000
Operation and maintenance, Defense agencies	1,881,700,000	2,357,375,000	2,350,159,000	2,350,159,000	+468,459,000	−7,216,000	
Operation and maintenance, Army Reserve	281,400,000	279,600,000	273,600,000	276,600,000	−4,800,000	−3,000,000	+3,000,000
Operation and maintenance, Navy Reserve	247,900,000	245,200,000	245,200,000	245,200,000	−2,700,000		
Operation and maintenance, Marine Corps Reserve	11,700,000	11,700,000	11,700,000	11,700,000			
Operation and maintenance, Air Force Reserve	288,800,000	286,680,000	292,580,000	286,680,000	−2,120,000		−5,900,000
Operation and maintenance, Army National Guard	614,900,000	586,500,000	589,500,000	589,500,000	−25,400,000	+3,000,000	
Operation and maintenance Air National Guard	628,500,000	632,500,000	652,500,000	642,500,000	+14,000,000	+10,000,000	−10,000,000
National Board for the Promotion of Rifle Practice	178,000	178,000	168,000	178,000			
Naval petroleum reserve	6,900,000	81,900,000	56,900,000	69,400,000	+62,500,000	−12,500,000	+12,500,000
Claims, Defense	54,600,000	54,600,000	54,600,000	54,600,000			
Contingencies, Defense	5,000,000		5,000,000	2,500,000	−2,500,000	+2,500,000	−2,500,000
Court of Military Appeals	1,065,000	1,065,000	1,065,000	1,065,000			
Total, title III—Operation and maintenance	27,049,343,000	25,508,480,000	25,338,303,000	25,330,103,000	−1,719,240,000	−178,377,000	−8,200,000
TITLE IV PROCUREMENT							
Aircraft procurement, Army	339,500,000	224,300,000	284,200,000	242,800,000	−96,700,000	+18,500,000	−41,400,000
Transfer from other accounts		(7,000,000)	(7,000,000)	(7,000,000)	(+7,000,000)		
Missile procurement, Army	459,200,000	416,500,000	416,500,000	416,500,000	−42,700,000		
Transfer from other accounts		(15,000,000)	(15,000,000)	(15,000,000)	(+15,000,000)		
Procurement of weapons and tracked combat vehicles, Army	385,300,000	344,800,000	343,500,000	344,800,000	−40,500,000		+1,300,000
Transfer from other accounts		(3,000,000)	(3,000,000)	(3,000,000)	(+3,000,000)		
Procurement of ammunition, Army	1,344,800,000	726,500,000	720,200,000	720,200,000	−624,600,000	−6,300,000	
Transfer from other accounts		(170,000,000)	(170,000,000)	(170,000,000)	(+170,000,000)		
Other procurement, Army	786,200,000	669,600,000	689,700,000	681,100,000	−105,100,000	+11,500,000	−8,600,000
Transfer from other accounts		(3,000,000)	(3,000,000)	(3,000,000)	(+3,000,000)		
Aircraft procurement, Navy	2,960,600,000	2,814,000,000	2,745,200,000	2,775,400,000	−185,200,000	−38,600,000	+30,200,000
Weapons procurement, Navy	833,900,000	762,000,000	748,600,000	729,500,000	−104,400,000	−32,500,000	−19,100,000
Transfer from other accounts		(10,000,000)	(10,000,000)	(10,000,000)	(+10,000,000)		
Shipbuilding and conversion, Navy	3,562,600,000	3,059,000,000	3,140,400,000	3,059,000,000	−503,600,000		−81,400,000
Transfer from other accounts			(103,600,000)	(70,000,000)	(+70,000,000)	(+70,000,000)	(−33,600,000)
Other procurement, Navy	1,684,500,000	1,602,600,000	1,582,600,000	1,582,600,000	−101,900,000	−20,000,000	
Transfer from other accounts		(20,800,000)	(20,800,000)	(20,800,000)	(+20,800,000)		
Procurement, Marine Corps	228,800,000	207,800,000	207,800,000	207,800,000	−21,000,000		
Transfer from other accounts		(10,000,000)	(10,000,000)	(10,000,000)	(+10,000,000)		
Aircraft procurement, Air Force	3,496,600,000	3,190,300,000	2,705,700,000	3,062,800,000	−433,800,000	−127,500,000	+357,100,000
Transfer from other accounts		(76,200,000)	(153,600,000)	(153,600,000)	(+153,600,000)	(+77,400,000)	
Missile procurement, Air Force	1,610,800,000	1,555,200,000	1,518,700,000	1,533,700,000	−77,100,000	−21,500,000	+15,000,000
Transfer from other accounts		(5,000,000)	(5,000,000)	(5,000,000)	(+5,000,000)		
Other procurement, Air Force	2,071,800,000	1,864,400,000	1,772,000,000	1,776,500,000	−295,300,000	−87,900,000	+4,500,000
Transfer from other accounts		(12,600,000)	(12,600,000)	(12,600,000)	(+12,600,000)		
Procurement, Defense agencies	102,017,000	102,017,000	98,416,000	98,416,000	−3,601,000	−3,601,000	
Total, title IV—Procurement	19,866,617,000	17,539,017,000	16,973,516,000	17,231,116,000	−2,635,501,000	−307,901,000	+257,600,000
Transfer from other accounts		(332,600,000)	(513,600,000)	(480,000,000)	(+480,000,000)	(+147,400,000)	(−33,600,000)
TITLE V RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, development, test, and evaluation, Army	1,985,976,000	1,831,630,000	1,749,152,000	1,779,339,000	−206,637,000	−52,291,000	+30,187,000
Research, development, test, and evaluation, Navy	3,261,933,000	3,065,121,000	2,979,612,000	3,006,914,000	−255,019,000	−58,207,000	+27,302,000
Research, development, test, and evaluation, Air Force	3,518,860,000	3,377,317,000	3,144,460,000	3,274,360,000	−244,500,000	−102,957,000	+129,900,000
Research, development, test, and evaluation, Defense agencies	528,700,000	492,057,000	491,057,000	491,057,000	−37,643,000		
Director of Test and Evaluation, Defense	27,000,000	25,000,000	25,000,000	25,000,000	−2,000,000		
Total, title V—Research, development, test and evaluation	9,322,469,000	8,790,125,000	8,389,281,000	8,576,670,000	−745,799,000	−213,455,000	+187,389,000
TITLE VI—SPECIAL FOREIGN CURRENCY PROGRAM							
Special foreign currency program	2,900,000	2,900,000	2,900,000	2,900,000			
TITLE VII—MILITARY ASSISTANCE, SOUTH VIETNAMESE FORCES							
Military assistance, South Vietnamese forces	(1,450,000,000)	622,600,000	700,000,000	700,000,000	+700,000,000	+77,400,000	
Transfer from other accounts		(77,400,000)				(−77,400,000)	
TITLE VIII—GENERAL PROVISIONS							
Additional transfer authority, sec. 834	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)			
TITLE IX—RELATED AGENCY							
Defense Manpower Commission	1,100,000	1,100,000	800,000	800,000	−300,000	−300,000	
New obligational authority	87,057,497,000	82,983,570,000	81,584,258,000	82,096,297,000	−4,961,200,000	−887,273,000	+512,039,000
Transfers from other accounts		(410,000,000)	(513,600,000)	(480,000,000)	(+480,000,000)	(+70,000,000)	(−33,600,000)
Total funding available	87,057,497,000	83,393,570,000	82,097,858,000	82,576,297,000	−4,481,200,000	−817,273,000	+478,439,000
Transfer authority	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)			

MAJOR ITEMS IN THE CONFERENCE

TITLE I—MILITARY PERSONNEL

Mr. McCLELLAN. Mr. President, the conference agreed to restore the $61 million reduction made by the Senate in support and headquarters staffing transfers. The conferees agreed that, as the military become more efficient in the use of manpower, the savings must ultimately be passed on to the taxpayer; however, they felt that further study of specific changes in force structure proposed by each service was needed prior to taking further action to reduce manpower levels significantly.

The conference also agreed to reductions in terminal leave payments, superior performance pay, and junior enlisted travel benefits as proposed by the Senate.

TITLE IV—PROCUREMENT

AIRCRAFT PROGRAMS

The conference agreed to include $18.5 million for the 48 UH–1H helicopters

for the Army as proposed by the Senate and delete $41.4 million for 19 CH–47C Army helicopters. A total of $118 million for 30 A–7E Navy attack aircraft is included in the conference agreement as proposed by the Senate, instead of $130.7 million for 34 aircraft as proposed by the House. The conference agreement provides $429.4 million for 45 S–3A antisubmarine warfare aircraft as proposed by the House instead of $385.8 million for 40 aircraft as proposed by the Senate. The conference agreed to include $138 million for procurement of 25 A–10 close air support aircraft, which is midway between the 20 aircraft proposed for procurement by the Senate and 30 proposed by the House. The conferees also agreed on the appropriation of $328 million for six airborne warning and control system aircraft and $42 million for advance procurement as proposed by the House, instead of funding only four aircraft as proposed by the Senate. The conference agreed to provide $756.9 million for procurement of 72 F–15 fighter aircraft as proposed by the House instead of $690.7 million for 62 aircraft as proposed by the Senate. The agreement also provides $205.5 million for 12 F–111F aircraft as proposed by the House, but deletes $15 million for advance procurement of future F–111's.

I cannot emphasize more strongly that the conferees do not intend to provide any further funds for the F–111 program unless it is requested by the administration and sufficiently justified before the proper congressional committees.

SHIPBUILDING

The conference deleted the $81.4 million provided by the Senate for a fleet oiler. The conference also agreed to provide $70 million for escalation and cost growth associated with the procurement of two submarine tenders instead of the transfer of $103.6 million as proposed by the Senate. These two submarine tenders were funded in fiscal years 1972 and 1973, but the sums appropriated are insufficient to construct them. The additional $70 million will be obtained by the cancellation of a destroyer tender, but the conferees indicated that if it is required, the destroyer tender can be included in the fiscal 1976 budget request.

TITLE V—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

AIRCRAFT DEVELOPMENTS

For the Navy, the conference agreement provides $4.6 million for development of the F–401 jet engine instead of $21 million proposed by the House and no funds as proposed by the Senate. These funds are provided to pay only for prior year effort and the conferees agreed that further development should be delayed until the Navy adequately justifies a requirement for this engine. The conference agreed to provide $20 million as proposed by the Senate instead of no funding as proposed by the House for the Navy VFAX fighter aircraft, but stipulated that the development program must make maximum use of the Air Force's YF–16 and YF–17 fighters, and indicated that future funding is to be contingent upon the capability of the Navy to produce a derivative of the selected Air Force air combat fighter design.

For the Air Force, the conference agreement provided $445 million for the B–1 bomber instead of $400 million proposed by the Senate and $455 million proposed by the House. The conferees also agreed to provide $2 million for the advanced tanker/cargo aircraft which may be required to keep our bomber force viable in the future.

The conferees agreed to provide $210 million for the airborne warning and control system instead of $190 million proposed by the Senate and $219.7 million proposed by the House.

MISSILE DEVELOPMENTS

The conference agreed to provide $104.2 million for the Army's surface to air missile development program—SAM–D, instead of $100 million as proposed by the Senate and $111.2 million as proposed by the House. The conference agreement provides $118 million for the site defense antiballistic missile system, instead of $123 million proposed by the House and $100 million as proposed by the Senate. The conferees also provided $2 million for the Pershing II missile system, instead of $95 million as proposed by the House and no funds as proposed by the Senate. The conference agreement provides $27.7 million for the advanced forward area air defense system, instead of $30.7 million as proposed by the House and $24.7 million as proposed by the Senate. Of the total provided, $18.2 million is for the short range air defense missile system.

In the area of cruise missiles, the conference agreement provides $38 million for the Navy's strategic cruise missile, instead of $41 million proposed by the House and $31 million as proposed by the Senate. The conferees agreed to provide $66.5 million for the Air Force air launched cruise missile instead of $61.5 million as proposed by the Senate and $71.5 million as proposed by the House.

TITLE VII—MILITARY ASSISTANCE SOUTH VIETNAMESE FORCES

The conference agreed to appropriate $700 million for Military Assistance South Vietnamese Forces instead of $622.6 million in new obligational authority and $77.4 million by transfer as proposed by the House.

GENERAL PROVISIONS

The conference reached agreement on a number of language differences in the general provisions, providing as follows:

For a reduction of 12,500 in military personnel stationed overseas, instead of 25,000 as proposed by the Senate and none as proposed by the House.

That no funds may be used for site acquisition or construction of the continental United States Over the Horizon radar system. The original Senate provision had prohibited use of funds for development of this system.

That no war materiels may be transferred to any foreign country unless such transfer is specifically authorized by law. The Senate provision had also originally prevented the use of funds for the purpose of stockpiling war materiels for equipment for Asian countries.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I support and concur in the remarks by the distinguished chairman of the Committee on Appropriations (Mr. MCCLELLAN). Our conferees strongly supported the Senate position and sought to retain to the maximum degree the position of the Senate on the specific issues, as well as to maintain the maximum reductions possible.

The difference between the House bill and the Senate bill was approximately $1.5 billion. On balance the restoration of $478,439,000, approximately one-third of the difference between the two Houses, indicates strong support of the Senate's position.

I am certain that the Senate is concerned that defense outlays have risen from $78 billion in 1968—when we were fighting a war in South Vietnam—to a request of over $85 billion in fiscal year 1975. The reason for this results primarily from the very heavy impact that inflation has had on the defense budget. Between 1968 and today's defense budget, military basic pay rates have more than doubled. Military allowances are up 41 percent. Civil service pay has risen 59 percent. The cost of supplies has increased 54 percent. These items have added $31 billion to the budget request.

Another way of explaining this Defense appropriations bill is to compare it in constant fiscal year 1975 dollars to past bills.

In 1964 approximately $50 billion was appropriated but when converted to fiscal year 1975 dollars it would be approximately $94 billion.

In 1968, the peak year of the war in Vietnam, approximately $78 billion was appropriated but in today's dollars that would be almost $125 billion.

In 1972 approximately $75 billion was appropriated which was the equivalent of $95 billion in fiscal year 1975 dollars. This was a reduction of $30 billion in buying power, personnel, goods and services.

In 1975, this conference report before us today continues a downward trend in the funds available for defense.

Overall this fiscal year 1975 appropriations bill is less in constant dollars than the pre-Vietnam appropriations and since 1968 has been decining each year.

Although in current dollars this is the biggest appropriations for defense in our history it will provide less purchasing power. In fact, this appropriation bill will require the Department of Defense and the Armed Services to reevaluate and tighten their respective belts. This is particularly true in the area of research and development. However, the conferees believe that the vital programs contained in this bill will be preserved or continued as appropriate and that no high priority project or weapon system has been dealt a fatal blow.

This bill reduces the budget request significantly, as the chairman has indicated, and will contribute to the reduc-

tions in Federal expenditures requested by the President.

Mr. President, I urge my colleagues to adopt this conference report.

Mr. STENNIS. Mr. President, will the Senator yield to me very briefly?

Mr. McCLELLAN. I yield.

Mr. STENNIS. Mr. President, I commend and also thank the Senator from Arkansas and the Senator from North Dakota for the long months, in fact 12 months, of work, attention, and effort that they have put into this bill. They have had to go over and over and over the same instruments, the same weapons systems, the same political questions, the same hardware, and the same manpower questions, all these months, and I know that they have already started work on next year's bill.

I think few of us realize how much there is involved here. I think we all realize that it is important. But they have done an excellent job and, in my opinion, the reductions have not cut into the bone and muscle of this military program, and the people of America can have the satisfaction of knowing, as I see it, that we do have a strong military protection, security or whatever name we may call it.

I made a speech the other day of a general nature, but about our Navy, the naval power which we have, which has been unfavorably compared by some with the Soviet Navy.

I think the facts are to the contrary. It is partly due very much to the work these gentlemen have done.

Mr. McCLELLAN. I thank the distinguished Senator from Mississippi. I do not think there is anyone in the Senate who is more familiar with the military, with its problems, its requirements, and the need for our support of it.

He is also a very valuable member on the Appropriations Committee, and has given us his assistance as we mark up these bills. His advice and counsel are always very helpful to the distinguished Senator from North Dakota (Mr. YOUNG) and myself. We value this assistance that the Senator has given.

Mr. YOUNG. I, also, want to thank the distinguished Senator from Mississippi for his favorable comments. His advice and counsel all through these months was very helpful. I do not know anyone in the Senate who has tried harder to reduce military spending but, at the same time, to maintain an adequate defense than the Senator from Mississippi. He has been most helpful.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to take this opportunity to congratulate the able distinguished chairman of the Senate Appropriations Committee, Senator McCLELLAN, and the able ranking member of that committee, Senator YOUNG, for the hard work, the dedication, and effective manner in which they have handled the defense appropriations bill. The defense appropriations bill is one of the most important bills to come before the Senate.

Some years ago it consumed—in fact, in 1968—about 42.5 percent of the budget. It is down now to about 27 percent of the budget.

There is no piece of legislation that can mean more to the survival of America than this defense bill. There are some items in here that some may feel are too low—and they probably are. There are other items that some may feel are too high. But I am pleased that these gentlemen have brought to the Senate a bill that we feel will protect the interests of America, and protect the survival of this country, and also that of the free world. I just want to express my high approval of their magnificent work.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from South Carolina. I know he is one of those who believes strongly, as strongly as anyone in the Senate, that it is imperative that this country remain a first-rate power militarily. I certainly share his views.

It is true that, in some instances, we may have cut a little too much, but we are under the compelling necessity in these critical times with respect to the condition of our fiscal affairs to make reductions wherever possible.

I do believe, Mr. President, I say again, that we have struck a fair balance taking all attending circumstances and conditions into consideration, and I hope this bill will be, and I believe the funds to be provided will be adequate to maintain the deterrent that is necessary to make a contribution to the peace of the world.

Mr. President, I yield to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am gratified to learn that the conferees to the fiscal year 1975 Department of Defense Appropriations bill have agreed to retain the essential spirit, if not the exact wording, of my amendment to that bill:

SEC. 350. No funds appropriated to the Department of Defense in this Act may be used to transfer war materials to any foreign country, unless such transfers are specifically authorized by law.

As you know, the Department of Defense, in its request for fiscal year 1975 funds, proposed to procure $529.6 million of weapons and equipment for the purpose of adding to the war reserve stockpile in anticipation of future South Korean, South Vietnamese, and Thailand requirements in the event of war affecting those countries. Such a sum would have been in addition to the $517 million in weapons and equipment already stockpiled by the Department of Defense for such purposes during fiscal years 1973 and 1974.

This excess in the U.S. war reserve stockpile, which would have amounted to over $1 billion, presents, according to a July 17, 1974, GAO report, a situation whereby the excess could be transferred to foreign countries outside of the purview of the foreign military assistance ceilings as heretofore enacted into law.

I have several questions to address to the manager with regard to his understanding of the import of this section of the act.

Is it the manager's understanding that no funds in this act can be used to transfer war materials to a foreign country unless such a transfer is specifically authorized in some other act, such as the Foreign Assistance Act or the Foreign Military Sales Act?

Mr. McCLELLAN. Yes.

Mr. KENNEDY. In the absence of a specific authorization to transfer U.S. war materials to a foreign country, then no such transfer can be made?

Mr. McCLELLAN. That is correct.

Mr. KENNEDY. If the authorization to transfer U.S. war materials to a foreign country specifies that the costs of such a transfer—including the value of the materials themselves as well as any incidental transfer costs—are to be charged to foreign military assistance accounts, or to some other accounts, then such a specification would have to be adhered to?

Mr. McCLELLAN. Yes.

Mr. KENNEDY. And there would be no cost at all to the Department of Defense budget as appropriated in this act?

Mr. McCLELLAN. Yes. That is right.

Mr. KENNEDY. By the use of the language "specifically authorized," does this section mean that the transfer must be authorized on a country-by-country basis, or in a general sense?

Mr. McCLELLAN. In a general sense.

Mr. KENNEDY. Is it your understanding that the requirement for authorization to transfer U.S. war materials includes any transfers, such as by cash sales, credit sales, guaranties, grants, loans and leases, excess, or scrap?

Mr. McCLELLAN. That is correct.

Mr. KENNEDY. Is there current legislative authority to transfer U.S. war materials to a foreign country under the various manners I mentioned above?

Mr. McCLELLAN. There is.

Mr. KENNEDY. Would you cite the provisions covering each of those manners?

Mr. McCLELLAN. The Foreign Assistance Act and the Foreign Military Sales Act.

Mr. KENNEDY. Is it your understanding that the $529.6 million in war reserve stocks which the Defense Department has proposed to procure this year, as well as the $517 million in such stocks procured in prior years, are over and above the war reserve stocks requirements of U.S. active and reserve forces?

Mr. McCLELLAN. No; the materials are not identified within overall war reserve material stockpiles.

Mr. KENNEDY. Would the chairman consider requesting that a distinction be made in the future between the United States and the requirements of potential allies?

Mr. McCLELLAN. The General Accounting Office has been directed to make an in-depth study of the matter and report to the Committees on Appropriations in 6 months. The committee will explore the subject during its hearings on the fiscal year 1976 Defense budget.

Mr. KENNEDY. I thank the chairman.

UNWANTED WEAPONS IN FISCAL YEAR 1975 DEFENSE APPROPRIATIONS BILL

Mr. PROXMIRE. Mr. President, there are two defense items remaining in this fiscal year 1975 Defense Appropriations

bill that were not requested by the Department of Defense.

There is a little over $100 million for 24 A–7D attack aircraft and $205.5 million for 12 F–111 fighter-bombers. By placing money in this bill for both these weapons, Congress has once again turned a deaf ear toward requests for moderation and good sense.

There is no justification for these aircraft to be in the budget. The Defense Department did not request funding for either plane. And yet for the second year running, the conference report turns out to have full funding for both aircraft. It is somewhat amazing to see how these two planes get full funding while other programs requested by the Pentagon are cut back. The sense of priorities seems distorted at best.

On August 7, I wrote the Secretary of Defense asking for a clear statement that the Defense Department does not need these aircraft and that they were not requested. I told Secretary Schlesinger that I would try to remove these appropriations if I could get a strong statement from him that they were not necessary to the national defense.

In place of a clear answer from the Secretary of Defense, I received a bureaucratic whitewash from the Assistant Secretary on Defense John M. Maury. Mr. Maury wrote on August 10 that:

> There are specific categories in which we might have wished to see larger authorizations and appropriations.

He went on to say:

> While we concur in the high regard the Committee on Armed Services of both the House and Senate have for the F–111F and A–7D aircraft, we believe these aircraft to be of lower priority than a variety of other programs included in our original request. Should the Congress desire to add funds for these aircraft, we would hope that this would not be done at the expense of programs which we consider of higher priority.

For that statement, Mr. Maury should receive the bureaucrat of the year award. He could not even force himself to say that the Pentagon had not even requested funds for these two aircraft.

Mr. President, I ask unanimous consent that the letter from the Assistant Secretary of Defense be printed in the RECORD.

One can only conclude, Mr. President, that once again Congress will look the other way and not question the most obvious example of wasteful spending in the defense budget.

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

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., Aug. 10, 1974.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: The Secretary of Defense has asked that I reply to your letter of August 7 regarding funds for F–111F and A–7D aircraft in the FY 1975 Appropriations Bill.

With respect to the overall FY 75 Defense budget, there are specific categories in which we might have wished to see larger authorizations and appropriations. However, in present circumstances, we believe it to be an austere, but prudent budget.

While we concur in the high regard the Committee on Armed Services of both the House and Senate have for the F–111F and A–7D aircraft, we believe these aircraft to be of lower priority than a variety of other programs included in our original request. Should the Congress desire to add funds for these aircraft, we would hope that this would not be done at the expense of programs which we consider of higher priority.

Thank you for your continued interest in the Department of Defense.

Sincerely,

JOHN M. MAURY.

Mr. McCLELLAN. Mr. President, I move the adoption of the conference report on H.R. 16243.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $66,800,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $7,062,030,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $7,062,030,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

CONTINGENCIES, DEFENSE

For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; $2,500,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $729,500,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: and in addition $70,000,000 for escalation and cost growth on prior year programs which shall be derived by transfer from "Shipbuilding and Conversion, Navy 1973/1977".

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 15, 28, 34, and 38.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

Mr. McCLELLAN. Mr. President, I yield the floor.

ADMINISTRATION POLICIES TOWARD THE OIL-PRODUCING COUNTRIES

Mr. THURMOND. Mr. President, yesterday the administration addressed the very serious implications of the unrestrained economic nationalism presently being exhibited by many of the oil-producing nations.

In separate speeches, President Ford, Secretary Kissinger, and Secretary Simon accurately warned that the artificial rigging of oil prices threatened the structure of world security and could bring disastrous consequences.

Mr. President, I fully share the grave concerns expressed yesterday, and pledge my support to the necessary efforts to meet this threat, not only to the economic survival of the United States, but to the rest of the world.

President Ford stated five principles which should be embodied in a comprehensive energy program for the world: increased production, decreased demand, cooperation between producers and consumers, attention to the poorer nations, and fair pricing. I endorse these principles, and sincerely hope that negotiation, cooperation, compromise, and common sense will result in their implementation. A stable and binding understanding of all concerned nations is essential—and it must be obtained soon.

Mr. President, I would like to add one point. The American people are willing to negotiate, to cooperate, to compromise, to use common sense—and to sacrifice—to resolve the severe economic problems that face the United States and the world today.

However, the American people will not stand idly by and watch our great country destroyed by economic blackmail. I caution all concerned nations to recognize and remember that the American people unite when their security is threatened, and that they will rise to meet any danger with the appropriate action.

A LATIN-AMERICAN NEWSPAPER'S COMMENT ON THE CUBA-PANAMA AXIS.

Mr. THURMOND. Mr. President, many people are now saying that we must make concessions to extreme nationalism in Latin America if we are to maintain a friendly relationship with those countries. We are told that we should make these concessions even if they play into the hands of Communist and pro-Communist governments. Examples of such suggested concessions include the surrender of our sovereignty in the Canal Zone to Panama, and diplomatic recognition of the Castro regime in Cuba.

Such concessions are in the interests neither of the American people or the peoples of Cuba, Panama, or other Latin American countries. The people of Latin America are aware that it is not in their

interest for the United States to withdraw its friendly presence from its rightful sphere. I have recently received an English translation of an article by Guillermo Martínez-Marquez which appeared in the Spanish-language press throughout Latin America, and which carefully analyzes the implications of recent developments in Cuba and Panama. Senor Martinez-Marquez clearly warns that these developments will lead to disaster for freedom-loving people everywhere unless the United States drastically changes the course of its policies.

This article appeared in the following papers:

La Prensa, New York; Mundo, San Juan, P.R.; Caribe, Dominican Republic, Los Tiempos de Cochabamba, Bolivia; El Imparcial, Guatamala; El Heraldo, Mexico; Diario de la Paz, Bolivia; Columbiano Medellin, Columbia; Los Principios, Cordova, Argentina; Guia de la Plata, Argentina; La Capital Rosario, Argentina; El Litoral Sta Fe, Argentina; and Diario de las Americas, Miami.

Mr. President, I ask unanimous consent that the article by Senor Martinez-Marquez be printed in the RECORD.

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

THE DANGEROUS PANAMA-HAVANA AXIS

(By Guillermo Martinez-Marquez, English translation from original Spanish)

The restoration of the diplomatic relations Panama-Cuba announced officially by the government of Torrijos, is not even news. For long time, the two dictators were having cordial relations and exchanges of every kind. They were brought together by their Marxist ideology in one hand, and the common hate to the United States in another. In good logic is possible to understand that the Russians gave them a helping hand to this understanding. At the end, they may be the ones who can benefit the most with what can be known as the Panama-Havana Axis.

For long time, the men that study the geopolitics of this hemisphere have been worried about the aggressive campaign of the Panamanian regime, supported, of course, by those allied to Moscow as well as the demagogs from South America and the "liberals" from the North. The call to a meeting of the Security Council of the United Nations, which could and should have been vetoed by Washington, did not open the public opinion eyes in this country, almost completely absorbed by the Watergate scandal. But that meeting, and the position stated in it, had the characteristics of a frontal challenge to the North Americans.

The "joint declaration" signed February 7th of this year by the dynamic Secretary of State Henry Kissinger and the Panamanian Chancellor, only produced a short pause in the contest, and the pause only was prolonged, officially during the meetings at Tlatelolco, Washington and Atlanta.

It was clear since then, that Panama was going to insist in the demands and that at each meeting was going to adopt a harder position to the point of threats. And it was easy to realize that even if Kissinger would have wanted, it would have been impossible for him to concede to the demands of Torrijos, because any understanding even in principles, would have to be approved by the United States Senate. And the U.S. Senate, with the leading of Senator Strom Thurmond, decided to maintain at least the military protection of the Canal Zone, because of the unquestionable strategic importance for the United States.

While the attention of the North American people was distracted by the proceedings towards the destitution of Nixon internally, and by the dangerous tensions externally, especially in the Middle East and later in Chipre, the Panamanian government continued with their plan, with the cooperation of the "Anti-Yankis Governments of the Continent," which are increasing in number every day and seem to be more decided against their "rich and powerful neighbor."

The businesses of Torrijos and his family were extended to Costa Rica and Honduras. A campaign, similar to the Arabian Oil campaign, was planned with the bananas from Central America. The ties and promises of help were strengthened between Havana and Panama.

Nobody paid attention to Senator Thurmond when he emphatically expressed that the sovereignty of the Panama Canal should never be released by the United States and that the control and operation of the canal were essential to the defense of this country.

His colleague, Gale W. McGee, was of the opinion that it was possible to reach a mutually agreeable treaty and that proof of good will was necessary for the negotiations.

Now everything is clear. The conversations and joint resolutions of February of this year, were only movements by the Panamanians, in order to gain the time needed by them, to reach other agreements more important for them, with the traditional U.S. enemies.

The offerings from Havana to help Panama in its fight with United Brands Co. is more important than what has been reported. Cuba will sign some time soon, a treaty of "mutual help" with Panama. This Cuban help, will not be limited to buying bananas, which Cubans don't need, but also to the export of modern arms, planes, rockets, etc.

The Panamanians will then state, that they don't need North American help to protect the Canal, because the Cubans have given them what is needed for self-defense.

And following the Cubans, is logic to imagine, the "technicians and strategics" from Russia, will be there!

Those are the dangers—dangers that right now, can be seen very clear—from the Panama-Havana Axis Proposition.

If Washington doesn't act fast and with energy, an International campaign against the U.S. permanency in Panama is sure to start soon.

And following the Panama Canal, the Naval Base in Guantanamo, Cuba will be next.

And, like in the Nixon case, there will be many of the "so called" friends of Washington that will, one by one, join their adversaries.

There will be the ones who will assure that the solution of the problem is the recognition of the Cuban regime! . . . Open doors to the O.E.A. and let them infiltrate the Universities, the Art medias, the News media, and the minorities in this country!

This way will be the opening of a dramatic chapter about the most dramatic capitulation of the democracy in our times.

RESOLUTION ADOPTED BY CONCERNED LIVESTOCK FARMERS IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, much has been said in recent months about the wide disparity between farm and retail prices of red meats. The special task force appointed by Secretary of Agriculture Earl Butz to study this subject found that the farm-retail price spread for beef and pork in the first half of 1974 was the highest it has been in the last decade. Neither our livestock farmers nor American consumers are very happy over this situation, and I think it is imperative that Congress strongly consider the recommendations of the special task force in an effort to achieve greater efficiency in the marketing of red meat.

South Carolina livestock farmers are very disturbed over this situation. Many of them are on the verge of bankruptcy because farm production costs far exceed the prices they are now receiving for their cattle and hogs. Yet, at the same time, the prices of beef and pork in the grocery stores remain unusually high.

Recently a group of approximately 60 farmers from Darlington County, S.C., met to discuss the livestock situation. The group agreed that current retail meat prices do not accurately reflect farm prices, which are so low that farmers are sustaining significant losses on every animal produced. In an effort to point out these inequities to agricultural agencies and leaders, the Darlington County Livestock, Poultry, and Dairy Committee adopted a resolution urging a greater degree of economic competition and efficiency in the marketing of beef and pork. The group also requested that the news media be more attentive to the price relationships of farm products at all marketing levels.

Mr. President, I ask unanimous consent that this resolution adopted by the Darlington County Livestock, Poultry, and Dairy Committee be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. THURMOND. I also ask unanimous consent that a recent news article in the September 7, 1974 issue of the Index-Journal of Greenwood, S.C., be printed in the RECORD.

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

LOW PRICES MAY CULL LIVESTOCK FARMERS' RANKS

(By Vicki Thomas)

While the price of beef is still high in the stores, low prices being paid for cattle on the hoof could put many people out of the livestock business this year.

"I don't see how the livestock farmer can survive on prices paid for feeder calves this year," Dan Warner, president of the S.C. Livestock Producers Association said. "Some calves are bringing about one-fourth of what they brought last year while grain and fertilizer prices have almost doubled."

Warner explained that with the price of feed so high it costs about 50 cents to put one pound on a calf. But farmers are only receiving between 38-40 cents per pound for their cattle.

"We had a sale Thursday night and the results were very disappointing. And it looks like prices will go even lower," Paul Lofton, vice president of Greenwood Area Feeder Cattle Sales said.

He said, "Last year many farmers held cattle back thinking that prices would go up. Now their cattle are overweight and they have too much surplus," he said.

Lofton said farmers now are really hurting

with low prices, causing some to go bankrupt with losses of over $100 per head.

"I've been in the cattle business for 30 years and this is the first time I've lost money on cattle," he said.

"The price of grain is grading out the choice cattle, that's where the real pinch is," Lofton added.

"In one or two years, if grain prices keep rising, there won't be any feeder cattle. We'll have a lot of lean meat, but it will be very tough."

Although livestock prices have been falling since February, many farmers are not yet aware of how serious their losses may be.

"Most farmers don't sell their cattle until the end of the year and they haven't realized what is happening yet," Warner said. "Many of these farmers owe money and they will never make their payments with prices what they are."

He said while many are still in the livestock business, the lower prices should knock them out when they go to sell their cattle.

Johnson Craig, a Greenwood livestock farmer, said, "If production and profitability don't improve, it will be necessary for a great many livestock farmers to do something else."

Craig said the new low prices are creating "a real depression in livestock farming."

"Livestock producers are caught in a price squeeze, between the high labor costs and low beef prices," he said. "Cattle prices follow a cycle of rises and falls about every 10 years, but none have been as severe as at this time."

But while prices are low for cattle farmers, prices in food stores remain high.

"I don't see how beef in the store can be so high, as cheap as they pay for it," Warner said. "Cattle prices are down by about one-half but beef prices are still as high as ever."

Warner said he had heard that, "with beef prices so high, red meat would be replaced by soybeans. But with beef as cheap as it is there is no way it could be replaced," he said.

"Forty cents on the hoof and about $2 per pound for choice cuts to get it back is too far out of proportion," he added.

Lofton blames the U.S. import-export market for part of the farmer's problem.

"I know we have to export things, and import too, but I think we import too much beef," he said. "We're now importing more than we ever have and I think it is having this effect on the livestock industry."

Mr. THURMOND. This article contains comments of several beef cattle farmers regarding the cost-price squeeze which now threatens their livelihood.

I would urge that Congress and this administration heed the voices of our farmers who are experiencing economic hardships. They, as much as any other group in our economy, are bearing the full brunt of inflation. Production costs continue to soar, while farm prices for beef and pork are only slightly over half what they were a year ago. I strongly support the efforts of the administration to halt the inflationary spiral. Bringing inflation under control will benefit us all, and it will especially aid the American farmer.

EXHIBIT 1

RESOLUTION AS REQUESTED BY FARMERS OF SEPTEMBER 6, 1974, DARLINGTON, S.C.

The Darlington County Livestock, Poultry, and Dairy Committee, in acknowledgement of both unprofitable livestock production price relationships and unreasonably elevated meat prices, adopts the following resolutions:

(1) That farm organizations and related associations take an active leadership in defending the right of the American public to purchase farm products at prices regulated by the laws of supply and demand in proper relationship to farm and wholesale prices.

(2) That all news media be encouraged to report price relationship of farm products.

Livestock producers respect the right of retail merchants to make a fair profit; however, food items such as red meat should not be sold at increased prices to protect the sale of non-food items.

T. B. CUNNINGHAM,
Chairman,
Total Resource Development Committee.
POSEY D. KELLEY,
Chairman,
Livestock, Poultry & Dairy Committee.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon it stand in adjournment until the hour of 12 noon tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR EAGLETON AND SENATOR ROBERT C. BYRD TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the leadership has been recognized tomorrow that the distinguished Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes, and that the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 15 minutes.

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

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when Calendar No.1112 (H.R. 15301), an act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, is called up, there be a time limitation of 3 hours on the bill, 1 hour on amendments, in the usual form, and that rule XII be waived. That will apply to H.R. 15301, which hopefully, we can take up tomorrow afternoon on the second track basis.

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

Mr. MANSFIELD subsequently said: Mr. President, I would like to add to my unanimous-consent request concerning the Railroad Retirement Act, that there be 30 minutes on debatable motions and appeals, the time to be equally divided in the usual manner.

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

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.R. 15301, an act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

WEATHER MODIFICATION ACTIVITIES

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3320.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate the amendment of the House of Representatives to the bill (S. 3320) to extend the appropriation authorization for reporting of weather modification activities, as follows:

Strike out all after the enacting clause and insert: That section 6 of the Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330e), is amended by striking out "ending June 30, 1973, and June 30, 1974," and inserting in lieu thereof "1973, 1974, 1975, 1976, and 1977,".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the disposition of the special orders tomorrow there be 30 minutes for the conduct of morning business with a time limitation of 5 minutes attached thereto.

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

PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, the pending business tonight will be the pending business tomorrow. At the conclusion of the morning hour, and hopefully sometime around 3 o'clock or thereabouts, or perhaps a little earlier, we will be able to consider the Railroad Retirement Act.

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

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

ADJOURNMENT

Mr. MANSFIELD. 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 12 o'clock noon tomorrow.

The motion was agreed to; and at 3:50 p.m., the Senate adjourned until tomorrow, Wednesday, September 25, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 24, 1974:

Department of Justice

Peter C. Dorsey, of Connecticut, to be U.S. attorney for the district of Connecticut for the term of 4 years vice Stewart H. Jones, resigned.

George Beall, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years. (Reappointment.)

Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years. (Reappointment.)

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California for the term of 4 years vice George E. Tobin, term expired.

Kenneth M. Link, Sr., of Missouri, to be U.S. marshal for the eastern district of Missouri for the term of 4 years. (Reappointment.)

Edward S. King, of New York, to be U.S. marshal for the western district of New York for the term of 4 years. (Reappointment)

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the western district of Pennslyvania for the term of 4 years. (Reappointment)

Marshall F. Rousseau, of Texas, to be U.S. marshal for the southern district of Texas for the term of 4 years. (Reappointment)

In the Marine Corps

The following: named officers of the Marine Corps for permanent appointment to the grade of major general:

Victor A. Armstrong	William R. Quinn
Wilbur F. Simlik	Francis W. Vaught
William G. Joslyn	Robert L. Nichols

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

Nolan J. Beat	William J. White
Edward A. Parnell	Noah C. New
Thurman Owens	Harold L. Coffman
Edward B. Meyer	Maurice C. Ashley, Jr.

In the Army

The following-named persons for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army, and colonel, Army of the United States

Balthis, Jack L., xxx-xx-xxxx
Taylor, Noble E., xxx-xx-xxxx

To be lieutenant colonel, Regular Army, and Colonel, Army of the United States

Hauck, Wayne O., xxx-xx-xxxx
Tierney, Marian A., xxx-xx-xxxx

To be lieutenant colonel, Regular Army, and lieutenant colonel, Army of the United States

Stielau, Walter E., 271-05-6569.
Tyndall, Arnold E., xxx-xx-xxxx

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be first lieutenant

Besanceney, Charles F., xxx-xx-xxxx
Bryan, Peter K., xxx-xx-xxxx
Butler, Craig D., xxx-xx-xxxx
Catangaro, Thomas E., xxx-xx-xxxx
Coleman, Fred H., xxx-xx-xxxx
Coolger, Arthur C., Jr., xxx-xx-xxxx
Edwards, Fred H., xxx-xx-xxxx
Fournier, Raymond M., xxx-xx-xxxx
Freeley, Douglas A., xxx-xx-xxxx
Hadley, Phillip, Sr., xxx-xx-xxxx
Rogers, Jack A., xxx-xx-xxxx
Savory, Carlton G., xxx-xx-xxxx
Stalker, William H., xxx-xx-xxxx
Swee, Ross B., xxx-xx-xxxx
Truxal, Daniel J., xxx-xx-xxxx
Weeks, Kenneth D., xxx-xx-xxxx
Withrow, Gene, xxx-xx-xxxx

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be lieutenant colonel

Powers, Charles F., xxx-xx-xxxx

To be major

Aiken, Clyde M., xxx-xx-xxxx
Burns, Thomas P., III, xxx-xx-xxxx

To be captain

Aaron, Gerald R., xxx-xx-xxxx
Agar, John A., xxx-xx-xxxx
Anderson, Garry B., xxx-xx-xxxx
Backenstose, William M., xxx-xx-xxxx
Bartelt, David F., xxx-xx-xxxx
Beamesderfer, Henry C., xxx-xx-xxxx
Brander, William, xxx-xx-xxxx
Burston, William Allen, xxx-xx-xxxx
Davenport, David E., xxx-xx-xxxx
Derouen, Donald B., xxx-xx-xxxx
Dunn, John P., xxx-xx-xxxx
Eiffler, Darrell D., xxx-xx-xxxx
Fowler, William H., Jr., xxx-xx-xxxx
Gardner, Furmon M., xxx-xx-xxxx
Godat, Ronald F., xxx-xx-xxxx
Griffin, Robert E., Jr., xxx-xx-xxxx
Hanley, Joseph B., Jr., xxx-xx-xxxx
Haym, Jerome L., xxx-xx-xxxx
Kallio, Donald M., xxx-xx-xxxx
Klee, Jimmy M., xxx-xx-xxxx
Lessin, Michael E., xxx-xx-xxxx
Liggett, William R., xxx-xx-xxxx
Pirk, Frederick W., xxx-xx-xxxx
Rampton, Jon B., xxx-xx-xxxx
Ramseth, Douglas J., xxx-xx-xxxx
Smith, Malcolm G., Jr., xxx-xx-xxxx
Vincent, Jack W., xxx-xx-xxxx

To be first lieutenant

Alfino, Joyce, xxx-xx-xxxx
Bailey, Mary A., xxx-xx-xxxx
Carty, Robert E., xxx-xx-xxxx
Childress, Robert L., xxx-xx-xxxx
Daake, Dean R., xxx-xx-xxxx
Deane, Lawrence J., xxx-xx-xxxx
Deline, Donald A., xxx-xx-xxxx
Dennis, David A., xxx-xx-xxxx
Douglas, Earl M., xxx-xx-xxxx
Drobotij, Elias, xxx-xx-xxxx
Dunn, Larry M., xxx-xx-xxxx
Ebert, Linda M., xxx-xx-xxxx
Godwin, Fitzhugh L., Jr., xxx-xx-xxxx
Goetz, Mary A., xxx-xx-xxxx
Grace, James N., xxx-xx-xxxx
Hagan, William R., xxx-xx-xxxx
Helms, William F., Jr., xxx-xx-xxxx
Jackson, Robert T., xxx-xx-xxxx
Klein, Harley G., xxx-xx-xxxx
Kozma, Marie G., xxx-xx-xxxx
Lemberger, Jerome L., xxx-xx-xxxx
Levinson, Carolyn H., xxx-xx-xxxx
Lopez, Julio R., xxx-xx-xxxx
Martin, Gerald K., xxx-xx-xxxx
Martin, James A., xxx-xx-xxxx
Mayer, Randell F., xxx-xx-xxxx
McCarthy, Daniel C., xxx-xx-xxxx
Meyers, Charles E., xxx-xx-xxxx
Moen, Cynthia S., xxx-xx-xxxx
Murphree, Billie D., xxx-xx-...
Newell, Robert D., xxx-xx-xxxx
Nieves, Wilfredo, xxx-xx-xxxx
Northrop, John K., xxx-xx-xxxx
Petersen, Robert G., xxx-xx-xxxx
Pine, Louis F., xxx-xx-xxxx
Potter, Joseph C., xxx-xx-...
Pulskamp, Frank E., xxx-xx-xxxx
Rehm, Adele L., xxx-xx-xxxx
Schlueter, David A., xxx-xx-xxxx
Sewell, Benjamin C., III, xxx-xx-xxxx
Sherman, Frank Biddle, Jr., xxx-xx-xxxx
Shire, Lawrence H., xxx-xx-xxxx
Smith, Joyce A., xxx-xx-xxxx
Smith, Thomas M., xxx-xx-xxxx
Taylor, William S., xxx-xx-xxxx
Wells, Walter L., xxx-xx-xxxx
Yustas, Vincent P., xxx-xx-xxxx

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, and 3290:

Banks, Quentin W., Jr., xxx-xx-xxxx
Crocker, Richard H., xxx-xx-xxxx
Davis, Terry M., xxx-xx-xxxx
Deardorff, Stephen E., xxx-xx-xxxx
Dobbs, Ronnie D., xxx-xx-xxxx
Dunavant, Larry R., xxx-xx-xxxx
Dunn, Patrick Y., xxx-xx-xxxx
Frysinger, Richard B., xxx-xx-xxxx
Goodrow, Russell D., xxx-xx-xxxx
Grigsby, Kerry E., xxx-xx-xxxx
Haass, William C., xxx-xx-xxxx
Hackerson, Michael W., xxx-xx-xxxx
Hall, Jimmie C., xxx-xx-xxxx
Hicks, Harvey W., xxx-xx-xxxx
Hill, Frank G., xxx-xx-xxxx
Huffman, Dennis G., xxx-xx-xxxx
Lambert, Alvin L., xxx-xx-xxxx
Lesslie, Gary A., xxx-xx-xxxx
Morgan, Craig A., xxx-xx-xxxx
Nishikawa, Jeffrey M., xxx-xx-xxxx
Nishizawa, Bryan T., xxx-xx-xxxx
North, Robert D., xxx-xx-xxxx
Pierce, Jeffery L., xxx-xx-xxxx
Place, Charles A., xxx-xx-xxxx
Raymond, Douglas C., xxx-xx-xxxx
Sharkey, John D., xxx-xx-xxxx
Smith, Eric F., xxx-xx-xxxx
Sparkman, Harvey B., III, xxx-xx-xxxx
Thacker, William R., xxx-xx-xxxx
Tovar, Roberto, xxx-xx-xxxx
Trimbur, Gregory R., xxx-xx-xxxx
Trimmier, Timothy C., xxx-xx-xxxx
Tucker, Archie L., xxx-xx-xxxx
Van Cour, Daniel M., xxx-xx-xxxx
White, Ronald W., xxx-xx-xxxx
Wiser, Edward H., xxx-xx-xxxx
Woody, Leonard S., Jr., xxx-xx-xxxx

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, and 3290:

Davis, Gregory S., xxx-xx-xxxx
Depper, Robert L., Jr., xxx-xx-xxxx
Guild, Peter B., xxx-xx-xxxx

Harris, Jeffrey L., xxx-xx-xxxx
Harville, Donald L., xxx-xx-xxxx
James, Michael F., xxx-xx-xxxx
Lee, Joseph K., Jr., xxx-xx-xxxx
Mattingly, Richard T., xxx-xx-xxxx
Mikalauskas, Thomas P., xxx-xx-xxxx
Nakai, Alan T., xxx-xx-xxxx
Payne, James E. III, xxx-xx-xxxx
Petersen, Murray T., xxx-xx-xxxx
Urias, John M., xxx-xx-xxxx
Wooten, James B., Jr., xxx-xx-xxxx
Yocom, Charles W., xxx-xx-xxxx

IN THE NAVY

The following-named officers of the U.S. Navy and Naval Reserve for temporary promotion to the grade indicated in the line subject to qualification therefor as provided by law:

LINE

Captain

Agnew, Dwight Merle, Jr.
Albee, Thomas Louis, Jr.
Alexander, Adelore Louis
Almberg, Francis Joseph
Alvarado, Ramon Catalino
Amoruso, Alfred Paul
Anderson, Eugene Gottshall
Anderson, Joseph Franklin
Anderson, Thomas Frank
Arnold, Robert Burton
Atwood, Henry Clayton, Jr.
Austin, James Willis
Banham, Herbert George, Jr.
Barber, James Alden, Jr.
Barber, William Harris
Barke, Arthur Randall
Barker, George Delmar
Barrett, Thomas Donald
Bartlett, Frederick Robert
Basford, Michael Gordon
Bassett, Bradley Alden
Bauchspies, Rollin Leroy, Jr.
Baumgardner, John Frederick
Beck, Walter Raymond
Belechak, Stephen Clair
Bell, James Franklin
Berg, Robert Lloyd
Bergbauer, Harry William, Jr.
Berkhimer, Frank Reed
Berry, Richard Clayton
Berthe, Charles Judson, Jr.
Biggar, William
Bilyeu, Roland Clarke
Blaes, Richard William
Block, Steven
Boland, Bruce Raymond
Booth, Peter Blake
Bowling, Charles Ray
Brackin, John David
Briner, Robert Rathbone
Bristol, Robert Burton
Brown, Christopher Howard
Brown, Robert Henry
Brown, Thomas Francis, III
Buchanan, Edward Oliver
Buckley, James Ralph
Burnett, William McKee
Byington, Melville Rhoten, Jr.
Byrd, Mark Willard
Byrne, John Anthony, Jr.
Cammall, John Kenneth
Campbell, Hugh Joseph, Jr.
Cane, Guy
Carlson, Dudley Louis
Carmody, Cornelius James
Carroll, Peter August
Carter, Gerald Michael, Jr.
Casimes, Theodore Chris
Castro, William Bernard
Cavicke, Richard John
Chidley, Ralph Edward
Clark, Charles Raymond
Cleveland, Jerome Laverne
Cloud, Benjamin Wallace
Coe, Raymond Paul
Colbus, Louis
Cole, Thomas Thadeus, Jr.
Coleman, Richard Fredrick
Collier, Byron Henry
Conaughton, Robert Gail
Conboy, Thomas William
Connolly, Paul Patrick
Copeland, Edward Claremont
Corkhill, Thomas Mills
Cox, Gerald Wilbur
Cox, Henry
Crandall, Alan Walker
Crawford, Bobby Charles
Crawford, Roderick Phillip
Crayton, Render
Cross, Claude Christopher
Culbert, Joseph Matthew, Jr.
Currier, Richard Andrews
Curry, Thomas Leo
Czaja, Bernard Francis
Daigneault, Joseph John, Jr.
Dalton, Richard Velez
Davidson, Charles Homer
David, Robert Hampton, Jr.
Deam, Norman Arthur
Dean, Herbert Joseph
Dehart, William
Delaney, John Ross
Dillion, Alfred John
Dipace, Joseph Victor
Donnell, Joseph Stover, III
Donnelly, Richard Finlay
Donovan, Daniel Emmett
Donovan, Philip Carney
Drayton, Henry Edward, Jr.
Drenkard, Carl Curtis
Dunn, John Francis
Durant, Thomas Wynne
Easton, Peter Bigelow
Edlin, Robert Lee
Edney, Leon Albert
Edwards, Donald Lee
Elder, Ralph Collins
Eldridge, David Burton, Jr.
Elliott, Donal Willis
Fellingham, Robert Walter
Fellows, Charles Dwight
Ferguson, David Edward
Fiedler, Peter Bernard, Jr.
Fiske, Harry Kenneth
Flaherty, Robert Michael
Flatley, James Henry III
Fletcher, John Gibbs
Forsman, Arvid Edwin
Forsyth, James Perry
Foster, Clifton Gideon, Jr.
Fountain, Robert Roy, Jr.
French, Henry Appold
Freund, Herman Clifford
Furey, Laurence Thomas
Furlong, George Morgan, Jr.
Gaffrey, Leo Joseph
Gaskill, Richard Tillman
Gibber, Philip F
Gilham, Richard Davison
Glover, Dennis Charles
Glovier, Harold Alba, Jr.
Goddard, Thomas Bohner
Greene, George William, Jr.
Griffiths, Rodney Dick
Guess, Malcolm Nueal
Hall, John Valentine
Hamel, Louis Henry III
Hanigan, Marvin Frank
Hargrave, William Walter, Jr.
Harris, James Corbett
Hawkins, Cecil B, Jr.
Hay, James Cahill
Hayes, James Clero
Helm, George Neville, Jr.
Helms, Raymond Earl, Jr.
Henifin, Edward Eugene
Henson, George Marshall
Herzer, Oscar Alfred
Heyward, Irvine Keith IV
Hickman, William James
Hicks, Dilliard Dashwood, Jr.
Higgins, John Francis
Highfill, Kenneth Lee
Hille, Edward William
Holland, William Jeremiah, Jr.
Hollenbach, Richard George
Hollingworth, Roy Milton
Holloway, Lowell John
Hope, Herbert Arthur, Jr.
Hopper, Thomas Miner
Horowitz, Norman
Hryskanich, Paul Louis
Hubbard, Clifford Ray, Jr.
Hubbell, Walter Bates
Hughes, Peter Finley Hugh
Hughes, Ronald Everett
Huisman, Roland Keith
Hunter, William Joseph
Hurt, Jonathan Swift
Ireland, Blair
Isaacs, Allen Leonard
Jobe, James Eldon
Johnson, William Thomas
Johnston, Fox Helms
Johnston, Fred William, Jr.
Jolliff, James Vincent
Jones, John Lee
Joy, James Anderson
Kattmann, Roger Hugo
Kearns, William Anslem, Jr.
Keely, Leroy Bertrand
Kiernan, Warren Randall
King, Richard Boose
Kingsley, Stephen Sackett
Kingston, John James, Jr.
Kinley, Frederic Henry M.
Kneisl, John Frederick
Knepper, Donald Eugene
Kohn, Edwin Rudolph, Jr.
Kowalskey, Zygmont John, Jr.
Krumwiede, Jerold Laverne
Lahr, John Jude
Lardis, Christopher Stephen
Larson, Charles Robert
Laurentis, William Donald, Jr.
Learned, Charles William, Jr.
Leslie, Richard
Lewis, Willis Ivan, Jr.
Limroth, David Fuller
Lindsay, Gilbert Moore
Livingston, Robert Neal
Loeffler, William Herbert
Lorden, Lawrence Robert
Lott, William Andrew
Lyons, Philip
Mackinnon, Malcolm, III
Maddox, Iven Junior
Marsha, Patrick Paul, Jr.
Martinez, Lucian Charles
Masalin, Charles Ero
Mason, Ralph Alton, Jr.
Mathis, Harry Lewis, II
Matthews, Paul Calvin, Jr.
Mauldin, James Howard
Mauldin, Richard Allen
Maxwell, John Anthony
McCaffree, Burnham Clough, Jr.
McCarthy, Gerald Duane
McCarty, Charles Merrill
McClellan, Parker Wilkinson
McCrane, Brian Patrick
McDowell, Don Hardin
McKay, Robert Wallace
McKee, George Roush Jr.
McKenzie, James Arthur, II
McKenzie, Jon Consitt
McKinster, James Ward
McNulty, James Francis
Melville, Noel
Meyer, Donald James
Miller, Raleigh Bryan, Jr.
Miller, Ronald Chester
Mode, Paul Joseph
Moranville, Kendall Elmer
Morton, Robert Ryan
Moss, Robert Beuford
Mozley, James Frederick
Mullen, Richard Dean
Munsey, Malcolm Harvey
Munson, Roger Dow
Murphy, Richard Glenn
Myers, Lowell Richard
Narmi, Ronald Eugene
Neel, William Mayson
Nix, Walter Collier
Obrien, John Timothy
Oldmixon, William John
Olson, Gerard Robert
Omalia, Robert John
Orsik, Walter Anthony
Oshaughnessy, Robert Joseph
Parker, Jackson Knowles
Pasztalaniec, Matthew Franci
Patrick, Julian Cleveland

Patterson, Lee Roy
Patterson, William Vanhorn
Paulson, Allan Gerald
Peery, William Kiah
Petersen, Walter Richard
Peterson, Dale Arthur
Peterson, Mell Andrew, Jr.
Petit, Pierre Andre
Phoenix, David A.
Pippin, William Earl
Pitkin, Ronald Eugene
Poore, Ralph Everett
Pope, John William Rippon, Jr.
Poreda, Charles Peter
Potosnak, Joseph Edward
Prezioso, Ronald
Primeau, Don Gene
Purtell, Joseph Michael
Ramzy, James Robert
Reisinger, John Ebling
Renard, John Walter
Rice, Gary Leavitt
Ricketts, Myron Vernon
Riendeau, Arthur Ovilda, Jr.
Robertson, Robert Russell, Jr.
Robey, George Roscoe, Jr.
Roth, Conrad Warren
Ruggles, Kenneth Warren
Sabol, Ernest John, Jr.
Schaadt, Douglas Dean
Schlenzig, Robert Edward
Schmitt, Robert William
Schoeffel, Peter Vanruyter
Seifert, Robert Joel
Sellers, John William
Sesler, Ralph Morris
Shanaghan, John Joseph
Shea, Rolland Kenneth
Shewchuk, William Michael
Shoemyer, James Wesley
Shughrou, John James, Jr.
Shuman, Edwin Arthur, III
Simon, Roger Oscar
Sisson, Thomas Upton, Jr.
Skarlatos, Paul
Skillen, Robert Leroy
Smidt, Robert Lloyd
Smith, William Dee
Snyder, Virgil Chester
Somerville, William Joseph
Southwick, Charles Everett
Spargo, Richard Aloysius
Spaulding, Ralph Leon
Speirer, Paul Everett, Jr.
Steel, Charles Elwood
Steele, Ted Charles, Jr.
Stefferud, David Roberts
Stembel, David Maynard, Jr.
Stephens, Wayne Leon
Stoffel, Michael John
Stoltz, Kenneth Edward
Storck, Bernard Frederick
Storms, James Granville, III
Stovall, John Charles
Struven, Robert Louis
Sturm, Gerard Majella, Jr.
Sullivan, John Grover
Sweeney, John Henry, III
Tanner, Charles Nels
Taylor, Charles Claburn
Taylor, Harold Addison, Jr.
Taylor, James Donald
Tenney, Vincent Laurel
Thalman, Robert Hillix
Thompson, Richard Lee
Tomion, Jack Walter
Toole, Morton Egner
Townley, John Louis
Treagy, Paul Everett, Jr.
Trebbe, Shannon Leigh
Trenham, Herbert Delos
Trevors, George Aloysius
Turner, Ralph Alamore, Jr.
Ulrich, Charles Henry
Vanantwerp, Richard Don
Vandyke, Willard Herman, Jr.
Vatidis, Christopher Robert
Vaughan, Evan James, Jr.
Vellom, Lee Sherwin
Vohden, Raymond Arthur
Walker, Peter Robert
Wallace, James Dewey, Jr.
Walsh, Don
Watson, Robert M.
Watson, Thomas Campbell, Jr.
Weaver, John Clark
Webster, James McAllen
Weir, Jack Tex
West, Denton Walter
Wheeler, Charles Griggs
White, Bernard Adelbert
Wilkinson, Edward Anderson J.
Will, John Mylin, Jr.
Williams, Edward O'Neil
Williams, Ronel Joseph Donal
Williamson, James Frederick
Wilmer, Robert Ringgold
Wilson, David Glenn
Winkowski, John Raymond
Winslett, John Candler, Jr.
Winton, Fred B., Jr.
Wirt, Robert Orville
Wisdom, Robert Willis
Withers, Fred John
Wood, Noel Temple
Woodward, John Leslie
Wright, James Russell
Wyckoff, Peter Bedle
Yates, James Lucas, Jr.
Young, James Edward
Youngblood, Newton Crawford
Zidbeck, William Edward
Zirps, Christos

The following-named women officers of the U.S. Navy, for permanent promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Barrett, Elizabeth Merriman
Hartington, Pauline Martha
Kuhn, Lucille Ross

IN THE MARINE CORPS

The following-named officer of the Marine Corps for permanent appointment to the grade of colonel:

Jenny Wrenn

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Vera M. Jones
Gail M. Reals

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

Patrick G. Collins
John F. Drummond
James P. Griffin
Donald W. Johnston
Charles J. Mears, Jr.
Richard P Miller
Charles G Mulford
Merton J. Oss
James E. Wells

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

Delores R. Gresham
Shirley E. Leaverton
Barbara A. Schmidt

The following-named officers of the Marine Corps for temporary appointment to the grade of major:

Michael C. Arajian
Charles K. Ables
Robert L. Adams
John H. Admire
Allan A. Algoso Jr.
George E. Allen, Jr.
Kenneth E. Allen
Lloyd Allen, Jr.
Jose G. Alonzo
Richard S. Alvarez
Granville R. Amos
George A. Ampagoomian
Charles W. Anderson
Lee H. Anderson
James O. Atkinson, Jr.
John P. Aymond, Jr.
Russell F. Bailes, Jr.
Thomas C. Bailey, Jr.
Richard A. Bagby
Randolph S. Balara
Lorenzo R. Bancells
Andrew R. Barkovich
Garold N. Batterman
Michael C. Bell
Virgil M. Berdine
Stephen R. Berkheiser
Rudy W. Bernard
Floyd A. Best
Russell M. Black
Frank S. Blair III
Gary A. Blair
James T. Blake
Richard J. Blanchfield
Andrew J. Blenkle
Edward L. Bloxom
Delmar G. Booze
Thomas A. Bowditch
Charles W. Bowers
Lionel H. Bridges
Randolph H. Brinkley
Donald P. Brown
James C. Brown
Curtis B. Bruce
William L. Buck III
David N. Buckner
James C. Buffington
John G. Burns
Raymond M. Burns
Dwight R. Byers
Wallace L. Campbell
Ray G. Canada
Joseph L. Cannava, Jr.
Nicholas F. Carlussi, Jr.
Thomas W. Carter III
John J. Caskey
Bernie N. Caviness
Henry P. Cipolla
William J. Clancy, Jr.
David W. Cleeland
Brascal B. Cole, Jr.
James G. Collins
Joseph P. Colly, Jr.
Leslie R. Conklin
Ronald W. Corner
Thomas P. Craig, Jr.
Arthur O. Cravets
Fred R. Crowley
Louis M. Croy, Jr.
Gary J. Cummins
William M. Dale
Walter E. Daniell
John F. Darracott
John J. David
William A. Davidson III
William E. Davidson
Charles R. Davis
Pleas E. Davis
John E. Day
Stephen M. Day
Walter S. Deforest
John F. Dennis
Richard E. Dennis
Gerald L. Dereberry
James A. Derrico, Jr.
Kenneth W. Dewey
William J. Dibello
James H. Divis
Peter Dobon, Jr.
Gary D. Dockendorff
Harry C. Dolan
Michael J. Donovan
James J. Doyle, Jr.
John Doyle
Donald R. Dunagan
Thomas H. Eagen, Jr.
Edgar J. Easton, Jr.
Thomas R. Edmunds
Larry M. Edwards
William E. Egen
Michael W. Emmett
Leroy B. Evans
John P. Farrell
Thomas M. Fine III
George A. Fischer
William C. Fite III
Jimmy D. Fitzpatrick
Horace H. Fleming III
James P. Fleming
Fredric L. Fletcher
Arturo E. Flores
Walter H. Flynn, Jr.
William R. Ford
John B. Fretwell
Dennis B. Fryrear
Larry D. Gable
Henry W. Gardner
Jerald B. Gartman
Phillip E. Gates
Jeffrey A. Gaugush
Jerry R. German
Terry G. German
Walter M. Gibbs
Woody F. Gilliland
John T. Gipson
Robert E. Godwin
Jerome E. Goodrich
Lance A. Goodrum
John B. Goody
John H. Grant
Thomas H. Griffith, Jr.
Gunnar Gudjonsson
David I. Habermacher, Jr.
Harry A. Hadd, Jr.
James C. Hallman II
Glenn R. Hammond
James W. Hardy
Richard L. Harris
Robert L. Harrison
James G. Hart
Norbert J. Hart
James M. Hayes
Preston D. Haynes
Charles T. Hedrick
Lawrence N. Helber
William M. Hemlepp
Phillip R. Hemming
Roger M. Henry
James E. Henshaw
Richard Herber, Jr.
Leslie B. Herman
Roger A. Herman
Milton J. Hester
Larry T. Higbee
Steven M. Hinds
Harry L. Hooper III
Comer E. Hobbs
Howard M. Hoffman
Harold L. Honbarrier, Jr.
John T. Horvatich
Terry L. Howard
Jack R. Hoy
Merlin R. Huckemeyer
Ralph P. Hundley
Michael M. Hynes
Charles H. Ingraham, Jr.
Thomas R. Irvine
Marvin L. Jackson
Michael R. Janay
Victor Johnnides
David A. Jones
Gerald W. Jones
Richard D. Jones
Thomas L. Jones
Louis S. Jumbercotta, Jr.
Thomas A. Kahl
Patrick J. Kahler
William Kasten
James H. Kean
William G. Kemple
Laurance J. Kennedy
Lynn J. Kimball
Ronald D. Kincade
Kenneth Kiriacopoulos
Robert H. Kirkpatrick
Edward D. Klatte
James J. Knocke
Kenneth A. Koelln
Raymond O. Kotrla
Melvin P. Krone
Carl S. Kusky, Jr.
Alexander E. Lancaster
Robert M. Lancaster
James L. Laney
Robert K. Lange
Robert L. Larkin
Shawn W. Leach
Harry E. Lee III
Terrence D. Lewis
Willard R. Lewis
Jay C. Lillie
Achim W. Lind
Stephen E. Lindblom
William W. Lindsay, Jr.
David B. Littell
Junior D. Littlejohn
Anthony A. Lopez
John S. Lowery, Jr.
Gary K. Lulfs
Warren R. Madsen
Harry B. Malnicof
John M. Maloney
David P. Martin
Wayne B. Mason
Don E. Mathis
Robert E. Mattingly
Marvin K. McAfee

Jeffery B. McAnally
John C. McAnnally
Robert M. McBride
Patrick J. McCann
Daryl S. McClung, Jr.
Stephen R. McComb
Thomas C. McDonald
Gary W. McDowell
David L. McInturff
Dennis T. McKee
Gary S. McKissock
Robert J. McLaughlin
Thomas H. Meeker
Ronald R. Meints
Robert B. Meissner
James H. Merrill
Thomas H. Meurer
Gary G. Meyers
Richard B. Meyers
Don P. Miller, Jr.
Jacques L. Miller
Charles R. Mills
John W. Mohr
John W. Moffett
John R. Moore
Walter H. Moos I
William A. Morgan
Michael J. Moss
John J. Mulholland
James W. Murphy
Michael W. Murphy
William F. Murphy
Norbert M. Murray III
Joseph A. Murry
Lonnie M. Myers
Thompson D. Neff
John J. Nelson, Jr.
Monte V. Nelson
John W. Neubauer
David E. Neiderhaus
Doyle A. Nicholson
Donald D. Nimmow
Richard C. Norris, Jr.
Robert G. Nunnally
Robert M. Nye, Jr.
Kevin P. O'Mara
Edward P. O'Neil
James M. O'Rourke, Jr
Theodore D. Owens
Robert F. Patton
Frank K. Peterson
Kenneth B. Petersen
Robert L. Peterson
Frank S. Phillips
William E. Platz
William W. Pollock
Robert G. Pontillas
Frank D. Powell
Jimmy M. Ray
Philip H. Ray
Charles Rechtenbach
Henry L. Reed
Robert E. Reedhill, Jr.
Claude W. Reinke
Stanley J. Rembish, Jr.
Larry D. Richards
Arthur D. Richmond
David A. Richwine
Carroll J. Riley
Clarence C. Rine: III
Frederick M. Rivers, Jr.
Emmett L. Robertson, Jr.
Henry A. Robertson III
Lawrence R. Robillard
Gary H. Robinson
Peter R. Rounseville
Bernard R. Rusthoven
Dennis C. Rydstrom
Edward M. Rynne
Robert V. Sabia
William J. Sandberg
Raymond H. Schmidt
Ernst U. Schultes A.
Bruce A. Schwanda
Peter A. Schwartz
James E. Scoggins
Michael F. Shisler
Michael W. Smith
William R. Spicer
Fletcher B. Sojourner
Michael A. Stankosky
Edward M. St. Clair
Gregory C. Steele
Charles R. Stichter II
Robert R. Stout
Robert J. Sullivan
Robert E. Swete
Larry L. Terry
Raymond L. Thacker, Jr.
Raymond A. Thomas
Joseph G. Thomas
Gary R. Thompson
Edward F. Thruston
Frank L. Turner
Gary R. Vangysel
Donald L. Vanhoose
Richard H. Voigt
John M. Wagner
Loren A. Wasson
Jerome L. Weis
Edwin W. Welch
Roger V. Wellbrook
Daniel T. Wellman, Jr.
Robert F. Wemheuer
Buddy P. Westmoreland
Billy K. White
Jack A. Wilder
Robert T. Willis
Robert O. Wills
Jeffrey A. Wilson
Lynn W. Wilson
Sydney M. Wire
John A. Woodhead III
Clyde E. Woods
Dalney E. Wooldridge III
Robert E. Yeend
Paul D. Young
Anthony C. Zinni
Lawrence M. Zipsir, Jr.

The following-named officers of the Marine Corps for temporary appointment to the grade of captain:

Charles W. Adams
David S. Aldrich
Joseph N. Anderson
James B. Ash
Raymond F. Asselin
Wayne D. Bahr
Claude R. Baldwin, Jr.
Ronald A. Balius
Bonnie H. Bass
Charles S. Bennett
Michael B. Bennett
Gary M. Boggess
Raymond D. Bourque
Robert L. Bowen
Donald B. Braun
Lawrence C. Brinkman
Albert K. Britton
William C. Brown, Jr.
Victor E. Browning, Jr.
Charles J. Bruce
James R. Bullock, Jr.
Billy R. Campbell
Everett J. Campbell, Jr.
John E. Casey
Robert J. Caulfield
Tilden U. Click
Rayborn S. Clifton, Jr.
John H. Cole, Jr.
Frank J. Conti
Charles A. Dankmyer, Jr.
Douglas J. Danley
Joseph L. Deguise
Eldon L. Dodson
Terrell L. Dulaney
Roley S. Ethington
Harold D. Ferguson
Jerry D. Floe
Joe M. Floyd
Jack W. Flynn
Nickolas G. Fotinos
Eugene T. Franklin
Earl G. Gale, III
Emil A. Gilberg, Jr.
Johann Haferkamp
Donald L. Hanson
Lorell J. Haugley
Herbert O. Hicks, Jr.
Raymond L. Hug
Edward W. Humphrey
Holland C. Hutchinson
Barton E. Immings
Carl E. King
Thomas F. King, Jr.
William A. Kuykendall
Michael S. Lainhart
Roland L. Lambert, Jr.
Albert Lane, Jr.
Bernard L. Lee
Juan M. Lem
Philip D. Leslie
Kenneth D. Lewis
Wayne W. Macey
Raymond J. Main
Barry E. Marsh
Howard McDonald
Bryan M. McGill
Benjamin H. McNutt
Edward R. Miller
George A. Miller
Patrick J. Mongoven
Samuel Moore, Jr.
Terrence L. Moore
Lloyd G. Phillips
Thomas T. Renau
Joseph Ribeiro
Frank Rivas, Jr.
Dorsey Robinson, Jr.
William H. Rosser
Stephan C. Salamack
Efrain F. Sanchez
Peter B. Sawin
Stephen G. Seman
Michael L. Shanklin
William F. Shidal, Jr.
Charles R. Salvens
James A. Sorley
Herbert B. Stafford
Patrick L. Stevens
John A. Steward, Jr.
George B. Strickroth
Robert L. Vincent
Larry F. Wahlers
Bennie R. Walker
Napoleon K. Weaver
John Whitley, Jr.
Wayne D. Wildgrube
Larry L. Wine
Warren W. Winter
Stanley G. Woinoski
Richard L. Yoerk

HOUSE OF REPRESENTATIVES—*Tuesday, September 24, 1974*

The House met at 12 o'clock noon.

Rev. W. Jack Lamb, First United Methodist Church, Fayetteville, Ga., offered the following prayer:

Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.—Psalms 127: 1.

Almighty God, Creator and Sustainer of life, we invoke Thy blessings upon this House of Representatives.

This is a crucial and uncommon time fraught with difficulties and problems almost beyond our comprehension.

Therefore, we need deliverance from mediocrity, and the endowment of superhuman understanding and divine wisdom.

Wilt Thou give these Thy servants and others to whom Thou hast committed the Government of this Nation gifts of foresight and insight, that upholding what is right, and following what is true, they may more fully bring to realization the hopes and dreams and aspirations of the more than 200 millions of Americans whom they represent.

Grant that they, discharging their responsibility, and obeying Thy will, may fulfill Thy divine purpose for this noble land. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3234) entitled "An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. JOHNSTON, Mr. HASKELL, Mr. FANNIN, and Mr. MCCLURE to be the conferees on the part of the Senate.

THE REVEREND W. JACK LAMB

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, our guest chaplain today is the pastor of the First United Methodist Church of Fayetteville, Fayette County, Ga., the Reverend W. Jack Lamb. Reverend Lamb is a longtime friend of mine and has been for more than a quarter-century, when he served the Griffin Circuit Methodist Church, consisting of Midway, Sunny Side, Mount Zion, and Vaughan Methodist Churches.

A graduate of Young Harris College and Emory University, Reverend Lamb is a member of the North Georgia Conference of United Methodist Church and has been for the past 26 years. For 4 years prior to becoming a member of the conference he served as a supply preacher in the North Georgia Conference. He has held pastorates in the Methodist churches La Fayette, Toccoa, Calhoun, Rome, and Augusta, Ga.

He is an outstanding member of the North Georgia Conference and a dedicated and consecrated minister of the Methodist Church. Reverend Lamb is accompanied today by his wife, their daughter Jaqueline—Mrs. Walton Peabody—and two grandsons, Dan and Ben Peabody.

Mr. Speaker, it is my pleasure to welcome Reverend Lamb to our midst today.

WYMAN LAUDS FORD POLICY ON FOREIGN OIL PRICES: ASKS CONTROL OF FOREIGN INVESTMENTS

(Mr. WYMAN asked and was given permission to address the House for 1 minute.)

Mr. WYMAN. Mr. Speaker, President