It is also your job to question and decide for yourselves what is right. Americans have always had a healthy skepticism about government and politics. It is only when this questioning attitude becomes cynical rejection of all ideas and all potential leaders that our system of government will be in danger of collapse.

The Constitution is a covenant between the American people and their elected leaders. It is government with the consent of the governed.

You do not give that consent every two or four years and then give up your rights and responsibilities until the next election.

This process is a continuing and living thing which can only remain alive and vital as long as it is in constant use.

America is what we make it—as individuals working in a common cause.

With best wishes,

Sincerely,

JOSHUA EILBERG.

1. Do you believe the President's statement that he had no knowledge of either the planning of the Watergate break-in or the cover-up which followed it? Yes, 18.4. No. 73.7. Undecided, 7.0.

2. Should the President be held responsible for the actions of his aides? Yes, 70.9. No, 21.9. Undecided, 6.2.

3. Do you believe President Nixon should give the House Juidciary Committee all of the information the Committee requests for its impeachment inquiry? Yes, 77.1. No, 17.6. Undecided, 4.6.

4. If the President fails to comply with the Committee's requests, do you believe he should be impeached for withholding this evidence? Yes, 62.6. No, 26.3. Undecided, 10.2.

5. Should the United States refuse to grant trade concessions to the Soviet Union until the Russian Jews are permitted to emigrate to Israel? Yes, 47.2. No, 32.5. Undecided, 18.3.

6. Do you believe the "energy crisis" has been at least partly manufactured by the oil companies? Yes, 92.9. No, 4.1. Undecided, 2.4.

7. Are the oil companies using the "energy crisis" to increase their profits? Yes, 93.3. No, 2.8. Undecided, 3.3.

8. The eight major petroleum companies control more than 50 percent of the industry. In order to increase competition in the oil industry, should these firms be forced to give up either the production and refining of fuel or the retail selling of gas and oil? Yes, 67.8. No, 14.2. Undecided, 16.0.

9. Should environmental regulations be relaxed in order to make more fuel available? Yes, 33.8. No, 51.3. Undecided, 13.1.

10. If the fuel shortage continues, should the country adopt a system of gas rationing? Yes, 62.0. No, 23.4. Undecided, 12.8.

11. Do you believe the experiment with year-round Daylight Savings Time should be continued as a means of conserving energy? Yes, 38.5. No, 51.9. Undecided, 8.4.

12. Should grain to Russia and other countries continue if these sales continue to cause higher food prices? Yes, 4.4. No, 91.4. Undecided, 3.1.

13. Are you buying more or less:

Meat: More, 1.3. Less, 69.5. Same amount, 27.8.

Poultry: More, 39.3. Less, 19.2. Same amount, 39.4.

Fish: More, 31.3. Less, 21.5. Same amount, 43.8.

Fresh fruits and vegetables: More, 13.8. Less, 30.5. Same amount, 48.7.

Canned, powdered, and frozen foods: More, 20.3. Less, 21.4. Same amount, 55.2.

14. Have the increases in the prices of basic necessities caused a noticeable change in your style of living? Yes, 67.1. No. 27.7. Undecided, 4.0.

15. Will you take a shorter or less expensive vacation this year? Yes, 65.5. No. 15.6. Undecided, 12.4.

16. Do you believe the Administration's policies will solve the nation's economic problems? Yes, 7.5. No, 78.8. Undecided, 11.8.

17. Do you believe the President is more concerned with helping big business instead of the consumer? Yes, 81.2. No, 11.8. Undecided, 6.0.

18. Should the United States reduce the number of troops stationed in Europe? Yes, 59.0. No 22.8. Undecided, 16.8.

19. What do you think are the three most pressing problems facing America today: (Please list in order of urgency).

(*Using a weighted point system, the following results were tabulated.*)

1. Economy/Inflation, 39.6%.
2. Crime, 30.9%.
3. Energy Crisis, 9.1%.

The remaining 20.4 percent included taxes, foreign policy, education, problems of the elderly and a wide variety of other concerns.

20. What is the one local problem which troubles you the most?

1. Crime, 27.3%.
2. Inflation, 19.5%.
3. Schools, 17.6%.
4. Taxes, 16.6%.

The remaining 19 percent went to a wide range of problems.

SENATE—*Wednesday, September 25, 1974*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Praise be to Thee, O Lord, for this new day, for the altar of prayer, and for the vision of higher and better things.

"O grant us light, that we may know
The wisdom Thou alone canst give;
That truth may guide wher-e'er we go.
And virtue bless wher-e'er we live.

"O grant us light, that we may see
Where error lurks in human lore,
And turn our seeking minds to Thee,
And love Thy holy Word the more."

—LAWRENCE TUTTIETT, 1864.

Imbue all who labor here with wisdom, goodness, and truth that these days of crisis may be times of growth in character and the increase of justice and righteousness in all the nations of the Earth.

Through Him who is King of Kings and Lord of Lords. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, September 24, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

REHABILITATION OF ENIWETOK ATOLL

• Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1116, S. 3812.

The PRESIDING OFFICER (Mr. HATHAWAY). The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3812) to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, beginning at the end of line 3, strike out "such sums as may be necessary" and insert in lieu thereof "not to exceed $12,000,000," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated not to exceed $12,000,000 to enable the Department of the Interior to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

The amendment was agreed to.

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

ORDER FOR CONSIDERATION OF H.R. 15301, RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside at least until the conclusion of the session today and that at the conclusion of the morning hour, the Senate turn to the consideration of Calendar No. 1112, H.R. 15301, an act to amend the Railroad Retirement Act of 1974.

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

Mr. HUGH SCOTT. Mr. President, the manager of H.R. 15301 on this side of the aisle is the junior Senator from Pennsylvania (Mr. SCHWEIKER). In his absence, I have designated the senior Senator from Ohio (Mr. TAFT), who has agreed to manage the bill until Senator SCHWEIKER is able to return from the funeral of his mother. I say this simply to advise the majority.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

NOMINATION OF PETER M. FLANIGAN TO BE AMBASSADOR TO SPAIN

ORDER OF BUSINESS

Mr. EAGLETON. Mr. President, in his inaugural address before Congress, President Ford urged the Nation to put Watergate behind it. He sounded a call for integrity and openness in government. It was a refreshing change after 5 years of corruption and secrecy.

But rhetoric alone will not suffice to divorce President Ford from the mentality and attitude of the Nixon White House. The President can make a clean break with the Watergate albatross only by matching his words with his deeds. And, thus far, despite the fact that President Ford has personally demonstrated that he is a man of integrity, the Nixonian influence has yet to be exorcised from his administration.

Aside from the President's unfortunate and premature pardon of Mr. Nixon, this negative influence is best exemplified by the blanket endorsement of nominations made by President Nixon and the appointment of a number of former Nixon aides to important Government posts. Nowhere is this insensitivity to the Nation's post-Watergate temperament more apparent than in the nomination of Peter Flanigan as Ambassador to Spain.

The President could perpetrate no more cruel hoax, whether intentional or not, than to nominate a man as an American Ambassador who has been accused under oath of participating on behalf of Richard Nixon in the illegal sale of ambassadorial positions. Such a man is Peter M. Flanigan.

In testimony before the House Judiciary Committee during its impeachment inquiry, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan to contact Dr. Ruth Farkas concerning an ambassadorial assignment to Costa Rica. According to Kalmbach, Flanigan told him:

> She is interested in giving $250,000 for Costa Rica.

Kalmbach explained his conversation with Flanigan this way:

> It is clear in my understanding of that conversation . . . that she would contribute $250,000 to the President's campaign and in return for that $250,000, she would be appointed Ambassador to Costa Rica.

Mr. Kalmbach acted on that understanding, and in August 1971 he offered Dr. Farkas Costa Rica for $250,000.

Further confirming this unseemly "monopoly game" exercise was a White House memorandum which appeared among evidentiary documents presented by the House Judiciary Committee. This memorandum, sent by Mr. Gordan Strachan to Mr. H. R. Haldeman, discussed the necessity to inform two other purchasers that commitments to give them European posts could not be met. The Senate Watergate Committee was pointing to the illegality of such commitments, and Mr. Haldeman had decided that their donations would have to be returned. Mr. Strachan also reported that:

> The only commitment that Kalmbach is aware of at this time is Farcas (sic) for Costa Rica.

It seems clear that Mr. Kalmbach made that illegal commitment to sell an ambassadorship on the authority of Mr. Peter M. Flanigan.

In February 1974, Mr. Kalmbach pleaded guilty to a charge of illegally offering an ambassadorship to Mr. Fife Symington in exchange for a campaign donation. He is now in a Federal prison serving time. Mr. Peter Flanigan, on the other hand, has now been nominated by President Ford as Ambassador to Spain. I wonder what Mr. Kalmbach thinks of that.

Considering the gravity of the charge made against him, it is inappropriate even to consider Mr. Flanigan's nomination at this time. Rather than have the Foreign Relations Committee investigate Mr. Flanigan's qualifications, I think it far more appropriate that the Justice Department investigate whether he was guilty of participating in illegal activity.

This, of course, is not an isolated case for Mr. Flanigan. He established a track record of highly questionable behavior during his years as a Nixon aide.

He first came into public view in the ITT affair when he admitted having hired Mr. Richard Ramsden, a friend and former employee at Dillon-Read, to "advise" the head of the Antitrust Division, Mr. Richard McLaren, in the ITT merger case. In deciding to abandon the prosecution of ITT, which had coincidentally offered $400,000 to subsidize the Republican National Convention, Mr. McLaren said he had based his decision on Ramsden's advice.

Mr. Flanigan had no statutory authority to involve himself in the ITT suit but, as was his custom when big business was involved, he did intervene to the advantage of his client, ITT.

In a letter to the Chairman of the Foreign Relations Committee I have enumerated other situations where Mr. Flanigan's name appears in questionable roles. I ask unanimous consent that this letter appear after my remarks.

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

(See exhibit 1.)

Mr. EAGLETON. The list of allegations against Mr. Flanigan is a long one and includes the following:

First. Forcing the resignation of CAB board member Robert Murphy after Murphy ruled against American Airlines, which company had illegally given $55,000 to President Nixon's reelection campaign.

Second. Interfering with the independence of the Corporation for Public Broadcasting by attempting to influence a crucial vote by the board.

Third. Protecting businesses against adverse antipollution rulings by the Environmental Protection Agency.

Fourth. Influencing the Postal Service to sell $250 million in bonds to Wall Street underwriters rather than to the U.S. Treasury. One of the underwriters involved, I hasten to add, was Dillon-Read, Mr. Flanigan's former employer.

Fifth. Protecting the oil industry by stopping a Cabinet-level task force report recommending that oil import quotas be scrapped.

Sixth. Using his position to obtain a Treasury Department exemption so that a foreign tanker owned by one Peter Flanigan could engage in domestic shipping. This exemption would have increased the value of Flanigan's company by $6 million.

Seventh. Planting information he knew to be untrue in Life magazine for the purpose of ruining the political career of Senator Joseph Tydings, and subsequently holding up the investigation that would clear Tydings until 2 days after his 1970 reelection defeat.

Mr. President, Peter Flanigan's Government service is not such that he should be rewarded by sending him to represent the United States in Spain. If President Ford wants to divorce his administration from Watergate and all its nefarious manifestations, he will immediately withdraw Mr. Flanigan's nomination. This nomination is an insult to the Senate and an affront to the American people.

When considering the allegations made against Mr. Flanigan, it is clear that they can be resolved only after hearing, under oath, such individuals as Haldeman, Strachan, Kalmbach, Higby, Colson, Kleindienst, and Richard Nixon himself. Since most of these people are awaiting trial, it would be impossible to hear their testimony before the end of this session of Congress.

Therefore, it would, in my opinion, be improper for the Senate to vote on this confirmation before these serious allegations are put to rest. In the case of the Kalmbach charges, activity is involved that is appropriately within the investigative province of the Department of Justice.

Whether or not Mr. Flanigan is absolved of all or part of the charges made against him, it seems apparent that we should expect much more from those who will represent the United States to the rest of the world. I call upon President Ford to break once and for all from the influences of Watergate by withdrawing Peter Flanigan's nomination as Ambassador to Spain.

EXHIBIT 1

SEPTEMBER 23, 1974.

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Dirksen Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Foreign Relations Committee recently received the nomination of Mr. Peter Flanigan for the post of Ambassador to Spain. I understand that confirmation hearings will be held in the near future. This nomination is particularly surprising and disturbing because it comes at a time when the nation is trying to recover from the attitudes which created Watergate. That recovery will not be aided by Mr. Flanigan's nomination.

In your committee's draft rules for ambassadorial appointments you state: "The Committee . . . will oppose confirmation of ambassadorial nominees whose prima facie qualification for appointment rests on monetary political contributions . . ." I understand that your committee's action was based on deep concern over the excesses of the Nixon

White House in this area. As you may know, during his tenure at the White House Mr. Flanigan was responsible for filling vacant ambassadorial posts and other high-level executive positions. I feel that his possible role in the selling of ambassadorships should be thoroughly explored.

In testimony before the House Judiciary Committee on July 17, 1974, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan in 1971 to contact Dr. Ruth Farkas concerning a possible ambassadorial assignment. According to Kalmbach, Mr. Flanigan said "She is interested in giving $250,000 for Costa Rica." Kalmbach, in answer to a question by the committee's minority counsel, Mr. Jenner, said ". . . it is clear in my understanding of that conversation that she was interested in . . . that she would contribute $250,000 to the President's campaign and in turn for that $250,000 she would be appointed Ambassador to Costa Rica."

Mr. Kalmbach testified that he did contact Dr. Farkas and made the Costa Rica offer in early August 1971. Dr. Farkas at that time said she was more interested in a European post, according to Kalmbach.

Among the evidentiary documents presented by the House Judiciary Committee in its impeachment report was a September 24, 1971 White House memorandum from Mr. Gordon Strachan to Mr. H. R. Haldeman. This memorandum discussed the necessity to inform Mr. J. Fife Symington and Mr. Vincent de Roulet that commitments to give them European ambassadorships could not be met and that their campaign donations would have to be returned (this was apparently the result of Senate Watergate Committee inquires into the legality of such commitments). In the same memorandum, Mr. Strachan reported that "the only commitment that Kalmbach is aware of at this time is Farcas [sic] for Costa Rica."

Under cross-examination by President Nixon's impeachment lawyer, James St. Clair, Kalmbach said that he had made no commitment to Dr. Farkas about an ambassadorship *to Europe* and that he had no authority to make such a promise. But he apparently did have the authority to offer her Costa Rica. Gordon Strachan's September memorandum makes it clear that Kalmbach made a commitment to Dr. Farkas for that post and Kalmbach has testified that this commitment was made on the authority of Peter M. Flanigan.

Mr. Flanigan, in a letter to the Senate Watergate Committee which was investigating the Symington and de Roulet cases, stated that Mr. Kalmbach had misunderstood about the "commitments" to the two individuals and that such promises to campaign contributors were contrary to Administration "policy." Such offers are also prohibited by federal law, a fact about which Mr. Flanigan was undoubtedly cognizant when he wrote to the Committee. Mr. Kalmbach pleaded guilty in February 1974 to charges that he promised Mr. Symington a European post in return for a contribution to President Nixon's campaign.

The offer of the Costa Rica assignment to Dr. Farkas was, of course, equally unlawful whether or not it was ever consumated. Mr. Kalmbach's statement under oath that he based the offer on Mr. Flanigan's say so is, therefore, a serious charge involving Mr. Flanigan's alleged participation in illegal activity. I feel that the Justice Department should look into charges of this nature.

It is well known that Mr. Flanigan was in charge of filling ambassadorial and other high-level vacancies in the Nixon White House. He also was known to be Mr. Nixon's liaison man between the powerful business interests and the governmental agencies which regulate their activities. It would seem, therefore, inconceivable that Mr. Flanigan could have been completely unaware of Mr. Kalmbach's job offers and the various commitments made by the Committee to Re-Elect to assist campaign donors in their "problems" with the government.

Mr. Flanigan's track record establishes a pattern of governmental behavior which, if not illegal, is, in my opinion, highly detrimental to our democratic institutions. I would like to enumerate some of Mr. Flanigan's questionable activities during his tenure at the White House.

The ITT case: During the hearings on the confirmation of Mr. Richard Kleindienst as Attorney General a question was raised over whether a multi-billion dollar Justice Department anti-trust settlement was linked to a subsidy for the Republican National Convention. Although Mr. Kleindienst testified that President Richard Nixon did not contact him concerning the matter, he subsequently pleaded guilty to a charge of misrepresenting himself on that point before a congressional committee. In fact, President Nixon did contact Kleindienst with an order to drop the ITT case, an order he soon rescinded, according to Kleindienst.

Although the Justice Department Anti-Trust Division under Mr. Richard W. McLaren had exclusive jurisdiction over the matter, Mr. Flanigan became deeply involved. Mr. Flanigan has testified that he hired a friend and former colleague, Mr. Richard Ramsden to "advise" Mr. McLaren on the ITT suit.

In deciding to abandon the prosecution of the ITT merger case, Mr. McLaren admitted that he based his decision on a study prepared by Mr. Ramsden. Two Justice Department economic advisors stated that they had never been consulted about the case. A *New York Times* editorial had this to say about Mr. Flanigan's role in the affair:

"The participation of White House aide Peter M. Flanigan in shaping the ITT settlement is—or ought to be—highly irregular. The work of the Anti-Trust Division will collapse if politically well-connected companies can go over its head and cook up deals at the White House.

"Mr. Flanigan has no statutory authority to deal with anti-trust matters. Yet it was he who recruited a young Wall Street broker to prepare an economic analysis of the issues in the ITT case. To no one's surprise, this analysis was markedly sympathetic to ITT's position. Since the federal government has many qualified economists, why was not one of them asked to prepare this analysis?

"Mr. Flanigan's fishy activities in this case need to be fully explored. So does that $100,000—or was it $400,000?—which an ITT subsidiary offered to subsidize the GOP convention in San Diego."

Did Mr. Nixon ask Mr. Flanigan to intervene in the ITT case? Was Flanigan's intervention connected in any way to the ITT offer to subsidize the Republican Convention in San Diego? Was Mr. Flanigan only carrying out orders, or was he actively interfering in the judicial process on his own volition? These are questions which, it seems to me, must be resolved.

American Airlines and the Civil Aeronautics Board: On July 12, 1973, Special Prosecutor Archibald Cox announced that he would investigate White House maneuvering over the nomination of Mr. Lee West to replace CAB member Robert G. Murphy. Cox was looking into allegations that the decision to drop Mr. Murphy was tied to a CAB vote unfavorable to American Airlines which had illegally contributed to Mr. Nixon's re-election campaign. Mr. Flanigan was instrumental in securing Mr. West's appointment, although he had previously promised Senator Norris Cotton that Mr. Murphy would be re-nominated. Senator Henry Bellmon has acknowledged publicly that American Airlines "didn't like" Murphy and wanted him off the CAB.

What role did Mr. Flanigan play in dropping Mr. Murphy? Was he ordered to do so by President Nixon? Despite denials, was Murphy's departure from the CAB connected in any way to the contribution of American Airlines to the Nixon re-election campaign?

White House interference with the Corporation for Public Broadcasting: On June 1, 1973 the former Chairman for the Corporation for Public Broadcasting, Mr. Thomas Curtis, charged that Mr. Clay Whitehead, Director of the White House Office of Telecommunications and Mr. Peter Flanigan contacted members of the CPB Board prior to a key vote on a compromise agreement with the Public Broadcasting Service. According to Curtis, the independence and integrity of the Board were severely undermined by Mr. Flanigan's effort to influence the important vote.

Was this an appropriate activity for a White House aide? Was Mr. Flanigan attempting to influence the programing schedule of the Public Broadcasting System?

The Anaconda case: Late in 1971 the Montana State Board of Health held hearings on proposed new Montana air pollution regulations. An employee of the Environmental Protection Agency (EPA) testified there in favor of stringent air pollution control.

The President of Anaconda, Mr. John Place, was reportedly angered over the testimony of the EPA employee and fired off a blistering letter to EPA Administrator William Ruckelshaus. Without giving Ruckelshaus a chance to respond, Place and other moguls of the copper industry sat down with Peter Flanigan in the White House and told him of their dissatisfaction.

Place acknowledged this meeting with a "Dear Peter" letter of December 29, 1971, in which he concluded: ". . . Any assistance you can offer in having EPA acknowledge that it got overzealously involved in Montana's affairs will be appreciated."

Flanigan contacted EPA and interceded on behalf of Anaconda. EPA then decided to disavow the testimony of its own employee. The disavowal letter was flown in person from Denver to Helena, Montana. Was this an improper use of White House power to overrule an important regulatory agency?

ARMCO Steel Case: In September 1971, the Environmental Protection Agency won a court order preventing ARMCO from dumping highly toxic chemicals into the Houston ship channel. EPA had taken the position that the wastes in question—cyanide, phenol ammonia and sulphide—could be burned off. ARMCO complained of the additional cost and threatened to lay off over three hundred workers.

ARMCO President William Verity—whose executives had contributed at least $14,000 to the 1968 Nixon campaign—wrote to President Nixon complaining of the EPA suit. According to House testimony, Peter Flanigan contacted EPA officials—who were told to "negotiate the case like any other . . ." whatever that meant. EPA and the Justice Department then entered into negotiations with ARMCO and reached an agreement whereby ARMCO could continue dumping its chemicals until the summer of 1972.

The 1972 fund-raising exploits of the Committee to Re-Elect the President have been well-chronicled by the Senate Watergate Committee, the House Judiciary Committee and the Special Prosecutor. According to testimony, corporations were asked to pay "protection" money which, it was said would be considered if future problems arose with government regulatory agencies. *Washington Post* reporter Carl Bernstein interviewed a Texas lawyer, Mr. Richard Haynes, who was intimately familiar with this operation. In a conversation with Bernstein, Haynes mimicked the typical pitch made by chief fund-raiser Maurice Stans:

"You know we got this crazy man Ruckels-

haus (head of the Environmental Protection Agency) back East who'd just as soon close your factory as let the smoke stack belch. He's a hard man to control and he is not the only one like that in Washington. People need a place to go, to cut through the red tape. . . ."

If his experience during the first Nixon Administration was any indication, the evidence is overwhelming that the man to see in Washington was Mr. Peter M. Flanigan. Called by *Time Magazine* the "Mr. Fixit" of the Nixon Administration, Mr. Flanigan was the liaison with big business and in charge of regulatory agencies at the White House. His name comes up time again in news articles and testimony as the man who, more than any other, could deliver on Mr. Stan's promises.

Postal Service Bonds: In 1971 the newly-restructured Postal Service announced its intention to issue $250 million worth of bonds. The Postal Service decided: (1) to sell the bonds on Wall Street rather than selling them to the U.S. Treasury; (2) not to take advantage of federal guarantees (which meant the price of the bonds would be higher); (3) that underwriters to float the bonds on the market would be selected through negotiations rather than competitive bidding; and (4) that one of the underwriters would be the Dillon-Read Company (Mr. Flanigan's former employer).

In his September 21, 1971 report to the Chairman of the House Committee on Post Office and Civil Service, Representative Morris Udall stated two principal conclusions: "(1) this important bond issue has been handled in such a way that the strong appearance of impropriety has arisen; and (2) that the method chosen for this financing may eventually and unnecessarily cost the taxpayers and the Postal Service large sums of money."

Udall reported further, "Peter Flanigan is a Special Assistant to the President and was formerly a Vice President of Dillon-Read and Company. There is ample evidence to indicate that he has been involved in discussions and meetings involving this issuance of the bonds by the Postal Service."

Add to this that the bond deal was negotiated by James Hargrove, Senior Assistant Postmaster General, formerly a Vice President of Texas Eastern Transmission . . . whose own issues had been handled for years by Flanigan for Dillon-Read.

It is hardly surprising, perhaps, that this exercise in public-private high finance was enriched by the appointment of none other than Mudge, Rose, Guthrie and Alexander as counsel to the underwriters—counsel doubtless enhanced by the fact that two former senior partners are former President Richard Nixon and then Attorney General John Mitchell.

Oil imports: The oil import quota system was estimated in 1972 to cost consumers up to $5 billion a year. The Treasury gets none of it; oil companies get it all. A Cabinet-level task force recommended in 1970 that the quota system be scrapped. Peter Flanigan is known to have stopped the original report and guided the work of a successor panel which brought in the opposite verdict.

In firm control of the oil import control system, Mr. Flanigan embarked on Phase II. According to *The Oil Daily*, "orders have now gone down" to the Oil Policy Committee to report by April 1, 1973 on the import of new gas sources. The Committee was expected to recommend "large scale imports of LNG (liquified natural gas) and oil for SNG (substitute natural gas)," to meet the increasing gas shortage.

Mr. Flanigan apparently finds no conflict of interest in the fact that Texas Eastern Transmission Corporation, mentioned above, is planning a SNG facility which will require 125,000 barrels per day of imported naphtha. It has also applied for permission to import LNG from Algeria (on a temporary basis, thus far) to a terminal facility on Staten Island. Dillon-Read underwrote the first offering of TETCO common stock in 1947 when it was formed, and it has underwritten every one of TETCO's public debt issues since that time. TETCO has been Dillon-Read's creation and, to a large degree Peter Flanigan's. In an oil market controlled by the White House, Peter Flanigan was in a position to insure the continued prosperity of his corporate ward.

The Sansinena case: In March 1970, Senator Joseph Tydings accused Mr. Flanigan of obtaining an "exemption" from the Treasury Department for a foreign tanker named "The Sansinema," to engage in domestic shipping. Mr. Flanigan was also the owner of the Sansinena and, according to Senator Tydings, the permit to allow the ship to engage in domestic shipping increased the value of the Flanigan company by up to $6 million. Mr. Flanigan's father held his shares in the company. It should be noted that a similar request was turned down by the Navy during the Johnson Administration. Shortly after Senator Tydings' speech, the Treasury Department suspended the exemption fearing a possible congressional investigation.

Political sabotage of Senator Tydings: A few months after the Tydings' speech on the Sansinena exemption, Senator Tydings was made the subject of a damaging *Life magazine* article which accused him of using his political office to advance a private financial venture. Tydings was said to have appeared personally before an AID officer to secure a $7 million loan for his company in Nicaragua, which loan was approved.

Senator Tydings has accused Mr. Don Hoffgren, Assistant to Mr. Flanigan for AID matters, as the person who fed the erroneous story to *Life magazine*. Tydings said that Hoffgren was in a position to know of the joint venture in the Nicaraguan project with Tydings business associates.

I have looked further into this matter and have received some unsubstantiated allegations that Mr. Charles Colson, a White House aide, and two high-level State Department employees conspired to withhold the State Department investigation on this affair which cleared Senator Tydings of any wrongdoing, until after the 1970 election. If this allegation is true, it demonstrates that the State Department was used for highly partisan purposes.

Was Mr. Flanigan involved in the leak to *Life magazine* about Senator Tydings? Did he conspire to withhold results of the State Department investigation clearing Senator Tydings until after the 1970 election? These are areas which should be explored especially since Mr. Flanigan is being considered for a State Department post.

On June 1, 1974, Special Prosecutor Leon Jaworski told U.S. District Chief Judge George L. Hart, Jr. that a Watergate grand jury has "circumstantial and direct evidence" that large contributors to President Nixon's 1972 re-election campaign sought or were promised federal jobs in return for their donations. Jaworski made this disclosure in papers filed with Judge Hart to explain why the Special Prosecutor's office needed access to correspondence between former President Nixon and Maurice Stans concerning federal job appointments. According to Jaworski, the evidence to support such a request came from several persons, including White House aides H. R. Haldeman, Lawrence M. Higby, Peter Flanigan, Frederick C. Malek and Stanton Anderson. It is my belief, therefore, that Mr. Jaworski holds evidence which would be important to your committee's inquiry.

On the basis of the information which I possess concerning Mr. Flanigan, I could not in good conscience vote to confirm him as Ambassador to Spain. I believe that we should expect much more from those who represent the United States in foreign countries. Mr. Flanigan's ability is well known, but should the Senate reward him with one of the most prestigious titles our government can confer simply because he, unlike his many cohorts at the Nixon White House, has thus far escaped the long arm of the law?

For your information, I will deliver a speech on this subject Wednesday on the floor of the Senate. At that time I will ask President Ford to withdraw Mr. Flanigan's nomination.

Thank you very much for considering my views.

Sincerely,

THOMAS F. EAGLETON,
U.S. Senator.

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

Mr. ROBERT C. BYRD. Mr. President, how much time remains under the Senator's order?

The PRESIDING OFFICER. There are 6 minutes remaining.

Mr. EAGLETON. I yield 6 minutes to my distinguished colleague from West Virginia.

Mr. ROBERT C. BYRD. I thank my distinguished colleague and friend from Missouri, and I compliment him on his speech.

PETER FLANIGAN AND ITT

Peter Flanigan was an important business-oriented aide in the Nixon White House.

As such, he came to be one of the key figures in the nomination hearings before the Senate Judiciary Committee of Richard Kleindienst to be Attorney General. I am a member of that committee and was a member at the time of those hearings. The hearings, which ultimately produced a guilty plea by Mr. Kleindienst in Federal court for failure to respond fully to the committee's questions, became popularly known as the ITT hearings, due to allegations of high Government misconduct in the settlement of the Justice Department's antitrust suit against the International Telephone & Telegraph Co.

Mr. Flanigan became a central figure in the case when it was discovered that he had secured the services of an outside financial analyst, Richard Ramsden, to do a financial study of the effect upon ITT of the proposed Justice Department divestiture of the Hartford Fire Insurance Co. from ITT. This report was used as the analysis to persuade the Chief of the Antitrust Division, Richard McLaren, that the Justice Department studies of 2 years were incorrect and that ITT should not lose Hartford Fire.

The roles of Mr. Flanigan and other top administration officials—notably Attorney General John Mitchell and Richard Kleindienst—in the settlement of the ITT case at the same time as ITT was pledging $400,000 to San Diego, Calif., for the 1972 Republican National Convention are murky at best.

The now famous Dita Beard memorandum stated that the favorable antitrust settlement for ITT was the result of negotiations between high ITT officials and top Presidential officials resulting in ITT's $400,000 pledge to the 1972 Republican National Convention site.

When the Judiciary Committee attempted to call Mr. Flanigan to testify during the hearings, the White House indicated that Flanigan would not be allowed to testify. When it became apparent that the committee would not act

on Mr. Kleindienst unless Flanigan testified, the White House position changed somewhat. Mr. Flanigan offered to respond to interrogatories sent by the committee. The committee rejected the offer. Then Mr. Flanigan offered to appear in executive session of the committee and respond to a narrowly drawn area of questioning. Finally, the committee accepted the narrow field of questioning in exchange for a public session.

The substantive role played by Mr. Flanigan in getting prepared the outside financial analysis from Mr. Ramsden that was so persuasive to the Antitrust Division and Chief Richard McLaren in the key event involved in the ITT controversy and the executive privilege cloak that was attempted to be placed around him to prevent the Judiciary Committee from fully questioning him on his role in the ITT settlement, makes him a questionable figure, at best, in light of the later Watergate related investigations.

In summary, Mr. Flanigan was essential in the changing of the Justice Department's position on the ITT case; that position was allegedly changed due to ITT's offer of $400,000 to the Republican National Committee site in 1972; the resistance of the White House to allowing Flanigan to testify before the Judiciary Committee; the subsequent referral of the Kleindienst hearings to the Justice Department for possible perjury charges by the committee; the subsequent guilty plea in Federal court by former Attorney General Richard Kleindienst concerning his testimony during his confirmation hearings; and the subsequent knowledge that the ITT hearings were really the first tip of the iceberg of Watergate-related offenses that were opened up by congressional hearings, leads me to the inescapable conclusion that Mr. Flanigan is not a suitable man, under the circumstances that I have enumerated, to represent the United States as an Ambassador.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my time under the order allotted to me be yielded to the distinguished majority leader for whatever use he may desire to make of it.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

PUBLIC CONFIDENCE CONTINUES TO FALL

Mr. HARRY F. BYRD, JR. Mr. President, a basic problem facing our country is a lack of confidence.

The average citizen, it has been my observation, is concerned just where our country is going economically, and perhaps politically.

Albert Sindlinger, whose marketing opinion research organization telephones consumers around the United States, reports that confidence has been on a downslide for quite awhile—and is continuing its downward trend.

His polling, which he has been doing for 20 years, indicates that the public is becoming more and more "antibusiness, antilabor, and anti-Government."

Mr. Sindlinger's report says that President Ford's series of highly publicized economic summit meetings is adding to the growing confidence slide. I am not sure just why this should be the case. But, Mr. Sindlinger's polling results through the years suggest that what he is saying should not be written off.

For example, he predicted in early July that the stock market, already low, should fall by 20 percent in the next 8 weeks, and by 25 percent in the next 15 weeks. Actually, the market fell slightly more than 20 percent in the following 9 weeks. He today predicts a further substantial decline.

Consumer confidence is, of course, a vague concept—but is of much importance. If the consumer is cautious and uneasy, as he appears to be today, it affects adversely the economic outlook.

In dealing with the economic problems besetting our Nation, the Members of the Congress need as much information as can be obtained—and this includes information on consumer economics. Mr. Sindlinger is providing a copy of his Consumer Confidence Report to each Member of the Senate and House of Representatives.

In talking with him today, he expressed a deep concern that the economy is downsliding, and he is making available to the individual Members of the Congress his reasons for such a view, based on polling techniques and procedures which he has been using for 20 years.

My own instinct suggests to me that we do have a crisis of confidence on the part of the public—born, I should judge, from uncertaintly.

I am convinced also that the public senses better than does official Washington that our Nation has been and is now on an unsound course which can be remedied only by time and imagination.

THE NOMINATION OF PETER FLANIGAN

Mr. COTTON. Mr. President, I have just learned that while I was detained in committee during this morning hour, both the distinguished Senator from West Virginia, the assistant majority leader (Mr. ROBERT C. BYRD), and the distinguished Senator from Missouri (Mr. EAGLETON) spoke, making certain allegations and attacking Peter Flanigan, who is under consideration for appointment as Ambassador to Spain.

I merely want to take this opportunity to say, Mr. President, that long before the ITT episode occurred, even in the very early days of the Nixon administration, Mr. Flanigan was bitterly attacked on the floor of the Senate concerning matters that were known to me and that were in the purview of the Commerce Committee and, at that time, I think I was able to set the record straight. At least, I presented the case in defense of Mr. Flanigan.

Mr. President, I have just learned of the speeches; I have not even had a chance to read them, but I simply want to serve notice that if there is some way perhaps later today that I can get some time, or if I have to wait—I wonder if the opportunity presented itself, if the majority leader would help me some time within the next 2 days to receive 20 minutes—at least——

Mr. MANSFIELD. Of course. There is no problem.

Mr. COTTON (continuing). to discuss the case.

I appreciate the courtesy of the majority leader and, as soon as I have had an opportunity to get the facts I wish to present them as I did when the attack on Mr. Flanigan started long ago. I feel confident that once again, when the facts are presented, Mr. Flanigan will be vindicated of charges made against him.

I thank the majority leader.

SECURITY OF U.S. NUCLEAR WEAPONS IN EUROPE

Mr. PASTORE. Mr. President, last evening on a national network Congressman CLARENCE LONG discussed the security of the U.S. nuclear weapons in Europe. Now that this matter has been brought out in the open I feel it is incumbent upon me and my colleagues on the Joint Committee on Atomic Energy to report to the Senate and the people of the country on the part that our committee has played in this matter back to November 1972. The reason for not having made our position publicly known before was because of the sensitivity and the classification involved and of equal importance because of the effect that public discussion of a matter of this nature would have upon those who might be stimulated in activities of terrorism. In other words, we did not want to give the hint to any madmen, and that is the reason why we did not discuss it publicly.

Now, in November of 1972, as chairman of the Joint Committee on Atomic Energy, I directed the deputy director of the committee staff, Mr. George Murphy, to go to Europe and to review security practices and procedures concerning nuclear weapons at certain NATO installations.

His report to the committee on this matter pointed out weaknesses in the security arrangements to protect nuclear weapons in peacetime as well as raised questions on the vulnerability and use-

fulness of these weapons in the event of a surprise attack.

To verify these disturbing findings, Senator BAKER and I visited a significant sampling of nuclear installations during the week beginning March 19, 1973. We not only verified the findings of the November report but we were even more disturbed by the situation. While it was clear that at the sites we visited certain improvements had been made since the November visit, nonetheless, the basic vulnerability to terrorist attack remained.

Senator BAKER and I wrote a classified report of our visit to NATO on this highly significant matter and sent copies to the Secretary of Defense and the chairman of the Atomic Energy Commission. At the time of our visit Elliot Richardson was Secretary of Defense. Subsequently, I have discussed this matter in considerable detail with Secretary of Defense James Schlesinger on several occasions.

In June 1974 at the request of Chairman PRICE and myself, the deputy director of the committee staff again visited NATO nuclear weapons sites as a follow-up to the two earlier committee reports. While noting certain improvements in security practices and procedures, his conclusion remained that certain sites continued to appear to be vulnerable to terrorist attack.

Since our first report in 1972 and based largely on our insistence, certain concrete steps have been taken. Of course because of national security I cannot go into great detail as to just what sites were affected and where they are, but I will say that at one base nuclear weapons were removed entirely. In another case a facility where nuclear weapons have been stored is about to be closed down. Further, certain changes in the disposition of nuclear weapons have taken place.

A great deal more remains to be done, and I want to congratulate the House Appropriations Committee for becoming involved in this matter. I consider this matter of paramount importance and great concern to the American people.

I have been assured by Secretary of Defense Schlesinger, General Goodpaster, Supreme Allied Commander, Europe, and by NATO Ambassador Rumsfeld that they all agree that it is imperative that nuclear weapons abroad be made invulnerable to terrorist attack. Despite these assurances, it is my serious recommendation that if this situation persists, the only alternative we have is to remove a number of nuclear weapons from NATO or any other place where they may be vulnerable. Otherwise, any incident would be counterproductive to the reason they were put there in the first place.

Mr. President, here we are; we have been talking for days and days and days about the possibility of terrorists stealing plutonium while it is being shipped.

That is an insignificant problem when comparing it to the ghastly possibility of the theft of a complete atomic weapon.

When we deal with plutonium, first of all, we take a chance of becoming personally radiated. Second, we have got to know how to put it together to make a bomb.

We have all these already fabricated bombs lying around, sometimes not only atomic weapons, but we have conventional weapons in the same storage place as well, and the situation is deplorable.

When we discussed this matter with General Goodpaster, who is at the head of NATO, and discussed it with other military officials in Europe, we told them there was hesitancy on the part of our NATO allies to come up with the necessary money in order to make the improvements.

I can understand their reluctance because, after all, Uncle Sam is always Santa Claus. If they do not come along with the money, eventually we will do it all.

All I say is that the time has come that unless these improvements are made, what we should do is take those weapons out of Europe, because that is the only way we can protect them against terrorists.

Mr. President, I am very happy that this matter came up on a national hookup last night. The only trouble is that nobody took the trouble to come and ask the Joint Committee on Atomic Energy what this was all about. The Joint Committee has been investigating this since November 1972.

I would hope that both the Defense Secretary and the President of the United States take action, because I say to you, Mr. President, unless President Ford himself makes the demand upon our allies, I am afraid something is going to happen.

In many of these instances, these depositories are outside of some of our airfields which are under the supervision of a foreign government. These same depositories are of World War II vintage and, they are not always the best place to store nuclear weapons.

I say that this is very important and rather than worry so much about who is going to attack an American truck when it is transporting nuclear or fissionable material, we should start worrying about these bombs.

If a terrorist—and it is not that difficult breaking into one of these depositories—takes one of these bombs and it is heralded all over the world, I am telling everyone that we are going to be in a bad way.

Mr. President, I am happy that this matter came up. I repeat again, the only reason why we did not discuss this on the floor of the Senate before is because we have wanted the Defense Department to do something about it.

It is highly classified as to where these are, we could never be specific, but just equally as important, as I have already said, we did not want to give some madman the hint.

It would be obvious to anyone who passed one of these depositories what is stored there. They have these tremendous searchlights that light up the night. Then they have a certain type of fence.

Now, how long would it take 12, 13, or 14 terrorists to shoot them, jump over the fence, break open one of these depository igloos, grab one of these weapons and say, "The next move is yours"? Where would we be?

I am hopeful that this administration and I am not being critical of any administration—specifically, I hope that the President of the United States will get busy about this and do something about it.

I want to congratulate my colleague from Tennessee (Mr. BAKER). After all, it was not a pleasant trip. We started out on a Monday, we went all over Europe and were back home Friday.

We did not have that much time. We used to get up at 7 o'clock in the morning and go to bed at almost midnight every night just to make sure we were carrying out our responsibilities.

I want to say to the Senate, that was no junket trip. As a matter of fact, it was a hard trip that we took at a very inconvenient time, but we thought it was necessary for us to go and verify the report that was made by George Murphy to our committee.

I yield to my distinguished friend from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, thank you very much for recognition at this point.

I associate myself with the remarks of the distinguished senior Senator from Rhode Island who has dealt in some detail and with great accuracy and grace on a matter of extreme importance to this country and the world.

As chairman of the Joint Committee on Atomic Energy and now as vice chairman, soon to be chairman once again, he has always had a keen concern for our nuclear responsibility and he continues to have it.

I am happy to be of whatever assistance I can in fully exploring this subject and providing whatever suggestion and useful information we may in that respect.

Mr. President, I come from Tennessee, which in many ways is the birthplace of the nuclear bomb.

I recall as a young man in the U.S. Navy during World War II learning of the first nuclear explosion in Japan. I remember then my recollection of Oakridge, Tenn., which was a Federal compound surrounded by fencing and guarded by helmeted troops and armored personnel carriers. Machinegun turrets were located at the main entrances to that facility. There were in all the world at that time only two known nuclear weapons. One was exploded over Nagasaki, and one was exploded over Hiroshima.

Such extreme, extraordinary security measures were taken to protect those devices, to protect the knowledge that they existed. America was truly, the world was truly, in awe of this horrendous new weapon. They were awe struck at the catacylsmic power that scientists unleashed that could kill not only thousands but hundreds of thousands of people in a single explosion. We have come a long way since then. We have come a long way. There are no longer one, two, or three nuclear weapons. There are thousands of nuclear weapons.

There are literally thousands of these now, and they are no longer protected

with the precautions at the height of World War II.

As the Senator from Rhode Island pointed out, they are presently in many parts of the world in numerous enclaves protected with various degrees of efficiency. They are vulnerable.

I do not wish to encourage anyone to indulge their sense of adventure by trying to penetrate one of these enclaves or to be in possession even temporarily of a nuclear bomb. I warn them right now the chances of escaping with their life are very remote. A person would probably have his head blasted off if he tried.

Do not get the idea that we are advertising to the world that America's nuclear arsenal is available to any terrorist who wants to try it. It is not. But the security is not what it ought to be and what it was during the time of World War II.

I am concerned. I am concerned about our command and control mechanisms. I am concerned about our communications capability. I am concerned about the physical security of the weaponry. I am concerned about the reserve military forces that are available in case there is an attempt to take them over. I am concerned about their vulnerability to encroachment by a military force from only a few miles away in some cases where these weapons may be deployed near the frontier of another country. I am concerned with our ability to destroy them, if that becomes necessary, with the locking mechanisms, with the so-called double key system for the protection against inadvertent explosion. What I am saying is I am concerned about the nuclear knowledge.

I am not sure there is any answer, except maybe to bring them all home. I am not prepared to say we can do that. All I can say at the moment, while I continue to agonize over this question, is that we have to be exquisitely careful in our storage of nuclear weapons, and I do not believe we are now. We have improved it greatly since Senator PASTORE and I were in Europe. Many improvements were done at our suggestion and at the suggestion of the staff of the Joint Committee on Atomic Energy, particularly Mr. Murphy. But much more remains to be done now, as a result of the interview on network television last night, now that the subject is fully in the public arena. I believe it is time that we turned our attention to the importance and significance of this crucial matter.

Let me reiterate, I am not advertising to the terrorists of the world that they can have an American nuclear bomb for the asking. They cannot. I do not believe they will succeed. America will take whatever measures are necessary, in my judgment, to see that they do not succeed. But I am also saying to our own Government, and this Congress, to the people of the United States, that we have lost our awe of nuclear weaponry.

While, as the saying goes, we have not learned to love the bomb, we certainly have learned to live with it; but if we ever lose one, we may not live much longer.

AMENDMENT OF THE NATIONAL BANK ACT, THE FEDERAL DEPOSIT INSURANCE ACT, AND THE NATIONAL HOUSING ACT

Mr. BROCK. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report S. 3817, to amend the National Bank Act, the National Housing Act, the Federal Deposit Insurance Act, and the Small Business Investment Act, and for other purposes. I ask unanimous consent that S. 3817 be laid before the Senate for immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3817) to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

S. 3817

An act to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, the Small Business Investment Act, and for other purposes

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

TITLE I—INTEREST RATE AMENDMENTS REGARDING STATE USURY CEILINGS ON BUSINESS LOANS

SEC. 101. Section 5197 of the Revised Statutes, as amended (12 U.S.C. 85), is amended by inserting in the first and second sentences before the phrase "whichever may be the greater", the following: "or in the case of business or agricultural loans in the amount of $25,000 or more, at a rate of 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located,".

SEC. 102. The Federal Deposit Insurance Act (12 U.S.C. 1811–31) is amended by adding at the end thereof the following:

"SEC. 24. (a) In order to prevent discrimination against State-chartered insured banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank would be permitted to charge in the absence of this subsection, a State bank may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank would be permitted to charge in the absence of this paragraph, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the State bank taking or receiving such interest.".

SEC. 103. Title IV of the National Housing Act (12 U.S.C. 1724–1730(d)) is amended by adding at the end thereof the following:

"SEC. 412. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution taking or receiving such interest.".

SEC. 104. Section 308 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661), is amended by adding at the end thereof the following:

"(h)(1) In order to facilitate the orderly and necessary flow of long-term loans and equity funds to small business concerns, as defined in the Small Business Act, if the maximum interest rate permitted by the Small Business Administration exceeds the rate a small business investment company would be permitted to charge in the absence of this subsection, such small business investment company may in the case of business loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect ta the Federal Reserve bank in the Federal Reserve district where the small business investment company is located.

"(2) If the rate prescribed in paragraph (1) exceeds the rate such small business investment company would be permitted to charge in the absence of this subsection, and such State fixed rate is thereby preempted by the rate described in paragraph (1), the taking, receiving, reserving or charging a

greater rate than is allowed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the small business investment company taking or receiving such interest."

SEC. 105. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the remainder of the title and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

SEC. 106. The amendments made by this title shall apply to any loan made in any State after the date of enactment of this title, but prior to the earlier of July 1, 1977, or the date (after the date of enactment of this title) on which the State enacts a provision of law which prohibits the charging of interest at the rates provided in the amendments made by this title.

TITLE II—APPLICABILITY OF STATE USURY CEILINGS TO CERTAIN OBLIGATIONS ISSUED BY BANKS AND AFFILIATES

SEC. 201. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k) No member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person."

SEC. 202. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(k) No insured nonmember bank or affiliate thereof, or any successor or assignee of such bank or affiliate or any endorser, guarantor, or surety of such bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such bank or affiliate or to any other person."

SEC. 203. Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by adding at the end thereof the following new subsection:

"(e) No member or nonmember association, institution, or bank or affiliate thereof, or any successor or assignee, or any endorser, guarantor, or surety thereof may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member or nonmember association, institution, bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken,

The amendment was agreed to.

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

The title was amended so as to read: "A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, the Small Business Investment Act, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill be held at the desk until the close of business Friday, September 27, 1974.

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

SENATE RESOLUTION 410—RESOLUTION IN SUPPORT OF THE EFFORTS OF PRESIDENT FORD IN SEEKING WORLD ECONOMIC STABILITY

Mr. METZENBAUM. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Whereas the economy of the United States, as well as the economies of her allies and the less developed nations of the world, has been severely affected by the geometric and unabated rise in the price of petroleum; and

Whereas the actions of the Organization of Petroleum Exporting Countries in fixing the price of oil represent a dangerous and artificial rigging of a vital commodity market and run counter to the classic economic principles of supply and demand; and

Whereas disruptive flows of monetary reserves imperil world financial institutions and threaten to overwhelm international capital markets; and

Whereas unprecedented inflation in the price of petroleum is and will continue to be a major contributor to inflation in countless sectors of the world economy, inflation which threatens the economic structure of the United States and the free world; now therefore be it

Resolved, That it is the sense of the Senate that the well-being of the world and all of its people is gravely threatened by exorbitant or rigged foreign oil prices. It is further the sense of the Senate that Congress and the American people support President Ford and Secretary Kissinger in their call to the OPEC nations to lower the price of petroleum.

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

Mr. MANSFIELD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. METZENBAUM. Mr. President, noting that the resolution goes over under the rule until the conclusion of morning business tomorrow, due to the fact that I shall not be present tomorrow by reason of a holiday for myself, I ask unanimous consent that the measure lie over until Monday at the same time, at the conclusion of morning business.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, I shall not object, but I do want to ask one or two questions of the Senator from Ohio concerning this resolution.

Is this the resolution that endorses President Ford's attack yesterday as well as the threats delivered by President Ford, Secretary Kissinger, and Secretary Simon upon oil exporting nations that are in the OPEC cartel?

Mr. METZENBAUM. No, it is not. The resolution supports President Ford's call upon the OPEC nations to roll back the petroleum prices, not supporting any threats, which I am not familiar with, but rather because I firmly believe that the high price that we are paying for OPEC nations oil is contributing to the problems of inflation in this country, and unless we do roll back the price of that oil, I do not think we can control the problem of inflation.

Mr. ABOUREZK. Mr. President, before I make a couple of points on this resolution, I want to make it very clear to the Senate and to the Senator from Ohio that I, too, believe that oil prices ought to come down, both the prices of oil presently being exported by the OPEC nations and also the prices on oil that is produced here domestically.

I wish to advise the Senate at this point that all of the hullaballo and the hysteria that has developed as a result of what the President and two Cabinet members as well as other, lesser lights in our Government said a couple of days ago—and over the past few weeks—about oil prices from the OPEC cartel, is creating what I believe to be a smokescreen to hide, in part, what is happening with the domestic oil industry with our energy prices.

I know that the Senator from Ohio does not want to become involved in that kind of thing by way of creating a smokescreen for the domestic oil industry, but I should like to remind the Senator of some statistics that have been developed recently by various agencies of our Government.

While the price of OPEC oil has increased 225 percent since last October, we import only 15 percent of our total energy needs from the OPEC cartel. The other 85 percent is furnished by domestic States.

If the Senator is searching for the source of inflation, 15 percent of it comes from the OPEC cartel. Eighty-five percent comes from the domestic energy industry, which since October 1973 has increased the price of coal by 133 percent, the price of crude oil by 92 percent, and the price of propane by 169 percent.

So, while I join the Senator from Ohio in his concern about the increase in oil prices coming from OPEC-producing countries, I would suggest to the Senator and to other people who are concerned that we not restrict our threats to the OPEC countries. I believe that threats to other sovereign nations may not be as beneficial as negotiations. We might consider threatening where we have the power to deliver that threat, and that is to the domestic oil industry, which is a virtual monopoly within the United States.

I wonder whether the Senator would be willing to comment on that.

Mr. METZENBAUM. Mr. President. I appreciate the comments of the distin-

guished Senator from South Dakota. As he well knows, I share his concern about the high prices as well as the profits of domestic oil companies. This resolution does not address itself to that subject.

The Senator from South Dakota knows that the more we pay OPEC nations for oil, the more it is possible for domestic oil companies to charge for new oil in this country. Therefore, the thrust of this resolution, as I see it, is an indication to the people of this country and of the world that the Senate supports the President in calling upon the OPEC nations to turn back or to reduce the price, which has gone up about fourfold in the last 2 years.

I do not use the word "threat" and would not want to use the word "threat." Nowhere in this resolution is any suggestion of that made. I do not believe that international policies, international economics, or international finance should be based on the matter of a "big stick" or threats.

I do believe that the President enunciated clearly that the economic problems of this country are of such a nature that we cannot continue to export capital at the present rate to the OPEC nations. As long as there is in excess of a $3 billion shortfall of capital to this Nation, there will not be adequate funds in this country to do the things that have to be done in our country. The net result will be that interest rates, which we are all concerned about, will continue to be at a high level, domestic oil prices will continue to be at a high level, and food prices will continue to be at a high level.

I think there is no more challenging problem that any of us face than the entire question of inflation. The buck stops here with respect to that problem. Much of it really lies in the tremendous increase we are paying for imported oil from OPEC nations.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Wall Street Journal of September 23, 1974, by James C. Tanner. The title of the article is: "Saudi Oil Chief Sees 'Major Recession' Due to High Prices but He Backs OPEC."

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

SAUDI OIL CHIEF SEES "MAJOR RECESSION" DUE TO HIGH PRICES BUT HE BACKS OPEC

(By James C. Tanner)

NEW YORK.—Still maintaining that Persian Gulf posted petroleum prices are $2 a barrel too high, Sheikh Ahmed Zaki Yamani of Saudi Arabia said he anticipates a "major world recession" due in part to expensive oil.

Nonetheless, the Saudi oil minister all but eliminated the possibility of his government taking any action on petroleum prices that could lead to disunity in the Organization of Petroleum Exporting Countries, or OPEC. He pledged only that Saudi Arabia will "study what we can do unilaterally in the framework of our general policy to preserve OPEC."

Indeed, Sheikh Yamani indicated Saudi Arabia's oil prices, at least those paid by the oil companies for the government's oil, might be further increased in the fourth quarter. He said such a boost would come if other Persian Gulf countries again raised their "buy-back" prices.

"We told the oil companies last June any price given to any producer in the (Persian Gulf) area will be immediately applicable in Saudi Arabia," he said.

On his way to Detroit, where he will address a world energy conference today, Sheikh Yamani stopped over in New York for a long informal session with newsmen. At the news conference, and later in an interview, he touched on a number of points regarding oil.

NO TIME SCHEDULE

He insisted he wasn't in New York to negotiate with the four U.S. oil companies that share ownership with the Saudi government in Arabian American Oil Co., or Aramco. He said that while he is in "constant communication" with the companies, he wasn't "pressing" them on the Saudi government's plan for a complete take-over of Aramco. Although other sources have suggested that Saudi Arabia hopes to complete the take-over before year-end, he said the government doesn't "have any time schedule" for such an arrangement.

The Saudi government currently owns 60% of Aramco, which produces most of the kingdom's oil. The other 40% is held by Exxon Corp., Texaco Inc., Standard Oil Co. of California and Mobil Oil Corp.

Mr. Yamani indicated that once the take-over is completed, the oil companies will get preferential treatment in buying back the Aramco oil they will give up. "They won't have to stand in line for the oil," he said. Also, he said, the price the companies pay for the oil will be less than what they are currently paying the government for its share of Aramco's crude production.

SOUGHT TO EXPLAIN BOOST

The Saudi official also sought to explain again how and why Saudi Arabia increased its buy-back price to the oil companies for the third quarter at a time it claimed publicly to be working toward lower world oil prices.

In September 1973, he said, Saudi Arabia verbally agreed with the oil companies that the buy-back price for the government's oil, then 25% of Aramco's output, would be the same as the price that Petromin, the government state-owned oil company, received in its sales on the open market.

Prior to last October, when the OPEC member nations initiated their sharp upward swing in posted prices, Petromin had been charging 93% of the posted price of Saudi crude. This led to the general belief that the Aramco companies would pay 93% for the Saudi oil they bought.

But beginning last November, Mr. Yamani said, Petromin began receiving over 93% of the posted price (he didn't say how much more) because of the rocketing rise in oil prices everywhere.

Effective this past July 1, the buy-back price for other Persian Gulf crudes, specifically Kuwaiti oil, went to nearly 94.9% of the posted price. That percentage also became effective immediately for the Saudi buy-back price, making the government oil $11.05 a barrel on a posted price of $11.65 a barrel.

CANNOT GIVE PREFERENTIAL TREATMENT

"The 94.9% wasn't started by Saudi Arabia, but Saudi Arabia cannot give the oil companies any preferential treatment to increase their profits even though our aim is to lower the market price to consumers," Mr. Yamani said.

Gulf Oil Corp. and British Petroleum Co. are currently negotiating with Kuwait for fourth quarter buy-back prices in that country. If the percentage again is increased, the buy-back price in Saudi Arabia also will be increased for the 4.8 million barrels a day of the Aramco oil that the companies buy from the Saudi government, Mr. Yamani said.

If, however, the Kuwaiti buy-back price is lowered, that doesn't necessarily mean that the buy-back price in Saudi Arabia will be reduced. It means only, Mr. Yamani said, that the Aramco companies will pay whichever is higher of either the weighted average of the Petromin sales or the buy-back price charged elsewhere in the Persian Gulf.

As for world oil prices, Mr. Yamani said he believes they should come down $2 a barrel since the increases by OPEC last winter built in for petroleum "all the inflation for the last 10 years and probably to 1976." He said Saudi Arabia is continuing to call for a reduction in the posted prices but that it has been getting very little support in OPEC. He confirmed, however, that both Algeria and Kuwait endorsed the Saudi suggestion at the recent Vienna meeting of OPEC. And he said Iran didn't oppose the proposal.

DISAGREED WITH THEORY

Mr. Yamani disagreed with the theory being advanced by most oil observers that posted prices have become meaningless in view of the increasing government ownership of the oil produced on their soil.

Previously, the posted price was a theoretical figure used by the governments only to calculate the taxes and royalties due them from the oil companies they hosted. Of late, though, the main use of posted prices has been to calculate buy-back prices that oil companies pay to acquire the oil flowing to host governments from their share in oil operations.

Mr. Yamani said that posted prices are still important. "If I want to help the consumers I have to reduce the posted price," he said, but he conceded that when the Saudi government completes the Aramco take-over there won't be any further need for a multitiered pricing system. Saudi Arabia will have to set only a single market price at which it will sell its oil.

The Saudi official differed with U.S. government estimates that the world oil surplus is currently narrowed to about one million barrels a day. He said the surplus has grown to at least three million barrels a day, despite production cutbacks in some OPEC countries.

He said Saudi Arabia won't join other OPEC nations in cutting production to prop prices. Neither, he said, will it increase its output to put additional downward pressure on oil prices. "Saudi Arabia can't drink its oil," he contended.

Mr. ABOUREZK. I am glad to hear that the Senator from Ohio does not consider President Ford's statement or the Cabinet members' statements any kind of threat or implied threat to the oil-exporting nations; because I, for one, sincerely believe that we ought to bring down prices of foreign oil, that we ought to try to reduce them, but by cooperation and negotiation. I do believe that the Middle East countries which are exporting a considerable amount of oil consider what President Ford said to be a threat, and I am glad that the Senator has made it clear that he would not endorse such a threat.

Mr. METZENBAUM. I certainly am not a spokesman for the President of the United States.

Mr. ABOUREZK. I wonder whether the Senator also believes, as some people do, that, by way of retaliation, we ought to cut off food supplies to those coun-

tries that are maintaining high prices for oil we import?

Mr. METZENBAUM. I am a peace-loving man who would like to work out the problems we have with the other nations of the world. I do not believe in using the "big stick," and I do not believe in saying that the answer to the problems of high oil prices is causing people in the other parts of the world to starve. I would not be in favor of using food as a threat over the OPEC nations which continue high prices. That might increase the price of food, but I do not think we would cut them off from an opporunity to buy.

Mr. ABOUREZK. I would be in favor of that, because it would help my constituents in South Dakota if that were to be the case. But it would hurt my constituents to cut off the supply of food, to say nothing of other, more far-reaching consequences.

As a matter of fact, I know that the Senator from Ohio was opposed to that kind of policy before I asked. The reason I brought it up was simply to point out that there is a great deal of hysteria, most of it centered in Washington, D.C., that concerns food embargoes and high oil prices.

The PRESIDING OFFICER. The time for morning business has again expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended for an additional 5 minutes, because I have some questions I should like to raise.

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

Mr. ABOUREZK. It concerns preelection politics in this country with regard to the Middle East situation. I would hate to see this kind of thing—the implied threats by the President and members of his Cabinet, the joining of those threats by the Senate or by any group of Senators. I would hate to see anything damaging to the interests of the United States, by virtue of whether it be an angering of the oil exporting countries over unfair policies, or whether it would mean an escalation of the rhetoric, and then of arms shipments, and then of a conflict that might involve the two superpowers, Russia and the United States, in a nuclear confrontation. I sincerely believe that that could very well be the end result of what we consider harmless preelection demagoguery concerning high oil prices.

I know that the Senator is not involved in that—I concede that—but a lot of people are. I would hate to see the interests of the United States of America damaged through that kind of hanky-panky.

I am very glad to hear that expression from the Senator, who I know is absolutely sincere in what he is attempting to do. But I believe there are some people in this country who are not that sincere and who are playing other kinds of politics, to the detriment of the people of this country.

I thank the Senator for yielding.

Mr. MANSFIELD. Mr. President, reserving the right to object—and I shall withdraw my objection shortly—I think this has been a most interesting and constructive colloquy which has taken place this morning between the distinguished Senator from South Dakota (Mr. ABOUREZK) and the distinguished Senator from Ohio (Mr. METZENBAUM), the sponsor of the resolution.

According to the public press, stories have been emanating from various parts of the Middle East—to wit, Beirut—to the effect that what President Ford, Secretary Kissinger, and Secretary Simon have been saying in recent days amounted to a threat, unless the members of OPEC, the oil-producing nations, reduced their prices and made oil more available. That is a gross misapprehension of what President Ford has said.

I recall to my colleagues the words of Sheik Yamani, the Saudi Arabian oil minister, on yesterday, in Chicago, when he said, in effect, that he thought the speech by President Ford at Detroit was a well-balanced speech. Those are not his exact words, but they are almost his exact words. I think that was a far better reaction than the one supposedly carried in certain newspapers in the Mideast, which indicated that President Ford was implying a threat of war if conditions did not change.

What did the President say? He said on Monday that artificial rigging of oil prices could bring "disastrous consequences." Then the President said:

> Throughout history, nations have gone to war over natural advantages such as water or food or convenient passages on land or sea.

Then he added:

> But in the nuclear age, when any global conflict may escalate to global catastrophe, war brings unacceptable risks for all mankind.

What the President was doing was pointing out a difficulty which confronts not only the United States but Western Europe, Japan, and the underdeveloped nations of the world. If something is not done to bring equilibrium out of the present oil situation, which I think, along with the Vietnam tragedy, is responsible for the recession which confronts this Nation today, the consequences are going to be such that people are going to be starving and we shall not even begin to have enough food to take care of those who are in want in the sub-Sahara area of Africa, in Bangladesh, in India, or elsewhere.

What I think the President, Mr. Kissinger and Mr. Simon did was to lay out in calm and sober tones a situation which confronts, not this Nation alone, but large portions of this globe and, despite the use of the word, "doomsday," by Dr. Kissinger—I think he used it when he spoke to the U.N. on yesterday—there is a good deal of truth in what he says.

Threats will get us nowhere, but cooperation and conciliation may develop something in the way of positive results.

Let me say to the Senator that the accumulation of tens of billions, possibly hundreds of billions of dollars by the OPEC countries is not going to do them a bit of good if the rest of the world goes down into a depression. One cannot eat dollars. One cannot eat gold. But we can help the world, if we all will, by seeing that an economic equilibrium of sorts is maintained. In that way, we can avert catastrophe, we can give hope to our people, and food to the people in need in underdeveloped countries.

I hope that out of this colloquy this morning has come a better understanding as far as our friends in OPEC are concerned as to what this present administration meant through its spokesmen, the President and the Secretary of State and the Secretary of the Treasury, when they uttered their remarks this week. What they were doing was, in effect, raising a warning flag, not issuing threats, not saying "we are going to war," because that would be counterproductive and it would be impossible to achieve the end desired. Nothing of that nature, I am sure, was in the minds of those who spoke. Rather, it was an attempt to paint the whole picture and, thereby, to show our interdependence in this world, one with the other and all together.

I compliment the distinguished Senator from Ohio and ask that my name be added as a cosponsor to his resolution on the basis of the colloquy which has issued on the floor of the Senate this morning.

Mr. ABOUREZK. Mr. President, I wish that the Senator from Montana had delivered the U.N. address 2 days ago rather than the President and the Secretary of State, because what he has said, in my opinion, is right on target. There must be something done, but it is the manner in which the threats were delivered that has disturbed so many people who ordinarily would have congenial relations with us. When the President says, "People have gone to war over lesser things; however, we do not want to have a war," it is reminiscent of a recent President who said, "I can raise a million dollars, but it would be wrong."

What he was doing was delivering, whether he denies it or not, a threat that is counterproductive, in my opinion, to the interest of the United States of America. As the Senator from Montana said, in his continual wisdom in these matters, that is not the kind of thing that will work. Cooperation, negotiation, and some kind of education of countries that charge high prices for oil, including the oil industry in our own country, ought to be what we should do rather than delivering threats. I thank the Senator from Montana and the Senator from Ohio for the time.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, may I say I still stand by my contention as to what the President meant when he referred to things in the past; that he was not stating a threat; that he was not calling for direct action, but that he was laying out the grisly picture which confronts this country and the free world today, primarily because of the exorbitant rise in the price of petroleum, quadrupled in the past year.

I think the record ought to be clear that what he did was, for the first time, I think, lay out for the world to see the extremely difficult situation which confronts this Nation and the Western World and the third world, as well, if things continue to get out of hand and inflation continues to ride the waves.

I withdraw my objection.

The PRESIDING OFFICER. Does the Senator withdraw his objection to the original unanimous-consent request to consider the resolution?

Mr. METZENBAUM. No, Mr. President; I have never made the request that it be considered at the present time.

My request was that it be laid over under the rules and be set down on Monday instead of on tomorrow, in view of the fact that I shall not be present tomorrow.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. MANSFIELD. Mr. President, has the Senate disposed of the resolution for the time being?

The PRESIDING OFFICER. The Senate has disposed of the resolution for the time being.

EXECUTIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

The assistant legislative clerk read the nomination of Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships.

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

U.S. TARIFF COMMISSION

The assistant legislative clerk read the nomination of Daniel Minchew, of Georgia, to be a member of the U.S. Tariff Commission.

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

Mr. MANSFIELD. Mr. President, I request that the President be notified.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the legislative session.

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 MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON AGRICULTURAL EXPORT ACTIVITIES UNDER FOOD FOR PEACE PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace), which, with its accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

To the Congress of the United States:

I am pleased to transmit to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This has been a successful program. It has provided a channel for humanitarian assistance, promoted economic development and, in general, supported foreign policy objectives of the United States.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the tight commodity supply situation in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food contributions to the drought-stricken African countries, including Ethiopia, were substantial. In both East and West Africa, United States food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained and the Title I concessional sales programs continued in such high-priority countries as Bangladesh, Bolivia, Cambodia, Israel, Pakistan, and Vietnam.

The Food for Peace program continues to be the primary U.S. food aid activity. Concessional sales programs continued to encourage recipient countries to establish self-help objectives and also support economic development projects. The program retains its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and pre-school children, the most nutritionally significant periods of human life. Although most programs have aspects of agricultural market development, specific programs for trade expansion have been limited because of strong commercial demand. Such programs could be resumed under changed supply conditions.

As 1973 legislation authorized the extension of the Public Law 480 program through 1977, it will go on playing its vital role in terms of development assistance, trade expansion, and promotion of our foreign policy objectives.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

REPORT OF THE ADVISORY COUNCIL ON INTERGOVERNMENTAL PERSONNEL POLICY—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the final report of the Advisory Council on Intergovernmental Personnel Policy, which, with its accompanying report, was referred to the Committee on Government Operations. The message is as follows:

To the Congress of the United States:

It is a privilege for me to transmit to the Congress the final report of the Advisory Council on Intergovernmental Personnel Policy.

This report, which supplements earlier work by the Council, addresses three issues of importance to Government at all levels: equal employment, labor-management relations, and the development of workforce policies by State and local governments. Because the members of the Council have expressed themselves forcefully and forthrightly on these matters, their work should serve as a useful reference point for public officials everywhere. All of us should be indebted to the Council members for their dedicated service and wisdom.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

MESSAGES FROM THE HOUSE

At 12:02 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. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 5, 10, 11, 18, 19, and 24 to the aforesaid bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 28 and 33 to the aforesaid bill and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, in which it requests the concurrence of the Senate.

At 4:00 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 11546) to authorize the establishment of the Big Thicket National Preserve in the State of Texas, and for other purposes,

with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate numbered 1 and 2 to the bill (H.R. 4861) to amend the Act of October 4, 1961, providing for the preservation and protection of certain lands known as Piscataway Park in Prince George's and Charles Counties, Md., and for other purposes; that the House agrees to the amendment of the Senate numbered 5 to the aforesaid bill with an amendment in which it requests the concurrence of the Senate; and that the House disagrees to the amendments of the Senate numbered 3 and 4 to the aforesaid bill.

The message further announced that the House agrees to the amendments of the Senate numbered 4, 5, 6, 9, 11, and 12 to the bill (H.R. 10088) to establish the Big Cypress National Preserve in the State of Florida, and for other purposes; that the House agrees to the amendments of the Senate numbered 1, 3, 7, 8, and 10 to the aforesaid bill, each with an amendment in which it requests the concurrence of the Senate; and that the House disagrees to the amendment of the Senate numbered 2 to the aforesaid bill.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities; and

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3817. A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes (Rept. No. 93-1171).

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 4004. A bill to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council (Rept. No. 93-1172). (Referred, by unanimous consent, to the Committee on Government Operations.)

Mr. METCALF. Mr. President, the Committee on Banking, Housing and Urban Affairs has ordered reported S. 4004, a bill which would except the Federal Savings and Loan Advisory Council from section 14(a) of the Federal Advisory Committee Act.

The Federal Advisory Committee Act—Public Law 92-463—is within the jurisdiction of the Committee on Government Operations. Therefore I request that S. 4004, when reported, be referred to the Committee on Government Operations.

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

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, with amendments:

H.R. 12526. An Act to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended (Rept. No. 93-1173) (Referred, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs).

Mr. McGOVERN. Mr. President, I ask unanimous consent that a bill reported by the Committee on Agriculture and Forestry, which report I now submit, be referred to the Committee on Banking, Housing and Urban Affairs.

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

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.J. Res. 1131. A joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1174).

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

S. 2752. A bill for the relief of North Central Educational Television, Inc. (Rept No. 93-1175).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 13370. An act to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam (Rept. No. 93-1176).

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

H.R. 10337. An act to authorize the partition of the surface rights in the joint use area of the 1882 Executive Order Hopi Reservation and the surface and subsurface rights in the 1934 Navajo Reservation between the Hopi and Navajo Tribes, to provide for allotments to certain Paiute Indians, and for other purposes (Rept. No. 93-1177).

EXTENSION OF TIME FOR FILING REPORT ON H.R. 10337 TO 6 P.M. TODAY

Mr. FANNIN. Mr. President, I ask unanimous consent that the time for filing the report on H.R. 10337, relating to the Navajo Indian-Hopi land dispute, be extended to 6 p.m. today.

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. HARTKE, from the Committee on Commerce:

Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner.

(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 before any duly constituted committee of the Senate.)

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

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

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings of September 17, 1974.)

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. HATHAWAY:

S. 4041. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for the classification of information, and for other purposes. Referred to the Committee on Government Operations.

By Mr. METCALF:

S. 4042. A bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing. Referred to the Committee on Banking, Housing nad Urban Affairs.

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

S. 4043. A bill providing that certain State medical officers and employees are deemed to be Federal officers or employees for purposes of section 1346(b) and chapter 171 of title 28, United States Code. Referred to the Committee on the Judiciary.

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

S. 4044. A bill to amend the Act entitled "An act to authorize the sale of certain public lands in Alaska to the Catholic Bishop of Northern Alaska for use as a mission school", approved August 8, 1953. Referred to the Committee on Interior and Insular Affairs.

By Mr. HELMS:

S. 4045. A bill to amend the act relating to the Lumbee Indians of North Carolina. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

S.J. Res. 245. A joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METCALF:

S. 4042. A bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. METCALF. Mr. President, I am today introducing a bill to provide Federal cost sharing to eliminate hazardous

open canals and ditches. The need for such a program is so evident this bill hardly needs explanation. Each year gives us another round of accidental drownings in open ditches running through urban areas. The fact that most of these victims are children compounds this tragic situation. In most Montana cities, a child death by drowning in one of the many miles of uncovered canals is an event almost as regular and dependable as the annual spring rains.

This bill allows the Secretary of the Interior to provide funds to municipalities not to exceed 50 percent of the cost of closing the existing open canals. The measure would help our towns and cities protect our children from senseless and avoidable dangers.

I send the bill to the desk for appropriate reference and ask unanimous consent that its text be printed at this point in the RECORD.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress that the United States encourage safety to the public in urban areas by sharing in the cost of converting open canals to closed conduits and of safety fencing of large canals which are economically infeasible to enclose in conduits.

SEC. 2. (a) The Secretary of the Interior may provide funds not to exceed 50 per centum of the cost of converting existing open canals in or adjacent to urban areas to closed conduits or of providing for safety fencing of large canals in or adjacent to urban areas. Except as provided in subsection (b), the assistance provided under this Act shall be under terms and conditions satisfactory to the Secretary of the Interior.

(b) The portion of the cost of projects described in subsection (a) not provided by the United States may be provided by labor and materials, as well as by money. The costs of labor and material so provided shall be determined by their fair market value.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

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

S. 4044. A bill to amend the act entitled "An act to authorize the sale of certain public lands in Alaska to the Catholic Bishop of Northern Alaska for use as a mission school," approved August 8, 1953. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, I would like to introduce a measure today to remove a potential reverter from land now owned by the Catholic Bishop of Northern Alaska, near Cooper River, Alaska.

In 1953, 452 acres were transferred to the bishop by Private Law 152 for use as a mission school. The church was not given the land but paid above the appraised value. A mission school was built on the land and for many years this land was used for this purpose.

Now, however, things have changed: The school is closed and the church would like to sell this land which is now necessary to support the construction of the Alaska pipeline. It is time to remove this cloud on the title and return the land to productive use, both the State of Alaska and the Catholic Church in Alaska will be the beneficiaries.

Mr. President, I ask unanimous consent to have my bill printed in the RECORD immediately following my remarks.

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

S. 4044

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to authorize the sale of certain public lands in Alaska for use as a mission school", approved August 8, 1953 (67 Stat. A53), is amended by deleting "for use as a mission school,".

By Mr. HELMS:

S. 4045. A bill to amend the act relating to the Lumbee Indians of North Carolina. Referred to the Committee on Interior and Insular Affairs.

Mr. HELMS. Mr. President, today I introduce legislation to eliminate an outdated discrepancy between the Federal law with regard to Lumbee Indians and the full recognition they have had for nearly a hundred years in the statutes of their home State of North Carolina. And it will remove the obstacles which unjustly deny to the Lumbees unhampered access to the far-reaching programs developed for all native Americans at the Federal and State levels in recent years.

Since at least 1885, the Lumbees have been recognized in the laws of North Carolina. They are referred to initially as the "Croatans" in the act of 1885, as "the Indians of Robeson County" in the subsequent act of 1911, and as "the Lumbee Indians of North Carolina" in the act of April 20, 1953. The act of 1953 describes them as "the Indians now residing in Robeson and adjoining counties of North Carolina, originally founded by the first white settlers on the Lumbee—sic—River in Robeson County . . ."

The Federal Public Law 570, of June 7, 1956, which is to be amended and modified by the proposed legislation, uses the same language as the North Carolina act of 1953 to describe and recognize the Lumbee Indians. But Public Law 570 goes on to deny to the Lumbees equal access to Indian programs of the Federal Government. That restriction in favor of, and in distinction from, so-called "Reservation Indians" belongs to a day when Federal programs were found to address the status of Indians on reservations inadequately and when the economic plight and civic inequality of the urban and rural Indian had been totally ignored.

The Eisenhower administration took the first step in giving to the Lumbee Indians, by means of Public Law 570, the first national recognition they had ever formally received in the Federal law. And that recognition was, and still remains, the intent of the Congress. But Indian programs remain restricted to Indians on reservations until recent years. During the past 5 years, programs that could give to all native Americans the full opportunities for economic enterprise, for civic equality, and meaningful cultural preservation have been established. So the erstwhile restriction in Public Law 570, which denied to the Lumbees access to the only Indian programs then available—for Indians on reservations—is now out of date and unnecessary. In fact, the very programs recently initiated for the urban and rural Indians cannot come to fruition if such self-reliant and populous groups as the Lumbees are not put into the very mainstream of the economy and of the development of their native State.

The proposed change will give nothing to the Lumbees that they have not traditionally enjoyed in the laws of North Carolina. But the proposed clarification is urgently needed to give the Lumbee Indians full access to the new national programs for urban and rural Indians and to assure the full availability of Federal matching funds for the relevant State-funded programs. Identical legislation is currently pending in the House and I commend this legislation to my colleagues in the Senate for quick adoption.

By Mr. SCHWEIKER:

S.J. Res. 245. A joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake. Referred to the Committee on the Judiciary.

PENNSYLVANIA AND OHIO PYMATUNING LAKE COMPACT

Mr. SCHWEIKER. Mr. President, I am today introducing legislation which would grant the consent of the Congress to the amendment of the joint compact between Ohio and Pennsylvania relating to Pymatuning Lake. The amendment, enacted by the General Assembly of Ohio on August 25, 1973, and the General Assembly of Pennsylvania on July 23, 1971, would permit boats equipped with a motor in excess of 10 horsepower to operate on the lake provided that the propeller is removed and left ashore.

Approval of this amendment would improve boating safety on the lake and has the support of the community and local groups. I am hopeful that the Congress will grant its consent to this change already approved by both States.

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

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

S.J. RES. 245

Whereas by the Acts of October 28, 1937 (50 Stat. 865); July 24, 1945 (59 Stat. 502); July 31, 1961 (75 Stat. 242); and July 14, 1964 (78 Stat. 313), Congress gave consent to a certain compact between the State of Ohio and the Commonwealth of Pennsylvania, relating to Pymatuning Lake, and to three consecutive amendments thereto; and

Whereas the State of Ohio by an Act of its General Assembly approved April 25, 1973, and the Commonwealth of Pennsylvania by an Act of its General Assembly numbered 49 and approved July 23, 1971, have identically enacted a further amendment to said compact providing that boats equipped with a motor in excess of ten horsepower may be operated on said lake provided that the propeller is removed and left ashore: Be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the State of Ohio and the Commonwealth of Pennsylvania to said further amendment of their compact relating to Pymatuning Lake as provided by said Act of the General As-

sembly of the State of Ohio, approved August 25, 1973, and said Act of the General Assembly of the Commonwealth of Pennsylvania, approved July 23, 1971.

SEC. 2. The right to alter, amend, or repeal the provisions of this joint resolution is hereby expressly reserved.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3955

At the request of Mr. METZENBAUM, the Senator from Rhode Island (Mr. PELL) and the Senator from Florida (Mr. GURNEY) were added as cosponsors of S. 3955, the Foreign Investment Review Act of 1974.

S. 3982

At the request of Mr. WEICKER, the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. BUCKLEY), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Alaska (Mr. STEVENS), the Senator from California (Mr. TUNNEY), the Senator from Iowa (Mr. CLARK), and the Senator from Illinois (Mr. PERCY) 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. 3985

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. WEICKER), the Senator from California (Mr. TUNNEY), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 3985, the Anti-Dog-Fighting Act.

S. 4019

At the request of Mr. WEICKER, the Senator from Ohio (Mr. METZENBAUM), the Senator from Kentucky (Mr. COOK), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 4019, a bill to establish a Joint Committee on Intelligence Oversight.

SENATE RESOLUTION 410—SUBMISSION OF A RESOLUTION IN SUPORT OF EFFORTS OF PRESIDENT FORD IN SEEKING WORLD ECONOMIC STABILITY BETWEEN OIL-PRODUCING AND CONSUMER NATIONS

(Ordered to lie over until Monday, by unanimous consent.)

(Mr. METZENBAUM, for himself, Mr. AIKEN, Mr. ALLEN, Mr. BIDEN, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. COOK, Mr. CASE, Mr. CRANSTON, Mr. DOLE, Mr. DOMENICI, Mr. EAGLETON, Mr. FANNIN, Mr. GURNEY, Mr. HART, Mr. BIBLE, Mr. HARTKE, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. MAGNUSON, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. NUNN, Mr. PACKWOOD, Mr. PASTORE, Mr. PERCY, Mr. PROXMIRE, Mr. RIBICOFF, Mr. ROTH, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENS, Mr. TAFT, Mr. TALMADGE, Mr. THURMOND, Mr. RANDOLPH, Mr. TUNNEY, Mr. WEICKER, Mr. WILLIAMS, Mr. YOUNG, Mr. HUGH SCOTT, Mr. GOLDWATER, Mr. MCCLELLAN, Mr. MANSFIELD, and Mr. BARTLETT) submitted the above-mentioned resolution.

(The remarks of Mr. METZENBAUM and other Senators on the submission of the resolution appear earlier in the RECORD.)

SENATE RESOLUTION 411—SUBMISSION OF A RESOLUTION CONCERNING FAIR TREATMENT OF U.S.-FLAG INTERNATIONAL AIR TRANSPORT CARRIERS

(Referred to the Committee on Commerce.)

Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. CANNON, and Mr. PASTORE) submitted the following resolution:

S. RES. 411

Resolved,

Whereas, the United States flag international air transport system contributes to the national security and the balance of payments of the United States; and

Whereas, a large part of the United States flag international air transport system built up over many years of pioneering effort is in a critical financial condition; and

Whereas, the failure of any major United States flag carrier in the United States flag international air transport system would result in a substantial increase in unemployment, a reduction in tax payments, a reduction in demand for goods and services, a decrease in our national security capacity, and an increase in our balance of payment deficit; and

Whereas, the Civil Aeronautics Board and the Executive agencies have within their discretion the authority to strengthen the competitive position of United States flag international air carriers: Now, therefore, be it

Resolved, That it is the sense of the Senate that (1) the Civil Aeronautics Board shall immediately take steps to eliminate discrimination in mail compensation in favor of foreign flag carriers and to assure fair and reasonable compensation for the transportation of passengers and freight; and that (2) the Civil Aeronautics Board and the responsible executive agencies shall cooperate with the United States flag international air carriers to improve their route structure and shall take steps to eliminate any discrimination against the United States carriers being practiced by foreign governments or authorities.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN ASSISTANCE ACT OF 1974—S. 3394

AMENDMENT NO. 1927

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

Mr. MCGOVERN submitted an amendment intended to be proposed by him to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1928

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

Mr. JOHNSTON. Mr. President, I submit an amendment to the foreign aid bill, S. 3394, which will soon come before the Senate for consideration.

The Government of Puerto Rico has expressed an interest in joining the Caribbean Development Bank in order to contribute toward regional development and to play a greater role in Caribbean regional affairs.

Puerto Rico would contribute capital and participate with the other members in the management of the Bank; it would not be eligible to receive funds provided to the Bank by the United States.

The Federal Government would assume no financial or other responsibility with regard to Puerto Rico's obligations or membership in the Bank.

The proposal has been examined closely by the U.S. Department of State and it has concluded that Puerto Rican accession to the Bank would be feasible with appropriate approval by the Department of State.

Following consultations between the Department of State and the Congress, it was determined that legislative authorization for this action would be appropriate.

The question of membership by Puerto Rico in the Caribbean Development Bank is unique in several respects:

First. The charter of the Bank specifically provides for membership by political entities that are not fully independent and, in fact, many of the members—primarily British possessions—are entities that are not fully independent;

Second. The U.S. Government, although eligible for membership in its own right, is not a member of the Bank and does not intend to become a member;

Third. The Caribbean Development Bank is a regional economic—rather than political—organization which operates only in the geographical area where Puerto Rico is located; and

Fourth. Puerto Rico, because of Operation Bootstrap and other economic successes, is highly qualified to provide through an organization such as the Bank much-needed technical advice and assistance to neighboring countries and territories.

Because of the uniqueness of this question, this bill provides no precedent for the larger question of the Puerto Rican government's interest in greater participation in foreign affairs. That issue is being addressed by the Ad Hoc Advisory Group on Puerto Rico.

AMENDMENT NO. 1929

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

Mr. NELSON. Mr. President, last year, the U.S. Senate adopted an amendment to S. 1443, the Foreign Military Sales and Assistance Act, which would have required the President to submit to a congressional veto all plans to sell $25 million of U.S. Military goods and services to a foreign nation. The amendment would have also required this procedure whenever a foreign nation bought over $50 million of U.S. military goods in one year. The amendment, as well as a majority of that Senate passed bill's provisions, was deleted in the Senate-House conference on foreign assistance legislation.

Today I am introducing an amendment which is essentially the same as last year's amendment. The circumstances which warranted its consideration and Senate passage last year have grown even more serious in the interval.

When I offered this amendment last June 25, 1973, I said that "it is difficult these days to open the newspaper without coming across unexpected reports of another U.S. multimillion-dollar arms deal with another small nation somewhere."

Ironically this year, not only have the sums, which were already vast, grown astronomically but the newspaper accounts now relate State Department and Defense Department internal criticism of the policy of pushing arms sales overseas. Our foreign policy experts have come to question the wisdom of some of these massive deals. Had this amendment become public law, Congress and the public would have had a role in reviewing the highly significant foreign policy implications of these sales before the sales were finalized and before the potential damage had been precipitated.

Clearly foreign military sales has become a major instrument of U.S. foreign policy. The executive branch of this Nation involves the United States in military situations throughout the world without congressional and public debate, discussion, or deliberation.

The bare statistics and figures for the FMS—foreign military sales—program tell much of the story. A DOD chart indicates that the United States has sold over $20 billion worth of military goods in the years between 1950 and 1973.

Mr. President, I ask unanimous consent to have the DOD chart entered in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. NELSON. Last year when I offered this amendment, available data showed that the FMS program was estimated to rise from $3.5 billion in 1972 to $3.8 billion in 1973. Fiscal year 1974 sales had been estimated to be in the neighborhood of $4.6 billion.

The latest figures now available, however, reveal that the forecasts of all the experts in and out of the Government were frightfully off. The United States in fiscal year 1974, in fact, sold $5.9 billion in arms—a huge increase over the previous fiscal year and much more than had been anticipated. When credit sales and guarantees are added, in the FMS program in fact totals a phenomenal $8.5 billion. This is practically double the arms sales for the previous year and almost $2 billion more than all the arms sold or given away by all nations 3 years ago. In 4 short years, the program has grown sixfold. Clearly we are in need of a review process to keep up with the galloping growth of this program. Congress must have the necessary information and oversight authority on proposed foreign military sales to exercise its responsibility in this crucial area. Legislation which the Senate perceived a need for last year is even more crucial this year.

Foreign military sales constitute major foreign policy decisions involving the United States in military activities without sufficient deliberation. This has gotten us into trouble in the past and could easily do so again.

Despite the serious policy issues raised by this tremendous increase in Government arms sales, these transactions are made with little regard for congressional or public opinion. The Department of Defense is consulted. The manufacturers of weapons and the providers of military services are consulted. The foreign purchasers are involved. But Congress is hardly informed of these transactions, much less consulted as to their propriety. As it stands now, the executive branch of the Government simply presents Congress and the public with the accomplished facts.

The lack of required reporting to Congress, coupled with the traditional secrecy surrounding international arms transactions, frequently results in Congress learning about arms sales only as a result of the diligent efforts of the press. Thus, ironically, the American public learned of the 1973 sales to Persian Gulf countries only after the American media picked up an Agence France-Presse report and pressed the State Department spokesman to officially confirm the fact that we had an agreement in principle to sell Phantoms to Saudi Arabia and that we were negotiating a giant deal for arms to Kuwait.

So, too, the American public learned about negotiations for the sale of jets to Brazil last year from a report originating in Brazil. And this summer the Washington Post correspondent in Quito, Equador—not Capitol Hill, Washington—reported U.S. intentions to resume military sales to Equador after a 3-year ban. Equador, which has been involved in the so-called Tuna War with the United States, resulting in seizure of U.S. tuna boats and expulsion of U.S. military mission to Quito, reportedly has a long shopping list including 12 T-33 trainer jets, basic infantry equipment, and large quantities of engineering equipment.

Mr. President, I ask unanimous consent to have the Washington Post report entered in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. NELSON. Congressional reliance on the press for hard data on U.S. Government arms sales abroad, however, is not the most serious deficiency in the decisionmaking system governing such sales. At this time there is no formal procedure by which Congress can participate in determining the merits of these arms deals before they are finalized. Nor is there any way for Congress to exert effective oversight authority and monitor the impact of these deals after they are negotiated.

When this amendment was first introduced, I pointed out the press reports of burgeoning U.S. arms sales to the Persian Gulf nations, including Saudi Arabia, Kuwait, and Iran, and to Latin America. Apparently those sales were only the tip of the iceberg.

PERSIAN GULF

An article in the Christian Science Monitor based on interviews with officials of the State and Defense Departments estimated that the size of arms sales to Persian Gulf countries in fiscal year 1975 alone could total $4 to $5 billion. These prospective sales deserve particular attention in the light of heavy U.S. sales in the past 2 years.

IRAN

In fiscal year 1973 Iran contracted to buy $2 billion worth of U.S. military equipment. In the past year, according to the Wall Street Journal the Shah's "purchases totaled a staggering $3.5 billion, several times the amount of 2 years before." And the New York Times on September 19 reports a possible $10 billion sale of communications equipment, including satellites.

Wall Street Journal Staff Reporter Richard J. Levine stated in an August 29, 1974, dispatch that:

> Defense Department officials have allowed and even encouraged (the Shah) to purchase some of the most sophisticated weapons in U.S. arsenals, including Grumman's swing-wing F14 fighter (the Navy's newest warplane), McDonnell Douglas' F4 fighter, Lockheed's C130 transport and Hughes Aircraft's TOW antitank missile. In the case of Bell's AH1J attack helicopter, the Shah is getting a whirlybird more advanced than any used by the American Army. His future purchases are likely to include Litton's DD963 destroyer and a lightweight fighter still under development.

More significantly, the usually reliable and generally unhysterical Wall Street Journal reports that:

> It is increasingly uncertain whether U.S. policy has promoted stability and U.S. access to Mideast oil, or, rather, has fueled a Persian Gulf arms race that is heightening regional tensions and spurring the oil-producing states to raise oil prices to pay for expensive weapons.

It reveals that some experts in Government consider our policy "at least self-defeating and at most highly dangerous." One top State Department official worried publicly that weapons sales to Iran have "achieved a magnitude people did not anticipate without benefit of consideration of the long-term consequences."

Mr. President, I ask unanimous consent to have the Christian Science Monitor, Wall Street Journal, and January 18, 1974, New York Times articles entered in the RECORD at this time.

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

(See exhibits 3, 4, and 5.)

Mr. NELSON. Selling to Iran means more than just a fast buck for U.S. defense contractors or a shot in the arm for U.S. trade balance. It means we are deeply involving U.S. policy in the military future of Iran, a nation for which under a 1959 agreement. the United States is committed to "take such appropriate action, including the use of armed forces, as may be mutually agreed upon." We are pouring rivers of sophisticated arms into a nation whose dubious military adventures include the recent occupation of three small strategically located islands at the entrance to the Persian Gulf, which the Arabs in the area also claim.

THE ARAB NATIONS IN THE PERSIAN GULF

Moreover, in an incredible policy which attempts to be evenhanded in the Mideast but which boggles the mind for its shortsightedness, the same policymakers in our Government who approve sales to Iran are also pushing sales to the Arab powers in the Persian Gulf

region—Saudi Arabia and Kuwait—and fueling an arms race.

SAUDI ARABIA

Saudi Arabia, which last year ordered a total of between 150 to 200 F-5 fighters, signed a $355 million agreement in April for the modernization of the Saudi National Guard. The agreement includes the purchase of American armored vehicles, antitank weapons, and artillery batteries. In the year ending June 30, Saudi purchases totaled a little over half a billion dollars.

Recently, two high-ranking military experts visited Saudi Arabia in a move that the New York Times says illustrates growing U.S. military involvement which stops just short of a mutual defense pact, which would oblige the United States to resist a foreign attack on the country.

In the words of one U.S. military official:

I do not know of anything that is nonnuclear that we would not give the Saudis.

On September 11, 1974, New York Times listed examples of these massive sales:

Raytheon Corp.—Hawk missiles, a $265 million purchase program for advanced Hawk ground-to-air missile batteries for the Saudi air defense system. and the stationing of 450 Raytheon technicians to service the missiles.

The Northrup Corp.—F-5E jet fighters, pilot training and development of personnel and facilities.

Lockheed Corp.—C-130 cargo plans with pilot training and ground personnel.

Bendix—track and armored vehicles for the Saudi Army.

The United States has entered into a $250 million arms and training contract with the National Guard, the Saudi internal security force.

The United States maintains a training mission for the Saudi Army, Air Force and Navy.

The Corps of Engineers has supervised the construction of the two big army bases at Tofuk, near the northwest border with Jordan, and at Khamis Mushait, in the south near Yemen and Southern Yemen.

The United States is also involved in a 10-year program to improve the Saudi Navy by selling patrol craft and building bases.

These deals, reports a September 19, 1974, New York Times article, are arranged by means of newly established joint commissions with Iran and Saudi Arabia. Secretary of State Kissinger regards these arrangements as "less than a formal alliance and more than bilateral talks," thus "sidestep(ing) congressional concerns about treaty commitments and mak(ing) it possible to give permanence to negotiations."

The magnitude of the sales and the means by which they are instrumented should, it seems to me, be a source of alarm to every single Member of Congress. Unless Congress acts soon, its will shall continue to erode as the administration continues to concoct hybrids such as joint commissions. The amendment which I am offering today is an appropriate form of congressional oversight. Congress failure to act now would serve as a sign of further abdication of power to the executive branch.

KUWAIT

Saudi Arabia is not the only Arab country in the Persian Gulf taking part in this massive arms race fueled by products made in the United States. Kuwait, according to a September 18 Washington Post dispatch from Beirut, is about to sign a contract worth $450 million for American arms and equipment including advanced design Hawk surface-to-air missiles. It will shortly open final negotiations for American fighter bombers. The article states:

The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabia form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory. . . . Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires (for more sophisticated fighters with greater range and firepower) are met.

Moreover, the Post reports:

There are American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defense ties and a willingness to offer large aircraft.

The Post article reports:

American planes under discussion are the McDonnell-Douglas Phantom F-4, one of the mainstays of the Israeli air force, and the more recent longer-range Ling-Temco-Vought A-7 Corsair. . . . The Corsair a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait.

Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states.

This indicates to me, at least, that a massive sale to Kuwait will not only imply strengthening ties between the United States and Kuwait. It may also have the direct effect of arming other Arab nations more directly involved in the Arab-Israel conflict.

Mr. President, I ask unanimous consent to have the September 11, 1974, and September 19 New York Times articles and the September 18 Washington Post article entered in the RECORD at the end of my remarks.

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

(See exhibits 6, 7, and 8.)

Mr. NELSON. Both the regional and East-West implications of these large weapons sales is beginning to worry some Government officials and recognized experts in the field. Former Secretary of Defense Melvin Laird has publicly echoed this concern in the introduction to an American Enterprise Institute study titled "Arms in the Persian Gulf." Mr. Laird suggests that while providing armaments to third world countries might be a positive short-term measure, it should be accompanied by diplomatic activity so that weapons sales do not become a standard long-term U.S. policy. He also raises important questions about the implications of such sales for future peace and accommodation in the region.

In another forum, Laird recently stated in a Forbes magazine interview:

To me the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the United States, and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America, and Africa.

These are serious issues—issues that deserve to be debated by both the Congress and the executive branch. Without this amendment introduced today, Congress will be totally ill-equipped to debate them. It will not have adequate information. Nor will it have the necessary formal procedure to make its voice heard.

Similar questions concerning sales in the Persian Gulf might well be raised about recent and potential sales of jet aircraft to Latin American countries. In 1973 the administration authorized sales of F-5E international fighters to Argentina, Brazil, Chile, Colombia, and Venezuela, ending in one sweep a 3-year ban on the sale of sophisticated military equipment to underdeveloped countries. As of December 1973, Brazil had ordered 42 aircraft. Potential orders from Chile, Peru, and Venezuela could total 90 aircraft. At a cost of $2.5 million per plane, jet aircraft sales to Latin America could amount to $300 to $400 million over the next few years. And, as previously noted, the United States plans to sell arms to Ecuador as a result of the truce in the 3-year tuna war with the United States.

Perhaps these transactions—in the Persian Gulf, in Latin America, anywhere—have merit. Perhaps they do not. Without debating the merits of these sales, it seems to me that they represent such a qualitative change in our involvement in the Persian Gulf area and such a significant turn in our Latin American relations, that Congress must be afforded the opportunity to deliberate on these matters as well as on all other significant sales agreements entered into by the U.S. Government.

INADEQUACY OF PRESENT REPORTING REQUIREMENTS

This proposal fills a vacuum in information available to the Congress. There is no statutory requirement to insure that Congress receives up-to-date information on U.S. Government foreign military sales. The various required reports either provide information on last year's sales or provide detailed information on only a small part of total American arms sales abroad. Thus, the report required by 657(a)(1) of the Foreign Assistance Act lists only the total amount of U.S. Government sales by country for the past fiscal year. The report contains information on the dollar value of U.S. Government arms grants and sales to each foreign country. It provides no specific information on the type or quantity of weapons ordered. More importantly the report, which covers the preceding fiscal year, is issued 6 to 9 months after the end of that fiscal year. Thus the commitment to transfer weapons could have been made up to 18 months before the release of the report.

Since government-to-government arms sales do not require an export license, the portion of the section 657 report titled "Export of Arms, Ammunition, and Implements of War," provides past fiscal year data only on commercial sales which are approximately one-eighth of total American arms sales abroad. Moreover the information, when it is reported, deals with arms deliveries during the preceding fiscal year. And it is released

up to 18 months after the delivery of equipment identified in the report.

The 657(a)(4) report on "Exports of Significant Defense Articles on the U.S. Munitions List" was formerly required by section 36 of the Foreign Military Sales Act. That requirement was made a part of the section 657 report in 1973. To date no reports have been issued pursuant to section 657(a)(4). Although the report will cover all categories of arms transfers, by definition it will not provide information on all weapons transfers abroad. Again, the report will probably be released approximately 9 months after the end of the fiscal year and contain data on exports made up to 18 months previously. Similarly, the more current reports on munition lists exports totaling more than $100,000, required under another commercial sales reporting provision sponsored last year by Senator HATHAWAY, contain no data on the majority of U.S. arms sales—the government-to-government sales in which the U.S. acts as an intermediary between an American munitions firm and a foreign country.

Section 35(b) of the Foreign Military Sales Act calls for semi-annual reports on a country-by-country basis of "forecasts of sales and of guarantee and credit applications and anticipated guaranty and credit extensions to economically less-developed countries for the current fiscal year." However, since the approval of the Foreign Military Sales Act in October 1968, the House Foreign Affairs Committee Calendar lists only three reports submitted pursuant to the section 35(b) requirement; approximately 12 reports should have been received to date. And as the report title describes, the reports only contain data on sales to less-developed countries—thus leaving out highly relevant information concerning sales made elsewhere. The three reports thus far filed were issued in April, January, and February respectively. The annual presentation document which the Defense Department claims contains data submitted in lieu of a second semi-annual report, is also transmitted to the Congress sometime during March or April. In effect, therefore, Congress is receiving what are supposed to be two different reports at approximately the same time.

As for the presentation material, a detailed justification of the administration's military aid program, it contains an estimate on a country-by-country basis of the dollar value of cash, credit, and guaranty weapons sales. In recent years, however, actual sales have far exceeded the original DOD estimates. An example which bears repeating is the original DOD estimate for cash sales in fiscal year 1974—$3.678. Actual cash sales during fiscal year 1974 on the other hand totaled $5.9 billion.

In summary, two facts should be kept in mind about the information currently submitted to Congress. First, a great deal of the information is on arms transfers that have already taken place. Second, none of these reports contains procedures by which Congress may reject arms sales which it does not feel are in the national interest.

The purpose of this amendment is to give Congress the opportunity to consider—and if necessary—reject foreign military sales according to prescribed conditions.

ADMINISTERING THE AMENDMENT

The enactment of this provision should place no significant administrative burden on the executive branch. Neither Congress nor the executive branch will be inundated in paperwork as a result of the adoption of this amendment. The total number of statements that would have been submitted for congressional consideration in fiscal year 1973 had the Nelson amendment been in effect is approximately 30.

Nor should the 30-day congressional review period prior to consummation of sale provide any serious interference with normal procedures. Under normal circumstances the negotiation of a sales agreement can take months and the delivery period for such purchases may extend over a period of several years. Moreover, once an offer of sale is accepted by a foreign country there is a second period of negotiations on a production contract. Only then, is a final price agreed to.

The negotiation of a production contract pursuant to the offer and acceptance takes anywhere from 3 weeks to 9 months. This time lag is in addition to the time lag of from 90 to 120 days which a foreign country is given to accept or reject a letter of offer.

When the acceptance involves material ordered from U.S. defense stocks, there is also bound to be a bureaucratic time lag before the implementation of the acceptance.

The contract—form 1513 of the DOD—allows for delays, changes in conditions, or even cancellation by both the seller and purchaser. Thus the fact that the acceptance is considered legally binding on both parties does not prevent either the United States or the foreign government from canceling the agreement. Section A(6) of the explanatory "Conditions" accompanying the letter of offer—form 1513—specifically reserves the right of the U.S. Government to cancel the order "under unusual and compelling circumstances when the best interests of the United States require it." Similarly, a foreign government may at any time terminate the acceptance. If the order is canceled before the final negotiation of a production contract—which can take from 3 weeks to 9 months after the signing of the acceptance—it does so at no cost to itself.

Mr. President, I ask unanimous consent to have DOD form 1513 for letters of offer and acceptance entered in the RECORD at the end of my statement.

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

(See exhibit 9.)

Mr. NELSON. Moreover, a purchasing country's decision to buy U.S.-produced military equipment is made primarily on the basis of the high technical quality of American weapons and only secondarily on the basis of the price and delivery schedules. Iran, for example, negotiated the purchase of F-14's for more than a year and reportedly paid more than double the price that the U.S. Navy paid for the same plane. Their delivery is not expected to be completed before 1977. A 30-day congressional review period, therefore, would not cause any significant delay nor lose the sale.

EMERGENCY WAIVER

In an emergency situation, the amendment provides a special waiver to cover circumstances such as occurred during the October conflict in the Middle East.

The Defense Department has argued that the Nelson amendment would have hampered the U.S. effort to bring about a cease-fire during the 1973 Middle East war. This argument is hypothetical at best and indicates a misunderstanding of the purposes of the amendment. Moreover, the Nelson amendment would not preclude the President from submitting special legislation to permit the continuance of sales. And in fact, shortly after the outbreak of hostilities, the President did request special emergency assistance for Israel. Nor would the Nelson amendment have prevented the Congress from acting expeditiously to approve sales during an emergency. The Defense Department argument that the Congress would do nothing, thus blocking further sales, is not supported by recent congressional response to Israel's vital needs.

There are an increasing number of precedents for the legislative approach employed in the amendment—congressional veto of proposed actions by the executive branch. Some of them are:

War Power Act—Public Law 93-148—concurrent resolution can terminate of U.S. Forces to hostilities abroad;

Rail Reorganization Act—Public Law 93-236—final reorganization plan for Nation's railroads will be accepted unless either House or Senate passes a resolution rejecting it;

Budget and Impoundment Control Act—Public Law 93-344—either House of Congress can disapprove Presidential proposal to defer expenditure of funds; both Houses must approve any proposed rescission of appropriate funds within 45 days; and

District of Columbia Self Government Act—Public Law 93-198—either House of Congress can disapprove acts of the D.C. City Council within 30 days.

Mr. President, I request that a study on the constitutionality of the legislative veto, embodied in the original Nelson amendment, prepared at my request by the Congressional Research Service, be printed at the conclusion of my remarks.

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

(See exhibit 10.)

Mr. NELSON. That study finds that—

> The proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive Branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive Branch.

If a one-House veto is constitutional, then a concurrent resolution or two-House veto should be subject to even less question.

To sum up, this provision would require that the President report to Congress whenever he intends to finalize an agreement to sell or extend credits or guarantees for the sale of U.S. military goods and services for $25 million. The amendment further requires a report

whenever sales, credits, or guarantees extended to one country in 1 year amount to $50 million. If, after Congress has examined these sales plans for 30 days and both Houses of Congress have not voted disapproval in the form of a concurrent resolution, the President's sales plans may be finalized.

THE REVISED AMENDMENT

The provision has been slightly revised from last year's amendment to meet some procedural and administrative difficulties which the Department of Defense found with the amendment. And the amendment which I am asking the Senate to vote on today also has been revised to meet the legitimate procedural problems which the Foreign Relations Committee perceived at the time it considered the amendment in executive session.

The revisions will:

Cut down on the number of statements which must be submitted to Congress.

Grant the President a waiver on any single report whenever the President certifies to Congress that there was an emergency affecting the interest of the United States.

Clarifies a semantic issue which troubled the Department of Defense. The term "proposed sale" has been changed in this amendment to the term "agreement or contract to sell," thus making it clear that Congress shall receive statements on U.S. offers to sell that have been accepted by foreign governments.

Employs a concurrent resolution instead of a one House veto.

In closing, let me reemphasize the importance of these foreign military sales by citing a Washington Post article by Andrew Hamilton, a former National Security Council assistant to Henry Kissinger, who discussed five major aspects of the burgeoning arms sales program of the United States:

First. Much of the new wealth of developing nations is paying for nonproductive military equipment at inflated prices at a time when more than a billion people face starvation because of inadequate food supply and distribution;

Second. The sales have created new regional arms races, thus boosting demand for more arms and contributing to the risks of war—and of great power confrontation—in unstable areas like the Persian Gulf;

Third. For the first time, the United States is selling its most advanced, most expensive, and most highly classified conventional weaponry and electronics technology;

Fourth. The danger exists that the buyers, to pay for U.S. and other modern weapons, will be tempted to further increase raw material prices, which in the long run could wipe out any advantage from arms sales and intensify worldwide inflation; and

Fifth. Despite the diplomatic and economic risks involved, the key decisions behind the new rise in U.S. arms exports were made by President Nixon without consulting or even informing Congress.

Mr. President, I ask unanimous consent to have the Washington Post article entered in the RECORD at the conclusion of my remarks.

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

(See exhibit 11.)

Mr. NELSON. The Defense Appropriations Subcommittee has also expressed its concern about burgeoning U.S. arms sales. Incorporated in its report passed by the Senate is language closely paralleling my amendment which requires prior notice to the Defense Subcommittee of certain future cash sales of military equipment to foreign governments. The distinguished chairman of the committee and I had a colloquy on this subject in which he stated that "the committee does not in any way mean to preclude his (Mr. NELSON'S) amendment to the Foreign Military Sales Act."

Mr. President, I ask unanimous consent to have entered in the RECORD the Defense Appropriations Committee report and the colloquy between the distinguished Senator from Arkansas (Mr. MCCLELLAN) and myself.

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

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1975

(Report, August 16, 1974)

SALES OF MILITARY EQUIPMENT TO FOREIGN GOVERNMENTS

This Committee views with concern the dramatic increase in cash sales of U.S. military equipment to foreign governments. Actual cash sales of $5.9 billion during fiscal year 1974 far exceeded the original DOD estimate of $3.9 billion. Cash sales over the past decade have totaled $19.1 billion—of which $9.5 billion was negotiated during the past two years.

The political and economic impact of foreign military sales on the United States and recipient foreign countries is immeasurable. Of more direct interest to this Committee, however, is the real and potential impact that the sale of military equipment has on the security interests and objectives of this Nation and on defense expenditures.

The recent sale of 80 F-14 fighter aircraft to Iran could considerably reduce combat capability of the U.S. Armed Forces. These aircraft, the most sophisticated fighter aircraft available, will be delivered to Iran prior to the planned U.S. Navy F-14 force being fully equipped.

Of equal concern is the impact on U.S. military forces of supplying foreign nations with military equipment withdrawn from Department of Defense inventories and operational forces and the additive cost of replacing the equipment. These withdrawals may compromise the readiness of U.S. armed forces to meet national security demands. The incremental cost of replacement often requires additional funding. A prime example is the $133 million included in the FY 1974 Defense Supplemental Appropriations Act to provide the additive funds required to replace equipment provided to Israel during the October 1973 Middle East conflict.

The Committee is particularly concerned that long term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict. Recent arms sales to the Middle East, Greece, and Turkey have created severe political, military, and economic repercussions on both the United States and the international community. These conflicts weaken detente, threaten super-power confrontation, and have profound economic consequences.

The demonstrated and potential impact of cash weapons sales on DOD appropriated funds as well as on long term U.S. security interests places a special obligation on this Committee to exercise careful oversight of developments in this area. At present, Congress has little meaningful statutory control over cash sales which are the largest category of foreign military sales. Therefore, the Committee will require prior notification of future cash sales of military equipment to foreign governments which exceed $25,000,000; provide for the introduction of new weapon systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50,000,000 in any fiscal year.

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

Mr. NELSON. Mr. President, I would like to ask the distinguished chairman of the Defense Appropriations Subcommittee, Mr. MCCLELLAN, a question concerning the report language dealing with military sales to foreign countries, which appears on pages 15 and 16 of the defense appropriations bill report.

The report language emphasizes the "political and economic impact of foreign military sales of the United States and recipient foreign countries." The committee expressed particular concern "that long-term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict." The report continued:

Recent arms sales to the Middle East, Greece, and Turkey have created severe political, military, and economic repercussions on both the United States and the international community. These conflicts, weaken detente, threaten superpower confrontation, and have profound economic consequences.

Most importantly, the Defense Appropriations Committee concluded that—

At present, Congress has little meaningful statutory control over cash sales which are the largest category of foreign military sales.

The committee henceforth will require:

Prior notification of future cash sales of military equipment to foreign governments which exceed $25 million; provide for the introduction of new weapon systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50 million in any fiscal year.

Mr. President, as you know significant portions of this reporting procedure parallels language of my amendment to the Foreign Military Sales Act which passed the Senate last year, but which was removed in conference along with the majority of the Senate provisions.

While I commend the distinguished chairman for recognizing the potential consequences of these massive sales of arms and for establishing this mechanism whereby the Department of Defense will report to the Senate Defense Appropriations Committee, I still believe that significant features of the Nelson amendment still should be put into law. I intend to reoffer my amendment, but I believe that the appropriate legislation to amend is the Foreign Assistance Act, which will be debated after the Labor Day recess, and not the defense appropriations bill.

Mr. MCCLELLAN. I want to thank the distinguished Senator from the State of Wisconsin (Mr. NELSON) for his kind words.

The language in the report requiring the Defense Department to give prior notice of certain future cash sales of military equipment to foreign governments merely evidences our concern over the impact of these transactions. The committee felt that it would be desirable to have this information on hand as another factor in making determinations about production and procurement of military weapons. It is certainly not our intention to preempt this field.

I commend the distinguished Senator from Wisconsin for his efforts in this area and want to assure him that the committee does not in any way mean to preclude his amendment to the Foreign Military Sales Act.

Mr. NELSON. Mr. President, I ask unanimous consent that certain Knight newspaper syndicated articles by James McCartney, on the global conventional arms race be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 12.)

Mr. NELSON. Mr. President, in closing, let me repeat my firm belief that this Government—including both Congress and the executive branch—has the responsibility to its own citizens and to the international community to give very careful consideration to weapons sales of such magnitude. This amendment would provide both the essential information and the necessary procedure for congressional review.

Mr. President, I ask unanimous consent to have the following Senators added as cosponsors of my amendment of the Foreign Assistance Act: the Senator from South Dakota (Mr. ABOUREZK), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), and the Senator from Maryland (Mr. MATHIAS).

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

EXHIBIT 1

FOREIGN MILITARY SALES ORDERS
[Value in thousands of dollars]

	Fiscal years—											
	1950–63	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1950–73
Worldwide	3,738,726	1,401,218	1,261,585	1,579,172	980,031	1,177,109	1,348,377	926,343	1,599,979	3,282,431	3,619,368	20,914,340
Argentina	47,525	1,524	1,276	7,295	6,534	14,871	4,013	11,406	14,374	16,795	14,032	139,647
Australia	144,208	134,816	326,155	47,521	114,168	32,879	35,768	61,357	44,361	117,222	18,515	1,076,969
Austria	32,838	2,804	6,212	2,167	2,181	6,041	1,180	1,770	2,189	2,359	2,450	62,192
Belgium	72,106	6,658	7,709	6,310	15,412	2,236	9,739	4,458	4,845	5,080	5,660	140,212
Bolivia	736	5	28	132	5	17	3		45	15	19	1,005
Brazil	19,217	60	23,625	223	31,384	4,265	11,493	2,584	21,489	34,567	12,386	166,293
Burma	1,474	31	53	91	113	100	46	7	84	281	167	2,448
Canada	592,635	59,330	41,070	71,264	21,822	18,377	16,183	53,500	29,683	38,429	83,793	1,026,686
Chile	12,742	3,524	2,181	1,058	2,560	4,134	1,697	7,738	3,016	6,075	14,896	59,621
China	1,491	625	1,095	5,008	14,662	42,996	37,174	33,638	61,143	81,073	96,109	375,014
Colombia	9,986	195	150	496	98	56	144	176	2,179	5,514	1,331	20,324
Costa Rica	761	141		(1)						34		935
Cuba	4,510											4,510
Denmark	29,448	1,627	8,206	7,330	9,098	9,080	10,378	6,937	15,570	16,276	7,657	121,607
Dominican Republic	1,434	60	115	266	1	(1)			31	16	80	2,003
Ecuador	2,619	34		119	114	1,476	14	20	315	4		4,716
Egypt	355	1	2	(1)								358
El Salvador	874	3	18	35	15	514	6		11	(1)	70	1,546
Ethiopia	663		(1)	30	12	4	7	6		12		734
Finland			(1)	1	1	1	(1)		1	59		63
France	254,590	27,002	11,130	8,911	6,472	7,495	6,289	3,487	6,085	7,826	7,951	347,237
Germany	1,680,792	591,903	313,967	167,589	191,779	163,998	601,236	253,990	186,997	958,024	200,535	5,310,810
Ghana			1	(*)			2	61	(1)			64
Greece	1,104	175	709	472	8,089	15,366	11,283	29,302	25,416	193,406	52,669	337,992
Guatemala	719	261	444	546	101	329	153	464	8,779	2,511	3,727	18,035
Haiti	224											224
Honduras	1,008	2	13	4	6	59				27	418	1,536
Iceland	(1)	14							(1)	436	47	498
India	52,266	12	1,874	389	1,988	1,576	167	2,095	856	1,515	(1)	62,738
Indochina	8,542											8,542
Indonesia	622			1	1	24		(1)	18	(1)	148	815
Iran	1,261	24	68,876	124,080	147,916	69,279	255,960	112,664	433,108	521,700	2,054,311	3,789,180
Iraq	665	1,254	10,783	87	361		(1)					13,152
Ireland	(1)	(1)				(1)	1	(1)	11	248	197	458
Israel	6,789	332	60,009	72,134	9,425	430,822	71,850	45,287	313,480	435,525	183,499	1,629,151
Italy	131,658	62,540	41,563	38,418	21,463	101,761	38,259	37,403	27,245	78,205	89,984	668,500
Jamaica	(1)		1	1	3	3	(1)	8	9	3	7	34
Japan	73,549	45,618	15,977	16,742	10,282	20,277	52,294	21,291	11,639	46,593	50,856	365,118
Jordan	828	1,408	41,100	1,627	30,597	33,485	13,421	30,655	20,109	18,637	14,740	206,607
Kenya							(1)					(1)
Korea	286				9	1,504	3,368		847	2,362	2,579	10,956
Kuwait			(1)							(1)	53	53
Lebanon	276	55	1	67	2,235	48	60	1,558	492	299	5,634	10,725
Liberia	1,146		77								1,636	2,860
Libya	73	614	52	541	15,524	2,389	1,811	5,447	632	3,125	177	30,385
Luxembourg	558	258	443	457	88	1	113	107	93	24	624	2,764
Malaysia	27	3	17	563	509	1,608	1,323	1,838	272	28,547	1,821	36,529
Mali							84	5		48		137
Mexico	8,944	949	573	101	802	96	399	13	437	182	1,097	13,592
Morocco		60		6,040	697	12,955	4,631	2,441	2,627	7,179	2,386	39,016
Nepal									11		83	94
Netherlands	40,037	5,460	16,157	24,192	25,206	6,485	5,248	7,618	7,651	17,832	46,476	202,363
New Zealand	3,781	11,676	24,424	5,361	9,401	11,144	30,267	5,499	6,524	3,453	3,264	114,795
Nicaragua	1,995	21	26	10	85	105	2	93	797	92	15	3,242
Nigeria	(1)	335		5	10		2			2,244	684	3,281
Norway	5,049	7,477	21,334	12,949	38,695	56,855	24,330	9,790	23,409	20,338	17,729	237,954
Pakistan	32,557	774	1,319	1,147	5,571	15,031	22,532	4,854	20,473	449	21,925	126,633
Panama	13	(1)		(1)			3	15	10	20	1,567	1,627
Paraguay	342		34			1		(1)			35	413
Peru	20,777	597	3,727	2,679	3,363	1,661	1,015	2,244	1,492	1,150	6,659	45,363
Philippines	4,213	36	260	137	439	237	454	868	1,107	630	708	9,088
Portugal	4,108	1,115	425	115	497	780	500	1,191	1,461	3,676	558	14,425
Saudi Arabia	86,179	847	8,443	8,652	46,175	4,844	4,096	4,625	96,863	333,388	60,693	654,805
Senegal										6		6
Singapore					1	841	196	2,476	2,089	5,917	7,573	19,090
South Africa	925	2,157	(1)	56	1	1	4	1	1	2	1	3,149
Spain	2,222	2,781	28,857	20,019	122,942	8,647	14,226	25,954	111,304	23,888	49,484	410,326
Sri Lanke	3	(1)	(1)	(1)			1			(1)		4
Sweden	26,688	897	880	449	723	8,011	106	324	1,037	1,041	2,449	42,606
Syria					1							1
Switzerland	15,233	31,747	492	1,345	602	25,790	19,980	4,428	581	6,978	8,107	115,284
Thailand	1,219	(1)	12	1	10	10	3,829	21,150	48	17,360	1,970	45,608
Trinidad/Tobago								85				85
Tunisia	2,874		11									2,885
Turkey	240	182	129	804	922	139	2,106	2,480	1,154	5,499	212,801	226,456
United Kingdom	92,169	360,648	154,747	875,136	23,677	16,370	17,523	63,582	46,805	125,993	117,836	1,894,487
Uruguay	2,305	(1)		56	350	30	26	241	2,086	1,683	1,612	8,389
Venezuela	61,181	9,551	10,529	11,833	9,770	1,242	1,177	788	1,607	42,208	23,373	173,260
Vietnam	5						2			2	1,089	1,098
Yugoslavia	9,373	1,168	2	185	377	221	212	44	12	123	717	12,433
Zaire				1,142	166	226	(1)	54	17,490	301	580	19,959
International organizations	123,687	19,826	3,672	24,780	24,519	18,316	9,989	36,224	17,478	37,926	94,119	410,539

[1] Less than $500.

Source: Department of Defense.

Note: Totals may not add due to rounding.

EXHIBIT 2

[From the Washington Post, May 21, 1974]

UNITED STATES REVIVING ARMS SALES TO ECUADOR AFTER CUTOFF

(By Terri Shaw)

QUITO, ECUADOR.—As part of U.S. Secretary of State Henry A. Kissinger's drive to improve relations with Latin America, the United States reportedly is about to resume some military sales to Ecuador after a three-year ban.

Informed sources here said that Ecuador's military government has presented a long list of military equipment it wants from the United States, including 12 T-33 trainer jets, basic infantry equipment and large quantities of engineering equipment.

The sources said the United States is also planning to invite Ecuadorean officers to attend training programs in the Panama Canal Zone.

Resumption of military weapons sales, which were cut off in January 1971, during a dispute over Ecuador's seizure of American fishing boats, appeared to be part of a general warming of relations between Washington and the two-year-old military government that rules this small country on the west coast of South America.

U.S. officials reportedly hope that an improvement in relations will make Ecuador more receptive to U.S. views during Kissinger's periodic meetings with Latin American foreign ministers.

Ecuador will receive no U.S government credits for the weapons, because the country has recently begun exporting oil and has enough hard currency to buy the arms on standard commercial terms, the sources said.

Having money to buy modern weapons is new for Ecuador, for many years one of the poorest Latin-American countries. The military government, which seized power in February 1972, has pledged to spend most of its oil reserves on economic development, and some Ecuadoreans question the wisdom of the arms purchases while there is still hunger and widespread poverty, especially in the countryside.

Most of the equipment used by the 56,000-man armed forces is of World War II vintage. Military aircraft visible at Quito's airport, high in the Andes mountains, include several C-47 transports, a Constellation and a Flying Boxcar. The military government recently purchased 41 new tanks from France and sent a mission to Moscow to discuss possible arms purchases.

A factor in Ecuador's quest for new arms is fear of neighboring Peru, which in 1942 occupied a large chunk of Ecuadorean jungle at the headwaters of the Amazon River. While the two countries now have good relations, Ecuador has not given up its ambitions as an "Amazonian country." Peruvian oil exploration in the area has fed rumors of military incursions and even of skirmishes between forces of the two countries.

Lifting of the U.S. ban on military aid followed a discreet exchange of "smoke signals" between Quito and Washington, informed sources said.

While the United States quietly eased some of the restrictions placed by Congress on aid to Ecuador after the seizures of U.S. tuna boats, the Ecuadoreans reportedly moderated their criticisms of American "economic coercion" in international forums like the United Nations and the Organization of American States.

There was also a letup in the "Tuna War," which began in 1962 when Chile, Peru and Ecuador declared a 200-mile territorial limit and required boats fishing within 200 miles off their coasts to purchase licenses.

The military government has decreed a new fishing law which informed sources said could open the way to joint ventures by Ecuadorean and U.S. interests. The U.S. embassy is expected to mediate between the Ecuadorean government and the U.S. fishing companies in San Diego in an attempt to work out an agreement under the new law.

The truce in the "Tuna War" prompted President Nixon's formal lifting of the sales ban in January.

Resumption of military sales and training is not expected to bring back a large U.S. military mission to Quito. The last one was expelled in 1971 following the cutoff of the arms sales program. Ambassador Robert C. Brewster is expected to enlarge his staff of military attaches to handle the paper work involved in the training program and weapons sales.

EXHIBIT 3

[From the Christian Science-Monitor, May 9, 1974]

MIDEAST ARMS DEALS DISTURB UNITED STATES: COSTLY WEAPONS FROM WEST, THEIR EFFECT ON ARAB NATIONS, SOVIETS CAUSE CONCERN

(By Dana Adams Schmidt)

WASHINGTON.—The prospect of more multibillion-dollar arms deals with Iran and Saudi Arabia in the 1975 fiscal year—and the arms race such deals may portend—is beginning to worry some officials of the State and Defense Departments.

The outlook, these officials say, is for $3 billion and possibly as much as $4 billion worth of sales to Iran during this period and more than $1 billion worth to Saudi Arabia. Kuwait is, meanwhile, in the market for a several hundred million dollar air defense system.

Privately, American officials are convinced that hundreds of millions of dollars worth of costly weapons sent to these and other countries of the Middle East are bound to end up rusting in warehouses, or more likely, out in the open. These officials point out that it is a great deal easier to buy a piece of military hardware than to train men to use it.

But the thing that worries the officials much more than the waste is the effect these huge programs, combined with additional purchases from France and Britain, are going to have on Iraq and its superpower backer, the Soviet Union. Saudi Arabia, Kuwait, Iran, and Iraq are the principal countries on the shore of the Persian Gulf, all of them oil billionaires.

The rationale for the programs is that, since the British military withdrawal from the gulf at the end of 1967 the countries of the area have themselves begun to fill the power vacuum the British presumably left behind.

But some here believe it is likely that they are in fact getting into a new and major arms race—a race made more complex by the fact that in addition to the East-West implications, Saudi Arabia and Iran are traditional rivals.

Here are some of the sketchy facts on the sales available from company and official sources. (The purchasing countries object to the publication of details of their transactions, and American companies concerned with their own profits and American officials concerned with the United States balance of payments are usually eager to cooperate in withholding the information.)

The $3 billion to $4 billion deals with Iran for the period in question include about $1 billion worth of F-14 jet fighters built by Grumman, together with the extra gear that may be required over a period of three years—spare parts, spare engines, technical equipment, ground support, bombs, missiles, and electronic firecontrol equipment.

SELLING AGREEMENT

In addition the Shah probably will be buying McDonnell-Douglas F-15's as these become available. The U.S. already has agreed to sell them.

Other deals with the Iranians which are included in the coming fiscal year (although they may take years longer to complete) include $400 million to $500 million for naval craft, notably two Spruance-class destroyers.

MISSILES INCLUDED

Another item on the Iranian list is reequipment with the latest-model Hawk missiles. These are air-defense missiles said to be the American answer to the Russian SA-6 which proved so effective against the Israelis last October.

The size of the coming year's military deals should be appreciated against the background of about $2 billion worth of military sales last year and about $1 billion worth during the preceding years.

The Saudis have not thus far purchased the most expensive American jet fighters, although they were told last fall that the United States was willing to sell them F-4 Phantoms. No answer has been received from Saudi Arabia, and American officials now presume that the Saudis are buying French Mirages.

The biggest item in the coming year will be a $750 million naval expansion program. This includes sizable sums for the bricks and mortar of naval base development as well as 19 ships ranging in size from coastal craft to frigate.

Most of the rest of the billion-dollar estimate for the year is devoted to modernization and mechanization of the Saudi national guard.

Not included in the estimate for the year is a $360 million agreement recently concluded between the Saudi Government and Raytheon for the modernization of the country's eight-year-old Hawk missile-defense system.

The Kuwaits, who have definitely opted out of the F-4 market in favor of French Mirages, are engaged in comparing the Hawk with the French crotale and British missile systems.

EXHIBIT 4

[From the Wall Street Journal, Aug. 29, 1974]

UNITED STATES ARMING OF IRAN SEEKS OIL AND STABILITY, BUT COULD LOSE BOTH

(By Richard J. Levine)

Some monarchs of Mideast oil lands may have more money than they know what to do with. But not his imperial majesty Mohammed Reza Pahlavi, the Shah of Iran; he knows how to use his oil billions.

The Shah has been on a shopping spree—buying heaps of modern arms from the U.S. In the past year his purchases totaled a staggering $3.5 billion, seven times the amount of two years before. With a seemingly insatiable appetite for sophisticated weaponry, the tough-talking, fiercely independent Shah has equipped his armed forces with high-performance jet fighters, military transport planes, swift air-cushion ships and hundrdes of tanks and armored personnel carriers.

His aims, though not entirely clear, seem to be to swell national pride and his own ego, to impress Iran's neighbors and to dominate the Persian Gulf region.

The Shah's eagerness to buy is almost equaled by U.S. willingness to sell, and Washington's aim is quite clear; creation of a military power in the oil-rich Persian Gulf that could guarantee regional stability and thus assure U.S. access to Mideast oil.

THE GIANT OF THE GULF

In fact, the U.S. arms sales, besides benefiting American defense contractors and aiding the balance of payments, have turned Teheran into a military giant in the area. Non-Arab Iran is capable of projecting its power into Arab states throughout the Persian Gulf region as well as protecting its western border from hostile Iraq.

But it is increasingly uncertain whether U.S. policy has promoted stability and U.S. access to Mideast oil or, rather, has fueled a Persian Gulf arms race that is heightening regional tensions and spurring the oil-producing states to raise oil prices to pay for expensive weapons. For the U.S. has begun selling arms to several of Iran's Arab neighbors, too.

Some government and private analysts believe that American arms sale to Iran could turn out to be at least self-defeating and at most highly dangerous. In the long run, critics say, Washington's policy threatens to alienate Saudi Arabia and other Arab states (which have even more oil to sell than Iran) and possibly entangle the U.S. in an unwanted war in the Persian Gulf.

THE SAUDIS WONDER

While American diplomats describe Saudi Arabia's relations with Iran as "good," King Faisal is less than enthusiastic about the big arms buildup on the other side of the Gulf. "The Saudis wonder why so much equipment has been sold the Shah," is the understated way one State Department observer puts it.

"We should never have given the Shah a blank check," grumbles an American diplomat. And a top State Department official worries that weapons sales to Iran have "achieved a magnitude people didn't anticipate," without adequate "consideration of the long-term consequences."

Outside the administration, blunter warnings are being sounded.

"To pump arms (into the Persian Gulf) is a high-risk kind of adventure," maintains Indiana Democrat Lee Hamilton, chairman of the House subcommittee on the Near East and South Asia. Stability, he contends, can be achieved by dealing with the long-term economic and political problems in the region—not simply by selling arms.

THE U.S. AND MOSCOW

"With the advanced military hardware has come greater superpower involvement in the Gulf, and a concomitant increase in the danger of military confrontation between the U.S. and the Soviet Union," says defense analyst Dale R. Tahtinen in a study published recently by the American Enterprise Institute, a Washington research organization. "This danger would reach a particularly high level if fighting were to erupt between the client states"—meaning U.S.-backed Iran and Soviet-supported Iraq.

Now, spurred by the desire to cultivate the Saudis following the Arab oil embargo, the State Department and the National Security Council have undertaken a broad review of U.S. policy toward the Persian Gulf region. This reexamination is leading to greater emphasis on forging economic, social and military ties with the Arab governments. It may bring some real restrictions on U.S. weapons sales to Iran.

So far, the U.S. arms shipments to Iran's Arab neighbors remain on a rather modest scale because of their lack of skilled military manpower. But the trend is upward.

Saudi Arabia ordered $582 million in arms and training aid from the U.S. in the year ended June 30. The U.S. is supplying Northrop F5E fighters and is engaged in a 10-year program to improve the Saudi navy by selling patrol craft and building bases. It is also engaged in a $335 million project to modernize the Saudi national guard, which is responsible for internal security and protection of oil installations. A current U.S. review of the Saudis' long-term defense needs will inevitably result in further weapons sales.

Kuwait, flush with oil money, has also been eyeing and buying American arms. The past year's orders totaled only $18.2 million, but the Kuwaitis have under consideration a $300 million to $400 million package that includes ground-to-air-missiles.

Meantime, Defense Department officials insist they have blunted the Shah's interest in some advanced military merchandise, such as Boeing's airborne warning and control aircraft (originally intended to detect long-range Soviet bombers) and Lockheed's giant C5A cargo jet.

But he has been allowed and even encouraged to purchase some of the most sophisticated weapons in U.S. arsenals, including Grumman's swing-wing F14 fighter (the Navy's newest warplane), McDonnell Douglas' F4 fighter, Lockheed's C130 transport and Hughes Aircraft's TOW antitank missile. In the case of Bell's AH1J attack helicopter, the Shah is getting a whirlybird more advanced than any used by the American Army. His future purchases are likely to include Litton's DD963 destroyer and a lightweight fighter still under development.

(The Shah has offered to extend credit to financially troubled Grumman Corp. to assure continued production of the F14 for both the U.S. Navy and the Iranian air force. But U.S. officials, apparently fearful of the growing dependency of some American defense contractors on Iran, are reluctant to okay such a plan.)

Thus Iran remains the dominant Persian Gulf power, and its lead appears to be lengthening. Tehran boasts a well-equipped, highly mobile 160,000-man army, a 40,000-man air force outfitted with 159 modern combat planes (247 more are on order) and a small but expanding navy. A particular pride of the navy is the world's largest operational fleet of hovercraft (high-speed vessels that skim over the water on a cushion of air) capable of landing a battalion of trops on the opposite, or Arab, side of the Gulf. "The hovercraft bother the hell out of Kuwait," says an expert on the region.

The design of this formidable force, as well as the rationale behind it, is the personal handiwork of the 54-year-old Shah—a self-styled military expert with grand visions for his 2,500-year-old nation.

The Shah sees Iran as a bastion of stability in a region including both dangerous Soviet-supported states like Iraq and South Yemen and militarily weak oil-producing states like Saudi Arabia, Kuwait, Oman and the United Arab Emirates. He speaks frequently of a role for Iran as policeman of the Persian Gulf—helping, for example, to assure safe passage of tankers carrying oil to Europe, Japan and the U.S.—and of his willingness to come to the aid of any Gulf states threatened by radical terrorists. He has referred to the Persian Gulf as "my lake."

The Shah's aspirations, both military and other, have been abetted by his oil wealth; Iran's oil industry is expected to yield about $18 billion in revenue this year. With this money, he has not only bought weapons but has purchased 25% of Germany's Krupp steelworks, made a $1.2 billion loan to Britain and agreed to buy $5 billion in industrial products from France. He sees Iran emerging as a world power on the scale of those three nations. "It's hard to conclude that there isn't an element of ego and national pride" in the Iranian military expansion, says a Pentagon planner.

Neighboring Iraq, ruled by the left-wing Baath Party, poses the most immediate threat to Iran. The two countries have engaged in repeated border clashes and there is a long-standing dispute between Tehran and Baghdad over the Shatt al Arab river that runs into the Gulf. Moreover, the 1972 Iraqi-Soviet treaty, which includes a vaguely worded mutual defense provision, makes the Shah nervous. (The Shah maintains good formal relations with the Russians but deeply distrusts them.)

Iraq has slightly more warplanes and tanks than Iran, yet almost all military analysts rate the Shah's forces as vastly superior. "There is absolutely no doubt that the Imperial Iranian Armed Services are already in a position to preserve the territorial integrity of Iran against any single aggressor in any conflict below the level of nuclear war," concludes the International Defense Review, an authoritative military journal.

ONE DAY TO BAGHDAD?

Indeed, Iran's strength could tempt it to go too far in one of its periodic border fights with Iraq. Iranian officials have said privately that their forces could be in Baghdad "in a day" if allowed to pursue. But that would surely prompt the Russians to help the Iraqis, leading Tehran to call for American assistance. (Under a 1959 agreement with Iran, the U.S. is committed to "take such appropriate action, including the use of armed forces, as may be mutually agreed upon.")

While U.S. officials believe that such a confrontation of the superpowers is most unlikely, they don't rule out the possibility. The Shah himself outlined such a possibility late last year in an interview with the Italian journalist Oriana Fallaci that appeared in the New Republic. After telling her that "nobody can influence me, nobody at all" and describing Iraq's rulers as "a group of crazy, bloodthirsty savages," the Shah declared:

"Lots of people believe a third world war can only break out on account of the Mediterranean, whereas I maintain it could break out much more easily over Iran. . . . It's we who control the world's resources of energy."

While the Shah takes a tough line in public, many American officials contend he is no territorial expansionist and is unlikely to push the Iraqis to a point where Moscow would feel impelled to move militarily. But it is a lot less certain the Shah would exercise restraint if he felt that one of the conservative sheikhdoms on the Arabian peninsula was threatened by a radical take-over.

THE HORMUZ INCIDENT

In November 1971, some U.S. officials recall, Iranian troops occupied three small, strategically located islands in the Strait of Hormuz at the entrance to the Persian Gulf. "The Arabs knew our weapons and training, were involved," says a foreign service officer. The diplomatic repercussions of the Shah's military move delayed the opening of two American embassies in the Persian Gulf region.

Today, Iran has 1,000 to 1,500 troops in the sultanate of Oman at the lower end of the Arabian Peninsula. They are helping the sultan's force try to put down a left-wing rebellion financed and armed by the Russians and staged from South Yemen. The rebels go by the formal name of the Popular Front for the Liberation of the Occupied Arab Gulf, a title that the Shah takes seriously.

"Any such Iranian incursions into the Arabian Peninsula carry with them the danger—however remote—of an Arab military response," says Mr. Tahtinen, the defense analyst, in his study for the American Enterprise Institute. "The Arab powers may feel it is essential to challenge what they perceive as Iranian expansionism before Tehran further increases its power."

U.S. officials concede that their policy of arms sales to Mideast nations carries some risks, but they insist that America's need for Persian Gulf oil gives them little choice. In any case, they add that other countries—Britain, France and Russia—would step up their sales if Washington clamped down. Too, they say that because of the complexity of U.S. weapons, Washington has a measure of control over the Shah's actions. "We will be able to put those F14s on the ground by withholding spare parts," says a U.S. military man.

As things stand, Iran's arms buildup is likely to continue. Certainly the Shah's fascination with sophisticated military hardware doesn't appear to be diminishing. Says an American observer:

"Some men take Playboy to bed; the Shah reads Aviation Week."

EXHIBIT 5

[From the New York Times, January 18, 1974]

ARMS SALES BOOM IN MIDEAST; UNITED STATES IS THE PRINCIPAL SUPPLIER

PARIS, January 12.—The decision by Iran to order $900-million in American-built fighters is only one sign of the growing business in arms in the Middle-East—a business that is expected to continue booming as coffers of the oil state swell following recent price increases.

Several industrial countries, in particular France, Britain, Italy and Japan, are competing for oil supply contracts with the Middle East producers.

Among the inducements are commitments by the industrial countries to participate in the economic, technological and military development of the producer countries.

The oil states of the Persian Gulf are especially interested in military development, and even though Washington is not competing for oil supplies—or at least not openly—it is the United States that is the principal arms supplier in the region.

ABU DHABI BUYS JETS

But France and Britain are coming up fast. France, for instance, has just sold the tiny emirate of Abu Dhabi 14 Mirage Jets. Abu Dhabi has only 80,000 people and no pilots. The pilots will come from Pakistan.

The producing states justify their demand for military equipment in several ways.

In the first place, many are still run on conservative feudal lines and face constant internal threats from separatists and Palestine guerrillas. So they say they need the arms to maintain internal stability.

To keep control on border conflicts, such as that between Kuwait and Iraq last spring, and to reduce the possibilities of intervention in the region by the major powers are other arguments used to justify the arms build-up.

POSITION OF UNITED STATES

The United States, which has contingents of arms salesmen, technicians and counselors in most of the Middle Eastern states, maintains that its desire is to help the producers resist eventual penetration by the Russians or the Chinese.

While the oil producers have been raising their prices, the cost of arms has also been moving up swiftly.

In fact, from the point of view of Iran, the biggest arms purchaser in the region, the fact that defense goods have moved up so rapidly was one of the elements behind the recent sharp increases in oil prices.

Iran was reportedly interested in the F-14A fighter for some time, but was reluctant to pay the high price, $30-million for each aircraft, demanded by the manufacturer, the Grumman Corporation of Long Island.

That figure, which includes spare parts, is believed to be twice what the United States Navy and Marine Corps have paid for their F-14A fighters.

LEVEL OF SPENDING

With prospects for quadrupled oil revenues this year, Iran presumably now feels able to afford the Grumman price.

Iran's annual military budget has risen recently at a rate of nearly 50 per cent and that of Saudi Arabia by nearly a third.

In the nineteen-fifties Iran's arms buying was less than $10-million a year. By the late nineteen-sixties the figure exceeded $150-million, and it will reach $2-billion a year during the current five-year plan, begun last March.

The French have military contracts with a number of Persian Gulf states. Saudi Arabia, for instance, is buying 38 Mirage III jets, AMX-30 tanks, light automatic machine guns, amphibious equipment, and tactical air-to-air and ground-to-air missiles.

KUWAIT: CONTRACTS SOUGHT

French and American arms salesmen are now fighting for new contracts in Kuwait. The French are proposing Mirage jets for the Kuwait air force, while the United States is offering F-5's or F-4's.

Although Britain's influence in the region is on the wane, the British were able to get an important contract with Saudi Arabia last year, representing deliveries of $600-million of arms purchases, mainly aeronautical equipment, over five years.

Britain has sold naval equipment to several of the emirates, and some aircraft and anti-submarine helicopters to Iran.

But the United States is by far the biggest supplier to the two principal arms purchasers in the region, Iran and Saudi Arabia.

EXHIBIT 6

[From the New York Times, Sept. 11, 1974]

U.S. ROLE GROWS IN ARMING SAUDIS

(By Juan de Onis)

JIDDA, SAUDI ARABIA, September 10.—With billions in military sales at stake, the United States is making a determined effort to retain its position as the dominant supplier of arms to Saudi Arabia against competition from Britain, France and other Western nations.

The American interest was illustrated by the visit here today of J. William Middendorf 2d, the Secretary of the Navy, and of Lieut. Gen. W. C. Gribble Jr., the chief of the United States Army's Corps of Engineers.

Saudi Arabia's military development plans give high priority to establishing naval forces with modern bases on the Persian Gulf and the Red Sea.

The plans have created great interest in the Navy Department, which could sell some ships, and to the Corps of Engineers, which has a long record of designing and supervising construction of military installations for the Saudi Army and Air Force.

The two visitors were received by King Faisal and by Prince Sultan Ibn Abdel Aziz, the Minister of Defense and Aviation, who planned a large party at his Red Sea villa for General Gribble later this week.

United States military cooperation with Saudi Arabia, which began in 1952 with the assignment of a military training mission here, is to undergo a major review when a new Saudi-American defense commission meets here in November. United States military involvement is growing but stops just short of a mutual defense pact, which would oblige the United States to resist a foreign attack on the country.

During the last 10 years, the United States has conducted major arms supply and training programs here through American defense contractors, in addition to maintaining several hundred officers in the training mission.

Through the Raytheon Corporation, the Saudi air defense system has been supplied with Hawk missiles and has a $265-million purchase program for advanced Hawk ground-to-air missile batteries. Under a maintenance contract, Raytheon keeps 450 technicians here to service the missiles.

NORTHRUP TRAINS PILOTS

The Northrup Corporation is in charge of supplying several squadrons of F-5E jet fighters, with training of Saudi pilots and development of personnel and facilities.

The Lockheed Corporation is supplying the Saudi air transport command with C-130 cargo planes, with similar training of pilots and ground personnel. The Bendix Corporation has a long-term contract to maintain the truck and armored vehicles of the Saudi Army.

The United States has entered into a $250-million arms and training contract with the National Guard, the Saudi internal security force. The training mission for the National Guard is separate from the training missions that the United States maintains for the army, air force and navy.

The Corps of Engineers has supervised the construction of the two big army bases at Tofuk, near the northwest border with Jordan, and at Khamis Mushait, in the south near Yemen and Southern Yemen. Southern Yemen has been armed by the Soviet Union and China.

The Joint Saudi-American defense commission will seek to determine Saudi military requirements that call for more direct Pentagon involvement in the procurement of advanced weapons, such as the new supersonic jet fighters that will replace the F-4 Phantom and the F-5 models.

"I do not know of anything that is nonnuclear that we would not give the Saudis," said a United States military official here, "we want to sell and they want to buy the best."

The British Aircraft Corporation has had a program supplying Lightning fighters here since 1965 and has also been in charge of radar installations. The French military mission attached to the Saudi Army has helped to promote sales of French tanks and the French are trying to sell advanced Mirage fighters.

With billions accumulating from oil sales, the Saudis are anxious to establish a deterrent to any threat to their oilfields, concentrated in the eastern province and off shore in the Persian Gulf.

The Saudis are impressed by the large arms build-up in Iran, which is spending even more than the Saudis on the modern weapons.

After Mr. Middendorf ends his stay here today he planned to go to Bahrain, where the United States is trying to maintain a token naval presence in the Persian Gulf with the LaSalle, an amphibious dock vessel, as the flagship.

During the Middle East war in October Bahrain gave six months notice of concellation of an agreement allowing the LaSalle to berth there. The ship is now in the Philippines being reconditioned, and the status of the agreement with Bahrain is under review.

EXHIBIT 7

IRAN NEGOTIATING BIG DEAL WITH UNITED STATES

(By Lesile H. Gelb)

WASHINGTON, September 18.—Ford Administration officials say the Pentagon is negotiating an agreement for cash sales of communications and other equipment to Iran, with the deal expected to total at least $4-billion.

Last year Iran purchased almost $4-billion in equipment, nearly all of it military, and about $2-billion in arms the year before. But, officials say, the bulk of the purchases currently under negotiation may well be of communications equipment, with most of that to be used for nonmilitary purposes.

According to the officials, Iran is looking to the United States Air Force to help her develop a national communications system that will tie together and vastly expand existing economic, educational and military networks.

Asked why the sale of equipment for civilian use was being discussed with the Pentagon, an official said communications satellites were a part of the package. Another said, "Over the years Iran has built up confidence in the managerial skills of the American Air Force."

AGENCY IS MIDDLEMAN

Under the program of cash sales run by the Pentagon, the Defense Security Agency acts as middleman between buyers and American companies, with sales agreements, between buyer and the Pentagon and then the Pentagon and producer. The bulk of American arms sales are in this fashion.

Officials predicted that contracts resulting

from the projected sale, if consummated, could be in excess of $10-billion.

Secretary of State Kissinger is expected to discuss these and other matters when he visits Iran next month, the officials said. He and Shah Mohammed Riza Pahlevi are also expected to establish joint commissions for economic and military planning.

The joint commission, a relationship less than a formal alliance and more than bilateral talks, sidesteps Congressional concerns about treaty commitments and yet makes it possible to give permanence to negotiations.

TO AID POORER LANDS

A ranking State Department official said that the whole idea had been discussed by Mr. Kissinger since last fall and that he had decided to use the commissions as vehicles to "transfer technology from the American private sector" to developing countries.

Two officials added that the joint commission was also thought of as a way for the donor and recipient countries to deal on a more equal basis. The usual method has been for the recipient to work with American economic and military personnel.

An American-Soviet economic commission was established in 1972. Last summer the United States and Egypt set up commissions for economic and scientific affairs, and the United States and Saudi Arabia established economic and military commissions.

When Mr. Kissinger visits India in the fall, it is reported, a United States-Indian economic commission will be announced.

The negotiations between the Pentagon and the Iranian Government are also said to cover further sales of sophisticated aircraft, including the F-4, modern missiles, electronic gear and spare parts.

Also under discussion, the officials said, is the establishment of a number of joint American-Iranian plants, particularly for helicopters. Under this arrangement Washington would provide the physical plant and the technology and license Iran to produce the equipment.

EXHIBIT 8

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

U.S. ARMS FLOW TO PERSIAN GULF

(By Jim Hoagland)

BEIRUT, September 17.—Kuwait is to sign a contract this week for $450 million worth of American arms and equipment, including advanced-design Hawk surface-to-air missiles, and will shortly open final negotiations for American fighter bombers, Arab military sources said today.

The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabi form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory.

Arab oil producers have already committed themselves to buy more than $2.7 billion worth of airplanes, missiles, tanks and other equipment from the United States and Western Europe this year.

Iraq is reported by Western diplomats to be receiving about $1 billion in arms supplies from the Soviet Union this year and neighboring nonArab Iran has placed orders for more than $2.5 billion in arms.

Kuwaiti officials stress that their arms buildup is a defensive one. An incursion by Iraqi forces into northern Kuwait last year has heightened fears of the Connecticut-sized sheikhdom's being swallowed up by its bellicose neighbor to the north.

The Kuwaiti decision to buy U.S. warplanes instead of British Jaguar aircraft represents a commercial and strategic victory for the United States in the escalating race to sell arms and gain influence in oil-rich countries of the Perisan Gulf.

But the pending negotiations emphasize a growing U.S. dilemma on arms sales to Arab countries. Prospective Arab customers reportedly are pressing for more sophisticated fighters with greater range and firepower than Washington appears willing to provide.

Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires are met.

But Arab military analysts are saying privately that the United States runs the risk of being accused even by its Arab friends of trying to pawn off inferior goods on the Arabs and thereby losing sales that would help the economically depressed American aerospace industry and give the United States more leverage in the Arab world.

Kuwait, which is involved in a billion-dollar expansion of its tiny armed forces, has already rebuffed American efforts to push the Northrop F-5E in sales negotiations that began nearly 18 months ago.

The Kuwaitis turned to the British Jaguars rather than accept the smaller plane. But American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defense ties and a willingness to offer larger aircraft, have brought the Kuwaitis back around to committing themselves to buy American.

Kuwait, concerned about a continuing Russian arms buildup in neighboring Iraq, is shopping for 38 fighter-bombers to go with one squadron of French Mirage F-1 jets ordered earlier this year.

American planes under discussion are the McDonnell Douglas Phantom F-4, one of the mainstays of the Israeli air force, and the more recent longer-range Ling-Temco-Vought A-7 Corsair.

The Corsair, a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait. It has been exported to only a few countries in Western Europe.

The Pentagon is said to have recommended to Kuwait the A-4F, an older model of the McDonnell Douglas Skyhawk than that possessed by the Israelis, who have made significant modifications in the aircraft.

In Saudi Arabia, the United States faces a similar problem. King Faisal is reported by reliable Arab sources to be under pressure from young Saudi pilots and high-ranking Egyptian officers, who have a formal advisory role in Saudi Arabian arms purchases, to reject American efforts to sell 32 F-5Es to the Saudi air force.

The Saudis have been rankled by reports circulating in Riyadh that a U.S. Defense Department evaluation team that visited Saudi Arabia this summer concluded that Saudi pilots are not sufficiently prepared to handle and maintain more sophisticated aircraft. The team reportedly stressed the ease of maneuverability and maintenance of the F-5E, which is in wide use in developing countries.

Saudi Arabia has three squadrons of the Northrop fighter on order and would like to build its air force to 200 combat aircraft. It has already ordered deep-penetration French Mirage bombers, which Arab observers here believe are destined for Egypt.

Egyptian President Anwar Sadat recently said that friendly countries were buying warplanes for him to replace Egyptian losses in the October war with Israel.

Kuwait will be filling its immediate priority of air defense by signing $125 million contract with Raytheon this week for Superhawk missiles, an advanced version of the air defense weapon already supplied to Israel and Saudi Arabia and sought by Jordan.

The rest of the contract will be for radar, computer systems and buildings to support the air defense system. Yugoslavia will also help Kuwait build airport facilities under a separate contract to be signed this week.

Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states to prevent a first strike destroying the air force. This is a major factor in the Kuwaiti desire for longer-ranged aircraft, according to Arab sources.

EXHIBIT 9

United States Department of Defense: Offer and Acceptance.

(1) Purchaser (Name and Address) (Include ZIP Code).

(2) Purchaser's reference.

(3) Case designator.

Offer: The Government of the United States hereby offers to sell to the above purchaser the defense article(s) and defense service(s) listed below, subject to the terms contained herein and conditions cited on the reverse.

(4) This offer expires ———, 19—.

(5) Signature, typed name and title of U.S. Representative.

(6) Date.

(7) U.S. Department of ———.

(8) Item or reference No.

(9) Item description (Including stock number, if applicable).

(10) Quantity.

(11) Unit of issue.

(12) Estimated unit cost.

(13) Estimated total cost.

(14) Estimated availability and remarks.

(15) Estimated cost $—.

(16) Estimated packing, crating, and handling costs.

(17) Estimated administrative charge.

(18) Estimated charges for supply support arrangements.

(19) Other estimated costs (Specify).

(20) Estimated total costs $—.

(21) Terms.

ACCEPTANCE

(22) I am a duly authorized representative of the Government of ———, and upon behalf of said Government, accept this offer under the terms and conditions contained herein, this (23) — day of ——— 19—.

(24) Offer/Release code —.

(25) Freight forwarder code —.

(26) Mark for code —.

(27) Point of delivery ———.

(28) Typed name and title.

(29) Signature ———.

CONDITIONS

Pursuant to the US Foreign Military Sales Act, as amended, the Government of the United States (*hereinafter referred to as "USG"*) hereby offers to sell to the Purchaser the defense articles and defense services listed (*hereinafter referred to collectively as "items" and individually as "defense articles" or "defense services"*) subject to the conditions set forth below:

A. The Government of the Unitde States:

1. Agrees to furnish such items from tis Department of Defense (*hereinafter referred to as "DOD"*) stocks and resources, or to procure them under the most advantageous terms and conditions available consistent with DOD regulations and procedures. When procuring for the Purchaser, the DOD shall, to the extent possible employ the same contract clauses, the same contract administration, and the same inspection procedures as would be used in procuring for itself, except as otherwise requested by the Purchaser and as agreed to by the DOD.

2. Advises that when the DOD procures for itself, its contracts include warranty clauses only on an exceptional basis. However, the USG shall, with respect to items being procured, and upon timely notice, attempt to obtain any particular or special contract provision and warranties desired by the Purchaser. The USG further agrees to exercise, upon the Purchaser's request, any rights (*including those arising under any warranties*) the USG may have under any contract connected with the procument of any items. Any additional cost resulting from obtaining special contract provisions or warranties,

or the exercise of rights under such provisions or warranties or any other rights that the USG may have under any contract connected with the procurement of items, shall be charged to the Purchaser.

3. Shall, unless the condition is otherwise specified herein (*e.g.*, "*As Is*"), repair or replace free of charge defense articles which are damaged or found to be defective in respect of material or workmanship and which are supplied from DOD stocks, when it is established that these deficiencies existed prior to passage of title. Qualified representatives of the USG and of the Purchaser, upon notification pursuant to paragraph B4 below, shall agree on the liability of the USG hereunder and the corrective steps to be taken. With respect to items being procured for sale to the Purchaser, the USG agrees to obtain and exercise warranties on behalf of the Purchaser pursuant to A2 above to assure, to the extent provided by the warranty, replacement or correction of such items found to be defective. In addition, the USG warrants the title of all items sold to the Purchaser hereunder. The USG, however, makes no warranties other than those specifically set forth herein. In particular the USG disclaims any liability resulting from patent infringement occasioned by the use or manufacture by or for Purchaser outside the United States of items supplied hereunder.

4. Agrees to deliver and pass title to the items to the Purchaser at the initial point of shipment unless otherwise specified herein. With respect to defense articles procured for sale to the purchaser, this will normally be at the manufacturers' loading facilities; with respect to defense articles furnished from stocks, this will normally be at the U.S. depot. Articles will be packed, crated or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" designated on the reverse is specified otherwise than the initial point of shipment, the supplying Military Service will arrange movement of the items to the authorized delivery point as reimbursable service. Custody must not be construed to mean retention of title.

5. Advises that: a. Unless otherwise specified, USG standard items will be furnished without regard to make or model.

b. The price of items to be procured shall be at their total cost to the USG. Unless otherwise specified, the cost estimates of items to be procured, availability determination, and delivery projections quoted are estimates based on current available data. The USG will use its best efforts to advise the Purchaser or its authorized representative:

(1) of any identifiable cost increase that might result in an increase in the "Estimated Total Costs" in excess of 10 percent, but its failure to so advise shall not affect the Purchaser's obligation under paragraph B5 below.

(2) of any delays which might significantly affect the estimated delivery dates.

c. The USG will, however, use its best efforts to deliver items or render services for the amount and at the times quoted.

6. Under unusual and compelling circumstances when the best interests of the United States require it, the USG reserves the right to cancel all or part of this order at any time prior to the delivery of defense articles or performance of services. The USG shall be responsible for all termination costs of its suppliers resulting from cancellations under this paragraph.

7. Shall refund to the Purchaser any payments received hereunder which prove to be in excess of the final total cost of delivery and performance of this order.

B. The Purchaser:

1a. In payment for the items shall forward with its acceptance of this offer a check payable in United States dollars to the Treasurer of the United States in the amount shown as the estimated total cost, unless different arrangements are specified under "Terms".

b. Agrees, if "Terms" specify payment by "dependable undertaking" to pay the USG such amounts at such times as may be specified by the USG in order to cover shipments from stock or services rendered or to meet payments required by contracts under which items are being procured, and any damages and costs that may accrue from cancellation of contracts resulting from Purchaser's action under paragraph B6 hereof. Requests for funds may be based upon requirements for advances and progress payments to suppliers or delivery forecasts, as the case may be. Requests for funds and billings, when funds are not already on deposit, are due in full on presentation. Documentation concerning advance and progress payments or proof of shipment in support of bills will be made available to the Purchaser by the DOD upon request. When appropriate, the Purchaser will request adjustment of any questionable billed items by subsequent submission of required discrepancy reports in accordance with paragraph B4 below.

c. Agrees, if "Terms" specify payment on evidence of constructive delivery, to make payment in full amount of any request for funds or billing within the month following the month of the request, or as otherwise required in accordance with the "Terms" herein.

d. Agrees, if "Terms" specify payment under a Credit Agreement between the Purchaser and DOD, to pay to the USG on a "dependable undertaking" basis, in accordance with B.1b. about, such costs as may be in excess of the amounts funded by the Credit agreement.

2. Shall furnish shipping instruction for the items with its acceptance of this offer. Such instructions shall include (a) Offer/Release Code, (b) Freight Forwarded Code, and (c) the Mark for Code, as applicable.

3. Shall be responsible for obtaining the appropriate insurance coverage, and, except for items exported by the USG, appropriate export licenses.

4. Shall accept title to the defense articles at the initial point of shipment (*see A4 above*) unless otherwise specified herein. Purchaser shall be responsible for in-transit accounting and settlement of claims against common carriers. Title to defense articles transported by parcel post shall pass to the Purchaser on date of parcel post shipment. Standard Form 364 shall be used in submitting claims to the USG for non-receipt, overage, shortage, damage, duplicate billing, item deficiency, improper identification or improper documentation and shall be submitted by Purchaser promptly. Claims of $25.00 or less will not be reported for overages, shortages, or damages. Claims received after one year from date of passage of title or billing, whichever is later, will be disallowed by the USG.

5. Shall reimburse the USG if the final cost to the USG exceeds the amounts estimated in this sales agreement.

6. May cancel this order with respect to any or all of the items listed in this sales agreement at any time prior to the delivery of defense articles or performance of services. It shall be responsible of all costs resulting from cancellation under this paragraph.

7. Shall, except as may otherwise be mutually agreed, use the items sold hereunder only.

a. For the purposes specified in the Mutual Defense Assistance Agreement, if any, between the USG and the Purchaser;

b. For the purposes specified in any bilateral or regional defense treaty to which the USG and the Purchaser are both parties, if subparagraph a of this paragraph is inapplicable; or

c. For internal security, self-defense, and/or civic action, if subparagraphs a and b of this paragraph are inapplicable.

8. Shall not transfer title to, or possession of, the defense articles, components and associated support material furnished under this sales agreement to any person, or organization (*excluding transportation agencies*), or other government, unless the written consent of the USG has first been obtained. It shall not disclose, dispose of, or permit use of any plans, specifications or information furnished in connection with this transaction, except to the extent authorized in writing by the USG. To the extent that any items, plans, specifications, or information furnished in connection with this transaction may be classified by the USG for security purposes, the Purchaser shall maintain a similar classification and employ all measures necessary to preserve such security, equivalent to those employed by the USG, throughout the period during which the USG may maintain such classification. The USG will notify the Purchaser if the classification is changed. The Purchaser will ensure, by all means available to it, respect for proprietary rights in any defense article and any plans, specifications, or information furnished, whether patented or not.

C. Indemnification and assumption of risks:

1. It is understood by the Purchaser that the USG in procuring and furnishing the items specified in this agreement does so on a nonprofit basis for the benefit of the Purchaser. The Purchaser therefore undertakes, subject to A3 above, to indemnify and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (*whether in tort or in contract*) which might arise in connection with this agreement because of: (i) injury to or death of personnel of Purchaser or third parties; (ii) damage to or destruction of (A) property of the DOD furnished to suppliers specifically to implement this agreement, (B) property of Purchaser (*including the items ordered by Purchaser pursuant to this agreement, before or after passage of title to Purchaser*), or (C) property of third parties; or (iii) patent infringement.

2. Subject to any express, special contractual warranties obtained for the Purchaser in accordance with A2 above, the Purchaser agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of loss or damage to Purchaser's property (*including the items procured pursuant to this agreement, before or after passage of title to Purchaser*) to the same extent that USG would assume for its property if it were procuring for itself the item or items procured pursuant to this agreement.

D. Acceptance:

To accept this offer, the Purchaser will return the original and three copies properly signed, to the U.S. Military Department making the offer not later than the expiration date of the offer set forth herein. When properly accepted and returned as specified herein, the provisions of this offer shall be binding upon both Governments. Unless written extension is obtained from an authorized representative of such U.S. Military Department, this offer shall terminate at the end of such expiration date.

E. Enclosures:

Enclosures attached hereto are, by this reference, incorporated herein and are made a part hereof as though set forth in full

EXPLANATORY NOTES

1. The item or reference numbers appearing in the "ITEM OR REF. NO." column may not correspond with references used in your original request. However, this number, together with the case designator shown should always be used as a reference in future correspondence.

2. Availability lead time quoted in the "AVAILABILITY AND REMARKS" column is the number of months required to deliver items after receipt of acceptance of this offer pursuant to Section D above and the conclu-

sion of appropriate financial arrangements. The planned source of supply for each item is expressed in the following codes:

S (*) Service Stocks.
P (*) Procurement.
R (*) Rebuild/Repair/Modification.
X (*) Stock and procurement, e.g., initial repair parts.

*Availability is stated in months.

3. Condition of the defense articles shown in the "availability and remarks" column is expressed in the following codes:

AI—Items to be provided in existing condition without repair, restoration or rehabilitation which may be required. Condition indicated in item description.

M—Articles of mixed condition (*new, reworked and rehabilitated*) may be commingled when issued. Example: repair parts, ammunition, set assemblies, kits, tool sets and shop sets.

N—Serviceable defense articles.

O—Obsolete or non-standard item in an "AS IS" condition for which repair parts support may not be available from DOD.

S—Substitute. Suitable substitutions may be shipped for unavailable defense articles unless otherwise advised by the Purchaser.

U—Reworked or rehabilitated defense articles possessing original appearance insofar as practicable; including all Modification Work Orders and Engineering Change Orders as applied to such defense articles when issued but defense articles should not be considered as having had total replacement of worn parts and/or assemblies. Only parts and components not meeting US Armed Forces serviceability tolerances and standards will have been replaced; in all instances such defense articles will meet US Armed Forces standards of serviceability.

EXHIBIT 10

CONSTITUTIONALITY OF THE LEGISLATIVE VETO AMENDMENT TO THE FOREIGN MILITARY SALES AND ASSISTANCE ACT

This memorandum is in response to your request of July 30, 1973, for material on the constitutionality of the legislative veto.

Amendment No. 253 to S. 1443, the proposed Foreign Military Sales and Assistance Act, requires Congressional approval of any foreign military sale exceeding 25 million dollars, or sales to any country exceeding 50 million dollars for a fiscal year. The amendment permits either House of the Congress to disapprove a sale or increase in assistance by means of a simple resolution within thirty days of the report to the Congress of the proposed transaction. See 119 Cong. Rec. S. 11930 (daily ed. June 25, 1973).

Our analysis of the problem persuades us that the proposed amendment is constitutional. Perhaps, the best way to demonstrate this is to examine the historical background of the legislative veto as it developed in the Executive Reorganization Acts. We will begin by defining the terms commonly used in this area.

DEFINITIONS

A. *Congressional veto.* The term "congressional veto" is a generic term covering a variety of statutory devices which enable one or both Houses of the Congress, or one or more committees of the Congress, to preclude the Executive from final implementation of a proposed action authorized by law. This definition includes only those measures which legally compel the Executive to forego the proposed action. It excludes many provisions that are often described as Congressional legislative or committee vetoes, but which do not legally preclude Executive action if Committee approval is not forthcoming.

B. *Legislative veto.* A legislative veto is a provision in a statute that requires the President or an Executive agency to submit actions proposed to be taken pursuant to statutory authority to the Congress at a specified interval, usually 30 to 60 days, before they become effective. The action becomes effective at the close of the interval 1) if the Congress fails to express its disapproval, or 2) in a few cases, if the Congress expresses its approval. If the disapproval or approval takes the form of a concurrent resolution by both Houses of the Congress, the measure can be termed a "two-House" legislative veto. If the disapproval takes the form of a simple resolution by either House, then the device is a "one-House" legislative veto.

Neither a concurrent resolution nor a simple resolution is presented to the President for his signature. Thus, neither form of approval or disapproval is subject to veto by the President. In this memorandum, the term legislative veto does not include measures which require the Congressional disapproval to take the form of legislation enacted by both Houses and signed by the President (or passed over his veto).

C. *Committee veto.* The committee veto includes several types of statutes. Among these are provisions which require an Executive agency to submit a report of a proposed action to one or more committees of the Congress at a stated interval, usually 30 to 60 days, prior to its effective date. During the interval, the action may be blocked by a resolution of disapproval by any of the committees. In some instances, the action does not become effective until all designated committees pass resolutions of approval. Finally, some committee veto provisions do not specify an interval, but rather provide that the Executive agency must "come into agreement" with the responsible committees before it may take the proposed action.

D. *Reporting Provisions.* The term "reporting provision" refers to those statutes which provide that a proposed action by the Executive branch shall not take place until the expiration of a specified time, usually 30 to 60 days, after the proposed action has been reported to the two Houses of the Congress or to designated committees of the Congress.

This type of statute is often referred to as a waiting period, a report-and-wait, or a laying-on-the-table provision. In some cases, the waiting period may be waived in whole or in part by resolutions of approval by the designated Houses or committees. Some of these laws do not specify the waiting period, but simply provide that no action may be taken until after there has been "full consultation" with the designated committee.

During the waiting period, the responsible committees have an opportunity to review the proposed action and make their approval or disapproval known to the agency. The agency, however, is not legally bound by a committee's resolution of disapproval. It may go forward with the proposed action unless the disapproval takes the form of enacted legislation.

The practical effect of most reporting provisions may be the same as that of a committee veto, because most agencies are usually reluctant to take an action that is clearly contrary to the wishes of its oversight Congressional committee. For this reason, reporting provisions are frequently lumped together with true legislative or committee vetoes in discussions of the general topic. See Harris, *Congressional Control of Administration* 204–48 (1962). From a constitutional viewpoint, however, there is a major distinction between the two types of legislation.

Many of the statutory provisions commonly referred to as committee vetoes or Congressional vetoes are actually reporting provisions. Twelve of the 19 veto provisions compiled by this Division in 1967 were reporting requirements. See Small, *The Committee Veto: Its Current Use and Appraisals of Its Validity* (Legislative Reference Service, Jan. 16, 1967). Twenty-two of the 39 provisions compiled by the American Law Division in January 1973 were reporting provisions.

See Williams, *Federal Statute Citations Which Give Congressional Veto Over the Power of the Executive Relating to Disposal of Federal Property or Interest* (American Law Division, January 15, 1973).

PARALLEL PROVISIONS

There are numerous other statutes which also contain "one-House" legislative vetoes. See, for example, 22 U.S. Code sec. 2587, dealing with transfer of functions to the Arms Control and Disarmament Agency; 50 U.S. Code App. sec. 194g, dealing with sales of military rubber plants; and 8 U.S. Code sec. 1254, governing the suspension of deportation proceedings for aliens by the Attorney General. Because the legislative veto originated in the Reorganization Acts, this memorandum will concentrate on the legislative background of that Act. It would appear clear that if the legislative veto feature of the Executive Reorganization Act is constitutional, then the similar provisions in analogous statutes are also constitutional.

LEGISLATIVE HISTORY: ACTS OF 1932 AND 1933

The legislative history of the provision for disapproval of reorganization plans by either House of the Congress extends back to 1932. The Economy Act of 1932 gave President Hoover the authority to consolidate, redistribute, and transfer various Government agencies and functions by Executive Order. The Act provided that each other should be transmitted to Congress in session, and should not become effective until 60 days thereafter. The Act also provided that "if either branch of Congress within such 60 calendar days shall pass a resolution disapproving such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval." 47 Stat. 414 (1932).

In an opinion dealing with the propriety in an urgent deficiency bill of a provision authorizing a joint committee of Congress to make the final decision as to whether refunds over $20,000 shall be made and to fix the amount thereof, Attorney General William D. Mitchell cast doubt on the one-House disapproval mechanism.

"It must be assumed that the functions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one house of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts, raises a grave question as to the validity of the entire provision in the Act of June 30, 1932 for Executive reorganization of governmental functions." 37 Op. Atty. Gen. 64–65 (1933).

Largely as a result of the Attorney General's criticism, Congress replaced the one-House disapproval provision in 1933 with a "waiting period" provision. This latter provided that an order became effective after 60 days, unless Congress provided otherwise by statute; this disapproval, in turn, was subject to being vetoed by the President. Act of March 3, 1933, Sec. 407, 47 Stat. 1519. The Congress appears to have countered the objection to its disapproval power by limiting the Act's duration to two years. Accordingly, it expired in 1935. The next Reorganization Act was not enacted until 1939.

THE 1939 ACT

The Reorganization Act of 1939 granted reorganization authority to President Roosevelt for a two year period. The Act provided that the Presidential reorganization propo-

sals were to be embodied in "plans", not in Executive "orders". Each plan would become effective 60 days after its transmittal to the Congress, unless it was disapproved in its entirety by a *concurrent* resolution of *both* Houses of the Congress. Such a concurrent resolution was not subject to Presidential veto.

The House Committee which reported the bill proceeded on the constitutional theory that the power conferred upon the President by the Act was legislative in character; because of this, it seemed inaccurate to provide that his action take the form of an Executive order, as did the 1933 Act. The Committee reasoned that the power was neither "executive" in a true sense, or an "order", for the reorganizations would take place not as a consequence of the President's order, but as a consequence of the happening of the contingencies set forth in the Act. The Committee stated:

"The failure of Congress to pass such a concurrent resolution is the contingency upon which the reorganizations take effect. Their taking effect is not because the President orders them. That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized." House Report No. 120, 76th Cong., 1st Sess. 4–6 (1939).

The Committee relied on the then recent Supreme Court decision in *Currin* v. *Wallace*, 306 U.S. 1 (1939), which upheld the validity of a referendum of farmers which determined whether the Secretary of Agriculture could exercise the authority given him by the statute. The Committee concluded that it seemed "difficult to believe that the effectiveness of action legislative in character may be conditioned upon a vote of farmers but may not be conditioned on a vote of the two legislative bodies of the Congress." House Report No. 120, 76th Cong., 1st Sess. 6 (1939). See also *United States* v. *Rock Royal Cooperative, Inc.*, 307 U.S. 533 (1939) (agricultural marketing statute); *Marshall Field & Co.* v. *Clark*, 143 U.S. 649 (1892) (finding of fact by executive officer under Tariff Act); *J. W. Hampton, Jr. & Co.* v. *United States*, 276 U.S. 394 (1928). The Supreme Court has stated that the Congress may fulfill "the essentials of the legislative function" by authorizing "a statutory command to become operative upon ascertainment of a basic condition of fact by a designated representative of the government." *Hirabayashi* v. *United States*, 320 U.S. 81, 104 (1943).

THE 1945 ACT

In 1945, a Report of the Senate Committee on the Judiciary recommended a veto by *either* House.

The Committee reasoned that the Reorganization Act delegates part of the legislative power of the Congress to the President; when subject to a one-House veto, such a delegation does not operate to deprive either House of its constitutional right not to have any change made in the law without the assent of at least a majority of its members; either House, after seeing precisely how the President proposes to exercise the general power delegated effectively to him would have its own independent right to veto the Presidential action and thus to retain the essential authority vested in it by the Constiution. Senate Report No. 638, 79th Cong., 1st Sess. at 3 (1945). The Senate, however, restored the veto by concurrent resolution, after a discussion of the constitutionality of the one-House veto. See 95 Cong. Rec. 10269–74, 10714 (1945).

THE 1949 ACT

The one-House veto was first enacted in its present form in 1949. The specific provision originated in the proposed Senate bill. The Senate Committee on Expenditures in the Executive Departments (now the Committee on Government Operations) requested the Justice Department's current views of the constitutional issues raised earlier by Attorney General Mitchell in 1933.

The Department responded, first, that Mitchell's statement concerning the 1932 Act was *obiter dictum*, (that is, not essential to the central matter being decided and, hence not binding), because his opinion was concerned only with the constitutionality of proposed legislation affecting tax funds. Secondly, the Department stated that Mitchell's opinion was based on the unsound premise that the Congress, in disapproving a plan, is exercising a legislative function in a nonlegislative manner. The memorandum continued:

"But the Congress exercises its full legislative power when it passes a statute authorizing the President to reorganize the executive branch of the Government by means of reorganization plans. At that point the Congress decides what the policy shall be and lays down the statutory standards and limitations which shall be the framework of Executive action under the Reorganization Act. If the legislation stops there, with no provision for future reference to the Congress, the President's authority to reorganize the Government is complete. Indeed, such authority was given in full to President Roosevelt in the Reorganization Act of 1933 (47 Stat. 1517).

"The pattern of the 1939 and 1945 Reorganization Acts has been to give the reorganization authority to the President, and then provide machinery whereby the Congress may approve or disapprove the plans proposed by the President. Nor is it, in the circumstances, an improper legislative encroachment upon the Executive in the performance of functions delegated to him by the Congress. As indicated above, the authority given to the President to reorganize the Government is legally and adequately vested in the President when the Congress takes the initial step of passing a reorganization act.

"The question here raised relates to the reservation by the Congress of the right to disapprove action taken by the President under the statutory grant of authority. Such reservations are not unprecedented. There have been a number of occasions on which the Congress has participated in similar fashion in the administration of the laws. An example is to be found in section 19 of the Immigration Act of 1917, as amended (8 U.S.C. 155(c); Public Law 863, 80th Cong.), which requires the Attorney General to report to the Congress cases of suspension of deportation of aliens and which provides further that "if during the session of the Congress at which a case is reported * * * the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel the deportation proceedings. * * * If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien * * *.' The Congress has thus reserved the opportunity to express approval or disapproval of executive actions in a described field.

"Still other examples may be found in the laws relating to the administration by the Secretary of the Navy of the naval petroleum reserves, which require consultation by him with the Armed Services Committees of the Congress before he takes certain types of action, such as entering into certain contracts relating to those reserves, starting condemnation proceedings, etc. (34 U.S.C. 524); and in the statute which requires the Joint Committee on Printing to give its approval before an executive agency may have certain types of printing work done outside of the Government Printing Office (44 U.S.C. 111).

"It cannot be questioned that the President in carrying out his Executive functions may consult with whom he pleases. The President frequently consults with congressional leaders, for example, on matters of legislative interest—even on matters which may be considered to be strictly within the purview of the Executive, such as those relating to foreign policy. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given Executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking the Congress to pass the instant reorganization bill, is following the pattern established by those acts, namely by taking the position that if the Congress will delegate to him authority to reorganize the Government, he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation.

"For the foregoing reasons, it is not believed that there is constitutional objection to the provision in section 6 of the reorganization bills which permits the Congress by concurrence resolution to express its disapproval of reorganization plans."

Memorandum Re: Constitutionality of Provisions in Proposed Reorganization Bills Now Pending in Congress, reprinted in Senate Report No. 282, 81st Cong.; 1st Sess. 18–20 (1949) (Citations omitted; emphasis added).

Although the conclusion was limited to the use of the concurrent resolution, the underscored portions of the memorandum noted that "disapproval . . . by . . . either House" was not a legislative act and thus not constitutionally objectionable.

On the Report accompanying the Bill, the Senate Committee stated:

"It was determined that the most direct and effective way to eliminate the need for exemptions was to include an amendment providing that a simple resolution of disapproval by either the House or the Senate would be sufficient to reject and disapprove any reorganization plan submitted by the President.

"By reserving to either House the power to disapprove, Congress retains in itself the power to determine whether reorganization plans submitted to the Congress by the President shall become law. The power of disapproval reserved to each House by the bill does not delegate to either House the right to make revisions in the plans, but it will enable each House to prevent any such plan of which it disapproves from becoming law. The power thus reserved to each House seems essentially the same as that possessed by each House in the ordinary legislative process, in which process no new law or change in existing law can be made if either House does not favor it. No significant difference would seem to exist by reason of the fact that under the ordinary legislative process the unwillingness of either House to approve the making of new laws or a change in existing law is manifested by the negative act of refusing to register a favorable vote, whereas under the bill the unwillingness must be manifested by the affirmative act of the passage of a resolution of disapproval of a reorganization plan. The unessential character of this difference becomes even more apparent when regard is had to the stringent rule contained in the bill which makes impossible actions cal-

culated to delay or prevent consideration of resolutions of disapproval which have been favorably reported by the appropriate committee."

Senate Report No. 232, 81st Cong., 1st Sess. (1949).

Since the House version of the bill called for disapproval by concurrent resolution, the bills went to conference:

The Senate conferees stood solidly for retention of the provision for rejection by a simple majority vote of either House, which, had been included in the Senate bill, the conferees agreeing to a considerable broadening of the President's authority compared with previous reorganization acts.

As finally approved in conference, after an impasse which lasted for several weeks, the bill incorporated Senate proposals granting the President authority to propose the creation of new departments—a power which was not given to him under earlier acts—and eliminated all restrictive and limiting provisions, but incorporated the provision requiring that a reorganization plan submitted under the act would require the adoption of a resolution of disapproval by a majority of the authorized membership of either House. The Senate, in approving the original Senate bill, had made it clear that the granting of these additional powers to the President had been conditioned upon retention of the provision permitting rejection of any plan by a simple majority vote of either House, and the concessions made by the conferees were approved only because they were necessary if any reorganization authority was to be granted to the President.

Senate Report No. 386, 85th Cong., 1st Sess. (1957).

The Act was discussed on the floor of the Senate at 95 Cong. Rec. 7785, 7827 & 7829 (1949) and in the House of Representatives at 95 Cong. Rec. 7838–39 & 7444–46 (1949). For an extensive discussion and analysis of the legislative history of the legislative veto provisions of the Reorganization Acts from 1932 to 1949, see *Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees*, 66 Harv. L. Rev. 569 (1953).

In 1957, the Act was amended to permit disapproval by a simple majority of either House, rather than by majority of the authorized membership of either House, Public Law 85–286, 71 Stat. 611 (1957). In 1964, the President's power to create new Cabinet Executive Departments was eliminated from the Act, Public Law 88–351, 78 Stat. 240 (1964).

CONSTITUTIONALITY OF THE ONE-HOUSE VETO

As the foregoing legislative history suggests, the constitutionality of the one-House legislation veto mechanism embodied in the Reorganization Act of 1949 and in other statutes is virtually universally accepted. Although occasional arguments in opposition have been raised during floor debates, they have been resolved in favor of the constitutionality of the provisions, either expressly or implicitly, by all concerned legislative committees from 1945 to the present; by the Justice Department, when its opinion was requested; and by the votes of both Houses of the Congress, which are not inconsiderable since the Act has undergone successive extension in 1953, 1955, 1957, 1961, 1969 and 1971.

Reorganization plans submitted by the President more closely resemble proposed legislation, in form and substance, rather than Presidential actions or Executive orders. Legislation proposed to Congress cannot become law if either House votes "no". The effect of the Reorganization Acts have been similar, that is, no "plan" can become "effective" if either House votes "no". As the Senate Committee remarked in 1949, there is no significant difference between the negative act of refusing to register a favorable vote and the affirmative act of a resolution of disapproval.

As to the question of legislative encroachment on the powers of the President, it should be noted that the President arguably accepts the limitation on his delegated powers when he signs the Reorganization Act itself; he has the alternative of vetoing the Act. The power of legislation, including the power to reorganize the Executive branch, is vested by the Constitution in the Congress, U.S. Constitution, Art. I, Secs. 1 and 8. Congress has no obligation to delegate this power to the President, and the President has no obligation to accept the delegation. As the Justice Department pointed out in 1949, each Reorganization Act is a case of the Executive and the Congress acting in cooperation.

There are no court decisions dealing with the constitutionality of the provisions of the Reorganization Act of 1949 under discussion. However, in *Sibbach* v. *Wilson & Co.*, 312 U.S. 1 (1941), the Supreme Court did consider the validity of the analogous "waiting period" provided for the promulgation of the Federal Rules of Civil Procedure. In its discussion of this provision, the Court stated:

"The value of the reservation of the power to examine proposed rules, laws and regulations before they become effective is well understood by Congress. It is frequently, as here, employed to make sure that the action under the delegation squares with the Congressional purpose. That no adverse action was taken by Congress indicates, at least, that no transgression of legislative policy was found." (Footnotes omitted). 312 U.S. at 15–16.

In support of this position, the Court cited there analogies; (a) the organic acts of some of the territories, providing that laws passed by the territorial legislature prior to their admission to statehood would be valid unless Congress disapproved; (b) the provisions of the Act of March 3, 1933, for the laying over of reorganization orders before the Congress, (also known as a "waiting period" provisions); and (c) the Reorganization Act of 1939, which included provision for disapproval by concurrent resolution. (312 U.S. at 15 n. 17).

The holding in the *Sibbach* case does not apply directly to the one-House veto in the 1949 Reorganization Act, because the Court cited only those statutes which required disapproval by both Houses of the Congress. However, the rationale of the case appears to be that the absence of adverse congressional action implies that there is no transgression of legislative policy in a proposed rule, law or regulation. The one-House veto is consistent with this rationale, because it is an accurate method of recording the lack of congressional assent to a proposed change; it is accurate because *either* House can voice its objection readily and independently. In the case of reorganization plans, the failure of either House to register its disapproval is even stronger support for the inference that the plan under consideration does not transgress any legislative policy.

In the case of the proposed Foreign Military Sales and Assistance Act, the legislative veto would enable the Congress to review the proposed military sales and assure itself that it is consistent with Congressional policy.

Therefore, it may be asserted that the legislative veto is neither unconstitutional nor "extra-constitutional". The Act does not allow one House of the Congress to take legislative action binding on the President. It may be persuasively argued that the resolution of disapproval is not a legislative act; that there is no opportunity to amend, alter or delay the proposed plan. Rather, it is merely a reservation to the Congress of the power to examine the exercise of power delegated to the Executive. Congress presumably can be far more generous in amounts of authority which it delegates when the power of review is expressly retained; in the absence of a legislative veto, the Congress usually substitutes other, more stringent limitations on the subject matter and duration of the delegated powers.

Perhaps the best summary of the argument in favor of the legislative veto is contained in Professor Corwin's treatise on the Presidency:

"It is generally agreed that Congress, being free not to delegate power, is free to do so on certain stipulated conditions, as, for example, that the delegation shall terminate by a certain date or on the occurrence of a specified event: the end of a war, for instance. Why, then, should not one condition be that the delegation shall continue only as long as the two houses are of opinion that it is working beneficially? Furthermore; if the national legislative authority is free to delegate powers to the President, then why not to the two houses, either jointly or singly? And if the Secretary of Agriculture may be delegated powers the exercise of which is subject to a referendum vote of producers from time to time, as he may be, then why may not the two houses of Congress be similarly authorized to hold a referendum now and then as to the desirability of the President's continuing to exercise certain legislatively delegated powers?

"As we have seen, moreover, it is generally agreed that the maxim that the legislature may not *delegate* its powers signifies at the very least that the legislature may not *abdicate its powers*. Yet how, in view of the scope that legislative delegations take nowadays, is the line between *delegation* and *abdication* to be maintained? Only, I urge, by rendering the delegated powers recoverable without the consent of the delegate; and for this purpose the concurrent resolution seems to be an available mechanism, and the only one. To argue otherwise is to affront common sense."

Corwin, *The President: Office and Powers, 1787–1957* (4th rev. ed. 1957 (Footnotes omitted). (Emphasis in original.)

By serving as a limitation on the delegation of powers to the Executive branch, the legislative veto serves to strengthen rather than weaken the traditional separation of powers. Faced with a choice between legislating in excessive detail, on the one hand, and a major abdication of authority to the Executive on the other, the Congressional veto provides a practical middle course. In Corwin's phrase, what better way is there to maintain the line between *delegation* and *abdication* of legislative powers?

CONCLUSION

The legislative veto has become generally accepted on the theory that it is a reservation by the Congress of the power to approve or disapprove the exercise of a delegated power by an official of the Executive branch. This is a power which the Congress reserved to itself in the original law that delegated authority to the official.

In the light of the foregoing analysis, it would appear that the proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive branch.

VINCENT E. TREACY,
Legislative Attorney.

EXHIBIT 11

[From the Washington Post, Aug. 11, 1974]

EXHIBIT OF UNCLE SAM, ARMS DEALER

(By Andrew Hamilton)

The Merchant of Death, that international arms salesman, was a sinister figure in the

public mythology of the last generation. His rattlesnake eye glinting, a dry rattle in his voice, he plotted to set nation against nation for the sake of profits and a certain perverse delight in destruction.

He was a melodramatic villian, a figment of between-the-wars romance, the old-fashioned European armaments king filtered through Eric Ambler and Graham Greene, but his place in the world was long ago usurped by anonymous bureaucrats. From whatever imaginary place he watches the world, his imaginary eye must be glinting again with cold pleasure, for his successors are making up in business volume what they lack in style.

The world arms trade is flourishing as never before, up 50 per cent since 1970. Vietnam and the Arab-Israeli wars account for only a part of this spurt. Of equal or greater significance is the fact that once poor nations of Asia, the Middle East and Latin America have become avid consumers of arms. And industrial nations, both Western and Communist, are racing each other for sales and the influence they are supposed to bring.

Conflicts are also flourishing, with more than a dozen wars, near-wars, border clashes and shattered truces in the last four years alone, not to mention numerous internal upheavals in which arms played a dominant role. These wars and revolutions not infrequently lead to new orders for military equipment. The United States sold or gave more than $2 billion in arms to Israel following last October's war, while the Soviet Union generously resupplied Egypt and Syria.

Governments which supply arms sometimes argue that there is a beneficial, even an altruistic side to the arms trade. Suppliers, they say, gain influence with recipients and thereby can promote the peaceful resolution of conflicts. In the grandiose words of the most recent report to Congress by the U.S. Defense Security Assistance Agency, "Security assistance is an instrument of national policy which, if put to full use, can effectively expedite the transition from the Cold War confrontation of the past to the generation of peace established by the United States as its goal for the future." Arms transfers, according to this statement, promote "cooperation and partnership" with recipients and are "conducive to restraint."

On July 15, spurred by a military government in Greece critically dependent on American military aid and political support, officers of the Greek Cypriot national guard deposed the president of Cyprus, Archbishop Makarios, and precipitated a continuing crisis. On July 20, Turkish troops in American uniforms and carrying American weapons invaded Cyprus from American-made aircraft, and helicopters and ships carrying American-made trucks and tanks. They were supported by a navy and air force equipped and armed by the United States.

When, next day, Greece began marshaling its American-equipped army aboard American-built landing craft for a counter-invasion, there was imminent danger of war between two nations whose military establishments were largely made in the U.S.A. While Washington did at last persuade the Greeks not to attack, it had failed to restrain either the coup against Makarios or the Turkish invasion.

Conflicts between nations with the same suppliers are becoming common. India and Pakistan fought each other with American equipment in 1971. In the Middle East, Israel, armed with American, British and French weapons, faces Arab nations armed with American, British and French weapons. The grip which the suppliers have on these clients is a tenuous one. And the more sources of supply a nation can draw upon, the less dependent it becomes on any one supplier, and the less subject it is to restraint.

LOTS OF COMPETITION

A new world arms market—a buyer's market—is taking shape. It grows out of the mixture of new wealth and old regional rivalries, and is fed by competition among more than a half-dozen suppliers of modern military equipment. These suppliers include the United States, the Soviet Union, England, France, West Germany, Poland, Czechoslovakia and Sweden.

This new market for arms is dominated by the United States, long the General Motors of the arms trade. In the past four years, foreign orders for U.S. military goods have approached $20 billion (not counting another $8 billion in giveaways, mostly to Israel and Vietnam). This adds up to more than the United States sold in the previous two decades, from 1950 to 1970. Orders for U.S. weapons in the last 12 months alone exceeded $8 billion.

Several striking aspects of these developments demand far closer scrutiny than they have received.

First, cash sales make up a high percentage of the new weapons trade. The U.S. share alone has been more than $13 billion since 1971. Much of the new wealth of developing nations is paying for non-productive military equipment at inflated prices at a time when more than a billion people face starvation because of inadequate food supply and distribution. The funds invested in weapons, if shifted to agriculture, would help alleviate the world food shortage.

Second, the sales have created new regional arms races, thus boosting demand for more arms and contributing to the risks of war—and of great power confrontation—in unstable areas like the Persian Gulf.

Third, the character of the sales has changed. No longer is the world arms trade limited to second-hand, obsolescent weapons. For the first time, the United States is selling its most advanced, most expensive and most highly classified conventional weaponry and electronics technology. Iran, the major customer, will get more weapons simultaneous with their delivery to U.S. forces, and has entered into co-production arrangements with certain U.S. arms manufacturers.

The United States is exporting weapons which could be used to deliver nuclear weapons over distances of several hundred miles, to nations, such as Israel and Iran, which are known to be capable of producing nuclear weapons in the next few years.

Fourth, the huge jump in U.S. arms exports affects the domestic economy and the Pentagon's own procurement programs. Besides improving the nation's balance of payments, the foreign orders now provide thousands of jobs in U.S. industry. In the past year they were roughly equivalent to a 40 percent increase in the Pentagon's weapons budgets. It is clear that such an increase in orders from American industry must affect the number of weapons the Pentagon buys, the rate at which it procures them, and the prices it pays.

There are important economic risks in this situation. Take, for example, the balance-of-payments question. In the short term, large foreign orders for weapons will improve the nation's trade balance. But the danger exists that the buyers, to pay for U.S. and other modern weapons, will be tempted to further increase raw material prices, which in the long run could wipe out any advantage from arms sales and intensify worldwide inflation.

Fifth, despite the diplomatic and economic risks involved, the key decisions behind the new rise in U.S. arms exports were made by President Nixon without consulting or even informing Congress.

THE LOOPHOLES

Underlying these developments is the gradual abandonment of previous U.S. efforts to impose restraint on regional arms races. Even in credit sales, where Congress has a hand in setting policy, restrictions on the volume and quality of weapons sales have been relaxed by amending the Foreign Military Sales Act. The annual credit ceiling is now more than twice as high as it was six years ago; cash sales in Africa and Latin America have been set free of the regional ceilings imposed in the act, and the regional credit ceiling for Latin America has doubled to $150 million a year.

In the Foreign Military Sales Act, enacted in 1968, Congress sought to curb the vigorous merchandising of Henry Kuss, the Pentagon's chief arms salesman in the 1960s, by setting credit limits and a general policy against the sale of sophisticated weapons to developing countries. But the act was riddled with loopholes. Chief among them was the lack of any provision covering cash sales to industrialized countries and nations such as Greece, Turkey, Iran, Korea and the Philippines. There was not even a requirement that Congress be notified in advance of such sales.

Since some of these nations have emerged as major customers, the loophole has turned out to be more important than the act. And the remaining bastions of restraint have slowly crumbled under the pressure of competition from Communist suppliers and from the nation's former cash customers in Western Europe, now significant arms suppliers in their own right. The restrictions on sales to Latin America, for example, were greatly relaxed after France sold sophisticated Mirage aircraft to four Latin governments in 1970–71.

Administration officials argue with seeming perverseness that the nation's basic policy on arms exports has not changed despite the huge jump in sales and radical change in that type of equipment on the market. "What has happened is not new or dramatic," said one official in a recent interview concerning exports to Iran, which, he observed, has long received large quantities of U.S. military aid. This view was echoed by Richard Violette, acting director for sales negotiations of the Defense Security Assistance Agency, and as such the Pentagon's chief arms salesman. Aside from adjustments approved by Congress, he said, "there really was no change in policy on paper." A third official, asserting that restraint is still the rule, declared, "We don't force our arms on anyone."

But in the face of the facts, the administration view seems little more than a semantic quibble. Call it a new approach or a new policy, the effects are the same. The recent sales add a startling and hitherto unsuspected dimension to the Nixon Doctrine, which urged allies to look after their own security.

THE NIXON ORDER

The nature of the change is illustrated by the key sales decision of the past three years. This was former Persident Nixon's order authorizing the formal offer of a long list of advanced weapons to Iran.

This 1973 order supplanted a decision by the Johnson administration, reported to Congress in 1968, limiting Iran to purchases of $600 million a year in American military equipment. It represented the first time that a large slice of the nation's most advanced conventional military technology was offered for sale to a foreign buyer (with the exception of occasional and limited offers to NATO allies). And, of course, it represented an entirely new stage in U.S.-Iranian relations. The decision was not communicated to Congress.

As a result of that decision, Iran is getting, among other things, the nation's most advanced attack helicopter, thousands of costly "smart" bombs and rockets, and the Navy's newest fighter, the Grumman F–14. Negotiations for Iranian purchase of the newest Air Force fighter, the costly F–15, are under way

and officials expect that a sale will be concluded. And the Shah has indicated a desire for other weapons still under development, such as the projected lightweight fighter. Indeed, it is not clear what limits have been imposed on the Shah shopping list.

"What," one senior official was asked, "if the Shah asked for the F-111 or the B-1, bomber," both long-range, offensive weapons.

"That would be a tough one," came the reply. "We would have to look at it very carefully."

Included in the purchase price for the new weapons is extensive training for Iranian users by U.S. military personnel. As a result, U.S. servicemen in Iran, exclusive of dependents, have more than tripled in the past year, to more than 1,100 men, mostly on temporary training duty.

The Shah is paying handsomely for all this. Iranian orders already exceed $5 billion—all cash—and are going higher. The price for 80 F-14s alone approaches $2 billion, or about $25 million a copy, including spares and training. This represents about a 40 per cent premium over the Navy's price.

Officials have indicated that the decision to sell to the Shah was hotly debated within the administration. The Shah already was the dominant power in the Persian Gulf, armed with F-4 Phantoms and other modern military equipment, and it was recognized that he has unresolved territorial claims in the area. (In February and March this year Iranian troops clashed with the armed forces of Iraq in a boundary quarrel.) On the other hand, some administration officials feared a Soviet move to dominate the oil-rich gulf.

The issue, it is said, was decided "at the highest level of government," meaning the President himself.

UNANSWERED QUESTIONS

Some pointed questions remain unanswered. What lay behind the decision to sell first-line technology? To what extent was this decision influenced by the Pentagon's own procurement troubles, exemplified by the 250 per cent jump in F-14 unit costs from 1969 to 1972, or by the political impact of declining employment in the U.S. aerospace industry?

Highly informed sources acknowledge that in the fall of 1971 the Pentagon's budget for fiscal 1972 and fiscal 1973 was increased in order to protect defense industry jobs and stretch out the impact of Vietnam disengagement. According to these sources, a boost in export sales was considered as one way of helping ease the impact on the defense industry of declining Pentagon orders.

How did the Shah learn of his opportunity to buy advanced U.S. weapons? According to formal policy, foreign governments initiate all requests to buy weapons, but the United States had never before offered such a range of weaponry for sale. What emboldened the Shah to ask? There were, as it develops, numerous opportunities in 1972 for intimate conversations between high ranking U.S. officials and the Shah.

Navy Secretary John Chaffee visited Tehran in January; Air Force Secretary Robert Seamans went in April. In May former President Nixon himself was in Tehran wtih Henry Kissinger. In July, then-roving ambassador John Connally was there. If they discussed arms sales—and it seems likely—who was the wooer and who the wooed?

What changed the administration's view of the Shah's ability to pay? The 1968 decision to limit sales to $600 million a year was based in part on an estimate of the Shah's financial capacity. The 1973 decision to sell a lot of costly new weapons came almost a year before the price of oil was raised.

To what extent were the economic and diplomatic risks of the decision given a serious appraisal? Former Defense Secretary Melvin R. Laird, who supported the decision at the time, has recently expressed equivocal feelings about the wisdom of an unrestrained arms supply policy in the Persian Gulf.

"While providing armaments to Third World countries may often be a positive short-term measure," Laird wrote this year in a foreword to a critical study entitled "Arms in the Persian Gulf" that "it must be accompanied by diplomatic activity so that massive military assistance and/or large weapons sales do not become a standard long-term policy."

The study was written by Dale R. Tahtinen, an associate of the American Enterprise Institute for Public Policy Research, which could be described as a conservative think-tank. Tahtinen, an expert on the arms balance in the Middle East is appalled by the Iranian supply decision.

He writes: "At this time, the military balance of power in the Persian Gulf leans heavily in Iran's favor, and the gap appears to be widening. This, however, does not decrease the likelihood of war. In fact, as the last two Arab-Israeli conflicts have demonstrated, the possession of highly sophisticated weapons by potential belligerents in explosive situations enhances the possibility that disagreements will be settled by fighting instead of diplomacy. Furthermore, with the advanced military hardware has come greater superpower involvement in the Gulf, and a concomitant increase in the danger of military confrontation between the United States and the Soviet Union" (which supplies Iran's rival, Iraq).

"This danger would reach a particularly high level if fighting were to erupt between the client states. Thus it seems imperative that the United States should review the pattern of its military policy in the Persian Gulf."

CONGRESS ALERTED

The Iranian decision was conceived and executed in secret. Its dimensions have become clear only in retrospect, and in piecemeal fashion. Congress, which was not consulted on the Iranian sales decision, only recently has begun to face its implications. The House Foreign Affairs Committee now is considering amendments to the Foreign Military Sales Act which could provide at least a modicum of restraint on future cash sale decisions. One, sponsored by Rep. Jonathan Bingham (D-N.Y.) would require the President to submit all sales of $25 million or more to a congressional veto; a similar amendment is being pressed in the Senate by Sen. Gaylord Nelson (D-Wis.). Such an amendment, if adopted, would close the loophole in the act through which cash sales can be made without consulting or notifying Congress.

But neither amendment attacks the root of the problem: a booming arms market, fed by rising raw materials revenues, and avidly courted by every arms manufacturer in the world. Unilateral gestures of restraint must be backed by international agreements among suppliers not to supply and among recipients not to buy.

There has been much repetitive talk about international restraint. The question of conventional arms limitation comes up annually at the Conference of the Committee on Disarmament, a 26-nation disarmament forum in Geneva acting under U.N. auspices. It has been an aspect of U.S.-Soviet discussions on the Middle East at least since 1967. But there has been no action in either case. Two international agreements with conventional arms control provisions—the Korean armistice agreements of 1953 and the Indochina ceasefire agreements of 1973—have been repeatedly breached.

Fresh approaches are required. One possibility is a serious attempt to achieve a NATO-wide agreement limiting competition to sell advanced military equipment. This would do much to alleviate the current rush to conclude advantageous deals with Arab states. But in the long run it will be necessary to include the Soviet Union and other Communist states in an agreement on conventional arms transfers.

"To me," said former Defense Secretary Laird in a recent interview in Forbes magazine, "the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the United States and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America and Africa."

[From the Hartford Courant, Sept. 22, 1974]

EXHIBIT 12

UNITED STATES IS KINGPIN OF GLOBAL ARMS SELLING BOOM

(By James McCartney)

WASHINGTON.—The mushrooming U.S. arms business with foreign countries—which soared to an all-time record of $12 billion this year—is virtually running wild.

There are few controls over the business, which has more than doubled in the last year and multiplied eight times over since 1970.

Under a screen of official secrecy, key decisions by the Nixon-Ford Administration to sell arms abroad on a vast scale have been made without consulting either Congress or the public.

No overall monitoring system for arms sales exists within the government.

The result is that U.S.-built arms are pouring into the world's high tension areas, particularly the Middle East, but also into Asia, Latin America and Africa.

More and more countries—a total of 51—are getting more and better armaments, made in the U.S. And they are using them—for all practical purposes, any way they want—without significant restrictions.

Thus the U.S. is often providing arms to both sides in quarrels and, in effect, profiting from war.

Sen. Thomas F. Eagleton, D-Mo., has charged that laws designed to control the use of American-built arms have been "ignored or openly abridged."

Sen. Gaylord Nelson, D-Wis., has complained that "there is at present no practicable statutory requirement for reporting arms deals to Congress."

Philip Farley, former head of the U.S. Arms Control and Disarmament Agency, an expert on conventional armaments, was asked recently whether the U.S. exercises any effective controls over the sale and distribution of arms abroad.

Said Farley, succinctly: "None."

Congress in the next few days will attempt to write some new restrictions on the use of U.S. equipment, when it considers this year's foreign assistance bill.

But there has been no broad-scale debate on the overall impact of the rapidly expanding U.S. arms business abroad, and none appears imminent.

The foreign arms program has been promoted by the Nixon-Ford administrations as a tool to create "stability" around the world and a way to maintain America's trade balance.

But in recent years it has fueled regional arms races. Some tension areas have burst into war.

In the Indo-Pakistani war of 1971 both sides were equipped with U.S. arms. The same thing happened on Cyprus between Turks and Greeks this year.

In the Persian Gulf, perhaps the most tension-ridden area of the world today, the U.S. is selling billions of dollars worth of arms to potential enemies in Iran and Saudi Arabia—with no firm controls over how the arms may be used.

These powder-keg situations have at-

tracted the deep concern of some conservatives who have traditionally supported almost any kind of military program.

The Senate Appropriations Committee, headed by Sen. John McClellan, D-Ark., has warned officially that it is "particularly concerned that long-term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict."

The committee specifically singled out recent arms sales in the Middle East, Greece and Turkey.

Also concerned is former Defense Secretary Melvin R. Laird, who presided over the beginnings of the new races in conventional arms.

Laird has said that as far as he is concerned "the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the U.S. and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America and Africa."

At the moment, this is an idle dream.

For although the U.S. has been engaged in extensive negotiations to try to control strategic arms, and to reduce military forces in Europe, there are no negotiations under way, or apparently contemplated, to control conventional arms.

Ironically, the Nixon-Ford Administration has argued that the public, and the world, should have no fear about government decisions to give nuclear materials and expertise to Egypt. Secretary of State Henry A. Kissinger has said that the U.S. has established "effective" controls to prevent misuse of the nuclear fuel.

But recent history suggests strongly that the U.S. has not been able to establish effective controls over the use of conventional military weapons distributed to other countries, which raises doubts about the effectiveness of the nuclear controls.

"Perhaps," says one arms control expert wryly, "we should learn to walk, before we try to run."

UNPRECEDENTED GROWTH

The U.S. military sales program has grown phenomenally in recent years—an unprecedented growth in U.S., or any other country's history.

According to Senate Foreign Relations Committee figures, cash and credit sales for 1974 will total about $8.6 billion.

That is more than double last year's $4 billion.

In 1970 the figure was less than $1 billion.

Pentagon officials suggested in interviews that the remarkable jump may be attributed largely to special situations in Israel, which needed material for war, and Iran, which has been permitted to purchase billions in a vast new program supported personally by former President Richard M. Nixon.

But an analysis for military sales between 1973 and 1974 shows that Israel and Iran were far from alone in increasing purchases of weapons from the U.S.

Argentina doubled its purchases; Brazil's were more than tripled.

Chile's quadrupled.

Purchases by Greece grew from $52 million to $434 million—a multiple of nine.

Jordan's purchases quadrupled and neighboring Kuwait's increased by 300 times. Saudi Arabia's grew from $60 million to $587 million, another multiple of nine.

Spain's tripled, Thailand's multiplied 10 times.

Not every country's military purchases increased, but that was clearly the trend, and the U.S. business has boomed as a result.

The degree of secrecy is best illustrated by the experience of Sen. Nelson who has fought for legislation to require the administration to tell Congress of any plans to permit the sale of more than $25 million to any one country.

Last June Nelson sought an estimate from the Pentagon of 1974 military sales and was given an estimate of $4.6 billion. By August the figure had risen to $8.5 billion, and he first learned of the growth as a result of a leak to a newspaper.

But a persistent and largely unanswered question is: Why have military sales grown so dramatically, and so widely?

According to careful congressional students of the programs, there is no question that the Pentagon in the Nixon-Ford administration has actively promoted the sales programs.

TACIT APPROVAL

And experts believe the sales have had the tacit approval of the State Department and the Treasury.

Most list several factors in the background, all relating to hard-sell activities by military contractors with close Pentagon and administration ties.

"The administration has been engaging in hard selling for economic purposes," says one. "Part of it was to take up some of the slack in military sales after the Vietnam war wound down.

"It involves jobs and unemployment. You could say that it is the military-industrial complex at work."

Another motivating factor has been the administration's desire to improve the so-called "balance of payments"—to try to cut down on overall U.S. trade deficits.

Says one official: "No one in Treasury is going to stand up and oppose military sales when they are the biggest thing we've got going to improve our balance of payments."

Almost any administration official who is asked will point out that both the French and the British are in the arms business. And the argument goes that if the U.S. didn't sell arms to those who want to buy, the French and British, or the Germans and the Russians will.

Economists say that both the French and the British arms industries depend on exports for their survival, and are strong competitors, particularly in the rich Middle East markets.

Oddly enough, former President Nixon and Kissinger have bragged often about negotiating a strategic arms control agreement with the Soviet Union in 1972.

But they have failed to get the British and the French, U.S. allies, to sit down and try to negotiate controls over the sale of conventional arms.

Thus today there are no effective controls over the mushrooming international arms business, in which the U.S. is the world leader.

Nor is the administration so much as talking about a need for them.

[From the Philadelphia Inquirer, Sept. 23, 1974]

ARMS SALES ABROAD SKIRT LAW'S CONTROL

(By James McCartney)

WASHINGTON.—On paper, and in theory, the U.S. government has a variety of ways to monitor and to control the use of billions of dollars in U.S. armaments sold or handed out around the world.

But, in fact, there is virtually no control, either sales or use of the arms.

A few months ago U.S.-built armored cars were used by Greeks in staging a coup on Cyprus.

Turkey then invaded the island, using fleets of U.S. planes and ships, U.S.-made uniforms, U.S. tanks.

The U.S. Foreign Assistance Act clearly declares that any country that uses U.S. equipment for purposes not intended by the act shall be "immediately" ineligible for further help.

And the act's purposes—clearly stated—are that arms should be used "solely for internal security" or "legitimate self defense."

But there was no move within the U.S. government to so much as study the question of who was obeying the law and who wasn't.

Secretary of State Henry Kissinger, more than a month after the Turkish invasion, said he couldn't foresee circumstances under which aid might be cut to Turkey, the major violator—and he acknowledged he hadn't looked into the legal requirements of the legislation.

POOR PROCEDURES

The situation is only one example of a lack of monitoring procedures within the government to control the use of U.S. military equipment distributed abroad.

A few years ago, this issue was not particularly important.

But today the U.S. has become the world's leading arms merchant, selling more than $8.6 billion in arms in the last year and giving away or lending another $3.4 billion.

The nation's leading arms salesman is Richard Violette, an energetic, affable man of 49, who makes his living as director of sales negotiations for the Pentagon's Defense Security Assistance Agency (DSAA).

In this job, Violette presided over the sale of about $7.5 billion in arms last year—far more than any other individual.

Violette, who says policy is made by the State Department not by him, views himself as simply a technician to see that arms are delivered.

He insists that no arms are sold unless the State Department approves.

That is the rule. But it's not what happens.

The agency at the State Department from which approval is supposed to come is the little-known Bureau of Politico-Military affairs.

PENTAGON MOVES

But an expert at State says that in reality, the Pentagon manages to get around the complicated regulations in about two-thirds of the cases—meaning that about $8 billion of the $12 billion in arms sold or given away is not effectively controlled by the Bureau.

"The other two thirds," he said, "we may not even know about at State. The Pentagon doesn't come over and ask us, 'Can we do this?' "

According to this expert, and to others who have studied the program carefully both from within and outside the administration, the Pentagon essentially runs the huge and growing U.S. arms sales program.

One former high official in the program, no longer with the government, says that the Pentagon receives "immense pressure" from suppliers of military materials to permit them to sell overseas.

"It is properly described as the military-industrial complex at work," says the former official. "All the pressures are to sell, sell, sell. And there aren't many restraints." Theoretically, the Politico-Military Affairs Bureau is to implement policy, and if there is any one group that can be assigned responsibility for setting policy in overseeing the burgeoning military sales program abroad, it would be the Security Assistance Program Review Committee (SAPRC).

This is an inter-agency committee currently headed by Carlyle E. Maw, former State Department legal adviser, who now is Under Secretary of State for Security Assistance.

The committee, which has representation from the Pentagon, the CIA and other major government agencies, makes an annual review of military sales programs.

The committee meets in secret and makes no public report, thus there is no way for an outsider to know whether it has ever

sought to establish ground rules or to slow down booming sales.

Insiders report, however, that the committee made no general policy review to approve the recent dramatic expansion of arms sales.

Nor did the SAPRC group specially approve the largest single armaments program fueling the current splurge in spending—a multibillion program in modern armaments for Iran.

PERSONAL FETISH?

Officials throughout the government say that the Iranian program, which could add up to more than $10 billion before it's over, was, for all practical purposes, a personal fetish of former President Nixon.

"The word came down a few years ago that Nixon didn't want any niggling complaints from the bureaucracy about anything that the Shah of Iran asked for," says one official, "and it's been that way ever since."

The probable reason for so little control over the huge sale of arms overseas is the feeling in the responsible agencies that the White House, Secretary Kissinger and the National Security Council want the arms sold because that helps the economy.

GRANTS LICENSES

One other government agency with functions related to monitoring arms sales is the Office of Munitions Control in the State Department, whose acting director is William Robinson, a retired colonel, formerly at the Pentagon.

The office grants licenses to private commercial operators who want to sell munitions abroad. But this kind of business accounts for a very small portion of the U.S. arms trade—about $360 million. Most of the business is handled in the Pentagon, on a government-to-government, rather than a private basis.

Sen. Frank Church (D., Idaho), a member of the Foreign Relations Committee and a long-time critic of foreign military aid programs, says flatly that "there are no controls" of the disbursement of U.S. arms.

"We pretend that we have agreements with governments that receive material . . . but again and again equipment has been misused and nothing was done about it."

Church scoffs at the idea that the State Department exercises any meaningful control at all.

"In all my years on the Foreign Relations Committee I have never known the State Department to take issue with the Pentagon on an arms program," he says.

"Guidelines and criteria aren't going to work in controlling the distribution of armaments," he says. "The only approach I can see that will work is to cut back drastically on arms programs—just cut them out."

Church believes U.S. arms are contributing to instability, rather than stability, in many parts of the world, and he fears that someday the flow of arms from the U.S. into the Persian Gulf area will be regarded as the prelude to disaster. Other senators also are trying to find ways to establish controls.

NELSON'S FIGHT

Sen. Gaylord Nelson (D., Wis.) has been waging a lonely fight to require the administration to report to Congress on any sale of arms to a single country of $25 million or more, or over $50 million in one year.

"As it stands now," says Nelson, "the executive branch of the government simply presents Congress and the public with accomplished facts."

"Sen. Thomas Eagleton (D., Mo.) has been campaigning for enforcement of the foreign assistance act—meaning in this instance cutting out military aid to Turkey for using U.S. weapons on Cyprus.

"We have just emerged from a trying period of American history," says Eagleton, "a period when laws were winked at and rationalized to fit the concepts of policymakers."

Citing an Aug. 19 statement by Secretary of State Kissinger that it would not be in the "U.S. interest" to terminate aid to Turkey, Eagleton said "it is always in the interests of the U.S. to assure that our laws are faithfully executed."

SMALL EFFORTS

These are small efforts, however, in a very large and complex field.

A basic problem is that, overall, the U.S. does not accept responsibility for the use of billions in arms it is producing and sending around the world.

Said one lawyer at the Pentagon who has helped to handle military sales: "What we are doing is pure insanity, and no one seems to care."

AMENDMENT NO. 1930

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

Mr. CHURCH. Mr. President, the extensive hearings of the Subcommittee on Multinational Corporations, which I chair, have focused public attention on the political hijacking of petroleum prices by the members of the Organization of Petroleum Exporting Countries. These countries, operating as a well-organized cartel, have shoved the prices of petroleum up fivefold in the space of a year and a half.

According to Mr. Walter Levy, a prominent petroleum analyst:

Even if import volumes in 1974 were no higher than in 1972, U.S. import costs (exclusive of transportation and related charges) would increase from just under $5 billion in 1972 to more than $20 billion in 1974; in Western Europe, from about $11 billion to more than $50 billion; in Japan, from under $4 billion to more than $16-billion. Oil import costs of developing countries would increase in about the same proportion. For example, India's f.o.b. import costs would rise from about $200 million in 1972 to about $1 billion in 1974.

The long run consequences of these actions to the U.S. economy and the economy of the West are beyond calculation. Inflation caused directly by the oil price increase is rampant throughout the industrial countries of the West. Inflationary pressures are further exacerbated by the printing of money to pay for imported oil, the only option left to many governments. The banking systems of the free world stand in great jeopardy because of their inability to digest the enormous flows of funds which have been set in motion. Unless there is an immediate and drastic change in this situation, we may very well face a worldwide depression.

As President Ford has said:

Sovereign nations cannot allow their policies to be dictated, or their fate decided by artificial rigging and distortion of world commodity markets.

Mr. President, when a man throws rocks at the windows of your house, you do not go out the front door and pass him more rocks to throw at you. Yet that is precisely what the pending Foreign Assistance Act of 1974 does. That act includes direct economic and military assistance and credit sales assistance to members of the Organization of Petroleum Exporting Countries in an amount in excess of $270 million. Included on the list of recipients are Indonesia, Venezuela, Iran, and Algeria. All three countries have been leaders in the effort to push prices up.

It is ridiculous that American taxpayers should pay outrageous prices for oil, watch their wealth being swiftly transferred to the hands of OPEC nations, and at the same time be asked to give those nations additional millions in "aid."

The time has come for American foreign policy to adjust to the new reality which is that the OPEC countries have decided to help themselves to most of the wealth of the West. It is inane for us to continue to give them money after they have made such a decision and successfully implemented it.

I, therefore, submit an amendment which would bar all further U.S. aid to those members of the Organization of Petroleum Exporting Countries, which are not cooperating with the worldwide effort to lower oil prices. This amendment would apply not only to the direct bilateral foreign assistance in those categories specified in the amendment, but also to loans made to these countries by the World Bank, the Inter-American Development Bank, and the Asian Bank. Under the terms of the amendment, the U.S. executive director of each Bank would be instructed to vote against any loan or other utilization of the funds of the bank to any OPEC country, unless the President has certified to the Congress, in writing, that such country is making a good faith effort to lower the world market price of petroleum.

In this connection, Mr. President, I ask unanimous consent that several tables, showing the amount that has been loaned to OPEC countries in recent years by each of these Banks, be printed in the RECORD, together with a table setting out the amount of new aid that would be given in fiscal year 1975 to the OPEC countries by the United States under our various bilateral assistance programs, should this amendment not be adopted.

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

Asian Development Bank approved loans to Indonesia 1968–73

($ Millions)

Indonesia	$110.86
1973	(41.22)

INTER-AMERICAN DEVELOPMENT BANK APPROVED LOAN TO ECUADOR AND VENEZUELA, 1971–73

[In thousands of dollars]

	1971	1972	1973	Totals
Ecuador	30,300	39,700	55,700	125,700
Venezuela	71,001	18,900	43,100	133,001
Total	101,301	58,600	98,800	258,701

Approved World Bank and IDA credits 197[illegible]–74 to OPEC countries

[In millions of dollars]

Gabon	$9.5
Algeria	182.0
Iran	414.5
Iraq	80.0
Nigeria	129.0
Indonesia	192.9
Ecuador	43.2
Venezuela	22.0
Total	1,073.1

Total bilateral economic and military assistance and credit sales to OPEC countries proposed for fiscal year 1975

[In thousands of dollars]

Algeria	$1,409
Gabon	530
Nigeria	6,133
Indonesia	221,369
Iran	1,569
Saudi Arabia	220
Ecuador	19,976
Venezuela	19,557
Total	270,763

Mr. CHURCH. Finally, Mr. President, I ask unanimous consent that the text of the amendment may appear in the RECORD following the publication of the tables.

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

AMENDMENT NO. 1930

On page 55, line 17, insert the following:

SEC. 3. Prohibitions Against Furnishing Assistance to Certain Oil Producing Exporting Countries.

(a) Section 620 of the Foreign Assistance Act of 1973 is amended by adding the following new subsection. (x.)

No assistance should be furnished under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954 or the Foreign Military Sales Act, to the following member countries of the Organization of Petroleum Exporting Countries (OPEC): Abu Dhabi, Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and Venezuela.

This restriction may be suspended with respect to any enumerated country when the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

(b) The Inter-American Development Bank Act is amended by adding the following new section (23).

The Secretary of the Treasury shall instruct the United States Executive Director of the Bank to vote aganst any loan or other utilization of the funds of the Bank for the benefit of any country enumerated in Section 620 (x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified the Congress in writing that such country is making good faith effort to lower the world market price of petroleum.

(c) The Asian Development Bank Act is amended by adding the following new section (20).

The Secretary of the Treasury shall instruct the United States Executive Director of the Asian Development Bank to vote against any loan or other utilization of the funds of the Bank for the benefit of any country enumerated in Section 620 (x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

(d) The International Development Association Act is amended by adding the following new section (14).

The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to vote against any loan or other utilization of the funds of the Bank and the Association for the benefit of any country enumerated in Section 620(x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

EMERGENCY MARINE FISHERIES PROTECTION ACT—S. 1988

AMENDMENT NO. 1931

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

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (S. 1988) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENTS NOS. 1869 AND 1870

At the request of Mr. ABOUREZK, the Senator from California (Mr. TUNNEY) was added as a cosponsor of amendments Nos. 1869 and 1870, intended to be proposed to the bill (S. 3394), the Foreign Assistance Act of 1974.

NOTICE OF HEARING

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry will hold a hearing Thursday, October 3, on S. 2728 and H.R. 11273, providing for the control of noxious weeds. The hearing will begin at 10 a.m. in room 324, Russell Office Building. Anyone wishing to testify should contact the committee clerk as soon as possible.

ADDITIONAL STATEMENTS

NELSON ROCKEFELLER SUPPORTED FOR VICE PRESIDENCY

Mr. RANDOLPH. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I delivered this morning before the Committee on Rules and Administration on the nomination of Nelson Rockefeller.

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

NELSON ROCKEFELLER SUPPORTED FOR VICE PRESIDENCY

Mr. Chairman, it is a privilege to counsel with the Members of the Rules Committee on the nomination of Nelson Rockefeller.

The selection of our nation's highest officers is a paramount challenge. In carrying out this duty there is one attribute of the nominee that must take precedence over all others: his qualifications to be President of the United States, should the need arise. I believe that Nelson Rockefeller meets this criterion.

I have known and worked with him for many years. Our personal and official association began in the early 1940's when Nelson Rockefeller, at President Roosevelt's request, established and headed the Office of the Coordinator of Inter-American Affairs. It continued while he was Assistant Secretary of State for Latin American Affairs.

His vigor, intelligence, and integrity are genuine. His career of dedicated public service has been varied and constructive. He has served at Federal and State levels. He has been involved with complex international affairs. For 15 years he administered the government of the people of New York State.

For the past 16 months, Governor Rockefeller has been Chairman of the National Commission on Water Quality. This body was established by the Federal Water Pollution Control Act Amendments of 1972. Its mandate is to review and assess our efforts in water pollution control and to recommend essential modifications to make the program more responsive to meeting our national goals. All of you understand the economic and health consequences of this work. I am a member of the Commission, and under Nelson Rockefeller's leadership it has moved forward energetically to provide the information and guidance required to fulfill our long-range commitment to clean water. Mr. Rockefeller's close personal involvement in this work is indicative of his dedication to realistic environmental improvement. As Chairman during its formative period he has given the Commission the momentum to execute its responsibilities.

Another area in which we have been working together is transportation. As Governor he addressed his efforts to the growing requirements for transportation in an urban society. His leadership has enabled New York to move forward in the difficult area of improving the mobility of people.

While he is an accomplished practitioner of the art of politics, Nelson Rockefeller has sought individuals for appointment to public positions on the basis of their ability regardless of party affiliation. In the decision-making process, he is ready to listen to advisers. I believe that Governor Rockefeller as Vice President would help President Ford in his efforts to attract able people to serve the governorment in these troubled times. His experience as an administrator is the ideal complement to the President's legislative background.

Nelson Rockefeller is a creative, resourceful and imaginative man. He has had many years of concerned experience in public affairs but his interests and his talents are not restricted.

But above all, I believe it is his compassion and the ability to translate concern into positive programs for action, that make Nelson Rockefeller uniquely qualified to be Vice President of the United States.

PEER GROUP REVIEW, AN EDUCATIONAL EXPERIENCE

Mr. BENNETT. Mr. President, I ask that a recent article which appeared in the Ohio State Medical Journal be printed in the RECORD as it has, I think, some relevance to the debate now going on in medical circles over the concept of professional standards review organizations.

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

PEER GROUP REVIEW, AN EDUCATIONAL EXPERIENCE

(By James K. Skipper, Ph.D.; Jack L. Mulligan, M.D.; Mohan L. Garg, ScD.; and Michael J. McNamara, M.D.)

Peer group review is one of the most important issues being debated in American medicine today. Welch has stated that the establishment of Professional Service Review Organizations (PSRO's) may make greater changes in the practice of medicine than any other piece of legislation in American history.[1] While this law is shrouded in controversy, many medical societies including the

Footnotes at end of article.

American Medical Association[2] and the Ohio State Medical Association[3] as well as many individual physicians have labeled it a "poor law" and called for its repeal. The American Association of Physicians and Surgeons maintains that PSRO's violate the First, Fifth, Seventh, and Ninth Amendments to the Constitution by destroying the privacy and confidentiality of the physician-patient relationship.[4] It has been said that it threatens the autonomy of the profession[5] and is degrading to physicians. Opponents maintain that it would be difficult to administer, would raise the cost of medical care, would create a massive bureaucracy, and would be susceptible to political manipulation.[6] Arguments have been presented that this law would cause either an over- or an under-utilization of services[7] and would take valuable physician time for direct patient care.[8] Finally, some believe that the PSRO legislation would stifle innovative behavior in medicine because physicians would strive to keep their practice within existing norms.[1]

Despite the widespread criticism of PSRO, few physicians oppose peer group review in principle. In fact, the medical profession has been engaged in such activities for some time. The opposition to PSRO appears to be based on the Federal Government's involvement, the punitive features of the law, and the assumed motivation behind its passage; namely, the reduction of spiraling costs of medical care rather than the improvement of its quality.

Nevertheless, one of the initial functions of the PSRO legislation has been to alert the medical profession to the presumed need for greater emphasis on the peer group review process. The suggestion has been made that the best way to live with the present law, is to work within existing systems as much as possible, especially in surveilling the quality of care in institutions.[8] Schless has further suggested that peer group review, which focuses on quality of care rather than just cost, may offer an educational challenge to physicians and be a valuable experience in continuing education. He writes:

"The educational chart audit in the community hospital almost ideally satisfies the requirements of this type of quality control. The process of setting pattern criteria and developing a data display of actual performance is in itself a valuable educational experience requiring specific responses of an educational nature in order to correct shortcomings and narrow the gap between the optimal model and actual performance."[9]

Despite the importance of and current controversy over the establishment of PSRO's, most undergraduate medical students at the Medical College of Ohio at Toledo had very little knowledge of this legislation. They were unaware of its implications for the quality of medical care, the cost, and the utilization of health services. They had not considered how this legislation was related to peer group review and record auditing. The few students who were familiar with the law were as suspicious of its ramifications as practicing physicians and for about the same reasons as described above.

Based on the assumptions that peer group review could be made a valuable learning experience and that medical audits might be a useful methodology for developing and improving diagnosis and treatment criteria, the study of PSRO and related materials was incorporated in the curriculum during a phase of the one-month clerkship in Community and Family Medicine at the Medical College of Ohio at Toledo. The students were provided with a reading list and seminars were conducted with faculty members in which PSRO's peer group review and medical audits were discussed from both theoretic and pragmatic viewpoints. Also, some students actually engaged in medical auditing as their Community Medicine project.

The points of departure for the audit projects were based primarily on the works of Brook and Appel[10] and Kessner, et al.[11] Brooks and Appel define five different methods of peer group review for evaluating quality of care. They are in terms of process (what a physician does on behalf of patient) and outcome (the results of the care given to a patient). Three of the methods are called implicit; that is, they are based on expert judgments or evaluations of: (1) process, (2) outcome, and (3) process and outcome. Two methods are called explicit. Criteria for (4) process, and (5) outcome are set in advance of evaluation by experts. In their study, Brooks and Appel reviewed the care of 296 patients with urinary tract infections, hypertension, or ulcerated gastric or duodenal lesions by all five methods. They discovered that: "Depending on the method, from 1.4 to 63.2 percent of patients were judged to have received adequate care. Judgments of process using explicit criteria yielded the fewest acceptable cases (1.4 percent)."[10]

Kessner, et al, using an explicit measure of process (the method Brooks and Appel found to most discriminate), developed what they term the tracer method of evaluating ambulatory care. The assumption of the tracer method is that:

". . . . how a physician or team of physicians routinely administers care for common ailments will be an indicator of the general quality of care and the efficacy of the system delivering that care."[11]

They suggest a set of six tracers to evaluate ambulatory care received by a cross-section of a population—middle ear infection and hearing loss, visual disorders, iron deficiency anemia, hypertension, urinary tract infections, and cervical cancer. As an illustration, they provide a minimal care plan for hypertension.

For four months, students were assigned half-time either to physicians in family practice in the community or to the associated hospitals' ambulatory clinics. The students' projects consisted of evaluating the care of patients by applying Kessner's minimal care for hypertension to what was recorded in physician's chart.

In the initial stages of study, the students had negative attitudes toward the PSRO legislation. During the seminars, they expressed the belief that audits would be costly and increase physicians' administrative time. They did not look forward to spending time conducting an audit themselves and were less than enthusiastic about what educational value it might have. While working on the projects, however, the students came to certain conclusions which affected their attitudes toward peer group review and resulted in changes in their professional behavior.

When the students compared the hypertensive minimal care plan standard, which itemizes content of history, physical, diagnostic studies, and treatment options with the content of patient charts, they discovered first, that the patient charts were generally inadequate. Full personal and social histories were omitted. Many times blood pressure was not recorded even in the case of consecutive visits of the same patients. In other cases, there was no mention of hypertension on the charts even though patient's diastolic blood pressure was consistently high. Second, the students found that patients in a clinic setting often have more than the one illness (hypertension). With the multiproblem patient they were hampered in trying to audit hypertension independently of other diseases due to the fact that test orders were listed on the charts without any correlation of test to problem. For example, there was no way to differentiate serum lipids when the patient had hypertension, diabetes, and arteriosclerotic heart disease. Finally, the students' audit revealed that the cost to the patient of various diagnostic tests and drugs prescribed for the treatment of hypertension was not taken into account. No positive correlation was found between the cost to the patient and the length of time until the patient's hypertension was brought under control.

The students' findings are interesting and may have some implications for the future development of technics and strategies for peer group review. How well these findings may have already been assimilated by the medical community is speculative. The significance of the students' work with peer group review, however, lies not with their research findings themselves but what was learned in the process of completing the audit and the effects it had on attitudes and behavior.

The students became aware of the importance of PSRO's in terms of their possible effects on the medical profession. They became more open minded about the legislation and were able to discuss rationally its pros and cons. One student, who was vehemently opposed to peer group review at the beginning of the clerkship, remarked shortly before the month was over: "I am still opposed to government interference in medicine, but I have to admit auditing practice is not all bad." Through the use of the audit project, the students learned something about the state of the art of evaluating the quality of medical care, the strengths and limitations of medical auditing, and the value of well-recorded, problem oriented records. Several students remarked that although they had been informed about problem-oriented records, it was only after the audit experience that they really were able to assess their importance.

Perhaps the most important behavioral change came in the area of record keeping. As the students progressed through their project and viewed the untidy and incomplete records kept on patient charts, their own record keeping on patients became more thorough and complete. In a student's own words:

"When I first reviewed patients' charts with an audit on my mind, I was shocked at how sloppy they were kept. It was hard to make anything out of them. Then I looked at my own notes and found they were in no better order. I decided right then that I was going to do all I could to make mine as readable and complete as possible, even if it meant I had to type them myself."

There is little doubt in our minds that the peer group review experience was educational and very meaningful to the students. We firmly believe that they are now more ready to devote time in the future to the whole spectrum of medical care evaluation, including their own practice. We speculate that the students' experience might be duplicated with practicing physicians. If physicians could become less resentful of government's initiative in establishing PSRO's and think less about the so-called punitive features of the law, and more about the opportunities for continuing education inherent in it, and the possibilities of making improvements in the delivery of health care, the results might be as positive as we found with undergraduate medical students. Granted, the students were in a situation supposedly structured so that learning may take place and changes in attitude and behavior occur. That is part of the socialization process expected in any professional school. We suggest, however, that it is not impossible for physicians at least part of the time to look upon medical practice as a learning situation. Is this not what the concept of continuing education is all about? It would seem that in this day and age in which society is placing greater and greater pressure on all professional groups to document their competence to practice and also to keep their skills cur-

Footnotes at end of article.

rent, it would behoove physicians to be leaders in evaluating the quality of their own services. To the extent to which PSRO legislation urges and/or demands action toward such ends, we highly recommend that physicians take advantage of its opportunities for educational advancement.

FOOTNOTES

[1] Welch C: Professional standards review organizations—problems and prospects. *N. Engl J Med* 289:291–295, 1973.

[2] Wording of new AMA policy on PSRO, *Am Med News*, Dec 10, 1973, p. 14.

[3] Ohio State Medical Assn: *OSMAGRAM*, Jan 18, 1974, p. 1.

[4] Heard JP: Should M.D.'s work for repeal of PSRO? *Am Med News*, Oct 27, 1973, p. 10.

[5] AAPS pledges continued campaign against PSRO, socialized medicine. *Am Med News*, Oct 22, 1973, p. 18.

[6] Somers AR: PSRO: friend or foe? *N Engl J Med* 289:321–322, 1973.

[7] Williamson J: Evaluating the quality of medical care. *N Engl J Med* 288:1352–1353, 1973.

[8] A reaction to AMA's PSRO stand. *Am Med News*, Dec 17, 1973, p. 4.

[9] Schless J: Peer review as an educational challenge. *JAMA* 1060, 1972.

[10] Brook R, Appel F: Quality-of-care assessment: choosing a method for peer group review. *N. Engl J Med* 288:1323–1329, 1973.

[11] Kessner D, Kalk C, Singer J: Assessing health quality—the case for tracers. *N Engl J Med* 288:189–194, 1973.

Mr. BENNETT. Mr. President, the authors are all members of the Department of Community and Family Medicine at the Medical College of Ohio at Toledo. They relate the experience of undergraduate medical students in carrying out a program of peer review modeled after that legislated in the PSRO amendment which I proposed.

Students who participated in the medical review program displayed a marked change of attitude, becoming more open-minded toward PSRO legislation. Their experience, the article says, might be duplicated with practicing physicians.

They point out that if physicians would display less concern with the Government's initiative in establishing the law, and more for the opportunities it affords for continuing education, the possibilities for improving our health care delivery system would be positively enhanced.

DAN JASPAN

Mr. McGEE. Mr. President, since April of 1956, up until a few short days ago, the National Association of Postal Supervisors has been represented in Washington, and especially here on the Hill, by a genuine and warm individual who ably represented the members of NAPS in all respects. I refer to Dan Jaspan, who has stepped aside after more than 18 years in the position of legislative representative and administrative vice president of the Postal Supervisors organization. Dan also has taken retirement from the U.S. Postal Service.

Back when he moved from Philadelphia to Washington to assume his duties for NAPS, Dan Jaspan wrote in the Postal Supervisor that it would be his policy to call things as they were. He said:

I feel that the supervisors are mature enough to face issues squarely and I don't think that you will want to hear only optimistic reports.

For more than 18 years, Dan did indeed call things as they were. He was of immense help to the Congress in aiding members to understand the problems of the people he represented. And those people benefited immensely from Dan's endeavors. Much credit is due to him, and as chairman of the Committee on Post Office and Civil Service, I want to salute Dan Jaspan on his retirement, both from his post with NAPS and from the Philadelphia Post Office. He and his wife, Belle, plan to remain in the Washington area and, I understand, undertake some well deserved travel and relaxation.

CHANGE OF ANNOUNCEMENT ON CALL OF THE ROLL

Mr. GRIFFIN. Mr. President, due to a printing error, Senators BELLMON, GOLDWATER and MATHIAS were incorrectly listed in yesterday's RECORD as absent on official business on quorum No. 420.

I ask unanimous consent that the permanent RECORD be changed to indicate that they were necessarily absent instead of absent on official business.

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

THE FRANCHISE GAME—IV

Mr. HARTKE. Mr. President, in the fourth in its series of articles on franchise swindles, the Chicago Tribune quotes Arthur Bailey, executive board member of the American Trial Lawyers Association, on the franchise problem:

The franchise concept has become so successful that many people cash in on the bonanza by selling completely phony nonexistent franchises. The company they claim to be from is a shell, and they walk away.

For the public to regain its confidence in franchises, the Congress needs to develop legislation that will regulate this new industry. As a first step, we should conduct hearings into the matter, using as a springboard my legislative proposal, S. 2467, which would require complete financial disclosure to prospective buyers.

I ask unanimous consent, Mr. President, to print the previously quoted article in the RECORD.

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

FRANCHISERS GET RICH ON FAILURES

When James Sanford, 24, and his 23-year-old wife Sherry paid $2,000 for five vending machines and 500 packets of cookies and candies, they thought they were buying a part of a large, diversified corporation.

The title implied it; the promotion stated it flatly.

Among other things, the Schaumburg couple were impressed by the "History of Vending" booklet that traced vending back to 50 B.C. And they liked the personal message from the president of Monroe Industries, Inc., and the picture of the president with his wife and two children.

But they didn't like the machines. "All five machines were completely inoperable," Sanford said.

Like thousands of other Americans each year, the Sanfords had crossed paths with the clever breed of men who promise a lot, deliver little, and are almost never prosecuted for their misdeeds.

Using the term franchising in its broadest sense, these are the men at the bottom of the heap. Or as Arthur Bailey, executive board member of the American Trial Lawyers Association and franchise law expert, puts it:

"The franchise concept has become so successful that many people cash in on the bonanza by selling completely phony nonexistent franchises. The company they claim to be from is a shell, and they walk away."

And thousands of Americans are left holding the bag, duped by an avalanche of salesmanship designed to hide the company's facile ability to slip into bankruptcy overnight.

"They'll always tell you, 'Look, I may be a bad businessman, but I'm no crook,'" said Margaret Kemp, assistant district attorney in San Mateo County, Cal. "And they'll say it with a straight face."

The truth is they thrive on convincing the prospective customer that their fly-by-night venture is as stable as the companies that have become household words.

Thus, while Budget Rent-A-Car will promise and deliver a nationwide reservation system, the flimsy vending company will lean on its phony affiliation with a brand name like Nabisco or Planters Peanuts, claiming the benefits of national advertising

When budget is helping its franchisee locate near airports, the vending company's "expert locater" will talk the owner of an out-of-the-way service station into letting the machine stand on his premises for a week or two.

But it never got even that far with the Sanfords. No one ever came to locate their machines at all. Their faith was rekindled a little when a repairman came to look at the machines, but it died quickly.

"He couldn't get the machines working," Sanford said. "They looked like they had been used or junked in the past."

Variations on their story were repeated thruout the country hundreds of times before Monroe Industries died in a bankruptcy court in Louisiana. Officials estimate that in the seven months before the bankruptcy, $1.3 million was poured into the company by 400 investors.

"I have been able to find only one of the 140 people I represent"—said Charles Smith, an attorney who filed a civil suit against the company—"who can assert that he actually got one of his machines to work."

Unofficially, Louisiana prosecutors thought they had the operation figured out.

On the surface, the scheme looks like it was a well-intended business venture that went sour," said a prosecutor who refused to be identified. "When you get close to the facts, you begin to wonder if it wasn't planned that way, to make it look like an honest attempt went awry, when in fact it was a calculated fraud from the beginning."

But fraud is a crime, and the hard fact is that these clever men seldom face criminal charges. Tho mail fraud is the most common tool used against the franchise con men, postal inspectors can point to only 80 indictments and 38 convictions thruout the nation in the last three years.

These figures are based on 392 investigations that ended in 161 franchising and distributorship schemes going out of business or declaring bankruptcy.

Lawyers quicky point out that "intent" is the legal key to proving fraud, and many of these men are adept enough or lucky enough to deliver just enough of their promises to prove, from a legal standpoint, that they were trying to do the right thing.

But sometimes they slip up.

A Des Plaines-based corporation apparently didn't keep enough of its promises, and postal inspectors swooped down on their nationwide operation.

The federal agents were able to indict four officers of the company, which sometimes

called itself the House of Colognes and sometimes the Thomas Company.

Two of the officers eventually were sent to prison, and two others remain on probation.

But by the time the indictments came—in Minnesota in April, 1973—the company had left a string of victims across the country. In 19 months, according to the postal inspectors' estimate, the company made $614,000.

At least one franchise sale even came after the indictment—one day after. Mrs. Jean Livingston of McKeesport, Pa., remembers it well.

She paid $2,500 for a shot at that dream, a chance to distribute the "variety" of perfumes and colognes the company had put in small bottles for display racks. But before she invested, she called the company's bank and the Des Plaines Chamber of Commerce.

"Everyone, to a man, had nothing but praise for the company," she said. "They couldn't tell me enough about the way it had grown so rapidly."

Tho she thought she had joined a large corporation, she actually had become involved in a scheme to rebottle name-brand perfumes. While the Thomas Company continued to sell distributorships, its source was cut off in Florida when the name perfume companies filed suit.

Meanwhile, the company salesmen used an astonishing array of tools to convince everyone that the firm was flying high.

"He [a salesman] told me that the stuff was selling so fast they were letting retarded children peddle it in a one-block commercial district in Florida, and they were making a bundle," said Robert Spaete of Maquoketa, Iowa, recalling what prompted him to invest $5,000.

Later the investors learned that the long list of references the salesmen handed out often listed themselves—an act that led to one count of the indictment. They also listed the names of references with business ties to the firm.

Herschell Lewis, for example, was prominent on the list. And Lewis, himself a veteran of several questionable franchise schemes, was handling the company's advertising from his Wrigley Building offices.

The Thomas Company is typical of the shaky firms that draw their victims from all over the country. Seldom do they stack up too many buyers in one area and risk the heat of law enforcement.

There were 145 persons in the Chicago area, however, who can talk about an exception—Consolidated Chemical Company of Houston. That company's representative breezed thru Chicagoland between March and July, 1972, recruited the 145 for vending-route deals, and took out half a million dollars in sales.

Then the company declared bankruptcy. But by the time a tax lien was enforced against the company, there were no assets left.

Only last month did the Federal Trade Commission get around to signing a consent order in which the defunct firm and its former officers are prohibited from using deceptive practices in franchise sales.

The order was two years too late for Tom Matz, 28, who has 20 vending-machine cases of dried coffee, soup, and tea stacked in his garage to show for his $3,316.80 investment.

Matz first read about the company in a newspaper ad and then agreed to talk to the company's salesman one evening.

"I wanted my son to think it over, but the salesman said he would have to leave and couldn't come back again to make the offer," said Mrs. Veronica Matz, 59. "I said the bank was closed, but he [the salesman] knew it was open on Friday nights."

Matz gave in and went to the bank for the money. Then he waited in vain for the "locater" to come and help him find the right places for his vending machines.

No locater ever came, and the machines never left his garage.

Now Matz and his mother make the best they can out of a bad investment—occasionally they have the coffee and soup with their meals.

The bankruptcy all but removed any hopes of getting back their money.

At the very least a declaration of bankruptcy ties the company's tangled affairs into a neat bundle that prosecutors and creditors can inspect. Some companies prefer to avoid even that and just disappear.

The M. Gordon Companies, tho headquartered in suburban Northlake, almost always dealt with people from out of town. K. Walker Lindsay of Harbert, Mich., bought a $3,000 distributorship for their line of security products.

"They had a tremendous sales talk about their research and how well they were set up in other places," he said. "It looked good."

Lindsay, a 52-year-old retired Air Force lieutenant colonel, thought the company had a huge warehouse full of material in Chicago because they assured him that was true. When his first supplies were late, he surprised them by coming to Chicago to find out why.

"I had a heck of a time finding the place," he remembered. "I finally found to my chagrin that it was the back end of a warehouse. They had leased strictly warehouse space.

"It looked like the set of an Al Capone movie."

IS REVENUE SHARING IN TROUBLE?—YES, NO, AND MAYBE

Mr. BROCK. Mr. President, there appears to be a question arising regarding revenue sharing. Is it in trouble? According to articles by three very distinguished gentlemen who should know, the answer is—"yes," "no," and "maybe." The gentlemen representing the various views are David S. Broder, Charls E. Walker, and EDMUND S. MUSKIE, representing the "yes," "no," and "maybe" views respectively. In my opinion revenue sharing, more accurately the State and Local Fiscal Assistance Act of 1972, is one of the most important pieces of legislation that Congress has ever passed. Revenue sharing is supported virtually 100 percent by those concerned—the State and local officials—and any suggestion that the program might be in trouble should be carefully examined. I would like to have these three articles reprinted in the RECORD, but before that, considering the importance of the program and the importance of the three authors, I would like to make a few comments on each.

David Broder opened the debate in an article of May 29, 1974, entitled "The Future of Revenue Sharing." Citing a recent poll of Representatives, he came to the conclusion that "yes," revenue sharing was in trouble. He felt that when the act came up for renewal in the next, 94th Congress, that the Democrats might make a major push to terminate general revenue sharing, or to tie it more tightly to Federal priority programs. In a "Taking Exception" article by Charls Walker entitled "Permanent Revenue Sharing," he dismissed this conclusion because he reminded us that "the first point to understand is that Congress did 'not' pass revenue sharing because it wanted to." In other words, whether you have a Democratic controlled Congress or not, Congress will be forced into renewing the program. Mr. Walker thus concluded that "no," revenue sharing was not in trouble.

Then, just recently, my distinguished colleague from Maine, Senator ED MUSKIE, wrote an article on "Saving Revenue Sharing" with the tone that "maybe" revenue sharing was in trouble, because:

> Despite its long-standing promise that general revenue sharing would be new money, the Administration some time ago launched an all out attack on the budgets of numerous Federal social programs.

The obvious question arises, "Who is right?" And, the answer is, of course, they all are to a certain extent. First, we should realize that they are all very knowledgeable about the program. David Broder is one of America's foremost journalists, and has a longstanding interest in revenue sharing and the concept of the New Federalism. Charls Walker is an ex-Deputy Secretary of the Treasury, and was given the task in the spring of 1969 to start developing the program that eventually became revenue sharing. And, Senator MUSKIE is chairman of the Intergovernmental Relations Subcommittee, which has oversight authority of revenue sharing. All three are more than just casual observers of the scene, and thus their views are important. Returning to the more substantive response to who is right, I think that Dave Broder is too pessimistic, Charls Walker too optimistic, and Senator MUSKIE close to why revenue sharing is in trouble, while yet showing why it should not be in trouble.

I think that Charls Walker's point that Congress was forced to enact revenue sharing because the people wanted it is valid. Thus, revenue sharing will not be terminated as Dave Broder suggests. However, the latter's other point, that it might be tied more "tightly to Federal priority programs," is, in my opinion, very valid, and Charls Walker's optimism does not properly respond to this point. Why there might be "tighter" control is the theme of Senator MUSKIE's article. His point is that revenue sharing is in trouble because it cut into categorical grants. The point is well taken, but the reverse could be said, that is, categorical grants cut into revenue sharing. But, this gets into the argument about which is better, Great Society type categorical grants or New Federalism revenue sharing programs, and in some respect it could be mixing apples and oranges. Why can't you support both? Revenue sharing was introduced to help State and local governments use the money as they saw fit with as little red-tape from Washington as possible. Categorical grants are based on the assumption that Washington knows best, and only they can direct. In some areas, categorical grants might have validity, but not in others. Thus, you could support both programs. I personally would rather see more revenue sharing type programs, but I would not rule out both kinds of programs. However, it is my fear that, while revenue sharing will be extended "in name," it will be cate-

gorical grants "in fact," just the antithesis of revenue sharing. This has prompted Senators BAKER and COOK and I to introduce a bill, S. 3903, to extend revenue sharing now. I wholeheartedly recommend that those who support revenue sharing read these three articles very carefully, and make their own judgement. Mr. President, I ask unanimous consent that the three articles be printed in the RECORD.

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

[From the Washington Post, May 29, 1974]

THE FUTURE OF REVENUE SHARING

(By David S. Broder)

If passage of general revenue sharing was, as many believe, the landmark achievement in the domestic record of the first Nixon administration, then repeal or drastic revision of that legislation may be the second-term result of Mr. Nixon's Watergate problems.

The possibility is clearly implied by the first systematic survey of current congressional attitudes toward revenue-sharing. It was published with a minimum of fanfare last month by the Intergovernmental Relations Subcommittee of the House Government Operations Committee.

The report written by the staff of Rep. L. H. Fountain's (D-N.C.) panel is relentlessly neutral in tone, and avoids raising any questions about the future of the five-year, $30 billion program of unrestricted grants to state and local governments.

But the replies from almost 40 per cent of the House and Senate members appear ominous for this keystone of Mr. Nixon's "New Federalism" program.

They imply that if the Democrats enjoy the mid-term election victory this November that many of them now predict, it may be a close question whether revenue-sharing is continued in anything like its present form.

That will, no doubt, come as a surprise, for there certainly has been no indication that revenue-sharing would be much of an issue in this year's campaign.

In its third year of life, the subsidy program which has been welcomed as manna from heaven by most of the 33,000 recipient governments is assumed by many to be a permanent part of the federal fiscal system.

While many believe that Congress would not dare turn off the revenue-sharing tap, such scholars of the Federal system as Harvard's Samuel Beer argue that passage of general revenue-sharing was possible only under the peculiar circumstances of 1972—a divided government, with neither party united on priority domestic goals of its own—and that its continuance is at least problematical.

That is what makes the findings of the Fountain sub-committee survey so ominous for those who would like to see this experiment in fiscal decentralization given a real crack at proving itself.

Overall, the survey of 97 Republicans and 109 Democrats shows approval for the uses and administration of revenue-sharing funds so far. But while Republicans are heavily supportive, Democrats tend to be skeptical.

For example, when asked if they thought it desirable or not that revenue-sharing funds were being used in many instances to stabilize or reduce local taxes, Democrats, by a 46-to-37 per cent margin, said "undesirable."

By a 42-to-38 per cent margin, the Democrats agreed with the statement that revenue-sharing money is spread too thinly among the recipient units of government. Only 6 per cent of the Democrats thought general revenue-sharing plays too small a part in the present mix of federal aid, but 36 per cent said its role is too large.

By 41 to 35 per cent, the Democrats say that if Congress extend revenue-sharing, they would favor restricting state use of funds to high priority purposes specified by the Federal government. By a wider margin, they would oppose ending the current modest restrictions on the use of the money by local governments.

On all these questions, congressional Republicans who responded to the inquiry took sharply opposing views.

What this suggests is that if the Democrats are greatly augmented in numbers in the November election, a major push to terminate general revenue-sharing or to tie it more tightly to federal priority programs may be expected in the next Congress.

This is an issue that is important enough to be debated in congressional campaigns across the country this fall. It is not a decision that should be made without debate. The Fountain subcommittee has given friends of revenue-sharing adequate warning to be on their toes.

[From the Washington Post, June 20, 1974]

"PERMANENT" REVENUE SHARING

(By Charls E. Walker)

David Broder's outstanding reputation for accuracy in reporting and analysis is so well-deserved that one takes pen in hand only reluctantly to challenge his recently stated conclusions (May 29) regarding a House subcommittee survey of congressional attitudes on general revenue sharing. Broder concludes from the survey that reevnue sharing is in trouble.

But, as the former Nixon administration official who was asked by the President in the spring of 1969 to start developing the administration proposal (which was sent up in August of that year); as one who said from the start that revenue sharing would pass the Congress sooner rather than later; and as the Treasury official who had primary responsibility for "lobbying" the legislation through in 1972, I think I can rightfully say that I understood the forces at work which led to original passage, and have some credibility in analyzing the results of the subcommittee survey. After having done so, I am much more optimistic than Broder about the possibility of permanent and growing general revenue sharing in the United States.

The first point to understand is that Congress did not pass revenue sharing because it wanted to. To bear the onus of taxing without the direct benefits of the spending that taxes make possible is anathema to many a politician—and especially when some of his potential opponents (translation: mayors, governors and county officials) get the primary credit for how the money is spent.

Nor do I believe Harvard professor Samuel Beer to be correct in arguing (according to Broder) that "general revenue sharing was possible only under the peculiar circumstances of 1972—a divided government, with neither party united on priority domestic goals of its own . . ." To the contrary, general revenue sharing passed for two reasons: (1) the grass-roots support of state and local officials, which the administration carefully nurtured and built in 1969–71; and (2) it's not all that hard to give away $30 billion.

Nor are the figures in the committee poll convincing when closely reviewed. By the rather slim margin of 42 to 38 percent, Democrats agreed with the statement that revenue-sharing money is spread too thinly—only to vote in the next breath that its role is too large. That seems to me almost like preaching that the world is flat and round at the same time.

In addition, Broder missed an important point when he failed to note that the shelving of the Select House Committee's proposals for re-structuring committees, which would have shifted revenue sharing from Ways and Means to Government Operations, is a plus for continuation of the program. Not that the latter committee would necessarily have been unsympathetic to extending revenue sharing; maybe so, maybe not. Rather the important point is that Ways and Means lived, breathed and slept with revenue sharing for much of the summer of 1972, and its members have been understanding (partly as a result of countless computer runs) of the intricacies of the program.

Having said all this, however, I must strongly commend Broder for highlighting the issue now, several months in advance of the 1974 elections. He is right on the beam when he states that revenue sharing "is important enough to be debated in congressional campaigns across the country this fall," and that the subcommittee survey "has given friends of revenue sharing adequate warning to be on their toes."

The passage of revenue sharing in 1972 had its immediate political roots in the mid-term elections of 1970, in which (not accidentally) it was a major issue. And if the governors, mayors and county officials are "on their toes," it will be an issue again this fall. Early and effective work on their part can assure a majority in favor of extending revenue sharing—with few "strings" and perhaps on a permanent basis—even before the 94th Congress convenes next January, regardless of its political make-up.

[From the Washington Post, Aug. 29, 1974]

SAVING REVENUE SHARING

(By Edmund S. Muskie)

Less than two years ago, the passage of general revenue sharing was hailed as the cornerstone of a "New American Revolution"—the beginning of the end of three decades of ever-increasing power in the hands of the federal government.

As one of the original promoters of this concept in Congress, I share the assessment that revenue sharing is a revolutionary step, of potentially great importance to the health of our federal system of government. And I believe that we all have a stake in making it work.

I am concerned, therefore, that this program—which dispenses some $6 billion a year in federal revenues to more than 38,000 units of government throughout the nation—is now in political trouble. It has been undercut by its most ardent supporter—the administration itself.

Despite its long-standing promise that general revenue sharing would be new money, the administration some time ago launched an all-out attack on the budgets of numerous federal social programs—making that promise meaningless. As a result of massive cutbacks in existing programs, revenue sharing can no longer be considered additional relief for financially strapped state and local governments. Instead, it has come to be judged—particularly by its liberal critics—as a substitute for existing federal programs, and an inadequate one at that.

To be sure, there are other problems with general revenue sharing, not the least of which is the formula created by Congress which provides money to more than 38,000 jurisdictions, some of which have neither demonstrated a need nor provided a use for it. In the spirit of compromise necessary to secure passage of the act, the program was transformed into a streamlined form of federal aid to virtually every local government in the nation—regardless of size, function or relative need.

Today, the failure of the allocation formula to insure that those with the greatest need receive the greatest assistance has left ample room for the criticism that revenue sharing means an abdication of our national commitment to alleviate the social ills of poverty, ignorance and disease.

A formula, however, is primarily a technical matter. It is not easy to find the proper one, but we can certainly improve upon the one we have. This and other problems with

the actual implementation of revenue sharing make the program vulnerable to criticism, but these are problems that can be corrected. What cannot be corrected so easily is the highly publicized context in which revenue sharing has come to be judged. As happened so often in the Nixon administration, a widely supported federal program was turned into a political tool. The result was a serious threat to revenue sharing's continued existence. The new Ford administration has a chance to recoup those losses and regain the bipartisan support revenue sharing enjoyed in Congress two years ago. This is no small task.

In recent months, the pace of criticism of general revenue sharing has stepped up considerably, and it has become increasingly clear that changes are going to have to be made. Accordingly, early this summer, the Senate Subcommittee on Intergovernmental Relations began a series of hearings on general revenue sharing—the first such major review since the program's enactment. As a long-time supporter of the program; I felt it imperative that we begin now to examine carefully and dispassionately both its strengths and its shortcomings, in order to focus attention on the steps that must be taken in the next year to insure its continuation.

The testimony we heard was mixed, indeed. From those officials most closely involved with the program—governors, mayors and county executives—we heard enthusiastic praise. But from representatives of civil rights groups we heard serious charges of racial discrimination in the use of revenue-sharing funds. And from citizens' groups we heard of their frustrated attempts to use revenue sharing as a lever to gain more impact on budget-making at the local level. As for the accomplishments, the news was even more mixed. Revenue sharing has helped hold down taxes at the state and local level, but has had little or no impact on efforts to make those taxes more progressive or efficient. Nor has it significantly alleviated the financial pinch for many of our nation's largest cities.

These problems are serious, indeed. If revenue sharing is to survive beyond its first five years, as I believe it should, we must set about finding solutions to them—today, not six months before the program is to expire.

Revenue sharing as a concept deserves the continuing support and cooperation of Congress. Five steps seem in order:

We must make a full-faith effort to improve upon its present administration, not kill it as its harshest critics suggest.

We must modify the formula used to distribute funds so that those with the greatest need receive the most help.

We must insist that revenue sharing be not only a buffer against higher taxes, but a catalyst for fairer taxes as well.

We must insure that revenue sharing does not become a tool for the perpetuation of discrimination, which would happen if safeguards already in the law were enforced more stringently.

Finally, we must reaffirm our original intent that revenue sharing should be an aid, not a substitute, in the battle of the fiscal stability in communities crippled by demands on local revenues that are rapidly outstripping revenues themselves.

CONGRESSMAN ORVAL HANSEN: A PROFILE IN COURAGE

Mr. CHURCH. Mr. President, recently there has been distributed in Idaho an attack against me which has been mounted by members of the John Birch Society.

While the subject of that attack is not the purpose of these remarks, it is relevant that when this attack began circulating, my Republican colleague from Idaho's Second Congressional District, Representative ORVAL HANSEN, rose on the floor of the House and condemned smear tactics of the sort being employed against me. Two weeks later, Congressman HANSEN was defeated by his opponent in Idaho's primary election.

I will never know whether or not ORVAL HANSEN's defense of me contributed to his defeat in the Republican primary, although it is my earnest hope that it did not. In any case, I admire him for choosing to take a stand for political decency in Idaho when the easy course would have been to remain silent.

The Lewiston Tribune, one of Idaho's leading newspapers, wrote an editorial on this matter. Tribune Editor Bill Hall wrote:

Orval Hansen knows that silence can be a lie. He has far less responsibility in the matter than the candidates keeping their silence, but he feels a responsibility to himself, to his party and to the cause of keeping Idaho politics clean.

I wish, at this time, to extend publicly my gratitude and my thanks to a man who has served the State of Idaho with distinction, integrity, and courage.

I ask unanimous consent, Mr. President, that the Tribune's editorial be printed in the RECORD.

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

A PROFILE IN COURAGE

(NOTE.—I deplore the tactics that are being used by that organization (the John Birch Society) through the publication and circulation in Idaho of thousands of copies of an article that attempts to picture Senator Church as pro-Communist . . . I disagree with Frank Church on many public issues. Our differences are often wide and fundamental. But I have great respect for him as a man and as a friend and I know him to be a loyal and patriotic American . . . There is no place in politics for tactics such as this. I would hope that all candidates and their supporters will rise up and repudiate attempts such as this by outside forces to interfere in and try to influence the outcome of an Idaho election.—Congressman ORVAL HANSEN.)

Idaho Sen. Frank Church is a Democrat. Idaho's Second District Congressman Orval Hansen is a Republican—a Republican engaged in a sharply contested primary campaign for re-election against former GOP Congressman George Hansen.

The John Birch Society has published and caused to be circulated in Idaho a smear charging that Democrat Church is "pro-Communist." Silence would have been the safer course for Orval Hansen. He could have followed the customary cowardly line of too many conventional politicians and decided that, although he knows the charges against Church are untrue, discretion would be the better part of valor for a Republican fighting for renomination. He could have kept quiet and wouldn't have lost a vote. By speaking out in defense of a Democrat's good name, in the middle of an election, Orval Hansen risks losing votes.

Why then would he stick his neck out?

The answer is simple. Orval Hansen is now and always has been one of the most decent people in Idaho politics. Decent people don't know any other way to operate.

Orval Hansen is a protege of former Sen. Len B. Jordan. In this era of political dirty tricks, it is instructive to remember that Idaho has known finer moments. In the late 1940s and early 1950s, Idaho experienced an era of exceptionally clean politics at the top of the ticket. The late Gov. C. A. Robins was one of that era's sponsors. Jordan and his Democratic opponent for the governorship, Calvin Wright, campaigned so cleanly against each other that they have remained good friends. Jordan still jokes that he isn't sure he voted for the right candidate when he voted for himself.

Orval Hansen is a graduate of that period in Idaho politics. He is a student of men like Robins and Jordan who believed that a candidate must never descend to the gutter and that each party was in charge of keeping its own house in order when its zealots went too far.

That is why Orval Hansen took the floor of the U.S. House last Friday and repudiated the smear against a Democratic senator. He doesn't know how to keep silent on such matters. He cares more about being able to look himself in the eye when he shaves in the morning than about getting re-elected. Unlike the right-wing candidates in Idaho this year who are playing dumb on their responsibility to keep smears out of this state, Orval Hansen knows that silence can be a lie. He has far less responsibility in the matter than the candidates keeping their silence, but he feels a responsibility to himself, to his party and to the cause of keeping Idaho politics clean.

It is wise to keep our perspective in these times and remember that it really is true that Watergate proves nothing base about Republicans in general. But it proves that point and drives it home to have the decent example of a man with as much integrity and courage as Orval Hansen, Republican of Idaho.—B. H.

MILITARY INFLUENCE IN THE WHITE HOUSE

Mr. PROXMIRE. Mr. President, the recent trend at the White House to rely ever more heavily upon military advice and personnel could lead to serious long-term consequences.

Gen. Alexander Haig's service as Chief of Staff of the White House was only the most apparent abuse of the formerly held principle of separation of military career and politics.

As of the end of last year, at least 14 military personnel were serving the White House at various posts. The list included Col. Dana G. Mead, who was associate Director of the Domestic Council, and Maj. George A. Joulwan as aide to General Haig.

What are these military men doing at the White House carrying on civilian functions and having duties that have nothing to do with their military training? And why do these men inevitably end up with early promotions?

As a case in point, I have been informed that Marine Corps Lieutenant Colonel Sardo, who nominally is assigned as a military aide to the President, actually is acting as an aide to Mrs. Ford in the role of "Chief of Staff."

Why, Mr. President, should a military man on active duty be assigned to anyone in the White House other than the President, and then only as a military assistant?

Colonel Sardo apparently was assigned to the White House by the Marine Corps Commandant to assist the President in his constitutional duties as Com-

mander in Chief. If he instead is involved in domestic matters or personally serving any other member of the staff in a nonmilitary capacity, then I think that service is improper and unwarranted.

At some point we must put a stop to this continuing reliance on the always present and free military manpower for civilian activities. A good start would be to either reassign Colonel Sardo to his original duties as Assistant to the President, or send him back to the Marine Corps in his official capacity as an officer.

Mr. President, it will be interesting to follow the promotion schedules of those military officers now in the White House. If, for example, Lieutenant Colonel Sardo is promoted over his fellow officers, as was the case in several other "White House" promotions last year, then politics will once again triumph over the military system.

Mr. President, I intend to ask the General Accounting Office for an investigation into the number of military men serving in the White House and what duties they are performing. In the meantime I call upon all concerned in this matter, the Secretary of Defense, the Secretaries of the Services, and the White House, to rethink the wisdom of continuing to rely extensively on military assistants in the White House in nonmilitary capacities.

Mr. President, I ask unanimous consent that the Marine Corps response to my inquiries regarding Lieutenant Colonel Sardo be printed in the RECORD.

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

DEPARTMENT OF THE NAVY,
HEADQUARTERS, U.S. MARINE CORPS,
Washington, D.C., September 24, 1974.

Hon. WILLIAM PROXMIRE.
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: The following answers are in response to questions from Mr. Ron Tammen, related to Lieutenant Colonel Sardo's assignment to the White House. Since the inquiry was by telephone, the questions are restated as understood from the discussion between Mr. Tammen and Major Tinsley, Marine Corps Liaison Officer to the Senate.

Q. Is Lieutenant Colonel Sardo attached permanently or on TAD to the White House?

A. Lieutenant Colonel Sardo was permanently assigned to the Office of the Military Assistant to the President effective August 9, 1974.

Q. Who ordered his present assignment to the White House?

A. The Commandant of the Marine Corps ordered Lieutenant Colonel Sardo's assignment to the Office of the Military Assistant to the President.

Q. What is the legal authority for assigning Lieutenant Colonel Sardo to the White House?

A. Lieutenant Colonel Sardo was assigned to serve as Military Aide to assist the President in his constitutional duties as Commander-in-Chief of the Armed Services.

Q. What will his tour length at the White House be?

A. Under the normal rotational policies of all U.S. Armed Services, officers can expect reassignment after 3 or 4 years at a duty station.

Q. Describe his duties, including his job title, at the White House.

A. Military Aide to the President.

It is hoped that the above is satisfactory for your purposes.

Sincerely,

E. R. REID, Jr.,
Brigadier General, U. S. Marine Corps, Legislative Assistant to the Commandant.

TAX REFORM LEGISLATION

Mr. HUGH SCOTT. Mr. President, in view of imminent, major tax reform legislation, I want to encourage my colleagues to include in this comprehensive package some form of tax relief for middle-income people to offset the increase in tuition costs for higher education. This has been a long-term goal of mine and to this end I have introduced S. 3898, a bill which would allow a $2,000 tax deduction for middle-income people for higher education.

A recent editiorial on WTAE radio, TV in Pittsburgh recognizes this need. I ask unanimous consent that this editorial be printed in the RECORD.

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

TAX REFORM LEGISLATION

If you believe—as we do—that higher education costs should be tax deductible, there's a bill in the Senate that could use your help.

It's S-3898, sponsored by Pennsylvania's Hugh Scott. The bill would provide tax relief to parents paying for higher education or post secondary vocational training.

Its terms are modest: Only up to $2,000 in education costs are deductible. Only families with income under $25,500 a year could claim the deductions. But it's a start toward correcting what we believe to be a great inequity in the tax structure. Higher education seems to us more worthy of a tax break than a great many other things that now can be written off.

The advantage of Scott's bill are two-fold: Tax relief might spare some families the heavy burden of debt that college educations often represent. And it might be a boost for private institutions, which are now losing out to publicly supported universities and community colleges in the competition for students.

The Scott bill is now in the Senate Finance Committee, with no hearings scheduled. But Senator Scott's office has told us the volume of mail supporting it is steadily growing.

With time fast running out on this session of Congress, we'd like to see that volume of mail continue to grow. If you share this view, drop a line to Hugh Scott, Senate of the United States, saying you like S-3898.

PRESIDENTIAL PARDON

Mr. HASKELL. Mr. President, during the last few weeks there has been an overwhelmingly negative reaction to President Ford's complete and absolute pardon of Richard Nixon before the judicial process could run its course. Most people have deplored the President's precipitous action. They have expressed anger and regret that "equal justice under law" does not have the meaning it was thought to have during almost two centuries of this country's history. Also, many people are frustrated at the unquestioning acceptance of President Ford's authority to grant this pardon.

Most of the lawyers, legal scholars, commentators, and Members of this Congress who are appalled by the untimely granting of this pardon have, nevertheless, conceded that its grant was legitimately within the President's pardoning power. Although there is a pervasive feeling that there has been an incalculable injury to the legal process and to the principle that no one stands above the law, most people believe there is no further recourse.

Mr. President, in my opinion, the President's authority to grant this pardon is not as clear cut as some of my friends and colleagues believe. In making this statement, I am fully aware that there are few who share my view. But I am also mindful of the words of Thomas Paine in urging independence from Great Britain:

> Perhaps the sentiments contained in the following pages, are not yet sufficiently fashionable to procure their general favor; a long habit of not thinking a thing wrong, gives it a superficial appearance of being right, and raises at first a formidable outcry in defense of custom.

I hope, with this statement, to raise a doubt in the minds of those who have accepted without challenge the legality of President Ford's action. Congress cannot limit the effects of a Presidential pardon, so it is not for this body to seek rescission. Perhaps a private individual, the Special Prosecutor or the grand jury may yet decide to proceed. In encouraging consideration of these arguments, I hope to see the issue pursued.

At the outset, I recognize that cases previously decided by the U.S. Supreme Court have declared the President's pardoning power to be virtually absolute. Nevertheless, it must also be pointed out that none of those cases arose from such extraordinary circumstances as those surrounding the pardon of Richard Nixon. It is my belief, therefore, that those cases cannot be considered as having laid to rest the issue of the exercise of Presidential pardoning authority in this instance.

The debates on the pardoning power at the Constitutional Convention in 1787 reveal several interesting things. First, the framers viewed the pardon not only as an instrument of clemency and mercy, but also as a tool for law enforcement. That perspective is apparent in the discussion and then withdrawal of a suggestion that reprieves and pardons be limited until "after conviction." The resolution was objected to, because a pardon before conviction might be necessary in order to obtain the testimony of accomplices.

It is also important to note the debate on a proposed, but defeated, "cases of treason" exception to the President's pardoning power. The exception stemmed from fears that the President's unrestrained power of granting pardons for treason would sometimes be "exercised to screen from punishment those whom he had secretly instigated to commit the crime, and thereby prevent a discovery of his own guilt." But opponents asserted that there were important reasons for keeping the pardoning power exclusively in the Executive's hands, and if the President were involved in a conspiracy, the impeachment process would insure full disclosure. It is this notion of assuring a thorough investigation and full disclos-

ure of the misconduct of high officials which led the framers to except "cases of impeachment" from the President's power.

From this brief review of the background, it is apparent that the framers contemplated the use of preconviction pardons as a means of discovering the truth and not as a way to close the book before anyone has had a chance to read it. Moreover, the framers contemplated use of the impeachment process as a truthfinding tool in cases of official misconduct or crime. We were recently involved in a "case of impeachment" which was shortcircuited by Mr. Nixon's resignation. The Constitution, however, still insured the discovery of truth in its express declaration that one subject to impeachment is also subject to the criminal process. It is this safety valve that Mr. Ford has attempted to close. We can conclude that the drafters of the Constitution intended the pardoning power and the impeachment process to work in concert to assure full investigation and discovery in a case in which a President and his subordinates are involved in a criminal conspiracy.

The framers did not foresee, however, a situation in which a President would resign in face of an imminent vote to impeach him and then would be pardoned by his successor. Indeed, it seems clear that Richard Nixon's resignation and Gerald Ford's subsequent pardon of him thwarted the process intended by the delegates at the Constitutional Convention.

My colleague, the distinguished Senator from Minnesota (Mr. MONDALE) has recommended that we prevent a recurrence of this abuse of the pardoning power by the adoption of a constitutional amendment which would provide an additional check on the President's exercise of the power. I suggest there is another alternative. While the President's pardoning authority is undeniably broad, the preceding analysis raises the question of whether the framers intended the authority to apply to these circumstances. That issue, it seems to me, is a litigable one, one never decided by any court.

Furthermore, Mr. President, I would like to emphasize that I am not altogether convinced that this is not a "case of impeachment" to which that exemption from the President's pardoning power should directly apply. Since the Constitution is not more specific and the Convention debates do not clarify the issue, it seems to me there are several possibilities. A "case of impeachment" might refer to any intermediate stage in the impeachment process, or to a vote in the House of Representatives to impeach, or to a conviction by the Senate. In my view, a tenable argument can be made that a situation such as we have here—where impeachment articles approved by the House Judiciary Committee are only prevented from coming to a vote before the full House by the resignation of the person who is about to be impeached—can be considered as included within the term "cases of impeachment." At any rate, I think the meaning of the phrase is sufficiently unclear that this too is an unresolved legal issue.

Finally, Mr. President, one additional issue has not been settled by previous case law. That issue is whether this pardon contravenes the authority of the Special Prosecutor, as set out in the regulations creating the office. The regulations provide that the Special Prosecutor shall have full authority to prosecute offenses against the United States involving the President and that he shall have full authority with respect to those matters for deciding whether or not to prosecute any individual. Further, the Special Prosecutor was assured in the regulations that the President will not exercise his constitutional powers to limit the Special Prosecutor's independence. If we assume, as we should, that it is reasonable to include the President's pardoning power within the constitutional powers that the President has agreed not to exercise, then the pardon of Mr. Nixon can be viewed as a violation of the regulations establishing the Special Prosecutor's authority. Of course, this view still leaves the President free to pardon anyone within the Special Prosecutor's jurisdiction after prosecution.

Something more than angry rhetoric is necessary to reestablish confidence in the principle of an equal system of justice. I do not contend that mercy and compassion have no place in such a system; indeed, they are admirable qualities for a President to express at an appropriate time.

I do believe, however, the debate over the legality of this unprecedented pardon must continue. The pardon has seriously undermined the basic tenets of our judicial system and must be challenged if at all possible. There are serious unanswered questions about the relationship of the pardon power to the impeachment process and to the role of the Special Prosecutor. There may well be additional questions which need to be raised and pursued. I hope to be able to contribute to the debate in attempting to answer those questions. I hope that I will be joined by those who are in a position to take action.

DELTA SIGMA RHO-TAU KAPPA ALPHA FORENSIC SOCIETY CONFERS THEIR SPEAKER OF THE YEAR AWARD ON SENATOR SAM J. ERVIN, JR.

Mr. ALLEN. Mr. President, Delta Sigma Rho-Tau Kappa Alpha Forensic Society has recently honored our colleague, Senator SAM J. ERVIN, JR., by conferring upon him its speaker of the year award in the field of public affairs for "effective, intelligent, and responsible" speaking on significant public questions during the year 1973.

In presenting the award to Senator ERVIN, Delta Sigma Rho-Tau Kappa Alpha assigned these reasons for its action in so doing:

The Roman, Cato the Censor, described the orator as "a good man skilled in speaking." Delta Sigma Rho-Tau Kappa Alpha's 1973 Speaker of the Year meets that requirement. In the first year of the post-Watergate era the award committee was keenly aware of the standard of "responsible" speaking in making a selection. We chose a speaker who has consistently demonstrated high standards of honesty and responsibility in contrast to the current practices that debase the public discourse. In addition our 1973 Speaker of the Year consistently shows the qualities of "intelligent" and "effective" speaking in what many perceive to be the old and expansive style in which language and illustrations are carefully chosen and each utterance bears the clearly identifiable mark of its author. Agree or disagree, the audience knows where our Speaker of the Year stands and the reasons for that stance. These qualities have contributed to his election and reelection to public office. It is an honor to present the Speaker of the Year award for 1973 to Senator Sam J. Ervin of North Carolina, a good man skilled in speaking.

The official publication of Delta Sigma Rho-Tau Kappa Alpha, "Speaker and Gavel," carried an article in its May 1974 issue concerning Senator ERVIN which was written by Prof. Peter E. Kane, chairman of its Speaker of the Year Award Committee.

I ask unanimous consent that a copy of this article be printed in the RECORD.

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

SAM J. ERVIN, JR.: A GOOD MAN SPEAKING WELL

(By Peter E. Kane)

The constellation of events that have become known as the "Watergate situation" have had a profound impact on the thoughtful critic of public address. The fact that some have chosen to debase the coin of public discourse easily leads to cynicism and a distressing loss of faith in all currency. Under these circumstances it is easy to abandon the search for good coin—the speaker who exemplifies the ideals of intelligent, effective, and responsible public address. However, attention to the range of public discourse quickly proves not only that there are such speakers but also that they are in the clear majority. One noteworthy representative of that vocal majority is Senator Sam J. Ervin, Jr., of North Carolina.

I

For the general public Senator Ervin became known through the hearings of the Senate Select Committee on Campaign Activities (the Watergate Committee). The Senator both by the force of his character and by his role as committee chairman was one of the main figures in these televised hearings that ran throughout the summer. For the television audience Senator Ervin came to be known for his country humor, his apt and often Biblical quotation to suit every situation, for his penetrating questioning of witnesses, and for his fundamental honesty and fairness.

As a member of the Watergate investigating committee Senator Ervin was responsible for a number of those memorable moments that have been etched on the public mind. The following examples are fairly representative. The first is in a lighter vein. Through a very subtle legal maneuver former Presidential advisor H. R. Haldeman had succeeded in getting Watergate Committee Chairman Ervin to force the revelation of a White House version of tape recorded conversations that the White House had refused to allow the committee to hear. Senator Ervin commented on the trap that had been set for him:

"And I would have to say that not only is that what we would call very skillful legal

dexterity, connegling in North Carolina, but if the writer of the Book of Ecclesiastes had been here he wouldn't have been able to say right that 'there is nothing new under the sun.' And that's the genuine truth." [1]

In this way the Senator expresses his sense of offense at having been used and does so in a manner that effectively makes his point while at the same time turning aside anger.

A second characteristic example of Senator Ervin's impromptu comments during the Watergate hearings is found during his cross-examination of witness Fred LaRue, a former special counsel to the President:

"I can't resist the temptation to philosophize just a little bit about the Watergate.

"The evidence thus far introduced or presented before this committee tends to show that men upon whom fortune had smiled benevolently and who possessed great financial power, great political power, and great governmental power, undertook to nullify the laws of man and the laws of God for the purpose of gaining what history will call a very temporary political advantage.

"The evidence also indicates that the efforts to nullify the laws of man might have succeeded if it had not been for a courageous Federal judge, Judge Sirica, and a very untiring set of investigative reporters. But you [Fred LaRue] come from a State like the State of Mississippi, where they have great faith in the fact that the laws of God are embodied in the King James version of the Bible, and I think that those who participated in this effort to nullify the laws of man and the laws of God overlooked one of the laws of God which is set forth in the seventh verse of the sixth chapter of Galatians:

"Be not deceived. God is not mocked; for whatsoever a man soweth, that shall he also reap." [2]

The record at this point indicates that the audience in the hearing room broke into applause.

Perhaps the most memorable example of Senator Ervin's gift for spontaneous oral prose invention in the best humanistic and classical tradition occurred during the questioning of former Presidential advisor John Ehrlichman. Mr. Ehrlichman's defense of the wire tapping and covert searches approved by him prompted the following comment:

"The Senate is going to have several more votes, and there will be very little interrogation of the witnesses until the morning. But I do want to take this occasion to amplify the legal discussion and I want to mention a little of the Bible, a little of history, and a little of law.

"The concept embodied in the phrase every man's home is his castle represents the realization of one of the most ancient and universal hungers of the human heart. One of the prophets said—described the mountain of the Lord as being a place where every man might dwell under his own vine and fig tree with none to make him afraid.

"And then this morning, Senator Talmadge talked about one of the greatest statements ever made by any statesman, that was William Pitt the Elder, and before this country revolted against the King of England he said this:

"The poorest man in his cottage may bid defiance to all the forces of the crown. It may be frail, its roof may shake, the wind may blow through it, the storm may enter, the rain may enter, but the King of England cannot enter. All his force dares not cross the threshold of the ruined tenements."

And yet we are told here today, and yesterday, that what the King of England can't do, the President of the United States can.[3]

This statement continues on for several minutes with references to Supreme Court cases including citations and quotations, comments about English common law, and the noting of historical analogies.

II

For students of debate, the legislative process, and the United States Senate, Senator Ervin has been well known for many years as one of the most active and effective participants in Senate floor debates. He has fought vigorously with cogent argument for those principles in which he believes. As a strict constructionist of the United States Constitution he has challenged advocates of both liberal and conservative ideas when those ideas appear to him to violate constitutional principles. These Senatorial activities have demonstrated a belief that problems of public policy can be solved by ethical men of good will using reasoned discourse.

Although Senator Ervin has become best known by the general public for his role in the Watergate hearings, his principal Senate responsibility has been that of Chairman of the Constitutional Rights Subcommittee of the Senate Judiciary Committee. During the last year a major concern of that subcommittee has been the attempt to draft legislation to protect the confidentiality of the sources used by reporters in the preparation of news stories. This concern rests on the concept that a free flow of information, like reasoned discourse, is essential to the healthy functioning of a democracy. Senator Ervin has viewed efforts by courts and grand juries to force news reporters to reveal their sources as one of many actions that have the effect of inhibiting the flow of information.

The issue of protection of reporters' sources known as "newsmen's privilege" is an old one that became a legislative concern in 1972 when the United States Supreme Court ruled in a group of three cases that the First Amendment guarantee of freedom of the press did not provide a basis for a reporter to refuse to reveal the sources of his information. Legislation is the only apparent sure remedy for this adverse decision. In order to examine the issue the Constitutional Rights Subcommittee held hearings beginning January 20, 1973, to receive testimony from expert sources concerning legislative solutionss. As an opening statement for these hearings Senator Ervin outlined the problem as follows:

Thomas Jefferson wrote in 1787: "The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without government, I should not hesitate a moment to prefer the latter."

"The Founding Fathers, of course, decided that we should have both government and newspapers. Ever since then we have time and again sought to reconcile asserted government necessity—warranted or not—to the demands of the First Amendment. And today, almost two hundred years later, we again find ourselves attempting to define the relationship between these two essential components of our society. Specifically, we will consider in these hearings the question of whether government should be permitted to compel the press to reveal the identity of confidential sources of information or the content of unpublished information.

* * * * *

"The situation, until the present controversy arose, has largely been one of an informal accommodation between newsmen and prosecutors. The newsman has been willing to give testimony under certain conditions, and prosecutors have sometimes been willing to recognize the harm to confidential sources in those cases where the reporter balked. Often they did not press their demands for testimony. Of course, where demands were pressed, the reporter faced a jail sentence for contempt if he insisted on remaining silent. If court challenges ensued, inevitably the reporter would lose. Even in states which had protective statutes, courts have been prone to look for ways to get around them, and thereby obtain the newsmen's testimony.

* * * * *

"Our problem, then, in a nutshell, is to decide whether or not to adopt some form of statutory protection and, if so, what form that protection should take. In doing so we must resolve many very delicate issues. We face a complicated legislative responsibility not unlike the one the Founding Fathers dealt with two hundred years ago, and I do not presume that we have the same wisdom as they. It would have been far better if the Court had properly faced the issue last June. To write legislation balancing the two great public interests of a free press and the seeking of justice is no easy task. This is a problem better approached through case-by-case litigation rather than through inflexible statutory words. Nonetheless, we must try.

* * * * *

"The great rights the press now enjoys were not conferred as a gift from Congress. Quite the contrary. They were wrested from a reluctant, and more accurately, an antagonistic government. When the press was licensed, publishers went to jail to win the freedom to publish.

"When prior censorship existed, they fought with their bodies and their fortunes.

"When seditious libel was a crime, they nonetheless criticized king and parliament, and went to jail for the privilege.

* * * * *

"To be sure, the press feels threatened and intimidated by a hostile administration. It has begun to wonder whether it is still able to fulfill its role as a conveyor of information to the public. Members of this administration have publicly castigated and threatened press and broadcast media. Proposals have been made to set new standards for the renewal of broadcast licenses which are little more than transparent attempts to censor unfavorable comment. Funds for public broadcasting have been vetoed and public affairs programming, sometimes critical of the administration, has been curtailed. The FBI spends its time trying to catch critical reporters in illegal conduct.[4]"

The portion of this speech quoted in conclusion here calls attention to the broader aspects of freedom of communication and information. Senator Ervin is here noting in passing some of the many techniques that have been used by the Nixon administration to limit the flow of information and consequently the knowledge base which the general public uses to make judgments about people and events. In this context Jefferson's preference for newspapers without government rather than government without newspapers takes on added significance.

The theme of freedom of information and the First Amendment has been a major topic of many of Senator Ervin's speeches including those presented to public audiences outside of the Senate. An excellent example of such a presentation is the Senator's statement to the North Carolina Press Association in Chapel Hill on January 19, 1973. His detailed analysis of some of the forms of interference with the public's right to know was introduced with these comments:

"It is my belief that the First Amendment was adopted by our Founding Fathers for two basic reasons. One reason was to insure that Americans would be politically, intellectually, and spiritually free. The other was to make certain that our system of government, a system designed to be responsive to the will of an informed public, would function effectively.

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[1] United States, Senate, Select Committee on Presidential Campaign Activities, *Hearings*, Book 8, p. 3114, July 31, 1973.

[2] *Ibid.*, Book 6, pp. 2343–2344, July 19, 1973.

[3] *Ibid.*, Book 6, pp. 2630–31, July 25, 1973.

[4] United States, *Congressional Record*, Ninety-third Congress, First Session, March 1, 1973.

"The scope of First Amendment freedoms, including freedom of press, is broad and was intended to be so. The First Amendment is impartial and inclusive. It bestows its freedoms on all persons within our land, regardless of whether they are wise or foolish, learned or ignorant, profound or shallow, and regardless of whether they love or hate our country and its institutions.

"For this reason, of course, First Amendment freedoms are often grossly abused. Society is sorely tempted at times to demand or countenance their curtailment by government to prevent abuse. Our country must *steadfastly* spurn this temptation if it is to remain the land of the free. This is so because the only way to prevent the abuse of freedom is to abolish freedom.

"The quest for the truth that makes men free is not easy. As John Charles McNeill, a North Carolina poet, said, "teasing truth a thousand faces claims as in a broken mirror." The Founding Fathers believed—and I think rightly—that the best test of truth is its ability to get itself accepted when conflicting ideas compete for the minds of men.

And, so, the Founding Fathers staked the very existence of America as a free society upon their faith that it has nothing to fear from the exercise of First Amendment freedoms, no matter how much they may be abused, as long as truth is free to combat error."[5]

This presentation was concluded with an obvious but unstated allusion to the ideas of John Stuart Mill expressed in the second chapter of *On Liberty:*

"A free press is vital to the democratic process. A press which is not free to gather news without threat of ultimate incarceration cannot play its role meaningfully. The people as a whole must suffer. For to make thoughtful and efficacious decisions—whether it be at the local school board meeting or in the voting booth—the people need information. If the sources of that information are limited to official spokesmen within government bodies, the people have no means of evaluating the worth of their promises and assurances. The search for truth among competing ideas, which the First Amendment contemplates, would become a matter of reading official news releases. It is the responsibility of the press to insure that competing views are presented, and it is our responsibility as citizens to object to actions of the government which prevent the press from fulfilling this constitutional role."[6]

HOUSING AND REFORM OF FINANCIAL STRUCTURE

Mr. BENNETT. Mr. President, there has been a great deal of discussion about the housing industry recently and what can be done to help it. As almost everyone knows by now, the housing industry is in the doldrums because of high interest rates and inflation, and a variety of proposals has been put forward to correct this situation. Among these proposals are such schemes as the direct allocation of credit and the direct Treasury financing of housing through the establishment of a housing trust fund.

During the past year the Banking Committee's Financial Institutions Subcommittee, of which I am a member, has been holding hearings on the Financial Institutions Act (S. 2591). A great deal of the discussion at these hearings has been devoted to the question of housing and how the Financial Institutions Act would affect its financing.

Recently, the subcommittee received some very interesting testimony from a group of well-known academicians. All of them expressed general support for adoption of the Financial Institutions Act.

One of the most interesting statements presented during those hearings was by Dr. Allan H. Meltzer of Carnegie-Mellon University. Dr. Meltzer concludes that Government efforts to solve the housing problem are often self-defeating and counterproductive. In view of the growing interest in the housing industry, and proposals which have been put forward for helping it, I would like to share Dr. Meltzer's statement with my colleagues.

I ask unanimous consent that Dr. Meltzer's statement be printed in the RECORD in its entirety.

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

HOUSING AND REFORM OF FINANCIAL STRUCTURE

(By Allan H. Meltzer)

(NOTE.—Prepared for the Subcommittee on Financial Institutions, Senate Committee on Banking, Housing and Urban Affairs, September 11, 1974.)

Mention the subject of financial reform and the conversation turns to housing. Open discussion of the allocation of credit, and the subject of mortgages dominates all others. Suggest that monetary policy be used to reduce inflation gradually, and the survival of thrift institutions is brought into question.

Four beliefs about housing and mortgages are widespread. One, without an adequate supply of mortgage credit, few homes would be built. Two, the financial market place is unwilling or unable to provide an adequate supply of mortgage credit. Three, government intervention in the financial markets reallocates credit to the mortgage market. Four, controls on interest rates, like Regulation Q, protect the thrift institutions and increase the supply of mortgage credit.

Each of the four propositions is false or misleading. Increasing the supply of mortgage credit does not increase housing. Government activities in financial markets have little net effect on the amount of mortgage credit. Controls on interest rates under Regulation Q penalize small savers and those least informed about market opportunities. The benefit to housing has not been shown and is probably non-existent.

The fact that repeated attempts to increase the supply of mortgages have had little effect on housing has not led to the abandonment of the policies. Instead, failure seems to stimulate the demand for more of the same. Now, after years of Regulation Q, with almost $60 billion of agency borrowing outstanding—much of it for mortgages—and more than $15 billion of Home Loan Bank advances to thrift institutions, there is a rising demand for direct allocation to mortgages and other so-called priority uses.

There are two main questions to be answered about financial structure and housing finance. Why is the gap between facts and beliefs so wide? Why is the relation between housing and housing finance so frequently misinterpreted?

If I could give only a brief answer to these questions, it would be: Government policy is based on the presumption that increases in the supply of mortgage credit increase the supply of housing. Regulation Q is defended as a means of assisting thrift institutions to compete with other lenders. Government sponsored agencies such as FNMA, GNMA, the Federal Home Loan Banks borrow in the money and capital markets and lend in the mortgage market.

All of these actions are remote from housing. I am not certain after reviewing most studies of the effects of Regulation Q and the Federal credit agencies, that they have any effect on the supply of housing after allowance is made for withdrawals from banks and savings and loan associations to purchase credit market instruments or to consume. The net effect is small and may be zero. Even if the stock of mortgages is increased by the government's policies it does not follow that the housing stock is increased. Home mortgages finance a wide range of financial and real assets other than housing.

My study of the evidence leads me to conclude that policies to help housing by increasing mortgage credit have had little effect on housing. Below, I summarize some of the evidence from long-term movements during the past sixty years and from recent housing cycles.

The main conclusion I draw from these studies is that the often repeated explanation of housing cycles is largely incorrect. That explanation emphasizes the importance of credit availability. Rising interest rates are said to reduce the availability of mortgage credit and thus reduce purchases of housing and housing starts.

An alternative explanation emphasizes an entirely different effect of the rise in interest rates. Housing is a long-term, durable asset. Increases in market interest rates, relative to past rates or average, anticipated rates, encourage buyers to postpone purchases. Reductions in market rates, relative to average, anticipated rates, accelerate purchases. The decline in rates is a reduction in the cost of housing. Purchasers can achieve their desired long-term position at substantially lower cost by purchasing when mortgage rates are relatively low and deferring purchases when rates are high. Housing cycles, in this interpretation, are largely a consequence of individual decisions to postpone or accelerate purchases. Mortgage lending declines because housing purchases decline and not the other way around.

The evidence I discuss in the following sections generally supports the view that housing cycles are the result of decision to defer purchases when rates rise and to accelerate purchases when rates fall. If, as I believe, this interpretation is correct, government operations to provide mortgage credit by borrowing and relending or by secondary market purchases have little effect on purchases or production of housing.

HOUSING AND MORTGAGES: LONG-TERM CHANGES

Mortgage contracts, the functioning of the mortgage market and the role of government in the mortgage market have changed considerably during this century. Mortgage insurance, amortization, monthly payments, longer-terms are common. Partly as a result of the changes in the mortgage contract, the proportion of mortgage debt in the total liabilities of the public has increased. More than 60%, and as much as 66%, of the outstanding debt of non-farm households consisted of mortgages on residential property in the 1960's.

The proportion of owner equity in housing fell as mortgage debt rose. Despite the imprecision of our measurements of the value of housing, there is little doubt about the trend. Mortgage debt as a percentage of the value of non-farm housing increased 250% to 300% from 1912 to 1960 or 1970. Most of the increase occurred in the 1960's and 1970's, the period of rising government assistance to the mortgage market.

There is no corresponding increase in non-farm housing relative to total assets for those dates on which measurements have been

[5] *Ibid*, January 26, 1973.
[6] *Ibid*.

made. The proportion was about 25% in 1912, in 1933, and in 1958.

These data give no support to the notion that very large increases in mortgage credit and changes in the availability or terms of mortgage contracts have any long-term effect on housing. The main long-term effect has been the substitution of borrowed funds for owner's equity in housing.

The conclusion that increases in the availability of mortgage credit have had no long-term effect on housing may seem surprising. The opposite point has been made so often. There is no reason for surprise. We have known for centuries that specific liabilities do not finance specific assets. We expect improvements in the mortgage contract to increase the use of mortgage contracts. Mortgage insurance, lower down payments and other changes encourage purchasers of housing to substitute mortgage credit for equity and encourage lenders to increase the loan-to-value ratio on houses. The equity previously invested in housing is available for investment elsewhere and has been invested elsewhere. There is no reason to expect nonfarm households to buy more housing because they borrow more on housing, and the long-term data provide no evidence that they do.

HOUSING CYCLES AND HOUSING POLICIES

The long-term data are consistent with two very different conclusions about short-term housing cycles. Either homebuilding increases with increased availability of mortgages and later declines, so there is no long-term effect, or there is neither a short-term nor a long-term effect.

Examination of the evidence from most studies of housing leads me to conclude that there may be a small short-term effect. In my own work I found no effect of mortgage policy on the annual volume of housing starts. The positive effect on housing starts of an increase in the availability of mortgage credit is offset by the reduction in housing starts caused by the additional government debt issued to finance the purchases. The government's purchase of mortgages in the secondary market lowers mortgage rates; the sale of debt to finance the purchase raises market rates and mortgage rates, offsetting the effect of the purchase. The net effect is approximately zero.

Annual data may hide some short-term changes. Studies of quarterly housing starts suggest that mortgage market operations have very little effect on mortgage rates, and changes in mortgage terms and conditions do not seem to have any significant effect. Advances from the Federal Home Loan Banks to the member associations appear to increase the amount of mortgages offered, but the change in mortgages is less than the amount of the advances, and the effect on housing is even smaller.

Let me turn to the broad picture shown by the three most recent periods of declining housing starts. I have delineated these periods by computing annual change in housing starts between the corresponding months of successive years—January to January, February to February, etc. I dated the start of the decline at the beginning of a sustained fall in starts and the end of the decline at the first positive change. The dating for each period is shown in Table 1. Data for the current decline end in April, but the decline continues.

TABLE 1.—COMPARISON OF 3 PERIODS OF DECLINING HOUSING STARTS

Period	Length of decline (months)	Size of the decline (percent)	Change in mortgage debt of U.S. agencies [1]		Change in home loan bank advance		Change in FHA mortgage rates (percent)	Change in interest rate spread, FHA 10-yr Government bonds
			Current dollars (billions)	Constant dollars [2]	Current dollars (billions)	Constant dollars [2]		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. January 1966 to April 1967	16	−21	+$4.0	+$4.0	−$1.2	−$1.2	13	+67
II. July 1969 to June 1970	12	−20	6.6	4.0	+3.2	+2.8	14	−27
III. June 1973 to April 1974	[3] 11	−30	9.5	6.5	+4.9	+3.3	20	+67

[1] Annual report of the Council of Economic Advisers, February 1974, p. 322.
[2] Deflated by index of prices of residential structures 1966–67=100.
[3] April 1974 is the last month included. Decline continues.

Compare the three declines. The first two are about equally severe. The percentage declines in housing starts are about equal; the percentage increase in mortgage rates are about equal also. The third is 50% more severe and the increase in mortgage rates is about 50% greater. Data for three periods would be reconciled if each 1% increase in interest rates encouraged buyers to postpone purchases and reduced the demand for housing and the number of housing starts by 1½%. This is almost the exact response to be expected, based on our studies of housing cycles, if the effect of factors other than interest rates cancelled so that the effect of postponement in response to higher rates of interest dominates the observed changes.

Columns (4) to (7) show the amount of "support" for the mortgage market and mortgage lenders by agencies of the Federal government. Columns (4) and (6) are the amounts the agencies had to borrow to sustain their lending operations. Columns (5) and (7) are deflated to eliminate the effect of increased housing prices when comparing the change in assistance to the decline in the number of starts. The amount of assistance to the mortgage market, in constant dollars, is the sum of columns (5) and (7). This sum has no clear relation to the decline in housing starts.

There is no evidence (column 9) that mortgage rates have been reduced relative to other rates. In one cycle, the spread between the mortgage rate and the rate on government bonds narrowed. If we interpret this finding as evidence of the effect of government operations in the mortgage and credit markets, how do we explain the contrary findings for the remaining periods, 1966–67 and 1973–74? In both periods, mortgage rates increased relative to rates on government bonds, just as in 1957–58 and in 1959–60 before government operations in the mortgage market reached their present scale.

The results I have cited summarize only part of the available evidence. Experience in a number of European countries is similar to our own. A variety of policies that encourage housing by increasing the supply of mortgage credit or by changing the terms and conditions under which mortgages become available have been dropped. There is little evidence showing any substantial effect on housing.

SOME SIDE EFFECTS OF MORTGAGE POLICIES

From 1952 to 1973, the mortgage portfolio of government agencies increased from $4 billion to $55 billion. More than half the increase has occurred in the past five years. Yet, the share of output going to housing has declined. During 1952 to 1956, residential investment as a percentage of GNP was never below 5%; after 1959, the percentage never reached 5%.

The sizeable increase in the amount of government agency debt sold to finance mortgage operations appears to have little, if any, effect on housing. The effect of issuing the debt and purchasing mortgages is not negligible, however. The sale of debt substitutes government debt for private securities in portfolios. Individuals borrow more in the form of mortgages and less in other forms. The government and its agencies dominate the capital markets.

I believe the more serious effect is that like most other forms of government intervention in markets, one type of intervention begets another. The failure of mortgage policy to reduce fluctuations in housing does not bring the policy to an end. Those who proposed the policy do not admit that their arguments were incorrect and their policies ineffective. They ask, instead, for additional controls and new restrictions on free exchange in open markets.

There is now a rising demand for controls on the allocation of credit. A growing number of voices ask that financial institutions be forced to allocate a larger share of total credit to the uses they think are important and a smaller share to the uses the public chooses by their decisions in the marketplace.

There is no way in which regulators can control both the quantities of particular types of credit and the price or interest rate at which loans are made. Interest rates will decline on the types of credit that the regulators favor, for example mortgages, relative to the rates of interest on types of credit that are in disfavor. There will be incentive to borrow on mortgages if they are favored and relend. The incentives to borrow in favored forms and relend increases as the relative rates of interest diverge from the rates determined by the market. The incentive to borrow abroad and relend at home increases also and for the same reasons. Controls on the allocation of credit impose costs on private borrowers and lenders who must seek new ways to achieve their desired ends.

Costs will increase, efficiency will be reduced; freedom will be lost. The demand for new controls to restrict capital exports or imports will grow. These costs aside, controls on the uses of credit will have no effect on the allocation of real resources.

The most baneful side effect of mortgage policy has been the effect on inflation. Increases in government and agency debt raise market interest rates; large increases in debt cause large increases in market rates. The Federal Reserve increases the growth rate of money to slow or prevent the rise in market rates. We get inflation.

The effects of inflation make matters worse, and particularly so because regulation prevents rate increases at thrift institutions. There is an outflow from saving accounts. Instead of removing the ceiling on rates, the Federal Reserve tries to prevent rates from increasing or to slow the increase. The agencies borrow from the thrift institutions or

the mortgage market raising market interest rates. The Federal Reserve, beguiled by its policy of controlling market rates, accelerates the monetary growth rate. The rate of inflation increases.

CONCLUSION

There are less costly ways for Congress to improve the allocation of financial resources. Repeal Regulation Q; end the controls on portfolio decisions; eliminate special agencies that try, with little success, to reallocate real resources by reallocating credit. Experience with Regulation Q and similar devices should by now have made clear that the principal effects of regulation have not been the effects promised by proponents of regulation. Regulation Q has not increased the competitive position of the savings and loan associations. Government operations in the mortgage markets have not made housing less sensitive to changes in interest rates.

The appropriate direction for change is more freedom, not more regulation. The Financial Institutions Act moves in that direction. I welcome the change and urge you to adopt the new approach.

I have spoken at length, and I hope effectively, about the importance of ending controls and regulations. I want to end by favoring a particular set of controls.

Congress has agreed to a new approach to the budget and has shown new determination to control the total spending, the size of the annual deficit and the amount of borrowing. I hope you will succeed. Control of the budget and the size of the deficit is one important step toward improving the financial structure, the capital and credit markets and reducing inflation.

Another step remains to be taken. Congress must provide guidelines for the financing of budget deficits and surpluses that restrict the growth of money. Broad quantitative restrictions are required to prevent the Federal Reserve from reproducing the deflationary policies of 1930–33 or the inflationary policies of 1965–73.

Increased freedom for private institutions, greater control of the budget and the financing of the budget, a stable monetary policy that promotes price stability, these are the lasting powerful contributions that Congress can make to provide stable, innovative financial institutions that serve the public efficiently and creatively.

ZOOS ARE FOR ANIMALS

Mr. HOLLINGS. Mr. President, the September 17, 1974, issue of the Tulsa Tribune in Tulsa, Okla., contained an editorial on the issue of Federal Government intervention and control of zoological parks. I have been requested by the Columbia Zoological Park, Columbia, S.C., to bring this editorial to the attention of my colleagues in the Senate. I ask unanimous consent that the editorial entitled "Zoos Are for Animals" be printed in the RECORD.

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

[From the Tulsa (Okla.) Tribune, Sept. 17, 1974]

ZOOS ARE FOR ANIMALS

(By John Chamberlain)

There is a move on in Congress to federalize the zoos. Now, really!

If the zoos of the nation were to be federalized, the humane societies would surely dominate the pressure on whatever zoo bureaucracy happened to be set up by the White House. Well, what would be wrong about that? Let John Mehrtens, who runs the very successful Columbia Zoological Gardens in Columbia, S.C., tell you what is wrong.

The average save-the-animals American, he says, is a biological illiterate, and his reaction is always emotional. This illiterate deplores it when a cheetah is taken from its native habitat in South Africa, or when an Indian tiger is wrenched from his home in the Indian jungle. But the truth is that, in the not-so-distant future, the cheetahs and Indian tigers may very well owe their existence to protected zoo breeding banks.

"Habitat destruction," says Mr. Mehrtens, "is remorseless everywhere, and in South Africa the cheetah is regarded as vermin to be exterminated."

The Mehrtens' statistics are ominous. A few years ago there were 40,000 tigers in India: today the number has dwindled to 1,800. There are more registered Siberian tigers in zoos than in the whole of Siberia. The last wild Balinese tiger was recently shot by a poacher. So the Balinese tiger is now extinct simply because nobody had taken a pair out of their native habitat for a Western zoo. One of three organutans are now born in captivity, as are two of every four gorillas. As for the African lion, 50 years hence he will be lucky to be living in a game park.

Mehrtens' point is that zoos are merciful as well as useful, provided, of course, they are well run. In a period of inflation, Congress, though it would surely be responsive to the emotional pressures for the humane societies, would hardly be willing to provide money to make the zoos better or to build up their breeding banks of endangered species.

Rather than have a timorous and poorly funded Washington bureaucracy running our zoos for the 103 million people who visit them in a year, and doing the usual sloppy federal job of it, Mehrtens would have the American Association of Zoological Parks and Aquariums take the responsibility for the animal show much as the doctors and the lawyers provide professional competence for their own ranks.

Washington has run the U.S. currency into the ground, devastating thousands of human beings. Why, then, should it be trusted to keep the animals happy?

THE WORLD FOOD CONFERENCE AND THE NATIONAL WEEK OF CONCERN

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an address, "Everyone Can Help," by Mr. Herbert Waters on September 23 before the Washington chapter of the Society for Nutrition Education. These remarks are especially important during this National Week of Concern, when many of our citizens including eight Governors and mayors of 15 major cities are taking steps to demonstrate their concern.

Mr. Waters is the chairman of the World Hunger Action Coalition, a group of nongovernmental groups which have banded together to influence the policies of the U.S. Government at the World Food Conference.

The statement of Mr. Waters calls on the people of this Nation to become better acquainted with the world food problem. He also urges that we be prepared to make sacrifices in order to avoid mass starvation.

Clearly, Mr. Waters is convinced that the American people will respond generously to this challenge.

The theme of this session was "What Can I Do About the World Food Situation?" and a number of questions are raised which we all should consider.

Mr. President, I commend this statement to the attention of my colleagues. I ask unanimous consent that these remarks be printed in the RECORD.

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

EVERYONE CAN HELP

(By Herbert J. Waters)

It is especially appropriate for the Metro D.C. Chapter of the Society for Nutrition Education to devote this meeting to a panel discussion on what you can do about the world food situation. Your timing couldn't be better.

The world is just awakening to the urgent need to be concerned, and deeply concerned, about food—and better food.

Some of us have been sounding this battle cry for many, many years. At last, people are beginning to listen—and to act.

Throughout this year some seventy-five U.S. organizations have joined with the American Freedom from Hunger Foundation in a World Hunger Action Coalition to try and stimulate public concern and public consciousness of hunger problems, leading up to the coming UN-sponsored World Food Conference in Rome.

We are seeking to bring our efforts to a peak this very week, designated as a National Week of Concern starting yesterday.

Governors of eight states have issued formal proclamations regarding the Week of Concern for Hunger. Mayors of fifteen major U.S. metropolitan cities have done likewise. Meetings and discussions like this are taking place across the country.

Right here in the nation's capital, the week is being observed by churches and universities and just concerned citizens conducting a "Hunger Vigil" at the Lincoln Memorial, opening last night. Each evening at 7:30 p.m. there will be speakers on hunger issues, and a vigil of mediation by "hunger witneseses" who have been invited to fast for 24 hours as a demonstration of moral concern. Similar "fast days" have been scheduled in an array of cities, with people pledging money saved on a day's food budget to the agency of their choice to help alleviate hunger problems among the world's poorest of the poor.

We are also circulating petitions nationally, on which we have already collected several hundred thousand signatures, which we intend presenting to Secretary Kissinger before he goes to the World Food Conference as an expression of concern among the American people.

We have felt compelled—and still feel compelled—to stir up maximum public concern because of government timidity to really come to the grips with the magnitude of the problem that exists.

We have been encouraged by the President's public commitment to the United Nations—in generalities. We are still awaiting to see the fine print of what the United States will be willing to offer, or decline to offer, at the World Food Conference itself.

So we warmly welcome groups like yours conducting discussions on these issues, and I particularly like the topic you selected, "What Can I Do About the World Food Situation?" I welcome it, because food concern must be *everyone's* concern, and whatever is done or not done about it will affect everyone, one way or another. For that reason I think it is sound to consider what each of us might do, as individuals and as groups, to help avoid mass human tragedy within our lifetime from hunger and malnutrition.

Let me just enumerate *some* of the things I think we might do—and probably *must* do.

First, be informed—and help others become informed.

Most of you are educators, in one way or another. You know that you can't find

answers to many problems without first getting people to understand the problem. Despite all that has been done to stir up awareness in the last year or so, most Americans are still woefully unaware of the seriousness of the food problem confronting the world over the next few decades. We have taken food and abundance of food for granted so long in this country that it is hard to suddenly wake up to the fact that we are as vulnerable as the rest of the world to the total world supply picture—that what happens to weather and crop conditions in any part of the world affects our prices and food availability right here in the United States.

We no longer have the reserves we used to complain about as "surplus". We don't have the reserves in bins nor in idle land. We have traditionally neglected rural American and farm people, here and in other countries. We know and get excited about what food costs in the grocery store, but we pay little attention to the soaring costs of production—of fuel and fertilizer so necessary for production, or labor getting crops from farm to the dinner table. We really pay very little attention to where our food dollar goes. It's about time all of us became far better informed about the necessity of a sound, prospering agriculture to protect our future food supplies—and far more about the relative costs of food in the U.S., in relation to our earning power, compared to food costs in most other areas of the world.

We need to make people understand that our population is doubling before the end of this decade—and that means it will take twice as much food as we have today to even feed people as poorly as they are being fed today.

And they *are* being fed poorly, even in our own country. Our knowledge and understanding of nutrition is even more lacking than our knowledge of the food production situation generally. Most of our nutrition education is far out of date. Most of our medical doctors practicing today never even received any nutrition education.

As the poorer countries of the world struggle for life and survival, they are learning that they are going to have to get the most nutrient value out of every dollar invested in food. We haven't even learned that lesson in the United States.

These are just thumbnail comments on our basic ignorance on food and nutrition—but they may serve my point. The first thing everybody can do is to get better informed. A vast array of new technical knowledge and research into problems of malnutrition, particularly among infants, is available for those who will take the time and trouble to explore it. A vast additional amount of information about the potential—and lack of potential—for increasing food production is being compiled by all nations of the earth for the UN World Food Conference, and should become an added source for better appraising a long-range look at national and international food policies in the future.

Second, show you care. All the experts in the world can come up with the best research schemes and agricultural development schemes in the world for solving this world food dilemma, but nothing is really going to happen unless and until enough American people show enough concern and determination to insist that something be done. It is really a matter of determination and willingness, more than lack of technical knowledge; it is a matter of moral concern, a willingness to help pay for what it will cost to solve the problem, and a willingness to share what food we have until we can raise the world's production enough to provide adequate, nutritional diets for all people.

There are many ways individuals can show they are concerned, that they *do* care. Write to your Senators and Congressman. Write to the President. Write to Secretary of State Kissinger. Take the issue up in all the organizations you are affiliated with and stir others to action. Circulate petitions yourself. Contribute to any agency of your choice you feel is doing a constructive job of helping those who need help, in this country and abroad.

Why do we have to wait for mass tragedy to strike—to wait for television scenes viewed in our own homes of bloated bellies of starving children in the Sahel—before we act? We are basically a humanitarian people, a generous people. We always rally to help our neighbor in a crisis. Let's remember that we have neighbors all over the world, for whom eating every day is a crisis. Let's find ways to show the world that the American people *do* care, that we are not just a selfish, greedy nation concerned only about ourselves.

Third, be willing to do some soul-searching on our own eating habits, our own life styles.

I'm not a dreamer who imagines we can change everybody's eating habits overnight, but I think we could all stand some soul-searching on our conspicuous consumption habits—for our own sake, for our health's sake, for our conscience sake, and for the world's sake.

I haven't joined those who have called for meatless days, because there is no simple one answer. People do have preferences, and people should feel free to choose what form of sacrifice they want to make, if they want to sacrifice at all to help others. But we can and should heed the advice of our doctors, and our more advanced nutritionists—most of us eat too much, and eat too much fat. The AMA tells us we would all be healthier if we can cut down on animal fats. It should make us feel even better that what we do for our own health also helps extend the world's food supplies—for animal fat in this country accounts for a greater share of our grain products than necessary. and the same products could go much further feeding people directly than in fattening animals.

Our cattle industry is already recognizing this, and turning to more grass fed cattle. USDA is considering changing its grades to put less premium on "larded" or fat red meats.

If we could live just a little less "high on the hog", it would be far easier to help feed millions of people in the world. The peoples of Western Europe and the United States—the higher income areas—should be strongly encouraged to obtain more protein from vegetable sources such as legumes and oilseeds, and consume somewhat smaller portions of meats and dairy products. I know this is a touchy subject, but I think it is a coming trend of the future, particularly for adults—and it would be well to recognize it. New technology has taught us much about how we can get high quality protein from vegetable sources at lower-cost—and all of us are going to have to be looking at how much food value, in the nutritional sense, particularly protein, we get for each food dollar. As you probably know, some five pounds of grains are consumed daily per capita in the USA largely because animal-derived foods require high levels of grain for production. Yet we know that in many developing countries people subsist on one pound of grain per capita per day because they don't have or can't afford much in the way of animal-derived foods. Perhaps we need the help of nutrition education to raise a generation that understands there are ways of having a healthy diet, at low cost, instead of having to seek all our protein from the highest cost sources—just because that has been ingrained into our lifestyles of the past.

Perhaps we all have some re-learning to do, about eating. What has become accepted as the "diet of the rich" may not, in fact, be the best diet for us. Already scientists are reporting differences in disease rates in some primitive African countries with more fiber in their diets than in western countries where we have refined out so much fiber that there has been a rapid increase in certain illnesses in less than a century.

The lessons we have learned in many of our international emergency feeding programs has been to create blends of cereal grains with high-protein oilseeds—giving us both the fiber and the protein, and at the lowest possible cost. We haven't yet really applied many of these lessons at home, because we still think it demeaning to suggest anyone struggling with a tight budget shouldn't have the same food on his table as the rich man has. Perhaps we need to show them we can be smarter than the rich man—healthier, at less cost. We have a lot of pioneering yet to do in this area, but such changing eating habits can make a real contribution to prolonging the world's ability to feed itself, and feed itself better.

While I am talking about considering personal changes in lifestyle, let's also think a little bit about the rest of our consumption. We use enough fertilizers on our lawns and gardens and golf courses to provide for vastly increased food production in India or other poorer countries of the world.

Now, I'm not against an attractive lawn or nice putting greens; but if we want these luxuries for ourselves, we must be willing to share, somehow, in financing development of more fertilizer for where it is really needed—to produce food.

Fourth, and related to the previous point, is cutting out waste.

We waste enough food in this country everyday to feed millions of people in the world. We over-fill our plates, then dump it in the garbage. Airlines overfeed us. We carelessly waste available production of grains and perishable products between the farm and the dinner table in many ways—poor storage, careless handling, lack of protection against insect and rat infestation. While this is true for us, it is equally true for the world. A real campaign against food waste is needed, worldwide.

But the burden is really on us, in this country. We use such a vastly disproportionate share of all the world's resources—food, energy, raw materials, on a per capita basis. It has truly been said that the world really couldn't stand another major country with the consumption habits and patterns of the United States; we would simply exhaust the world's total resources.

We become a bit more conscious of this during the too-short-lived energy crises. It made us conscious of our over-consumption. We turned down our thermostats, and didn't freeze. We cut down, some, on our driving, and didn't suffer. There's no question but that the United States could still maintain the highest living standard in the world with a tremendous saving in food and energy resources by simply eliminating waste, and becoming more conscious that everything we waste was taking away an opportunity for life and happiness from someone else, somewhere in the world.

Don't treat this waste issue too lightly. In addition to what we can do as individuals, we can do much more by encouraging industry and government to accelerate the recycling of waste products and the utilization of now-wasted by-products. Properly treated manures can constitute a useful portion of animal feeds instead of now taking grain out of the mouths of humans. Worldwide, there is a projected production of both animal feed and food grade yeast for a total of 880 million pounds by the end of 1975, mostly from petroleum substrates. Such yeasts contains some 50% protein. Waste cellulose from corn stalks, sugar cane, and other crops can be processed and fermented to produce single cell protein in the form of yeast, fungi, and other acceptable microorganisms. Such systems have the advantage of providing a large biomass of feed and

food within a very limited space, and the substrate is a reproducible crop. Every encouragement should be given to an accelerated development of these single cell production systems, but particularly those based upon waste products.

I have endeavored to highlight a few areas for you to think about in response to your panel question, "What Can I do About the World Food Situation?" Many more could be enumerated.

But if I may, I would prefer summarizing by coming back to the moral decisions we as a people must make.

There's no argument about the need for increasing food production in developing countries, within a wider framework of total economic and social development. The only question is the extent to which the "have" nations will really share with the "have not" nations in getting that job done better than we have been able to do in the past.

There's no argument about the need for continuing long range research into new crop varieties adapted to other areas of the world, about greater research into converting waste products into animal feed or improving our knowledge and ability to prejudge weather cycles and forecast droughts. The research scientists have shelves full of projects that could make a contribution to the problem. The only question is who is going to pay the bill—and for how long are we willing to make the commitment needed?

There's no argument about the need, worldwide, for improved education generally, and improved nutritional education specifically, as part of solving the food problem. But how strongly are the American people going to support Congressional funds for economic development assistance to make that possible?

What is more pressing, right now, is our willingness to share the food we have—now—with those who needed it the most.

Whatever the programs evolved out of the World Food Conference for long-range answers, people are hungry now. Millions of children are suffering from malnutrition, now. More millions will be victims next year as higher food prices make the right kinds of food they need less within their financial reach.

We might as well face it; we are going to need continued direct food aid to millions in the world for many years to come.

All the increased production the scientists can promise us will mean little to people without any money to buy.

We were willing to share our food, generously, when we thought we had more than we knew what to do with. Are we as willing to share some of whatever we have, with people who might need it more?

President Ford committed our nation to expand expenditures for food aid, in his presentation to the United Nations. We're still waiting to see the figures. Are we actually going to provide more food—or just spend more for less food because the prices are higher.

These are very real concerns that must be answered better than they have been answered before our Government stands before the other nations of the world in Rome, and indicates how committed we are—or how timid we are—about tackling the problems of world hunger, for the present and the future.

Our government is still trying to judge the mood and attitude of the American people, before making firm commitments.

Success or failure of this world food conference will likely hinge on the degree of forceful leadership taken by the United States—and, in the long run, what our government will do or will not do will probably be in response to the degree of insistence and concern shown by the American people.

That's where the moral choice comes back to you—to each of us.

Can we really accept for the world, a policy where nations with the most gold can gobble up all the available world food, and, within those nations, people with the most money can gobble up all that is available—leaving nothing but the scraps of our unwanted wastings for the poor and hungry?

Or is mankind wise enough, compassionate enough, rational enough, to devise—together—a better food security system that offers better future hope of a decent diet for all, a chance in life for every child?

That really is our moral challenge confronting us this year—it will be with us for many years to come.

Whatever comes out of the World Food Conference will be a start, a challenge, a trumpeting of the world problem—and a lot of rhetoric from governments. Whether we can turn that rhetoric into action will depend on each government, *after* the conference. And whether our Government does its share—whether our Government really reflects the concern of the American people—may depend to a great degree on people just like you. It will depend on everyone. It will depend on everyone being willing to accept some share of the commitment against hunger, at home or abroad—or answer to their own conscience, and their own God.

CHARLES A. LINDBERGH

Mr. MATHIAS. Mr. President, the press coverage of the death of Charles A. Lindbergh served to remind us of not only an age of heroes, but of one hero whose contributions to his field and to the Nation continued for decades after the limelight had moved to focus on others.

Without belaboring the cliches so often voiced about our Nation, I can think of no finer example than Charles A. Lindbergh of this country's capacity to give full reign to talent and perseverance. Our ability to produce men of genius, not only from an aristocracy but from the full range of our society, and to allow their talents and energy to flower, is one of the neglected secrets of our greatness.

As one who passed through triumph and tragedy in the spotlight, and who pursued his interests and managed to contribute years later when he was denied an official role, Lindbergh earned many times over any final tribute he might have been paid. Yet, characteristically, he chose to pass from us with as little fanfare as possible, on a distant island at the other end of the world from his greatest triumph, with too little notice for elaborate ceremony.

An account of his last journey, carried out under his own instructions, was reported in the Troy, N.Y., Times Record. I ask unanimous consent that it be printed in the RECORD.

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

LINDBERGH PLANNED FOR HIS DEATH AS CAREFULLY AS HE DID HIS LIFE

HANA, HAWAII.—Charles A. Lindbergh, who sparked worldwide excitement with his "Lone Eagle" flight from New York to Paris in 1927, has been buried in a small, seaside graveyard less than eight hours after his death.

The only family members present on Monday when the 72-year-old aviation hero was buried beside the nondenominational Kipahulu Hawaiian Church were his widow, Anne, and one of the five Lindbergh children, Land.

The other four living children of the man who flew out of obscurity with an epic solo crossing of the Atlantic in a single-engined plane were too far away to fly to Hawaii in time for the service.

The eulogy—part of which Lindbergh had written himself—was delivered by a young Protestant minister, the Rev. John Tincher.

Lindbergh penned these words:

"We commit the body of General Charles A. Lindbergh to its final resting place, but his spirit we commend to Almighty God, knowing that death is but a new adventure in existence and remembering how Jesus said upon the Cross "Father, into Thy hands I commend my spirit."

At his own request, Lindbergh was buried in a khaki shirt and dark cotton trousers. His casket of eucalyptus wood was built by cowboys from nearby ranches.

"The Lone Eagle planned his final trip as much as he planned his Atlantic trip or anything else he ever did in his life," said Dr. Milton Howell, a longtime friend.

Howell said Lindbergh died of cancer of the lymphatic system. The pioneer aviator had spent the last eight days of his life in Hawaii after a month-long stay in New York's Columbia-Presbyterian Hospital.

"When he knew he could not recover, Mr. Lindbergh requested that he be taken here from Columbia so he could die. He had made his vacation home here for many years and wanted to die here," Howell said.

In addition to his widow and Land, Lindbergh is survived by sons Jon of Washington state and Scott of Paris and daughters Reeve of New England and Anne Lindbergh Feydi of Paris.

The slim, shy, 25-year-old former barnstormer and pioneer air mail pilot found instant fame and fortune. But awaiting him also was great personal tragedy and dark political denunciation and innuendo.

Charles Augustus Lindbergh was born in Detroit, Mich., Feb. 4, 1902. He grew up in Little Falls, Minn., where his father was a five-term congressman.

Young Lindbergh took mechanical engineering at the University of Wisconsin. But he left in less than two years to enroll in a Lincoln, Neb., flying school. His future was already committed to the skies.

In those early days of aviation, Lindbergh served an apprenticeship as a wingwalker, barnstormer and a member of a small band of hardy aviation pioneers who risked their lives to fly the mail. He bought his first plane for $500.

Lindbergh was lured into his great adventure by a $25,200 Orteig prize for the first transatlantic nonstop flight from New York to Paris. Others before him had flown across the Atlantic, though never alone.

With the backing of a St. Louis group, Lindbergh supervised construction of a Ryan airplane, and in the misty drizzling dawn of May 20, 1927, he took off from Long Island's Roosevelt Field in "The Spirit of St. Louis."

At 122 m.p.h., the young pilot faced 3,610 miles of treacherous ocean passage. To sustain him, he carried a canteen of water and five sandwiches in a brown paper bag.

Showered with medals and honors, "Lucky Lindy" came home to adulation. To promote aviation, he toured 75 cities in what turned out to be one long triumphal parade.

Later, as a goodwill ambassador to Latin America, Lindbergh met Anne Spencer Morrow, daughter of U.S. ambassador to Mexico, Dwight Morrow. They were married on May 27, 1929.

Seeking a measure of solitude, the Lindberghs took asylum in a home built in a secluded section of New Jersey near the village of Hopewell. It was here that tragedy sought out the couple.

On March 1, 1932, their first-born, 19-month-old Charles A. Lindbergh, Jr., was kid-

naped from his second floor crib. A nation that had cheered Lindy's triumph five short years before, now found itself caught up in his grief.

Lindbergh paid a $50,000 ransom. But the baby was already dead, its skull shattered. A truck driver came across the body in a shallow grave less than five miles from the Lindbergh home on May 12, 1932.

Bruno Richard Hauptmann, a carpenter, was convicted of the abduction in a six-week kidnap trial and was electrocuted on April 3, 1936. He had been arrested in the act of passing a marked $10 ransom bill, and $13,000 additional in ransom money was found in his Bronx home.

Lindbergh and his wife fled to England and self-imposed exile. With them they took their second son, Jon, born after his brother's tragic death.

Lindbergh returned in 1939, with America edging closer to the European crisis that led to World War II. He campaigned against U.S. entry, called for a negotiated peace with Nazi Germany and argued that modern airpower precluded any successful U.S. intervention.

Critics demanded that Lindbergh return the Order awarded him by Nazi air leader Hermann Goering.

Eventually, President Franklin D. Roosevelt indirectly questioned Lindbergh's patriotism—denounced him as an appeaser and ranked him with skeptics who urged George Washington to quit at Valley Forge and Northerners who wanted to make peace with the South before the Civil War.

As a result, Lindbergh resigned his commission as a colonel in the U.S. Army Air Corps reserves. Three days after the Pearl Harbor attack, he tried to rejoin but was blocked by Roosevelt.

As a civilian, he quietly joined American forces in the Pacific, teaching flight techniques to Army Air Force combat fliers. Lindbergh himself flew combat missions and shot down two Japanese planes.

Lindbergh's reserve commission was restored after the war and he was promoted to brigadier general.

He and his wife, in continued pursuit of privacy, withdrew to Darien, Conn. He held technical posts with Trans-continental and Western Air Transport, later TWA, and Pan American World Airways.

FAIRNESS: VOLUNTARY AND INVOLUNTARY

Mr. PROXMIRE. Mr. President, Clay T. Whitehead said farewell to Washington and his former job as director of the White House Office of Telecommunications Policy the other day with an interview in The Washington Post.

He had some pointed observations about the Federal Communications Communication Commission's fairness doctrine.

"Fairness doctrine" is a phrase with the ring of Orwellian doublethink. It is really the "unfairness" doctrine by which the Government tells broadcasters what and how they must broadcast while espousing the first amendment's freedoms of speech and of the press.

Listen to Whitehead in his interview with the Post:

> There were some people at the White House . . . who considered the Fairness Doctrine a tool to keep the networks in line.

Whitehead claims, in effect, that he had to play along in order to accomplish his ends of protecting the first amendment rights of broadcasters.

Many people in the White House, he told the Post, blamed him for suggesting the fairness doctrine should be taken off the books. Whitehead puts that in the context of his criticized remarks about "elitist gossip" and "idealogical plugola" in network news in an Indianapolis speech in December, 1972.

I was one of those who criticized Whitehead for those remarks. In fact, that speech was directly responsible for my reexamination of the FCC's fairness doctrine, which I was instrumental in incorporating into the Communications Act.

Whitehead told the Post that those remarks were actually a successful political maneuver on his part to save his Office of Telecommunications Policy from extinction at the hands of highly placed opponents "directly under the President" in the White House.

A few paragraphs of quotation from the Post story flush out the explanation:

> "You've got to understand the climate of the Nixon administration then," Whitehead said. "There was the heady feeling of power with four years more and everybody was riding high.
>
> "There were some people at the White House," said Whitehead, "who considered the Fairness Doctrine a tool to keep the networks in line." He declined, however, to name names.
>
> It was at this "heady" time, says Whitehead, that he decided to deliver his Indianapolis speech, which he says he wrote with the aid of Henry Goldberg, now general counsel of OTP ("Those phrases were my phrases, however," says Whitehead).
>
> "I made the calculated decision that the only way to preserve OTP and its mission was to package a program and make it clear to the President, the press and the public.
>
> "I offered a broadcast license renewal bill that was definitely pro-First Amendment and which gave broadcasters relief from FCC program regulation while coupling it with responsibility to the public. At the same time I wasn't going to say everything was hunky-dory with network news.
>
> "The great tragedy," Whitehead recalls, "was that the relations between the administration and the media were so bad, I knew damned well the networks would flail the speech but I thought the broadcasters would support the bill. They did, but not publicly."
>
> Whitehead also asserts that after his four years as a gadfly at OTP his own values are "on the side of the publishing and broadcasting interests."

This report about Whitehead is most revealing, both to what happened inside the White House and how a free press can bring out the facts eventually.

Self-serving remarks aside, Whitehead reveals that not all that appears on the surface is true. Just as in the same Post story, Whitehead explains some of how he and others orchestrated the transition from President Nixon to President Ford and how Mr. Ford would create a public image of a fresh breeze.

I wish I could quote from the transcript of a television or radio show instead of a newspaper. But this is the kind of newsstory one is unlikely to hear on radio or TV.

That is because of the fairness doctrine. The fact that this Post news story dealt, in part, with the fairness doctrine helps point up the negative aspects of that doctrine.

In essence, the fairness doctrine requires broadcasters "to afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

Broadcasters would think twice before devoting much broadcast time to a news story about the sword that hangs over their head. Why should they give importance to a public issue over their freedom when it involves their relationship with their controllers?

They know too well from other types of news stories that a complaint to the FCC from a listener can get them into trouble with their license grantor. Even when the broadcaster has handled an issue fairly, defending himself can cause him plenty of trouble in time and money. Sometimes—too many times—it is just easier to forget an issue that is not obviously controversial.

But newspaper and other publishers are free to cover any issue they wish, knowing that they are answerable to no governmental agency.

And newspapers, taken as a whole, cover those issues fairly.

The American free press is one of the most misunderstood blessings of our Constitution. The important word in the phrase "free press" is free.

It means freedom from governmental control.

It does not mean freedom from error.

A free press envisions a free people: an electorate able to decide for itself. A citizenry interested enough in its own future to take facts it garners from the press, ponder them and make collective decisions.

Leaders are elected as the result of those decisions. What is more: it is for those leaders to act after taking into account those decisions of the citizenry, communicated through the ballot box and through individual conversations, letters and wires.

We sometimes forget how dependent we all are on the information we get from the press—printed and electronic.

If we asked ourselves where we obtained certain information, particularly about current events, the ultimate source would turn out to be, in almost every case, the press.

Take but one example: every fourth year on the first Tuesday after the first Monday in November we wait to learn who has been elected President of the United States. Usually around midnight, we know for a fact the name of the President-elect. We are informed of that early by radio and TV. Until a generation ago we found out by standing outside newspaper offices watching chalkboard bulletins.

We, in Congress, have even gone so far as to provide that in the event there will be a new President, money is provided to him to get ready to take over as President the following January 20.

Yet, and this is important, it is not until the new Congress convenes on the 3d of January that the electoral votes are counted and it is officially known who has been elected President. Of course, the electors meet in each State capital about a month earlier, but even then, we would be dependent upon the press to know the unofficial results.

My point is this: the press informs us of many events, happenings, and trends just as important as the election of a President. And we trust that information. We trust it because we know that publishers are competitive, private businessmen whose future in business ultimately depends upon their credibility.

So then, why is the press criticized so much?

The criticism stems from the other important element of a free press that we are prone to forget: that we each put our own interpretations on the information relayed to us by the press.

We are free, after all, to accept or reject anything we read, hear, or see.

We have a tendency to forget our part. We have a tendency to attribute to the press our interpretations of the news brought to us by the press.

That is the basis for that old cliche always heard when a free press is discussed, the one about the king having killed the messenger who brought the bad news.

From the time it was established in 1934 the FCC has put off or kept off the air a total of 105 broadcasters.

Since January 1, 1970, the FCC has revoked or denied renewal of 21 broadcast licenses. When voluntary surrender of licenses and denial or cancellation of construction permits are counted, that 21 grows to 27.

The FCC last week tentatively decided to deny renewal of the licenses of the eight stations operated by the Alabama Educational Television Commission because of discrimination against blacks in programing and in hiring.

It will be at least 2 months before the FCC's order is final, and then it is possible the Alabama agency might retain the licenses because of improvements it has made since the renewals were challenged by a group of people.

Of course the existence of governmental licensing was the reason the Alabama educational television stations have improved. They now have black employees in 10 percent of their positions instead of one full-time janitor and a part-time student, and the stations now use all black programing from the educational network.

Nevertheless, if governmental control can bring good results, it can also bring evil ones. That is why the authors of the Bill of Rights made freedom of speech and of the press part of their No. 1 addition to the Constitution.

The public's right to turn the dial must be the ultimate arbiter of the elecronic media as its right not to buy controls the print media.

That is the public control that should be final.

Also since January 1970, there have been 511 fines totaling $638,275 levied by the FCC. Most of the fines have been for violations of engineering rules and only a handful for political candidate editorials and personal attack. The FCC says no fine was levied for a fairness doctrine violation.

But consider this: no newspaper has ceased publication because of governmental fiat, and none has been fined for the way it handled the news.

If our print media were controlled by the Government, we certainly would have something different. We would have propaganda. We would have a press spreading only the word that the Government would want us to have, keeping from us the news that the Government did not want us to have.

We would not, I contend, have a submissive citizenry because of a controlled press.

Rather, we would have a citizenry that was completely skeptical and poorly informed. A citizenry that would know they could believe none of the news they read and heard.

What we would not have is information we could rely upon—the bits and pieces of fact we could put together for ourselves—in making up our minds. Without information, we could not react very effectively in throwing off such a cruel and suppressive government.

We then would have trouble in exercising that marvelous and seldom remembered part of our Declaration of Independence that says:

> . . . that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its Foundation on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.

Thank God that we do not need to use that part of the Declaration of Independence today.

Yet, we must always be alert.

And keeping us alert is our—I stress—our ability to interpret the news and information, and, if you will, the opinion, we get in our free press.

The press down through the years has not always been fair. It has become more fair as the citizenry has become better educated.

There is an interaction between the press and the public that is synergistic. The two, working together, can bring results. They can cause government to act.

We are in the midst of one of those occasions now. The state of the economy is such that we all feel the results of stagflation each time we go to the store, try to get a home mortgage, buy a car.

But we learn from the press that this is occurring not only where we live, but everywhere in the country.

Our indignation is causing the Government to attempt to do something about the economic conditions.

Public opinion will not be quieted until something is done.

Like beauty, fairness is in the eye of the beholder.

It is difficult to prove that the press today is more fair than it has been in the past.

Yet we all know of the fairly recent development of op-ed pages in many newspapers. These are attempts to publish a variety of opinions, some that agree with the editorial positions of the papers themselves, but, more important, opinions that do not agree. These newspapers are saying: here is a service we are giving; you can get opinions of various shadings by buying our paper; you need not search for opinions agreeing with your own.

But for the most part, those op-ed pieces are polemical. The writers are trying to persuade their readers.

There was a time when broadcasters were not permitted to air editorials. They may do so now, but not all choose to do so. When they do. they must give the right to reply. This year, the Supreme Court struck down such a requirement for newspapers in a Florida law.

What about the news columns of newspapers?

Most newspaper editors try to make their news columns unbiased and informative.

For example, when one politician accuses another of some less-than-honorable act, the accused is given a chance to answer in the same news story or dispatch. If he chooses not to comment, he is quoted as saying so. If he chooses to comment but not to the point, he is quoted as saying so. If the reporter can not reach him for comment, that, too, is reported.

Most times, the person being sought for comment eventually does comment, and that appears in the paper.

There is one aspect of modern journalism that disturbs some readers: interpretation. They like to equate interpretation with editorializing.

Ethical newspapermen disput that claim. They say that if a political office holder, for example, makes a statement that contradicts an earlier statement without acknowledgement or explanation, then it is the duty of a responsible reporter to write that fact. And it is the duty of a responsible editor to make sure that the fact is reported. It is also necessary for the reporter to seek the reasons for the contradictory statements.

To do otherwise would be to mislead the reader, who is also likely to be a voter. To know of the discrepancy and not to report it would be lying.

Those supporters of the politician, of course, might claim that the paper was being unfair. But it would be unfair to those needing to be informed not to report that fact.

Comment on the contradiction, of course, should be treated in the news columns only by reporting the opinion of other leaders: both pro and con. The newspaper's own comment should appear only on the editorial page.

And that is the way competent newspapers operate. Close reading will show that to be true in most instances.

A radio or television newsman doing that—and many do—leaves himself and his employer wide open to a complaint to the FCC. Since July 1, 1969, there have been 145,482 complaints to the FCC concerning radio and TV programing. Of those, 20,446 have concerned news and public issues other than political candidates. Fairness doctrine complaints totaled 5,966. The equal time provision for political candidates has brought 4,766 complaints.

In fiscal 1974, the FCC had 1,309 fairness doctrine complaints. The FCC says only 94 were referred back to stations for reply, and only 5 of those received "letters of admonition." The letters go into a file for consideration in the event of challenges at license renewal time.

A reasonable assumption is that such power, although infrequently used, must affect the way broadcast newsmen do their jobs.

No newspaper has had to answer to a government agency because of complaints from readers. Newspapers handle complaints direct. When an error is made, it is usually corrected. In fact, more and more newspapers are clearly labeling corrections—and they are doing it voluntarily.

In what other ways have newspapers become more fair and unbiased?

I maintain they have done so by expanding their coverage. There was a time—not too long ago—when we could not read stories about environment and health hazards, such as those caused by insecticides, food additives, previously arcane chemicals. There was a time when we did not see stories about social concerns, such as crime-ridden neighborhoods, venereal diseases, old age, population growth, racial relations, school curricula.

Women's rights have been reported since long before the bloomer girls. But now we get searching reports on what women's rights really mean.

The list is endless. But, fair coverage means that problems, advances and experimentation in areas of life affecting all of us are covered in all their aspects.

Another advancement in the cause of fairness made by many newspapers is the ombudsman. The newspapers that use this approach do have variations. There are those who have a readers' editor who takes complaints on the operation of his paper and provides explanations, usually in a column. The Milwaukee Journal uses that method. Others have assigned an editor to criticize the operation of his own paper, sometimes on the editorial page. The Washington Post did that for a time.

The St. Louis Post-Dispatch has hired a reader's advocate to take criticism and suggestions from the public. No law says it must do that.

Many newspapers have demonstrated that they are aware of their public responsibilities and try to meet them.

Nearly all newspapers police their advertising, watching for misleading ads and refusing to run them, even though it means lost revenue. Broadcasters do it because of governmental watchdogs.

What about big advertisers trying to influence an editor, threatening to pull their ads unless some news is left uncovered? That abuse is almost unheard of these days. I suspect the reason is that enough fearless editors and publishers have stood up to such advertisers to discourage such attempts.

Overall, we Americans can be proud of our free press. Errors and excesses could be cited, I know. But the fact remains that the press acts responsibly.

Sensationalism has died out. People will not stand for it in the long run. If you do not think that is true, may I ask: Whatever happened to the New York Mirror with its million readers?

The press of this country has accomplished what it has because it has not been controlled by government. There are not licenses. There are few restraints, other than those dealing with libel and obscenity, and the press wants to live with those.

More than 62 million newspapers are distributed in this country every weekday; another 51 million on Sundays. In addition, there are some 35 million weekly papers circulated. All are free to print what they choose. And, as I have pointed out, do a pretty good job of it.

Yet, the most popular of the mass media, television, and its older cousin, radio, do not have freedom. There are 66 million television homes in the United States. As a number, that is 4 million more than the daily circulation of newspapers.

Each newspaper is read by about 1.4 persons. That means that the country's largest paper, the New York Daily News, has a readership of just under 3 million.

A poorly rated network TV show will have several times that many persons watching it.

But the Daily News can print anything it likes and no governmental agency can dictate to it. That is not true of the Walter Cronkite news show, or the NBC Nightly News, or of the local news show in your hometown.

TV and radio broadcasters have the FCC and its fairness doctrine to contend with. By law, they must be fair.

Are not newspapers fair without governmental control?

I think I have demonstrated that they are.

And, I contend that radio and TV would be fair without governmental control.

There is no reason why the first amendment should not fully apply to broadcasters as it does to publishers.

If rights of free speech and of a free press are so sacred as to have been preserved consistently by the courts, why is it that broadcasters have not been successful in obtaining those same rights fully?

Newspapers in the last few years have beat the Federal Government in the Pentagon papers case—although some will argue that—and a State government in the Miami Herald case. The Supreme Court has given only lipservice to the first amendment when it comes to broadcasters.

Is not governmental control of electronic journalism just as dangerous to the freedom of the Republic as control of print journalism?

The President cannot command the top line of all the newspapers in the country by announcing to editors that he is going to speak. He may obtain prime time on all network radio and TV stations and many nonaffiliated stations merely by having his press secretary announce he is going to speak.

He could do the same thing to newspapers if they were licensed. Still, the free newspapers print fully and fairly what the President says.

Freedom of the press is defended for newspapers. Why cannot it be defended for radio and television?

I say that it can.

Mr. President, I intend to give more speeches on this subject before introducing a bill to eliminate the fairness doctrine and the equal time rule.

A TRIBUTE TO CHET HODGE

Mr. RIBICOFF. Mr. President, one of the most beloved men of the Nayaug section of South Glastonbury, Conn., is Chet Hodge. He has been employed at Gardiner's Market for many many years, and is retiring on October 12, 1974. During his years at Gardiner's, he has won the respect and admiration of the people of the community. His customers are having a 3-day celebration which includes a parade, square dance, lawn party, band concert, and church services of all denominations throughout the town because of his loyal service to the people of Nayaug.

I, too, join in congratulating Chet Hodge and his loyal customers who hold him in such high esteem.

TO SAVE THE DEPOTS

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an editorial from the Wilkes-Barre Times Leader on the use of railroad depots for art and cultural centers as part of the Bicentennial be printed in the RECORD.

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

TO SAVE THE DEPOTS

At one time, every community of any size had its own railroad station. Northeastern Pennsylvania was dotted with them. Some were tiny, others large; but they all had a couple of things in common. They were well built and conveniently located, usually near the center of town. The larger ones were often superior examples of period architecture.

With the decline of railroad travel, many of the stations have been abandoned and about half of the 40,000 depots built in the United States between 1830 and 1950 have been razed. Most of the others are in various stages of deterioration. The fact that they were so well constructed probably accounts for the fact that many might still be rehabilitated and made available for other uses.

Over the years, community-minded organizations in various parts of the country have tried to preserve some of the old stations as historical landmarks. They have been successful in such metropolitan centers as Indianapolis, St. Louis, Chattanooga, and Duluth.

Some years ago, an effort was made to save the Central Railroad of New Jersey station in Wilkes-Barre because of its interesting architecture, but interest flagged and the building now stands in the middle of what is to become an industrial park. It may soon fall to the wrecker's ball.

But there are probably quite a few stations in this part of the Commonwealth which could be saved, and which would make excellent community centers.

Toward this end, Senator Hugh Scott has introduced a bill to make unused depots available to communities for art and cultural centers as part of the bicentennial observance. Sen. Scott's proposal is similar to a measure introduced in the House by Rep. Frank Thompson, Jr., of New Jersey, which would amend the National Arts and Humanities Act of 1965.

If the Scott-Thompson proposal is successful, those communities which are prepared

to act will have the best chance of obtaining federal help. A necessary step in this direction would be to identify depots that might still be saved and converted to community center use.

This task falls naturally to regional historical societies and organizations of railroad buffs often associated with them. It is to be hoped they will not miss a new opportunity to contribute toward preservation of landmarks which Sen. Scott calls "unique expressions of American culture."

DEFENSE APPROPRIATIONS CONFERENCE REPORT: STOKING THE INFLATION INFERNO

Mr. MOSS. Mr. President, yesterday, the Senate passed, on a voice vote, the conference report making appropriations for the Department of Defense. I think it is reprehensible that we approved the final version of this legislation—the largest single appropriation bill in our history—without significant debate. We should not have passed a bill making such extravagant expenditures during this time of inflationary crisis.

The Defense Department has now been given $82.56 billion to spend in fiscal year 1975. That is $3.6 billion more than last year, and $478.4 million more than the Senate bill approved.

This bloated appropriation cannot be justified on the grounds that the entire amount is necessary to the national security. The Defense Department budget which we have now approved is, as usual, replete with pork barrel politics which in no way relate to the strength of our defenses. I cite as one flagrant example, the restoration of $205.5 million for the purchase by the Air Force of 12 F-111F aircraft which the Air Force does not even want to buy.

It is a painful irony that President Ford, who must share in the blame for the mistake we made yesterday, and Members of the House and Senate who profess themselves to be both fiscal conservatives and deeply concerned about the security of our Nation, have acted to undermine our security by further weakening the economy with an inflationary Defense budget. Let there be no doubt on this score: overspending on military hardware feeds the fires of inflation, weakens the dollar, and, by jeopardizing the economic health of the Nation, diminishes our financial ability to maintain a strong national defense over the long haul.

We should not forget the words of President Franklin D. Roosevelt in his 1944 message to Congress:

> We have accepted . . . a second Bill of Rights under which a new basis of security and prosperity can be established for all—regardless of station, race or creed. Among these are: The right of a useful and remunerative job in the industries or shops or farms or mines of the Nation:
>
> The right to earn enough to provide adequate food and clothing and recreation;
>
> The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;
>
> The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;
>
> The right of every family to decent home;
>
> The right to adequate medical care and the opportunity to achieve and enjoy good health;
>
> The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;
>
> The right to a good education;
>
> All of these spell security.

Mr. President, this Defense Appropriations Act was the wrong bill at the wrong time.

THE 25TH ANNIVERSARY OF INTERNATIONAL CHRISTIAN UNIVERSITY

Mr. ROTH. Mr. President, this coming month International Christian University in Tokyo, Japan, will be celebrating its 25th anniversary. The renowned theologian and author, Dr. Norman Vincent Peale, has said of this unique university that—

> I know of no more creative Christian enterprise in the education world than the International Christian University.

In its short history, ICU has become one of Asia's premier institutions in higher education. With students and teachers from more than 20 countries over the world, it is a great experiment in international education and understanding, helping to bridge East and West by drawing on the best traditions of both.

The Japan International Christian University Foundation is supported by a number of U.S. denominations including the American Baptist Churches in the United States, the American Lutheran Church, Christian Church—Disciples of Christ—the Council of Community Churches, the Episcopal Church, the National Baptist Convention, U.S.A., Inc., Presbyterian Church in the United States, Reformed Church in America, Religious Society of Friends, United Church of Canada, United Church of Christ, the United Methodist Church, and the United Presbyterian Church in the United States.

Henry Adams once wrote that—

> A teacher asserts eternity; he can never know where his influence stops.

What is true of a single teacher is multiplied many times in a great institution such as International Christian University. ICU is one of the many centers of higher education the world over which are contributing to a brighter tomorrow.

ADJUSTMENTS NECESSARY FOR U.S. AIRLINES

Mr. PROXMIRE. Mr. President, even though I strongly opposed the requested bailout for Pan American World Air Lines, there are a number of adjustments that should be made to assist U.S. airlines.

First. I have noted with approval the decision to raise the international mail rates 20 percent. This still is lower than the fees the U.S. Government pays to foreign carriers but it does present more of an equitable fee schedule.

Second. I am encouraged with the agreeements reached with the United Kingdom and other North Atlantic route governments in reducing the number of flights along this overused corridor.

Third. I hope that the other points of the Department of Transportation recommendations can be quickly implemented including legislation to rectify the varying landing fees which have an adverse impact on U.S. carriers.

I urge the State Department and the Civil Aeronautics Board to take strong measures to bring these landing fees into line or seek to apply corresponding pressures on the offending governments.

If the Federal Government can move on enough of these critical issues this year, Pan Am and TWA may be able to avoid complicated reorganization on other equally severe measures.

Mr. President I ask unanimous consent that an article appearing in the September 25 issue of the Washington Star-News be printed in the RECORD.

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

[From the Washington Star-News, Sept. 25, 1974]

UNITED STATES ACTS TO RAISE FEES ON INTERNATIONAL AIRMAIL

The Ford Administration, making good in its promises to help financially strapped Pan American World Airways—without providing federal subsidies—has asked the Civil Aeronautics Board to raise the rates the U.S. Postal Service pays for international airmail.

Meanwhile, in other developments in the Pan Am situation:

The CAB ordered a 20 percent increase in rates paid to the U.S. International airlines for carrying military mail on a space available basis in the transatlantic, transpacific and Latin American areas. The raise would be retroactive to May 26.

Pan Am reported an August profit of nearly $4.4 million, or 11 cents a share, down from $9.4 million and 23 cents in August 1973. . . The company—which now has a loss for the first eight months of $28 million compared to a $4 million loss during the first eight months of last year—placed the blame on a 155 percent increase in fuel prices in the past year.

In a letter to CAB Chairman Robert D. Timm, Undersecretary of Transportation John W. Barnum wrote that the present rates for transportation of international mail have been basically unchanged since 1968 despite substantial increases in airline costs. Further, he said, present rates don't reflect the substantial increases in fuel and other costs since then.

As a result, he said the CAB should expedite a decision to determine promptly the final international mail rates so that U.S.-flag airlines will receive "fair and reasonable rates" to which they are entitled.

Barnum's letter was accompanied by a motion by the Department of Transportation urging speedy redetermination of mail rates which it says are now below the airlines' costs of carrying mail.

Until final rates are determined, the Barnum letter and DOT's motion ask that the CAB should determine a temporary rate that would go into effect immediately. The final rate would be made retroactive to March 8, DOT said.

Aviation industry figures say that while U.S. airlines receive 31 cents a ton-mile for international mail, foreign-flag airlines, paid under different standards—receive up to $1.73 a ton-mile for first class and 57.7 cents for other classes. The differential cost U.S. flag airlines about $68 million last year, according to industry figures.

Support for higher international airmail rates was the administration's second move within days to aid Pan Am. Last week it announced agreements with the United King-

dom and other foreign governments to cut flights on the North Atlantic where airlines have been losing money because, they contend, there are more available seats than there are passengers.

A BUSINESSMAN AND ART COLLECTOR

Mr. HARTKE. Mr. President, University magazine, the Princeton University quarterly, published an interview with a dear friend of mine, Norton Simon, which brings out the outstanding character and self-made determination of this fine American.

The Norton Simon, Inc., Museum of Art has a primary objective of collecting and exhibiting major works of art throughout the United States. Mr. Simon's definition of art is,

". . . a communication channel that can take people and open them up in a unique way. Art can start getting people to look at themselves which is important since one of our prime problems in society is the need for introspection. Art can help us not only look at ourselves, but also it makes it possible to see others with greater sensitivity and insight. It is particularly useful when cultural barriers are involved. The more we are exposed to the art of other countries, the better we are able to understand and communicate with the people from whose culture the art comes.

The encouragement of public understanding and participation in the arts by the Congress and Government leaders will enrich our society. That is the faith of Norton Simon. Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the interview with Norton Simon by William McCleery appearing in the spring 1974 issue of University.

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

[From University Magazine, spring 1974]

A BUSINESSMAN AND ART COLLECTOR TALKS OF ART (AND BUSINESS)

(By William McCleery)

Wandering wide-eyed through an art museum in which outstanding paintings and sculptures are being exhibited can arouse a variety of feelings in the wanderer, including curiosity. Curiosity about the person who put the collection together is perhaps an over-journalistic response to art, but it is one that kept recurring to this reporter each time he visited the exhibition of more than 100 works from the Norton Simon, Inc. Museum of Art collection, now in its second year of display at the Princeton University Art Museum.

Who, we wondered, is this Norton Simon?

We knew from reading the catalogue that the exhibition would not have been possible without the support of the Directors of Norton Simon, Inc., and its present chief executive, David Mahoney; and without the help of Robert S. Macfarlane Jr., President of Foundation Funds of Norton Simon, Inc. [The relationship between NS, Inc., and the NS, Inc. Museum of Art, and The NS Foundation is described in the box on p. 10.] Still, one man—Norton Simon—had dreamed up the idea of a corporation's supporting the collecting of art through a foundation and the showing of it in university and other museums; one man had decided what works to buy for the collection being shown at Princeton, and two other collections of comparable size. What kind of man would that be?

A visit to the library told us that Norton Simon is 67 years old, a native of Portland, Oregon, son of a small department store owner who lost most of his money in the 1921 Depression; a dropout from the University of California at Berkeley (after only six weeks); the amasser of a small fortune in the tomato products business, which he built into a large fortune, the basis for the approximately $100 million which went into art through personal and foundation collections; and the builder of the consumer goods conglomerate Norton Simon, Inc., which at the time of his retirement in December 1970 owned not only several food companies such as Canada Dry Corporation, Hunt Foods, and Wesson Oil, but enterprises as inedible as Ohio Match, Fuller Paint Co., Glass Containers Corporation, United Can Co., McCall Printing, *Redbook* magazine, and Talent Associates.

All of which only whetted our basic curiosity: What kind of man has the toughness and aggressiveness to self-make it so big in the business world, and, at the same time, the sensitiveness and taste and perceptiveness—and the desire—to assemble an art collection of such beauty and variety?

With these and other questions in mind we wrote to Simon in Los Angeles and asked to interview him for University when he was next in Princeton for a conference with The Art Museum staff or a meeting of the Board of Trustees of the Institute for Advanced Study, of which he is a member. Though he gives relatively few interviews, he seemed interested in the question we proposed, and so, on a Sunday morning in late winter, we were shaking hands with him in the lobby of the Nassau Inn where he had stayed overnight: a tall, rangy, fit, western-looking man with curly graying hair, wearing a white turtle-neck sweater, light gray flannel trousers with matching jacket of unusual design, rather like a battle jacket, the effect California-casual and springlike for a bitter, sleeting New Jersey day.

We had expected to talk with Simon in a suite upstairs, but he began peering around the lobby for an unoccupied corner and we recalled *Time's* having said of him "He lives modestly except for his art, will search the streets for a restaurant where he can eat for $5." It occurred to us that perhaps he didn't have a suite. (We learned later that he did, but that Mrs. Simon, the actress Jennifer Jones, was traveling with him.) In any case, we ended up downstairs in the tap room, deserted on a Sunday morning, seated at a large round oak table scarred with initials of Princeton undergraduates long gone, a faint odor of last night's beer lacing the air, and as background music the sounds of a quiet bartender getting set for the lunch trade.

One tends not to bandy words with a man worth millions, no matter how casual and unpretentious he may seem, and we would have put our first question at once, but Simon expressed interest in a new book, of which this reporter is co-author, on the need to revive U.S. rail passenger service, and he volunteered that he would be attending hearings in Washington the next day on proposed new railroad legislation. He said that as a director of a major railroad for 22 years—first of Northern Pacific and later of its successor-by-merger, Burlington Northern (from whose board he has now resigned)—he had been appalled by bad management practices in railroads generally, and by the ineptitude of the Interstate Commerce Commission. He said the U.S. railroad industry was one of his chief concerns, and he felt the general public had no idea how incompetent and in some cases corrupt the lines were. He expressed the need for "exposure" of the ugly truth about U.S. railroads with such feeling that we recalled Steven V. Roberts' writing in the *New York Times* that Simon was "something of a cross between two men he deeply admires, Ralph Nader and Charles de Gaulle."

Our conversation would work its way back to railroads, but since time was short and the subject was, after all, *art*, we took advantage of a pause to ask that first question: Why had he chosen to exhibit the collections of the Norton Simon, Inc. Museum of Art principally in university museums such as Princeton's and city museums such as Houston's, which had Rice University and Houston College nearby?

"Originally—I got started collecting twenty years ago for a new home and I became involved with a museum in Los Angeles; but I was also involved with universities—I've been on the Board of Regents of the University of California for thirteen years—and I discovered you get different reactions to art at schools."

Simon does not always speak in that style—sentences that start in one direction, dart off in another, before finally answering the question—but he often does, giving the impression of a man with tremendous vitality, more interested in concepts, and in getting the truth said, than in forming neat sentences. He sat his captain's chair in a rather relaxed slouch, but his hands were nearly always in motion, rapping the table edge for emphasis, tugging an ear, rubbing his cheek.

"All art museums, of course, attract students and academics, but not with the same interest and motivation of those at colleges. I don't mean to be denigrating, but art does seem to attract pseudo-intellectuals. Many around art museums live the lives of pseudo-intellectuals. There is enough power in great art to take many of the pseudos and convert them, but in a good university there is more concern for the *why* of art; more searching for truth and for the meanings of things."

He contrasted the showings of his collections at Princeton with showings at non-university museums. At the latter "there was a phony element, too. Oh, I suppose you get some of that in a university museum, too, but there you get much more *trained curosity*, on the part of young people—students—and academics; more dedication and freedom to dig for the reality of art, what it's all about. And even the non-academic people who come to a university museum seem to take on some of this searching quality from the ambience of the university."

Moreover, many of those who study art in a university museum, he said, go forth as teachers or scholars or museum administrators to spread the truths they have discovered.

"I believe that a meaningful search for new understanding creates an interest in art that can be communicated to a much broader audience. It keeps the art *living* in the sense that to be deeply interested in a particular picture, and find out something new about it, from looking at it differently, contributes to an understanding of what the creative element is all about." He shook his head. "This is hard to intellectualize."

In this day of enormous prices for great art, he said, "the financial element in the art world is a distortion factor; but it has always been there, the price getting in the way of an accurate appraisal of the aesthetic value of a work. It seems more distorting today because the numbers are larger, but these things are relative."

We asked whether knowing that the art he collected would be exhibited in university or university-connected museums, and subjected to the kind of scrutiny he favors, affected his approach to collecting.

"No."

Did it add to the pleasure of collecting, now and retroactively?

"Yes." He nodded emphatically. "My reason for being in Princeton today is to see a work which I bought at an auction in London one or two years ago but have never

seen exhibited in public—a fourteen-century Italian altarpiece by the Paduan painter Guariento di Arpo."

It is being shown for the first time in America at the Princeton Art Museum and we had seen it a few days earlier: a large—perhaps five feet high, six feet wide—piece depicting "The Infancy of Christ and the Passion" in a series of 24 panels, all set in a single gold-leaf frame, a large part of which is known not to be the original frame.

"We know the arrangement in the frame is not right; or rather, it may not be." He said an entire book had been written about that one painting, but he felt sure that scholars and students seeing the painting at Princeton would not only benefit from studying it but would answer significant questions about it which are not answered in the existing book, particularly about the arrangement of the panels. "The uniqueness of the altarpiece makes it a delight to look at and study."

He referred to the scholarly work done by Millard Meiss of the Institute for Advanced Study on another group of paintings which he had acquired and which had been lent by The Norton Simon Foundation to the Princeton Museum—two fifteenth-century panels painted by Filippino Lippi of *Saints Benedict and Apollonia* and *Saints Paul and Frediano*.

"I think that connecting, trying to connect, the whole body of art, and trying to understand the aesthetics of it, sheds light on the nature of the human spirit, makes it more tangible."

He did feel, then, that great art is not only an evidence of civilization but that exposure to it has the effect of civilizing people?

"Art has the ability to—for example in the 1960s when young people were revolting on the campuses because of Vietnam, they were groping for something. They went to extremes, using the filthiest language they could think of, they went in for pornography. I think they were trying to break through—it was a strange way to do it—but I say it partly as a search for meaning: the kind of meaning that art, in other circumstances, can help to supply. Art—aesthetic feeling—has a tendency to pull things together at times like that, to accentuate the creative side of man. How do we get people to—we see all around us the struggle of demagogues, and the 'I'm-not-a-crook' mentality—how do you bust through all that and get to something that's positive?

We began to perceive those mini-karate chops of index fingers against table edge as the gestures of a man very intent on busting through.

Elaborating on his view that art can help to civilize man, if it is respected and understood, he said it was important that people see art as connected with the rest of life and not as a thing apart. He said a book that had meant a great deal to him was Jacques Mritain's *Creative Intuition in Art and Poetry*. "I used to have discussions—I was just getting started collecting—with someone I knew well who tried to isolate artists as a particular kind of human being, far above the more mundane people like businessmen. We used to argue about the phoniness in the contemporary art world. I liked what Maritain wrote about beauty in a bridge, or an airplane; about how a certain beauty goes with function; and how the same object often has the ultimate in both."

Simon's enthusiasm made him seem younger as he talked; made us feel younger as we listened. We said we could begin to see a similarity between the way he looked at art and the way he looked at the railroads; the same urge to "bust through" to the truths that lie under the surface. Was that far-fetched?

"No," he said, "Not at all. I think there *is* a correlation between an abstract element in art and an abstract element in business and politics. It's funny to me how all bright money men try to find the answer. They put theories together and the theories fall down because there is something abstract that is more controlling."

By "abstract" did he mean—?

"A larger, under-the-surface meaning."

And in business and politics, what was this?

He tugged at his ear, frowned over how to say this, finally said, "The real thing is the human quality. What is man? What does he do? What can be done to make his life better and give it more meaning? It's an abstraction."

He tried again, starting from another point. "If you look at the paintings of the fifteenth century, or the sixteenth, what we now call abstract art was the farthest thing from their thoughts, and yet when you examine the great paintings carefully, they do have an abstract element in them. An ability to communicate not just with our minds but with our senses; to state truths that can't be said in words. My wife is not interested in religious art because she has a resistance to religion, through over-exposure to it in childhood, but I say to her, 'I don't see the religion in it. There's an abstraction in it. The iconography is secondary to the artist's *feeling*.'

"When I first began collecting art I would often turn a picture upside down and sideways, look at it that way, to try to evaluate—to take the *literal* meaning out of it. Not all pictures have under-the-surface meaning, the ability to communicate with something deeper in us than our literal, conscious minds. Before photography, both the pseudo-artist and the almost-artist could be promoted into a kind of frame by dealers, and enjoy success for a while, because of the literal content of their work. But it turns out to be phony, in time, in comparison to the work of the good artist. Sometimes it's damned hard to distinguish between the two, though, because everyone who views it has a certain amount of the phony in him along with a certain amount of the real. It takes a lot of hard *looking*."

And did seeing the truth about, say, business and political matters require the same kind of hard looking—even to the point of turning them upside down and sideways?

"In a way, yes. The main trouble with straightening out the railroads in America is that they're covered with so much rubbish you can't easily see what the hell the problem is, let alone solve it!"

Rubbish of what kind?

"Inaccurate accounting practices that are accepted or hardly noticed because they've been going on so long; preoccupation of railroad managements with other businesses they own; wrong relationships between government and railroads. Finding the truth about railroads is like trying to find the real truth in a representational painting which has been around so long you can't really *see* it.

"In business, what you have trouble getting at is the motivation of people who keep it in the status quo; who fight to resist change. Why? Why do they hate to do anything new?" He paused. It apparently hadn't occurred to him that not everyone, even in positions of power, has Norton Simon's intellectual muscle and love of seeing things in new ways. "But," he said, "I'm not pessimistic."

Did he mean that he thought his own way of seeking truth by looking at business and political matters upside down and sideways might eventually prevail?

"I don't want to push that image, but—" he began again. "We have to break old lines of communication and get new lines open. In business as in art we have to break the purely representational line, look at things in a new way. In the railroads it's a phony idea that there is real competition and that this makes them healthy, and we have to look at them in such a way that we *see* that. We need something that undercuts the established form of—it took de Gaulle to help straighten out some of the traffic in Paris, you know.

"The problem is entrenchment. Look at the history of art." He referred to the famous New York "Armory Show" of 1913 which was an "organized semi-rebellion against entrenched standards and styles; but not so alienated that it didn't fit into the establishment. And it did have significant influence."

We said the suggestion that we need a semi-rebellion in this country—to straighten out the railroads and a few other enterprises and institutions—was surprising, coming from an avowed capitalist, an ardent believer in free enterprise, and a registered California Republican.

He nodded. "People who try to get *moderate* change are up against—when you try to get reform within the system, you say to yourself, 'I'll play a little of their game rather than try to find and follow the Lenin in our society.' When you're up against the demagogues you may even have to 'demagogue it' a bit yourself. But I believe times are changing, *people* are changing. We are beginning to look at things in new ways. There are encouraging signs that foreshadow significant change, just as artists often foreshadow what will happen in society. The first abstract painters, many of them failed then, or had to struggle hard for recognition, because the times were not ready for them. Abstract is 'where it's at' now in art, but we forget how long it took to arrive."

Getting back to the abstract element in business, he had called it "the human quality." Would he spell that out?

"Spiritually—in a broad sense—one reason I'm working to improve the railroads is that I'd like human beings not to have to be traveling like cattle. I'd like to see their possessions—freight—moved expeditiously and economically. You have a certain respect for human beings; you want better things for them. I think that is an aesthetic. And that's the *core* of my concern about the railroads."

Clearly he thinks that exposing people to great art is a means of serving them? He nodded. And that doing so in a university museum is an especially effective means? Yes. And clearly he thinks it appropriate for a giant company such as Norton Simon, Inc. to support this kind of service to both higher education and people, even when there can be no direct, material reward to the corporation? Yes. Did he feel that other corporations might be influenced by this example of generosity he had set?—or helped to set, since obviously he had the support of others in the corporation to bring it off?

He thought that over, oblivious to a sudden racket at the bar, of ice cubes being dumped into an empty metal bin. Lunch time was closing in.

"Anything one corporation does for education—there is always the hope it will influence others. The important thing in my mind is that when a corporation does something of value for a college or a university, without expecting any direct return, it creates a certain respect, subtle or otherwise, on the part of youth—the students—and the scholars—the people who are searching—between them and the corporation; and a certain deserved respect for our free enterprise system.

"Corporations are searching for achievement—ways of recognizing and encouraging achievement—in supporting anything, research in art, in medicine, whatever. It's just plain good business for a pharmaceutical

house or a manufacturer of medical instruments, for example, to support medical research. It's clear what they have to gain. Oh, they may be helping mankind, but they're lining their pockets at the same time. So it's clearly good business. But for a consumer company—an automobile manufacturer, say—to support medical research, now that calls for a different, more humane, kind of motivation; a belief that those who can afford to do it have an obligation to try to make life a bit better for mankind even if the corporation has nothing to gain directly."

He referred to a series of advertisements of several years ago which the Container Corporation of America published in magazines, as low-key advertising: good color reproductions of the work of mainly unknown contemporary painters. "Of course they were accused of wasting the stockholders' money, and management was accused of having their own egos involved. Well, of course people's egos are involved in just about everything they do. You're interviewing me, you'll try to make my views clear to your readers, you want to do a good job, but you want to get credit for it, too, don't you? There's nothing wrong with that. The question is whether the things a person does partly for ego's sake also benefit mankind."

Didn't a corporation always have something to gain from improving its image?

The word "image" bothered him. "I think 'improving the image'—some people go all out—'improved image': what does that mean? The image has to come out of the truth of the person or the institution. I think you get greater returns if you cast your bread upon the waters not expecting to get your bread back. If your motive is *only* to improve your image—it's that thing of abstraction again. Some of what you do as a person or a corporation you ought to do out of a love of doing it. If what you are is positive, is on the side of man, then what you do for the love of doing it may 'improve your image,' but if you demand a dollar's worth of benefit for every dollar you give to good causes, that can have a crippling effect on the spirit of a person or a corporation. And in the end it won't 'improve the image' and it won't be good business."

But, we asked, how does a corporation sell that kind of philosophy to its stockholders?

"America is at a point where we have enough food and shelter, even though it may be inequitably distributed. We have to aim now toward having a better society; one that will be more sensitive and more equitable. If you operate a company, no matter what kind, you ought to have as your objective better living for more humans. Some of your profits ought to go into making a better society, because not to do this is to be selfish, and selfishness is uncreative in a person or a business.

"I have to admit that as a businessman my motivations were in conflict. I was acquisitive—in the food business I got no greater satisfaction than looking around and seeing what I could adopt from other companies—ideas and practices—to make my business more successful in money terms. I was in conflict because I wanted more dollars *and* the creative satisfaction of doing more to serve society. But on the other hand the dollars made it possible to be more creative.

"It's natural in our society, in man himself, to be acquisitive. But after our basic physical needs—for food and shelter and so on—are satisfied, we want status, and power. Henry Kissinger does things that benefit mankind, but he can't be unaware of what he's doing at the same time for his own status.

"When we're younger one of our main drives is for identity. As we gain maturity we change our motivation a little. I sometimes wonder—Princeton, with its last fall's losing football season would be a good example—when you see recent comments, some of Nixon's people seem to have gotten away from the old idea that 'it's not just winning, but how you play the game.' It makes me think that within sports too much emphasis is put on the 'win' conception. Even though I'm a Regent of the University of California I'm not sorry to see the UCLA basketball team knocked off once in a while. It may help to remind them what the game is all about. The great part of American sports has always been teamwork."

And since "the great part" of American business and politics was serving people, for a corporation occasionally to do something that simply did this, without any clear and certain profit to the corporation, might serve to remind it of its true purpose?

"I think so."

Did he, as an extremely successful businessman, feel that exposure to great works of art contributed to a person's ability to solve problems, to cope with the world?

"In a way." He thought it over, and replied characteristically; that is, at first seeming to have changed the subject, and then looping back with a direct answer that made the first part of his reply fall into place. "Business is highly psychological. During my last twelve or thirteen years as a businessman I experienced greater achievements as a result of making more use of psychologists and sociologists than any other business I've heard of."

Did he mean that he used them as consultants to "psych out" consumers and improve marketing procedures?

"No, I mean in the management of the corporation; in getting the best from the top executives through a better understanding of the need for such people to express themselves and participate."

Would he spell that out?

"There would be seven of us around a table, arguing—"

About whether to acquire another company? That sort of thing?

"Yes—with a psychologist sitting there, observing, listening. And sometimes a sociologist."

To make some kind of report afterward?

"Or even to speak up during the meeting. To make a commentary on the quality of the argument; on the extent to which personal egos might be entering into the argument; to point our personal and social considerations we might be overlooking.

"Art, too, is highly psychological, and so my answer to your question is Yes, from really getting inside the works of art a businessman, or anyone, can improve his understanding of himself and others and make better decisions.

"Don't forget that a precursor of Freud was Rembrandt, who did sixty or sixty-five self-portraits. Maybe in the early years he did it just to have a model, but then you can see him studying what's going on inside himself and trying to get at the truth of that in later paintings of himself and you see it in his paintings of other people, too."

Tried to look into himself and other people, did he? And paint what he saw under the surface?

"I don't know how consciously—probably it was mostly unconsciously. *He painted what he saw*, period. But what he saw—as he grew older he simply *saw more*; saw beneath the surface.

"For a long time, in business, I overemphasized, in dealing with other people—I would ask 'How bright is the guy? How much does he know?' From involvement with art I learned to ask different questions. 'What are the feelings of the person? How does he express them?'

"There are plenty of examples of damned bright men in business and politics who have made fools of themselves because of a lack of understanding of human feelings."

If men and women in business and politics spent more time communing with great artists, through their works in museums, would they be less likely to commit some of the dumb and dirty tricks which have come to light recently?

He shook his head.

"To relate it that tangibly sounds almost wrong. Does going to church improve a person's behavior? Not necessarily. You can be pious as hell on Sunday, and exploit people all week, and then go back and be pious again on Sunday. I can conceive of people spending a lot of time in art museums and being as screwed up as they were to begin with."

But if they go under the surface of the art and really did commune with the artist?

"I don't see how anybody could do *that* without being better for it, if he really *did* it. But people can be very phony about art.

"To me an art museum is a kind of church; a source of deep truths and spiritual experience. If a person gets the human understanding in art—gets it not just intellectually but in his unconscious and subconscious—it can have this effect. But there are people who have a great intellectual understanding of art, and still it's hard for them to—it becomes an intellectual exercise. But even with them, probably more gets through—to the unconscious and subconscious—than they realize."

He had been leaning forward, speaking with fervor. Now he sat back and smiled, as if at himself, ironically, and commented on his own philosophizing: "Art has a lot to give, but I think you can get there without art at all." By "there" he clearly meant the truth about life and oneself.

As we walked back up to the lobby he added, "I'm a skeptic about art. Not about *art*. About the phony in the world of art; about people using it."

We asked if he ever regretted having run for the Republican nomination for the U.S. Senate in California, in 1970, against George Murphy.

"No! I learned a hell of a lot! It was one of the great experiences of my life. George Murphy was a fundamentally nice sort of guy, but was captured—his experience foreshadowed—it bugged me a lot—it was a kind of precursor of Watergate. That is, it was disclosed that he was being paid, was on the *payroll* of Technicolor, which like any big company had things to gain from a political connection like that. Actually, it was relatively innocent compared to the sort of political payoffs that have been uncovered since, but the Los Angeles *Times* ran an editorial saying he was not fit to represent the state any more, so I was persuaded at the last minute to run against him. Nobody expected me to win, least of all me, but we thought I'd be able to undermine the right wing Republican organization. I got more votes than I dreamed I would and I got some exposure for the case against Murphy and he was more easily defeated [by Democrat John Tunney] in the election.

"My interest was in the *exposure*, and that's my interest in the railroad mess; to try and expose it so that people can see it the way it is, which is far worse than it has been shown so far, or than they ever imagined."

So: Norton Simon, retired businessman, is in the business of encouraging people to look with a new, piercing intensity at art, at themselves, the railroads, at everything that matters. We came away with our curiosity not satisfied but appeased, convinced that ar. and higher education—which thrive on har , rubbish-removing scrutiny—are lucky tc have such a friend; and the entrenched status quo deserves such an enemy.

HEALTH CARE FOR RETIRED MILITARY

Mr. MATHIAS. Mr. President as we approach the time of decision on the direction of our national health care efforts in the years ahead, I have found myself increasingly concerned with trying to hear from all concerned with the problem, the professionals, the educators, and the citizens who in this context are described as "health care consumers."

If we now confront, as I believe we do, a major turning point, it is vital that we consider as thoroughly as we can foresee the effects of the various alternatives on the many groups concerned.

In that light, I would like to call the attention of this body to one group, military personnel and their families, who traditionally have been able to rely on the Armed Forces to provide complete medical service, during the years of active duty and in retirement as well.

Indeed, the security of knowing that such support is available to meet serious personal and family health crises has long been accepted as part of the compact which constitutes the basis for a career-long association of men and women, who have given their working lives to an Armed Forces which was often unable to compensate them in terms of personal safety, comfort, or stability of location or assignment.

The current issue of the Retired Officer includes an article which addresses the problem of health care and the military retiree. It raises questions which I feel deserve good answers before we give our active or passive endorsement to any sudden revision of what has been a valuable inducement toward a military career. 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:

A SPECIAL REPORT—NOW THE HEALTH CARE CRISIS

The amount and quality of health care the military retiree and his family can expect in military hospitals in the future hangs precariously on several critical and imminent decisions now being made at the highest levels of government.

Not only will the outcome affect the health care of the retiree, but also that of the dependents of active duty people and, ultimately, according to the Surgeons General of the Armed Forces, of active duty men and women as well.

Nobody should really be surprised that the military medicine crisis is upon us. After all, the Surgeons General have been sounding the alarm for two years now—ever since the end of the doctor draft. Yet despite their warnings of doctor shortages, dwindling resources and the rapidly growing numbers of eligible recipients, the majority of those people most affected has reacted almost apathetically.

Now there is little time left for warning. The day of Armageddon is here. And suddenly the stakes are larger, the issues greater and the outcome more critical than anyone ever imagined.

The battle is joined. On the one side, there is a body of influential opinion which holds that military medicine should confine itself to the care of active duty men and women only, that all others who are now eligible recipients should fend for health care along with the general population—probably under some form of national health insurance program.

On the other side is military medicine as it exists today after several decades of growth and achievement, and a century-old tradition of the military services taking care of their own. To limit military medicine to the care of healthy young folks, military doctors say, would result in a serious degradation of military medicine; a potentially dangerous situation in time of war.

Between these views are some alternatives combining in varying degrees certain aspects of each. The real answer, proponents of a compromise solution believe, lies somewhere in between and involves a combination of present programs. Perhaps even a new program—something that has not yet been thought of.

Without question, opposition to dependent and retired medical care in military medical facilities has been growing. Some people attribute this essentially to the general "cut the military establishment" sentiment characteristically rampant after every war. Certainly, the joint report to the President and Congress by the Secretaries of Defense, and Health, Education and Welfare in October 1972 did much to solidify this opposition. The position of HEW, in fact, was to question relatively cost-free medical care to a preferred population—DoD medical care beneficiaries, to be exact. The report also expressed concern that the perpetuation of a broad DoD health care system, presumably including the CHAMPUS program, would conflict with national health care proposals being submitted to the Congress.

Perhaps even more dire for the proponents of military health care systems as they exist today, is the current study underway by the Office of Management and Budget. Begun in July of last year, the study is an in-depth comparative evaluation of existing military and non-military health care systems. Its listed goals include:

Assess the ability for current military medical programs to meet the future health needs of the armed forces;

Evaluate the existing military medical care system and alternatives to it with respect to their costs, quality of care, impact on doctor requirements and contributions toward DoD health care objectives;

Recommend modifications to the military health care system that complement the President's national health care initiatives, that are compatible with civilian health care systems and that minimize the overall costs of military medical care.

When it was announced that this study was to be undertaken, several sweeping preconceived positions were listed, most an outgrowth of the DoD-HEW report of 1972. Some of these were:

"Eliminate or transfer to other systems specific categories of beneficiaries—dependents and survivors of active duty and retired personnel.

"Restrict scope of services offered or eliminate specific services altogether.

"Co-payment charges for office visits or prescription drugs.

"Co-insurance—for example, each beneficiary would pay 20 percent of all costs."

Astoundingly, these proposals were developed by a steering committee *without military representation*, a situation later rectified when all three services protested vigorously. Now the three Surgeons General and the Deputy Assistant Secretary of Defense for Military Personnel Policy are on the steering committee. The study is well underway and is scheduled to be concluded in this fall.

Because of the nature of the situation—which all three Surgeons General agree involve the future viability of military medicine—the military services find themselves in opposition to their civilian bosses in the Department of Defense. Indeed, several high ranking military men have expressed incredulity at DOD's attitude.

"For example," one military physician said, "even though Congress passed legislation on May 6 authorizing the military services to pay physicians up to $13,500 annually over and above their regular pay, Defense delayed until mid-July in sending recommended implementing instructions to OMB for review prior to Presidential approval, as required by the law."

He pointed out that this was unforgivable, particularly since the bonus program was delayed a year in Congress, resulting in the loss of many physicians who might otherwise have stayed in the service.

One admiral, not a medical man, likened this situation to a man "bleeding to death on the deck, while people argued about applying the tourniquet Congress had handed to them."

Furthermore, DOD has dictated changes in planning for health care delivery in the future. In essence, it has decreed that:

"Manpower and facility modernization programs must be limited to the delivery of health care to the active duty population only, except in those facilities which are so-called medically remote; which operate a medical training program; or where it can be clearly shown that the provision of health care is more economical when rendered by the military medical facility as opposed to civilian sources."

Varying degrees of entitlement for different categories of beneficiaries are established by law (Chapter 55, Title 10 U.S. Code). In effect, the law divides the major eligible groups into three priorities for care in military facilities:

First, active duty members, whose entitlement is absolute.

Second, dependents of active duty members and the survivors of deceased active duty members. Under the law, these categories *must* be provided care if it is available.

Third, retired members, their dependents and survivors. Under law, these categories *may* be provided care if it is available.

Every service recognizes that when facilities are limited by space, staff or so forth, care can be denied beneficiaries in the second and third priorities, and the facility commander has the authority to make that decision.

Likewise, every service recognizes that, traditionally, military men consider lifelong health care an implicit fringe benefit of a military career, and the military services are unanimous in their desire to provide this as long as it is possible to do so.

It is important to note that military medicine's opposition to limiting its services to active duty personnel only is based on much more than an altruistic desire to take care of its own. The real need is for a patient mix—active duty people, their dependents and retirees.

Vice Admiral Donald L. Curtis, the Navy Surgeon General, told THE RETIRED OFFICER that "You simply cannot have a quality health care delivery system without three elements: patient care, teaching and research.

"Historically," he explained, "our training programs have been the main factor in attracting and holding physicians. This is apparent when you realize that about two percent of all draft-derived doctors coming to the Navy stayed for a career. In contrast, more than 30 percent of those we've trained have stayed for a career."

He points out that once doctors are trained, they need professional satisfaction, which must be provided through research and a proper patient mix.

"If military medicine is forced into a situation where only healthy, young adults

are the patients, it will deteriorate to where it was in the 1930's," he said.

Realistically, however, the services recognize the staggering magnitude of the retiree problem, which for the foreseeable future can only become larger.

Presently, considering all eligible beneficiaries, the military services are providing health care *for five percent of the total United States population, or 10 million people!* And they are doing an incredibly good job of it. According to HEW, a total of $94 billion will be spent this year on health care throughout the nation. The entire military health care budget—including research, contingency operation, CHAMPUS and so forth—amounts to 3.5 percent of that $94 billion. In other words, the services handle five percent of the load for 3.5 percent of the cost. Dollar-wise, they provide care at $3.50 per capita as compared to the national rate of $4.50 per capita.

Hardly a wasteful system, as some have charged.

Nevertheless, they recognize that it is unlikely they will ever be staffed completely at all their facilities to the extent necessary to handle the retiree load. Consequently, the search for alternative solutions is hot and heavy.

Dr. Theodore C. Marrs, former Deputy Assistant Secretaray of Defense for Reserve Affairs and now Special Assistant to the President, is a medical doctor and vitally interested in the problem of military health care. Before he left Defense for his new post, he analyzed the options open to DoD.

"The basic issue is whether the military is or is not to take care of retiree health needs," he said.

"If the answer is 'Yes' then there must be budgeting to insure quality care.

"This opens numerous possible options:

budgeting for complete medical care for retirees;

budgeting for certain specified medical services for retirees;

budgeting for total medical services for retirees but with provision for partial payment on an as used basis or a contributing insurance basis;

budgeting for total medical service for retirees but only in specific localities;

budgeting CHAMPUS to cover all aspects of military retiree care and to insure quality of such care.

"If the answer is 'No' to the question of the military medical services taking care of retiree health needs, then there are two courses. One is to not provide such care. The other is to continue erratic, partial, 'space available' care.

"While considering these and other possible options all principals must keep in mind the fundamental mission of military medical services to provide peacetime medical care to the military and have the ability to expand medical care to meet the valid requirements of the services in wartime.

"It is an important problem deserving of attention and has far reaching impact on reserve forces, on medical insurance programs and on military morale in peace and war."

Pending the final solution to the problem, however, and barring any drastic cut-backs in the CHAMPUS program, the military services feel they can weather the storm of the next two or three years. All have programs in the "physician-extender" category, which are designed to provide greater utilization of doctors, nurses and physicians assistants. Also, they are banking heavily on the bonus bill to help get them over the hump until increased recruiting efforts and ongoing scholarship programs begin to produce results.

For the retiree, it is important to realize that the military services have not reneged on any promises. Likewise, the medical facilities personnel are on the retiree's side—they are doing more than can reasonably be expected in face of the problems they are encountering. They definitely are not the ones to blame for the predicament.

At the same time, it is to every retiree's own personal benefit to take an active interest in every program being proposed regarding health care for the future. It is not enough to worry only about CHAMPUS or whether retirees will be able to get adequate care. It is also essential that retirees get involved in any action that might adversely affect the overall medical services of the armed forces. It is all one problem, vital not only to the health and welfare of the individuals involved, but the well-being of the military establishment and the security of the nation.

NEW JERSEY FEELS ERTS POTENTIAL HAS BEEN SHOWN

Mr. MOSS. Mr. President, I have received a letter from the Honorable David J. Bardin, commissioner, Department of Environmental Protection, State of New Jersey, regarding their participation in the ERTS program.

New Jersey has found ERTS data to be useful in management and protection of the coastal zone by surveillance through successive orbits However, it would be necessary to shorten the delivery time to 3 to 5 days in order for the data to be useful on an operational basis.

ERTS data has also been useful in monitoring offshore waste disposal—an increasing problem in some of our coastal States.

The commissioner concludes his letter by stating:

The potential for using ERTS data in an operational mode for New Jersey's coastal zone management program has been shown in this experiment. Timely receipt of data would result in more effective decisions for the benefit of all, and a truly operational ERTS system, sensitive to the needs of the user community, definitely would be in the public's interest.

Mr. President, I ask unanimous consent that Commissioner Bardin's letter be printed in the RECORD.

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

WASHINGTON, D. C.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: The State of New Jersey, specifically the Office of Environmental Analysis, Department of Environmental Protection (DEP), was an ERTS-1 participant under NAS5-21765, "The Application of ERTS Data to the Protection and Management of New Jersey's Coastal Environment." The principal objective of the project was to develop information products from ERTS data to be used in the every day decision-making in the management and protection of the coastal zone.

ERTS data was found to be useful in the area of coastal zone surveillance. Successive orbits were compared to detect changes (mostly developmental) in the coastal zone, which are then reported to field inspectors. DEP regulates these areas under New Jersey's Riparian Law, Wetlands Act and Coastal Area Facility Review Act. As quasi-operational demonstration was completed at the end of the project by quick processing of computer compatible tapes made available by NASA. Timely delivery of ERTS imagery (3-5 working days rather than the 60-90 day delivery time during the ERTS-1 project) is necessary to the operational use of ERTS data for this purpose.

Offshore waste disposal in the New York Bight area was also monitored with ERTS data. The presence and geographical extent of acid and dredge spoil were mapped for each orbit.

Ocean outfall plumes could also be monitored using ERTS data to determine their effect on shore. Also, the percent cover of eel grass and sea lettuce could be estimated from ERTS as an aid for establishing yearly bag limits for the Atlantic brant.

The potential for using ERTS in an operational mode for New Jersey's coastal zone management program has been shown in this experiment. Timely receipt of data would result in more effective decisions for the benefit of all, and a truly operational ERTS system, sensitive to the needs of the user community, definitely would be in the public's interest.

Faithfully,

DAVID J. BARDIN,
Commissioner.

THE PRINCIPLES OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there is at least one statement about the Genocide Convention with which everyone will agree: It has come under exceedingly close scrutiny, both here in the Senate and among the citizenry. This scrutiny is entirely proper. Every treaty which the Senate is called upon to ratify should be carefully examined to insure that our national interests, as well as international order and justice, are upheld.

But the prolonged and redundant nature of our scrutiny of this convention is truly unfortunate. Essentially the same arguments have been made since the convention's introduction. Most of these arguments have been technical, focusing on very small parts of the convention and its language. Again, it is proper that these matters should be scrutinized, but unfortunately the prolongation of excessively detailed scrutiny has meant that the larger principles involved have been almost forgotten, at least by those opposed to the convention.

The Genocide Convention is a declaration that the United States and all civilized nations are opposed to mass murder and that all of them will do their share to assure that the horrors of Nazi Germany are not repeated. We are all against genocide. We all abhor the brutal elimination of racial, ethnic, and religious groups. Now we all have a chance to do something about it. To pass up this chance—as we have for 5 years—would be extremely unfortunate.

The Senate can ratify the Convention on the Prevention and Prosecution of the Crime of Genocide. This would be an international commitment to decency and morality entirely consistent with our tradition of concern for the welfare of all. Ratification of this treaty is in keeping with our position as a leader of the free world. Now we can do more than just say that we are opposed to genocide. Now we can take constructive action to prevent the occurrence of the crime of genocide.

Mr. President, the time has come for the Senate to ratify the Genocide Convention.

ADDRESS BY THE HONORABLE JAMES R. SCHLESINGER, SECRETARY OF DEFENSE, ON SEPTEMBER 24, 1974, AT THE NATIONAL SECURITY INDUSTRIAL ASSOCIATION DINNER

Mr. THURMOND. Mr. President, it was my pleasure to hear the address given by the Honorable James R. Schlesinger, Secretary of Defense, at the National Security Industrial Association Dinner at the Sheraton Park Hotel last evening. I was very much impressed with his address, and I urge my distinguished colleagues to read it.

Secretary Schlesinger presented a clear and forthright assessment of the state of our national security and our arsenal of democracy. His remarks succinctly reflect the transition experienced the last 5 years by our Armed Forces and the changing role of the United States in the security of the world.

Mr. President, I particularly noted the comments of the Secretary of Defense regarding military and economic aid to South Vietnam which was recently debated extensively and reduced by Congress. The Secretary noted that the Congress quickly approved $2.2 billion for assistance to Israel which amounts to about $700 million a week. The Secretary said:

> Yet we now begrudge the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment.

Mr. President, I ask unanimous consent for the address given by Secretary Schlesinger before the National Security Industrial Association on September 24, 1974, to be printed in the RECORD at the conclusion of my remarks.

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

ADDRESS BY THE HONORABLE JAMES R. SCHLESINGER

It is reported that when our original parents were driven out of Paradise, Adam remarked comfortingly to Eve: "Despair not, my dear; just recognize that we live in an age of transition."

Today we continue to live in such an age. Despite a nostalgia, as understandable as it is irrelevant, we too have been driven out of the Paradise of isolation and noninvolvement which characterized the 19th and early 20th centuries. And, as Thomas Wolfe vividly reminds us: We can't go home again. Isolation is a practical impossibility for the United States. We can not be ignored. We are too large a weight in world politics; we are in too many ways strategically and economically vulnerable; we have too many national interests abroad, most notably the preservation of our type of free institutions.

We have been expelled from another, later, lesser Paradise. No longer can we act as a great reserve, partially detached from the continuing struggle to maintain a reasonable equilibrium of power in the word. No longer can we expect other nations to hold the front lines while we serve as the arsenal of democracy. No longer can we depend on the strength of our allies to buy us the time to expand the defense production base, to mobilize and deploy our forces, to learn the lessons of the conflict and change the tide of war. The luxury of time—and the old role that went with it—are gone, perhaps forever.

The new role thrust upon us is far more demanding. Though we remain the arsenal of democracy, we have a number of other roles to perform as well. It may not be quite fashionable to say so; still, it is the United States which must now, at least in spirit, stand guard along the frontiers of freedom. Our friends and allies can—and do—provide the bulk of the forward forces. But in a world in which two great powers remain militarily paramount, the United States must provide much of the leadership and some of the presence that sustain the cohesion of the Free World, however defined. We may not be the policeman of the world—a role to which we never aspired, but we certainly remain the principal contributor to an active system of collective security. The sole alternative would be to depend on the goodwill of others for the preservation of the social order to which we adhere. Six of his predecessors, and now President Ford, has rejected that alternative. I certainly will not advocate it here

The new role obviously requires that the United States remain a first-class military power. More specifically, the new role imposes five major requirements on our defense establishment, our industry, and the country at large.

First, in a complicated world of nuclear and non-nuclear capabilities, we must define and articulate strategic objectives that are within our means and acceptable to the American people.

Second, if we are to honor our commitments and to deal with contingencies under conditions in which we have lost the luxury of time, we must have active forces that are combat-ready and judiciously distributed between overseas deployments and a continental reserve. At the same time, we must maintain the intercontinental mobility both to reinforce our deployed forces and to move rapidly into such theaters as the President may direct and the Congress approve.

Third, in a period of uncertainty about the nature and duration of potential conflict, not only do we need the production base to assure the timely modernization of our active and reserve forces, we also require a minimum industrial mobilization base to permit rapid expansion of defense production in an emergency.

Fourth, in an era marked by long-term competition and by closed societies, we must continue to stimulate our military technology and obtain those R&D hedges that are so necessary in the face of uncertainty about the programs and intentions of other powers.

Fifth, and finally, after nearly thirty years of carrying leadership's burdens, we must still shoulder those burdens and demonstrate the resolve to support our friends and deter our foes no matter how long it may take. If we should falter, there is no one else to take our place.

These are large requirements. And they impinge upon us at a time when there is much to do at home. How well are we meeting the requirements? How fares the arsenal of democracy under these new conditions? It has been said that in discussing matters of grave importance, style, not candor, is the vital thing. But even if a little candor is viewed in some quarters as a dangerous thing—and a great deal possibly fatal—let me give my unvarnished view on how we are progressing.

Most of us, I think, have a reasonably clear idea of what our security objectives should be. In an age of parity with the Soviet Union (if we really mean that we should be equal), it is hard to quarrel with essential equivalence as a continuing requirement for our strategic nuclear forces. Secretary Kissinger recently stated that policy: "We will maintain the nuclear balance by unilateral actions if we must and by negotiations if at all possible." It is equally vital to establish a balance of conventional forces between NATO and the Warsaw Pact, to keep our defense perimeters in the Western Pacific sufficiently strong to hold until reinforced, and to guard those sea lanes essential to the well-being of the United States and its allies.

Those are quite modest and defensible objectives for a very great nation living in a world, not as yet altogether safe. Yet there are some who profess to see this quest for deterrence and equilibrium, not as the necessary basis for détente, but as the springboard for superiority and provocation. I find such attitudes puzzling at a minimum. By what species of logic are such conclusions reached? By what concrete measures should military power be judged? By what magic formula is it believed that the United States can remain a "military power second-to-none" on an ever shrinking share of the national resources?

If there continues to be some debate about how best to achieve our objectives, there can be little question about the performance of our Armed Forces. We have traversed as difficult a passage as any in our history during the past decade; we have thrown our Four Services into a distant war, and then withdrawn them—undefeated and, to a regrettable extent, unappreciated. Through it all they have proved rocklike in their stability. All of us will recall, I trust, the example they have set for the country. All of us will appreciate, I trust, the professional way in which they have proceeded with the tasks of postwar deterrence—even as we have constrained their resources, converted them to an All-Volunteer force, and shrunk their numbers during the last six years by nearly a million and a half men and women.

Though on this score we have fared well, the arsenal of democracy has performed less impressively in its more traditional role. Ready, modern forces—whether we are talking about our nuclear or non-nuclear capabilities—require a skilled, diversified, and flexible industrial base. It is not clear that those attributes characterize our industrial base at the present time.

It is worth recalling what this arsenal of democracy was able to do during World War II. On the average, we managed an annual production of more than 50,000 aircraft, 20,000 tanks, 500,000 trucks, 1.5 million rifles, and 80,000 artillery pieces. As late as 1963 we could still launch 13 Polaris and 4 attack submarines in one year. Now, while the Soviets produce thousands of tanks a year, we are struggling to build to an annual rate of some 800. New aircraft are coming off the lines at a rate of about 600 a year, and helicopter production over the last decade has fallen by a factor of ten.

That record—it should be acknowledged—is hardly a tribute to the supposed power and skullduggery of the military-industrial complex. With a villain and a conspiracy like that, indeed the critics hardly need friends!

One major factor that accounts for this anemic record is, of course, the dramatic decline in defense procurement. But other national policies have also had an adverse impact. Our new maritime programs have caused a crowding of our shipyard capacity, driven up prices, and lessened the attractiveness of naval contracts to shipyards. Environmental programs and higher standards of health for industrial workers have eliminated reserve capacity, increased prices, and slowed reaction times—problems reflected in such diverse products as forgings, castings, and propellants. In some instances, because defense demands are currently low, we find ourselves reduced to a single supplier of vital military goods—with considerable uncertainty as to whether we can generate enough orders to keep that one producer in production.

I do not wish to pretend that these factors are the only causes of the difficulties that we face. You are all familiar with the other problems we have identified—and such solutions we have proposed in the form of high-low mixes, milestones, and designs-to-cost. Consequently, I do not propose to expand on them further here. What I do want to do, however, is to emphasize four aspects of our defense procurement policy.

First, the Defense Department will continue to be interested in and support advanced technology developments particularly when they promise the same kinds of payoffs that precision guided munitions, for example, have provided.

Second, there remain many forms of combat where numbers count and where the best may become the enemy of the good; weapon systems required in those areas will necessitate incremental development rather than great leaps forward, relatively low costs, and long production runs.

Third, while we will encourage reasonable profits for capable firms, we do not propose to subsidize sluggishness and inefficiency.

Fourth, we will not let our inventories of weapon systems get out of balance with our ability to operate and maintain them; nor will we arbitrarily reduce our procurement of consumables in order to buy more hardware, no matter how pressed to do so.

Within these guidelines we would wish to make doing business with the Department of Defense much less of a chore. Hopefully, we can reduce the layering and proliferation of administrative control elements, which substantially inflate the cost of doing business with the Government in comparison with commercial business. That could potentially not only reduce costs, but make more readily available to the Department that margin of industrial capacity necessary to sustain the defense production base. Secretary Clements will be working on the problem of improving these operating procedures. To be sure, this is part of the more general goal of reducing nonproductive overhead so that an increased percentage of the procurement dollar can go into real output. We shall need your assistance, and, in principle, there is no reason that cost reduction efforts of this type cannot be reflected in incentive contracting.

I cannot leave the subject of industry's contribution and the contemporary role of the arsenal of democracy without taking special notice of the technology base. Increasingly it is this dimension, rather than simple production capacity, that so brilliantly serves the national purpose. I would suggest that we bend every effort to sustain the health and vigor of the scientific and technological base.

Our technological achievements have played a significant role in the achievement of arms limitation agreements. Despite the grosser advantages of the Soviet Union in missile numbers and throw-weight allowed by the May 1972 Interim Agreement, it is legitimately argued that American technology more than redressed the balance.

Ironically, some voices have been raised to suggest that technological advance be terminated. Having asserted that U.S. technology compensates for the asymmetries favoring the Soviet Union, some have subsequently suggested that we abandon the compensation—hardly consistent with maintaining essential equivalence. Indeed, I might sympathize with such suggestions, were Andrei Sakharov charged with the direction of military R&D in the Soviet Union. Unfortunately, as is only too obvious, he is not.

But the edge that technology provides is just as dramatically reflected in the general purpose forces—whose role is, if anything, more significant than strategic capabilities. If the quality of U.S. airpower serves as a great equalizer in terms of the overall balance, for example, this reflects the technological advantages of the United States—in ECM, in precision guided munitions, in avionics. Soviet avionics packages, for example, continue to rely heavily on vacuum tubes—while ours exploit large scale integrated circuits, as well as mini-computers. The weight differential of such packages is on the order of 4 : 1 to the advantage of the United States. Such differentials are reflected in the relative combat effectiveness of the two force structures.

We shall call upon industry to provide the United States with a continuing technological margin—but, once again, keeping in mind the other goals of affordability and reliability. Reliability is, after all, technology in its most practical form.

Let me turn now to what I earlier described as the fifth requirement: that of resolve. How are we performing on that score? Clearly this nation, in satisfying all the other conditions so necessary to deterrence and security, will fare well only to the extent that its citizens remain resolute in their purposes. It does no good simply to pile up weapon systems and force structures in a vacuum, however sophisticated and capable they may be. Foreign policy, to the extent that the military forces of this country and our allies buttress it, depends on the moral stamina of the societies concerned. And on that score we must acknowledge that of late, throughout the Western world, we have witnessed some disarray, as much overseas as in this country.

We have not in recent years suffered from an overabundance of naivete or simple straightforward enthusiasm. These existed in ample supply, I think, a decade or more ago when the Peace Corps volunteers went out to save the world and remake it. There is less of that belief and enthusiasm today, and that is a serious loss for all our societies. The problem we face now is a cynicism which can corrode and an irresolution that can undermine us all. Cynicism has been defined as knowing the price of everything and the value of nothing. Of irresolution it has been said that the wavering mind is but a base possession.

I believe there may be less cynicism today than there was two months ago. But there remain those among us who, in Churchill's words, are decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all powerful for impotence.

One of their victims has been the Republic of Vietnam. Our forces are now out of that tortured country, and the cost of the continuing conflict to the United States is currently about 3 percent of what it was at the peak. The South Vietnamese did not tell us: "Give us the tools and we will do the job." Instead, we simply informed them that we would provide them with the tools—and the munitions—and would expect them to do the job.

Since that time, three things have happened: The South Vietnamese have done the job; our assistance to Saigon has declined; and outside aid to Hanoi has increased. A small state, beholden to us, still struggles to survive, but we have neither the temerity to sever its lifeline nor the resolution to pay the relatively small but necessary price to assume its continued existence. Rather, we have chosen to put an ally on the military equivalent of starvation rations.

This is hardly an edifying spectacle. As a contrast, consider what occurred when conflict broke out in the Middle East last October. Members of Congress—not all of whom have sympathized with the munitions requirements of the South Vietnamese—persistently urged us to do whatever was necessary to ensure the survival of Israel. A supplemental request of $2.2 billion for military assistance to Israel was sent to the Hill, and the Congress quickly approved it.

Note that the hostilities in the Middle East lasted for 3 weeks. In a sense, the bill worked out to $700 million a week. Yet we now begrude the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment. Exactly how that redounds to our credit or demonstrates our resolve is not easy to say.

So at this point, we may well inquire: How has the arsenal of democracy fared in this latest period of transition? The record has been mixed, but I hope you will agree that the prognosis remains hopeful.

President Ford has already emphasized that: "A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war. . . ."

Secretary Kissinger has echoed that policy in his declaration that: "for other nations to have confidence in our purposes and faith in our word, America must remain a military power second-to-none."

In closing, I might add some words spoken by Franklin D. Roosevelt more than 30 years ago: "I, too, pray for peace—that the ways of aggression and force may be banished from the earth—but I am determined to face the fact realistically that this nation requires a toughness of moral and physical fibre. These qualities, I am convinced, the American people hold to a high degree."

Strength cannot come from physical capacity alone. It requires a tenacious will.

FARMERS IN DAHOMEY GET CONCRETE HELP VIA PEACE CORPS VOLUNTEER FROM LEWISTON

Mr. HATHAWAY. Mr. President, I ask unanimous consent to have printed in the RECORD a news release from ACTION concerning the activities of a constituent of mine, 25-year-old Laurier Nadeau who is serving in the Peace Corps in Dahomey, a small struggling agricultural country on the West Coast of Africa. Mr. Nadeau, a native of Lewiston, Maine, is primarily involved in boosting the corn crop of Dahomey.

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

FARMERS IN DAHOMEY GET CONCRETE HELP VIA PEACE CORPS VOLUNTEER FROM LEWISTON

The farmers of southern Dahomey rely heavily on corn, the area's staple crop, as food for their families and as a marketable commodity that provides cash income. But they have been unable to prevent insects, rats and moisture from destroying up to half of each year's corn harvest stored in their traditional granaries.

Laurier F. Nadeau, 25, a Peace Corps volunteer from Lewiston, Maine, is showing farmers in the West African nation a better way to store their corn. He is building cement silos of Peace Corps design to replace the frail palm leaf granaries that provide little protection for stored corn crops.

Nadeau, who works in Dahomey's Pobe district, claims that the cement silos can maintain dried corn for more than two years with as little as a three per cent storage loss.

Before Nadeau's grain storage project was started, Pobe's facilities could hold only two tons of corn, a minimal capacity considering that the district produces more corn than any other in southern Dahomey. Now, the new cement silo facilities have increased the district's storage capacity to 60 tons of dried corn.

The implications of increased and improved storage capacity are significant. There are two corn crops a year in southern Dahomey. The first growing season, between April and July, is the longer of the two and holds the promise of a good crop because of adequate rainfall. The second season, between September and November, is shorter and less re-

liable due to the uncertainties of rainfall at this time of year.

Farmers often sell their entire crop after the first harvest to minimize losses from rodent, bug and humidity damage to corn they might store. With plenty of corn available in the marketplace at that time of year, prices go down to their lowest levels.

If the second harvest is poor, these same farmers have to buy back corn at peak prices in order to feed their families. Such price fluctuations and low yields, coupled with the pressure of increasing population in southern Dahomey, result in over-planting and decreased soil fertility.

Nadeau also teaches silo-building techniques to a class of 20 agricultural students in a nearby village. Besides taking 15 hours of instruction each week, they are required to build their own five-ton silo and corn dryer. At the completion of the course, students will be assigned throughout Pobe. Each will be responsible for constructing a concrete grain storage site in his area. This program will assure the rapid expansion and dispersion of these much-needed facilities.

The basic food eaten every day in Pobe is corn, usually a mixture of corn flour and water served with a hot pepper tomato sauce and fish, beef, chicken or goat meat. Nadeau, however, admits to a preference for "Egba", a mixture of manioc (a starchy root vegetable) flour and water served with bush rat.

Weekends are a time of leisure and relaxation for Nadeau. He spends them in town with Dahomean friends. "More often than not, I am invited to a ceremony where there are always tom toms, food and local fire water made from distilled palm sap," he says.

Nadeau is the son of Mr. and Mrs. Joseph Nadeau, 82 Ste. Croix St., Lewiston. He majored in sociology at Providence College in Providence, R.I., and graduated in 1972, the same year he joined the Peace Crops.

He is one of 61 Peace Corps volunteers in Dahomey. At present, there are 7,300 Peace Corps volunteers serving in 69 developing nations around the world.

Mr. HATHAWAY. Mr. President, while I am most pleased and proud of the work being done by Laurier Nadeau in Dahomey, I think we can all share pride in representing the 7,300 men and women like Mr. Nadeau who are spending the more carefree years of their lives caring for and helping others all over the world through their service in the Peace Corps.

DEATH OF MR. REID LOVE

Mr. COOK. Mr. President, it is with a deep sense of loss that I announce to my colleagues the death of Mr. Reid Love, a great Kentuckian and American. Reid Love lost his battle last month against cancer at the Veterans Administration Hospital in Lexington, Ky., at the age of 50. He displayed great courage during the difficult period of infirmity and never lost his zest for life.

As president of the League of Kentucky Sportsmen in 1972 and 1973, Reid accomplished many outstanding feats which won him the respect and admiration of his fellow members. I know the league will miss his dedicated leadership.

I have had the pleasure to work with Reid and the League of Kentucky Sportsmen on several occasions. Perhaps my most memorable and rewarding experience came during our efforts to prevent the construction of a road through the middle of the magnificent pioneer weapons hunting area in the Daniel Boone National Forest of Kentucky. Reid fought unceasingly to preserve this hunting area, and I am proud to be associated in some small way with his efforts.

At the league's annual statewide meeting in Louisville this summer, Reid received the organization's sporstman of the year award for 1974. Cited for his efforts to preserve the pioneer weapons hunting area and to stop the barging of coal on Lake Cumberland, Reid Love truly deserved this great honor bestowed upon him by his associates.

Unaffected by his many accolades and ever devoted to a multitude of friends, Reid Love was a remarkable man. He will be sorely missed by the many of us who had the pleasure of knowing him.

In the July issue of Happy Hunting Ground, a Kentucky wildlife and conservation publication, Reid's "President's Message" is typical of his devotion and dedication to the cause of conservation, wildlife, and the environment. It is men like Reid Love who have insured the preservation of Kentucky's environmental heritage for our future generations, a debt we can never repay him.

Mr. President, I ask unanimous consent to print in the RECORD, "President's Message" and an editorial from the July 1974 Happy Hunting Ground, as well as an article from the June 11 Kentucky Post, and an article from the Courier-Journal of the same date.

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

[From the Happy Hunting Ground, July, 1974]

PRESIDENT'S MESSAGE—AS WE SEE IT

(By Reid Love)

Illness enables one to throw a searchlight on one's inner soul and discover the values that give meaning to one's life. It induces gratefulness, humility, an understanding and forgiveness of humanity, and a realization that friendships formed give one riches far greater than gold.

In the several years I have been a member and a part of the administration of the League of Kentucky Sportsmen, many enrichments and pleasures have been added to my life. I have no way of evaluating the many benefits derived from being president of this organization. Traveling throughout Kentucky has made me aware of Nature's great and beautiful Source Book. The people I have met—hunters, fishermen and conservationists—have been an inspiration to my work, in that they gave so freely of their time and talents without seeking personal gain. The many worthwhile conservation projects started and finished by the various organizations within the league and those associated with the league give me faith that man will not destroy his future.

I feel very appreciative and thankful for the encouragement and cooperation given me during my tenure in office. However, the friendships offered by the members of the League of Kentucky Sportsmen will offer dividends that will continue for the rest of my life.

My most sincere wish and hope is that someday I may have the honor to again serve the league as president.

[From the Happy Hunting Ground, July 1974]

A JOB WELL DONE

(By Pat Moynahan)

The League of Kentucky Sportsmen machinery ran smoothly and efficiently during Reid Love's two terms in office and we owe him a hearty and sincere thanks.

He skippered the ship through some stormy seas but kept her upright at all times. And, few LKS presidents have so devoted themselves to the task or served with more integrity.

Love was an extremely active president and the LKS track record for the past two years reflects his enthusiasm and tireless devotion to the interests of Kentucky sportsmen. Wherever the position demanded he go, he went regardless of personal or business considerations. He was always on the go and made countless trips into each district trying to spread enthusiasm for the League.

His tenure in office was marked by one of the League's greatest accomplishments ever—preservation of the Pioneer Weapons Hunting Area in the Daniel Boone National Forest. In the beginning, the League was advised the issue was a lost cause. A road bisecting the area appeared inevitable.

Love was not dissuaded and refused to accept a series of setbacks which seemed to spell defeat. If we knew how many hours he personally devoted to the fight, we would probably be astounded. But his diligence paid off and it appears now the League is on the verge of victory.

He attacked the membership problem with the same vigor and dedicated himself to a goal of 50,000. If one man could have enlisted that many members single-handed, we might have made it. But, we let him down. He certainly gave it his best.

Even the membership drive was not without successes. Love started an essay contest for youngsters as part of the campaign. That brought the League and conservation to the attention of many young people and, without doubt, some of them will grow up to be League members.

Love always kept the wheels turning and the League rolling. When Redmon Payne and John Murphy retired in July, 1972, the burden upon Love's shoulders increased for the two had been the overseers and get-things-done men for years. League operation continued smoothly without so much as a skipped heartbeat, however. Love assumed many of their duties and repsonsibilities until new people could settle into the positions and orient themselves.

League thanks, Mr. Love, and our best for the future.

[From the Courier-Journal, July 8, 1974]

ROY HADDIX HEADS LEAGUE; LOVE SPORTSMAN OF THE YEAR

(By Earl Ruby)

Reid Love of Vanceburg, retiring President of the League of Kentucky Sportsmen was named Sportsman of the Year by the association of hunters and fishermen at their annual convention in Louisville yesterday.

Reid was succeeded as president by Roy M. Haddix of Lexington, who won a two-horse race with Al Blum of Murray, one of the most dedicated sportsmen in the group who served more than nine years as the chief executive back in the early days of the organization.

Love, who is seriously ill and was unable to attend the convention, led a fight to prevent a highway from being built through the pioneer weapons area in the Daniel Boone National Forest in Rowan County and was instrumental in stopping coal barging on Lake Cumberland.

He has been a working member of the Alum City Sportsmen's Club and the Trinith Fish and Game Club of Lewis County, along with Lewis County Landowners and Wildlife Protective Association, the Citizens Advisory Committee of the Ohio River Basin Commission and the Ohio Valley Water Sanitation Commission.

Haddix served as chairman of the League's legislative committee this year and was instrumental in getting 11 unfavorable bills shelved in committee.

He is a director of the Sixth District Wildlife Federation and chairman of the board of the Bluegrass Sportsmen's League with 10 years of service in the latter. For two years, he was president.

Haddix, 47, served as a paratrooper in the Korean War. He is married and has two children, a boy and a girl.

The League membership has dropped from a high of 41,000 in 1963, when Clyde Hubbard of Louisville was president, to 33,000 this year. Both candidates for president ran on a platform of returning the membership to its former size.

A determined effort by eight bass clubs in the state to get a recommendation that the minimum size limit for bass be raised from 10 to 12 inches lost by the rather close vote of 42-33.

The sentiment was that many small streams do not support 12-inch bass and that youngsters would be the losers. It was suggested by some delegates that the bass clubs were free to name their own limit for their tournaments. The bass club members argue, and perhaps rightly, that a 12-inch limit would allow for one more spawning season in the lakes.

There are approximately 59 bass clubs in Kentucky, with 1,200 members.

A resolution that the red fox be placed on the protected list with no open season was rejected.

A resolution to close the season on deer in Clark County was referred to the fish and wildlife officials for consideration.

The Governor's Conservation Achievement Awards, formerly made at this convention, will be made on Nov. 9 at the State Fairgrounds. Nominations for the awards must be made before Oct. 1.

Judge Walter L. Mims of Birmingham, president of the National Wildlife Federation, was the speaker at the annual banquet. He presided over two federation awards—one to the Kentucky Long Rifles of Morehead for their conservation efforts and one to John Murphy of Florence for outstanding service in the cause of conservation.

[From the Kentucky Post, June 11, 1974]

AWARDS WELL EARNED

It takes a dedicated lover of the outdoors and wildlife and a tenacious appreciation for the importance of conservation of wildlife to deserve the Sportsman of the Year award handed out once a year by the League of Kentucky Sportsmen.

And Reid Love, Vanceburg, has the qualities to win the award for 1974.

The 1972 and 1973 president of the Sportsmen League was named to the honor Saturday in Louisville by previous recipients of the award.

Those who elected him cited these actions that Love has taken in support of wildlife:

His efforts to delay and possibly permanently prevent the construction of a vehicular road which would bisect the Pioneer Weapons Hunting Area in Daniel Boone National Forest in Bath and Menifee counties.

And his participation in efforts to halt the barging of coal on Lake Cumberland.

Love, seriously ill, couldn't make it to the awards ceremony. A long-time sportsman friend, Woodrow Horsley, Vanceburg, accepted the honor.

Another friend, Kentucky Post Outdoors editor John Murphy, was awarded the National Wildlife Federation conservation service citation for outstanding and distinguished service in the field of natural resources management.

Men like Murphy and Love are working to ensure future generations will be able to enjoy the natural resources and scenic beauty we have in Kentucky today.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, earlier this year, the Senate Commerce Committee held hearings on the transportation of hazardous materials by air. The distinguished Senator from Nevada (Mr. CANNON) and I cochaired those hearings. What we learned was both shocking and dismaying.

Dangerous cargo is being carried aboard passenger aircraft under conditions which subject passengers to unnecessary danger. I intend to offer some legislation on this subject within the next few weeks so that we can eliminate this unnecessary danger.

Mr. President, I ask unanimous consent that another installment of a series on this subject written by John and Christine Lyons and broadcast on WNEW in New York City be printed in the RECORD.

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

THE HIDDEN PASSENGER—AN UPDATE

(By John and Christine Lyons)

VANCE HARTKE. Well, 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, any place and any time. The evidence is of such convincing nature that I find that even ordinarily differing people are agreeing that something should be done . . . should be done now . . . that regulations need to be drafted . . . effective regulations and enforcement regulations and enforcement procedures and enforcement personnel put to work immediately.

JOHN LYONS. Senator Vance Hartke at a Senate Commerce Committee Hearing this week which looked into the transportation of hazardous materials . . .

Good evening, I'm John Lyons. On Sunday News Closeup tonight . . . "The Hidden Passenger—An Update." As the week began, TWA Pilots met with the company to demand that hazardous cargo be removed from passenger planes.

JIM MCENTYRE. Trying to chase down what's permitted on passenger airplanes is like trying to chase down a will o the wisp.

LYONS. Captain Jim McEntyre . . . Airline Pilots Association Hazardous Materials Chairman at TWA . . . talking about a demand the pilots have made of the company.

MCENTYRE. What we want to do right now is simply say . . . Okay . . . we'll restrict the carriage of all hazardous materials other than the radioactive isotopes (properly shielded down where they won't do any damage to the people above) and put it all on the cargo airplane. Then we can concentrate our efforts in this area and I think we can come up with some solutions. When we talk about hazardous . . . we're not talking about something that is kind of nice to play around with . . . but don't get too close. We're talking about something that's gonna kill you. I've been in the accident investigation business for the Airline Pilots Association for about fifteen years, but you never forget the first time you walk up to a stinking hulk that was once a beautiful airplane . . . you never forget it as long as you live. And the first thing you say when you walk into somethink like that is . . . Someday, I want to be able to prevent one. And that's where we are right now.

LYONS. On Wednesday, TWA agreed to revise its hazardous materials procedures. The company agreed to eliminate the carriage of the heaviest form of radioactive material but to allow emergency radioactive pharmaceuticals. The company also agreed to set up a Committee of Pilots and Management to decide what other hazardous materials should not be carried on passenger planes. There was also an agreement on an improved training program for TWA employees. The TWA agreement is a big step forward. Tom Ashwood is Chairman of the Airline Pilots Association Air Security Committee.

ASHWOOD. The effect of the agreement that was just reached between TWA and the TWA pilots is manifold. One, of course, is that benefits to the passengers who fly on TWA will suffer or be exposed to less danger, if you will, or less exposure to these hazardous and radioactive materials. A second benefit coming from this is that the whole industry has been put on notice that a crack has been made in the wall that they've built around themselves. The wall of lies and deceit and falsehood, and, I think, the third thing that has happened is it's caused the various involved government agencies to realize that we're very serious about this. It's a serious problem and they're going to have to do something about it in terms of legislation.

LYONS. Another important part of the TWA agreement is to monitor all radioactive packages coming across the TWA freight docks. Delta Airlines is already starting to do this. Wednesday afternoon, the Sente Commerce Committee began hearings on the transportation of hazardous cargo. I talked with Reuben Robertson, of the Aviation Consumer Action Project.

REUBEN ROBERTSON. Well, I think there's a tremendous opportunity now for the public to get some response on this crisis of transporting radioactive and other hazardous materials on airplanes. I think now is the time. The public is becoming increasingly aware that there are tremendous hazards. . . . That a whole planeload of people can be wiped out. . . . They can get cancer or a plane carrying hazardous cargo can crash into an urban area and create a tremendous catastrophe. Now is the time, and I think that this Committee is going to have to face up to its responsibility. One of the things it could do would be to write a law, an amendment to the Federal Aviation Act saying. . . . "No more hazardous material shall be transported on airline passenger flights. That seems to me to be the most fundamental thing they could do. You might want to have an exemption from that law for radiopharmaceutical products. I think the doctors have made a good case . . . that they're very small quantities and that they're essential for humanitarian purposes . . . to have in hospitals around the country. But, that's only a very small corner of what we're talking about. We're talking about acids, explosives and hand grenades, which are, literally, carried on passenger planes all the time . . . every day and nuclear materials, of course.

LYONS. The Airline Pilots Association has estimated that 90 per cent of the airliners are carrying some form of hazardous cargo. In a Congressional hearing in April, C. R. Melugian announced the preliminary result of an FAA study on how much is carried.

MELUGIAN. We just have very preliminary results and our methodology was to look at the manifests over a 30-day period of 140 thousand flights. The preliminary information indicates, based on the manifests that approximately 3 per cent of the flights each day carry hazardous materials. And I would submit . . . clarify, though, that this is based on the manifests. If the manifest is not correct, not correctly documented, according to the regulations, this could be misleading.

LYONS. At the Senate Hearings this week, Senator Vance Hartke asked Captain James

Eckols of the Airline Pilots Association. . . . "What's wrong with those numbers?"

ECKOLS. We discussed this in a meeting on May the 17th, when the FAA officially gave out this very preliminary report. We are now trying to determine on the basis of what they said, what basis they used to prepare this. They say they used the load manifest form. The Airlines do not, per se, use the load manifest form to mark hazardous materials. They notify the Captain of the flight by a separate pilot notificattion. We think that their estimate is grossly in error.

LYONS. The Airline Pilots Association has been claiming for a long time that the FAA's enforcement of its own hazardous materials regulations is a complete failure. During the hearing, Ralph Nader read from a letter he wrote to the head of the Department of Transportation about what his staff found out about the enforcement of hazardous materials regulations.

RALPH NADER. Last January, one of my staff talked to people in your office of Hazardous Materials about the safety of radioactive shipments. He was assured that existing procedures and controls were adequate, and he was given copies of the voluminous D.O.T. Safety regulations. Shortly thereafter, the AEC announced that 130 passengers on a Delta Airlines flight sequence had been exposed to radiation from an improperly packaged container of radioactive material carried on the planes.

LYONS. Senator Hartke questioned Robert Barker of the A.E.C.

HARTKE. Well, do you think that the testimony you've heard today indicates that you could feel very secure that the Department of Transportation is doing the type of job that you want done for you and your children . . . and the 210 million Americans here?

PARKER. With respect to the transportation of radioactive materials thru the cooperation that we do have with the Department of Transportation including all the agencies involved in the transportation (administrators involved) that program is well taken care of.

LYONS. Oscar Baake is Assistant FAA Administrator for Aviation Safety. Several weeks ago, Baake was asked by Metromedia, Washington his assessment of how the FAA is enforcing the regulations.

BAAKE. I think by several tests . . . certainly the accident record is one such test, it's clear that it has been under fairly effective control.

LYONS. On Wednesday morning, Senator Vance Hartke dropped a bombshell on the FAA. He released an internal FAA assessment of its own enforcement program.

HARTKE. We're having a discussion on which we start with, the executive summary or the conclusions. I don't think it makes much difference. They're both rather devastating in their final implications. Conclusion #1 is that, "there were no full-time hazardous materials inspectors employed in any of the air carrier district offices visited by the evaluation team." Now, in regard to that conclusion, "the 18 fulltime field positions for hazardous materials coordinators called for in an AFS 1 letter to all regions dated August 9th, 1973 have not been filled.

The southwest region has the only fulltime regional coordinator, all the other regions had personnel performing their hazardous material function as colateral duty. Percentage of time spent on these duties varied from 25 per cent to 90 per cent of the individual's working time." The second conclusion is: "There is no handbook distributed to the field providing policy and guidance for carrying out the FAA HM surveillance program. Third: The ACDO's are not following a systematic inspection program for the surveillance of hazardous materials. The data obtained from response to Notice 8000.98 to survey the extent of air shipments of Hazardous Materials could aid the ACDO's in formulating an inspection program. Fourth: Inspectors have noted that regulatory materials are not clear. Inspection of freight forewarder and air carrier facilities revealed that at the majority of facilities visited packages of hazardous materials were discovered which were not in compliance with Federal Aviation Regulations. In all ". . . now this is that short period of 60 days . . ." 240 discrepancies were discovered in 70 shipments observed by the team ". . . in a 60-day period." Now . . . it's a damning indictment of the whole process. This is an in-house report done by the FAA in response to the Board's letter to which I previously referred. I'm going to make it a part of the record at this time and, therefore, it will become public.

In this draft of the investigation which was conducted in response to the Board's recommendations, they found that in 70 shipments they had 240 discrepancies. In the annual report which is going forth from the Secretary's office, the FAA noted only 232 instances. In other words, fewer instances of non-compliance in the whole year which demonstrates, I think, quite conclusively that not much went on in looking for the violations. The point that is very disturbing to me is, why they are hiding all this information from the public. There is no reason for the public not to be aware of the potential danger to which they are being exposed. And I feel that it is a disservice to the public—a disservice probably to a lot of airport employees and a lot of personnel who are operating these places.

LYONS. After the session, I asked Senator Hartke about the study.

HARTKE. The FAA study which was made as a result of the directives of the National Transportation Safety Board indicates that as far as hazardous materials is concerned, on airplanes, that very little, if anything, is being done to protect the public. In fact, not alone is very little being done but it appears that the FAA was attempting to hide the net results of their own study. In other words, they would not permit us to have a copy of the report. In fact, they refused to permit the staff even to read the report. So, I feel at this time that it's important not alone for the public to know that the hazardous materials being shipped on airplanes presents not alone, a potential danger in cargo planes but also presents a real danger in passenger planes.

LYONS. How would you categorize what you've been hearing today . . . from the Department of Transportation . . . from the AEC as far as the whole hazardous materials picture?

HARTKE. Well, the whole hazardous materials picture is very sad. I think that very little is being done. The potential for a great disaster is certainly there. Some of the smaller incidents are going unnoticed. The investigations are not complete. In fact, it's a miserable mess.

LYONS. On Thursday, I went over to ask Oscar Baake of the FAA the same question he had been asked weeks ago. How do you assess the FAA's enforcement program? And, for the first time, the FAA seemed to be admitting they have a problem.

OSCAR BAAKE. We've noticed an increase in the amount of hazardous materials that have been carried. We sense the need for a greater amount of attention but the inertia of the bureaucracy, our inability to pull people out of programs that are presently underway and move them in here, has meant in the last couple of years that we've sort of been behind the power curve slightly. This stuff has increased in intensity and it's taken us a little time to move people into it. So, when you speak of adequacy in terms of whether we've really been able to be on top of it. I think the answer is probably no . . . that we've been a little—

BAAKE (continuing)—slow in moving folk up. But there are good reasons for that. It doesn't make people who are especially concerned with hazardous materials particularly happy to know it but we have other problems in aviation that require attention. And, we examine the question of priorities typically in terms of the numbers involved . . . the statistics of how many people are hurt. We can't pull people off instrument, approach procedures or divert manpower from programs where we are having some difficulties which require attention into hazardous materials merely because we sense a statistical increase in the volume of traffic. So . . . the answer is yes. The bureaucracy moves perhaps slowly and it does require additional attention. We've given it a great deal of additional attention. Nineteen hundred and seventy three saw a very significant increase in activity in surveillance, regulatory attention over any previous year . . . Seventy-four shows, a continuing increase in that activity.

Another kind of answer to your question is essentially a statistical one. You know, historically, we look at aviation in terms of how many people have we hurt in the last decade doing certain things. And here, I think, we have to say that by any reasonable test in the long term . . . not only such gross tests as, how are we doing in aviation compared with other transportation modes . . . Well, for four consecutive years, we've posted safety records in aviation that are better than any other transportation mode barring none. There isn't any way that you can get from Point A to Point B, including by walking, that's any safer than flying and air transportation. And when we look back at the record concerning how many people we've hurt in the carriage of hazardous materials . . . Why, the record is not only good, it is exemplary . . . by any fair test.

So, you know we're not happy with our record because we also have to live in terms of the prospective threat. That's why my first answer to you is . . . no, we're not happy with it. It's got to be readjusted. We've got to get more people into it. We've got to improve things like our instructions to the field, and to develop additional materials in the form of a handbook which has been a long time in coming. But, which I think we have a pretty good handle on now and will be getting out shortly. We have to update our regulations. We have to increase the effectiveness of the administration of the programs within the Department. You know, the integration of the programs. We sure as heck have to do a better job of getting to the shipper.

LYONS. With all this agreement . . . How should the problem be handled? Consumer Advocate Ralph Nader . . .

RALPH NADER. I think what's needed is the the banning, except for the most emergency medical purposes, of all radioactive cargo on passenger planes. The airline pilots are in favor of such a ban. And I think consumer groups led by the Aviation Consumer Action Project here in Washington and the stewardess groups are fighting for a similar ban.

LYONS. You're also talking about notifying the passengers when this stuff is aboard?

NADER. Yes, I think most airline passengers should ask before they embark on a plane . . . ask the ticket agent whether the cargo manifest shows any presence of radiocative cargo in the cargo hold. And, most pilots will willingly tell the passengers whether there is or not. But, I think it should be a matter of Federal law, that is, I think a passenger has a right to find out about whether radiocative or other hazardous materials are on board the plane that they're going to take.

LYONS. The FAA's Oscar Baake says the FAA is going to try to convince shippers to regulate themselves . . . by telling them

that if they don't the government may be forced to license them.

BAAKE. We want some instruments so far as the shippers are concerned . . . some mechanisms thru which we can put the squeeze if necessary . . . identify soft spots in the system and get some action taken where we ourselves don't have the necessary authority or muscle to make it effective. But all of the awareness of the problem appears to be there.

LYONS. Captain Tom Ashwood of the Airline Pilots Association . . .

ASHWOOD. That's the most ridiculous thing I've heard. That's like your house is on fire so you mail a letter to the local fire department, inviting them to come over to discuss how they're going to put it out. They're telling these people to police themselves. I've always understood the FAA was a regulatory and enforcement agency to protect the traveling American public . . . and the crews and so forth that fly under their control and regulation. And, they're just asking these people to discuss with them how the shippers are . . . how they are going to regulate themselves and make sure they don't break any of the rules. I just don't understand this approach.

LYONS. Delta Airlines Vice President Frank ROX.

ROX. The primary responsibility, I think everyone recognizes, including the AEC, the DOT and the FAA and hopefully, you, Senator, and other members of your Committee . . . is with the shipper. If the shipper does his job, then, theoretically, we don't have a problem. We inherit the problem when the shipper doesn't package the shipment properly. Secondly, we hope the Committee will make it possible for the Department of Transportation and the Atomic Energy Commission to obtain the necessary manpower and the funds to sustain a viable and strong enforcement program.

LYONS. At the Senate hearing, Captain Alex Bonner, First Vice President of the Airline Pilots Association, gave that Association's recommendations.

BONNER. Frankly, airline pilots see the situation as nothing less than an accident of major proportions just waiting to happen. It only remains to be seen where and when it will occur. As airline pilots, we are both morally and legally responsible for the safety of our passengers and fellow crew members. We are the ones who make the ultimate determination that our aircraft is or isn't safe to fly. In a very real sense, we make a personal commitment to our passengers that all safety rules and regulations have been met, but this judgement can only be made when all the facts are available to us. In the case at issue here, all of the facts are not known. Instead, we must rely on the assurances of others that the cargo aboard our aircraft poses no threat to passengers. As more and more evidence comes to light, no airline pilot today can have the needed confidence in those assurances. As the president of our Association has warned the Federal Aviation Administration: If remedial action is not forthcoming, we may have no other alternative than to refuse flatly to operate aircraft with hazardous materials on board. We would like to make the following recommendations:

(1) Hazardous materials should be banned from passenger-carrying aircraft, with the following exceptions: (a) radioactive pharmaceuticals that are processed and ready for delivery to a patient, and transported only in minimum-risk (Category I or II) packaging; (b) dry ice used to refrigerate perishable goods; and (c) magnetic materials when packaged and loaded in accordance with applicable regulations.

(2) Hazardous materials should be carried exclusively in all-cargo aircraft, but limited to those commodities and amounts now acceptable for passenger aircraft.

LYONS. I asked Oscar Baake of the FAA if he would be in favor of banning most hazardous materials from passenger planes, as many groups have demanded.

BAAKE. I think this would be a mistake. I don't think the United States has achieved its commercial and industrial and general economic dominance by that kind of negative, which I would classify as bureaucratic approach to a problem, such as the hazardous materials problem. The ban of materials is the easy way to control it. But I think it's the negative and I think it's the bureaucratic way to control it. I think the more challenging control is one that identifies the conditions which must be met in order to carry a particular commodity safely. Now it may very well be that the particular condition may be prohibitive with respect to aviation. If it is, I'm sorry but if we will have established preicsely what is required to carry it safely then I think we will have been doing our job.

LYONS. Flight attendants have become concerned about hazardous materials on their flights . . . and want to know if the radioactive material carried on passenger planes is contributing to the large percentage of problem—

LYONS—continuing—births stewardesses have been experiencing. At the hearings . . . the flight attendants announced a joint program with the AEC to study 100 flight attendants for two months to find out exactly how much radiation they're getting from the materials carried on their planes. Reuben Robertson of the Aviation Consumer Action Project says there's something you can do.

R. ROBERTSON. I think it's very important for citizens who are concerned about the transportation of any kind of hazardous materials on airline flights, including radioactive products and explosives and chemicals to write their Congressmen about it. Write your Congressman now . . . write your Senator now and if you can write the members of the Senate Commerce Committee, that would also be helpful but it's very essential to build up a groundwave of support for reform in this area. Let your Representatives know that you think that there's a problem and want change. I think it would be very helpful to write to Senator Vance Hartke and to Senator Warren Magnuson, who's the Chairman of the full Senate Commerce Committee . . . to Senator Howard Cannon, who's the Chairman of the Senate Avaition Subcommittee and I think it's important to write to each of the members both on the Senate and the House side as well. The Chairman of the House Commerce Committee is Congressman Harley Staggers from West Virginia.

LYONS. Some groups say passengers should know what's aboard the planes . . . that planes carrying hazardous materials should have signs on them. Oscar Baake of the FAA says he doesn't think putting signs on planes would help.

BAAKE. We have a fairly deep conviction that even if there were such placards, that there wouldn't be one passenger in a thousand who would ever read it and those that would read it, it would have absolutely no effect on their transportation. We think that the impact would be nill.

LYONS. Asked if he thought the passenger should be given the chance to decide, Baake said:

BAAKE. I guess I would have to answer that by saying, if I were certain that a significant number of passengers were concerned, then I would say, yes. It wouldn't improve his safety one way or the other, so that we wouldn't feel any urgency to install a placard because a passenger would be safer with it than without it. So, I would say that if a significant number of the traveling public were to give us some indication that they wanted to make that choice, why, I would say, yes. . . . I think the FAA would be glad to accommodate them but we've never seen that kind of evidence.

LYONS. His address is Oscar Baake . . . BAAKE, Aviation Safety Office, Federal Aviation Administration, 800 Independence Avenue, SW, Washington, D.C.

There are strong indications of movement on this issue. Pilots at Eastern Airlines are reportedly about to tell the company they won't carry radioactive cargo. If they do, pilots at other airlines will no doubt quickly follow. Some legislation will probably come out of the Commerce Committee . . . the FAA itself is even admitting it has a problem and will have to work on it. But still most of the time you fly a passenger plane . . . you're probably sitting just a few feet above some hazardous cargo . . . providing the possibility that you could be in for a lot more than you bargained for when you paid your money for a peaceful flight in an airplane.

I'm John Lyons, WNEW News. Good Night.

ANNOUNCER. Sunday News Closeup. . . . "The Hidden Passenger—An Update" . . . was written and produced by John and Christine Lyons. Executive Producer—Dick Stapleton. Sunday News Closeup is a public affairs presentation of WNEW Metromedia Radio in New York.

SENATOR COOK COMMENDS LOUISVILLE BROADCASTERS AND URBAN LEAGUE

Mr. COOK. Mr. President, as a member of the Senate Communications Subcommittee of the Commerce Committee, I have long been interested in the role that broadcasters can play in providing increased employment opportunities for women and minorities in cooperation with businesses and community organizations.

In this regard, I am very pleased and proud of the efforts being made in Louisville by the Louisville Urban League in cooperation with three of our television stations, in providing summer employment and training opportunities for minority college students in broadcasting. For the second summer in succession, three major television stations in Louisville—WLKY, WAVE, WHAS—have cosponsored a student intern program with the Louisville Urban League as part of their affirmative action program in employment. This program is partly in response to Federal Communications Commission affirmative action requirements for broadcasters to take positive steps to recruit, train, and employ women and minorities. However, our program in Louisville is also the result of a concerned group of media representatives dedicated to the provision of such employment opportunities working with a conscientious Urban League dedicated, not only to pursuing job opportunities for women and minorities, but also to providing programs and opportunities in many other areas such as housing.

The Louisville Urban League annually sponsors a dinner for the college interns and this year the dinner guest speaker was Clarence V. McKee, Esq., who is the Deputy Chief of the Industry Equal Employment Opportunity Unit in the General Counsel's Office at the Federal Communications Commission.

I had the pleasure of working with Mr. McKee while he was serving as the Professional Staff Member for the Minority

of the Select Committee on Nutrition and Human Needs—the so-called "hunger committee"—of which I am still a member. I found Mr. McKee's address to the college interns to be particularly appropriate and timely and therefore would like to have my colleagues share with me the full context of his speech, "A Little Straight Talk on Being Prepared." I ask unanimous consent that the full text of Mr. McKee's remarks be printed in the RECORD immediately following my remarks.

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

A LITTLE "STRAIGHT TALK" ON BEING PREPARED

(By Clarence V. McKee, Esq)

I come to you this evening, not to address the broadcasters, bankers and law enforcement officials who have participated in the Urban League's "internship program" nor to commend them and the Urban League for developing such a meritorius program, though commended they all must be, but rather, I come and am honored, to speak to the youth of this city, not only those who have participated and benefited, but also those countless others whom they represent.

On this occasion honoring you, the youth of Louisville, I wish to give you, as President Ford said only a week ago, "a little straight talk." A little straight talk about you, and your obligations to yourselves, your community and to your Nation.

I address myself to youth this evening because you, more than anyone else, hold the key to our civilization, our Nation, to Kentucky and to Louisville. For you are the persons to whom the "torch of leadership and the mantel of responsibility" will soon be passed by this Nation. You will be the determiners and the architects of this Nation's fate at home and abroad. And you, through your careers in broadcasting, law enforcement, banking, or other such commendable pursuits, shall chart the course for the "Ship of America" during the next several decades, generations, and centuries.

In determining what I would address myself to this evening, I considered several topics including the role of the Federal Communications Commission in insuring equal employment opportunities for women and minorities in broadcasting; or in a general discussion of this Nation's fair employment practices and non-discrimination laws. However, I concluded that such a discussion would indeed be meaningless unless you, the future editorial writers, assignment editors, bank managers, police officials and political leaders, were really prepared to assume such positions of responsibility in Louisville, in Kentucky, in the Nation and indeed the world.

Furthermore, unless you are prepared to assume such positions, then all of those of your age group who have not yet had the benefit of your education, your community, your family, and your breaks, would not be able to see you as an object of respect, admiration, imitation, and as some semblance of hope for themselves and their children.

What good is it to fight for hundreds of years for laws to insure that our basic constitutional guarantees of equal educational and employment opportunity are given to all if the benefactors of such laws cannot assume the positions and do well once the long closed door of opportunity is opened.

What will you Kentuckians tell the 24,000 black Kentuckians recruited to fight in the Civil War, and the thousands of others who have since given their lives in other wars and other causes for you to be here today?

My first premise is that YOU ARE, TO A GREAT EXTENT, THE DETERMINER OF YOUR FATE AND DESTINY. Why? Because you will have the final choice in saying either "I GIVE UP", or "I WILL FORGE ON IN SPITE OF OBSTACLES".

Why be prepared? Because you never know when the torch of leadership or the mantel of responsibility will be thrust upon your shoulders. You never know when you will be dealt the ACE. Therefore, you must be prepared to take the iniative, to take advantage of every single opportunity for knowledge, for formal education and for betterment. Man as the highest form of life in nature was not put on this planet to do nothing. You must always be able and be prepared to "take control" and to do so with confidence which inspires admiration. This applies to any situation or any professional pusuit in which you are now or will be immersed, either from your sweat and toil or that of your parents, or both.

It is useless to make attempts at "doing your own thing" without actually being prepared to do it. For if you are without preparation, then all of your attempts will only remain attempts. Now, how is all of this related to you today and tomorrow in your lives.

I am talking about your responsibilities and your obligations to yourself, your family, community and nation. They are all related. You can never lose sight of your ultimate goal—and every one of you has to have one.

If you shirk your responsibility to yourself, you also shirk it to your family, community and nation. No one will ever respect or admire you, if you lack self respect and shirk responsibility. And the first indication of a person's ability to be responsible in any capacity, is how he views his own sense of responsibility to himself.

We have seen in the past several weeks and months a shining example of why you must be prepared and why you must pursue excellence. Our laws and our form of government were geared to individuals exercising responsibility and pursuing excellence in the conduct of the affairs of government and citizenship. There is represented in our laws a confidence in the people.

Being prepared and the pursuit of excellence means that you should pay more attention to the meaning and results of words in political speeches and less to simple rhetoric. I have often become discouraged in hearing prominent individuals speak to groups of blacks or women, stating words with flowery and often firey rhetoric, which brings the audience to its feet, all ending with all persons going home talking about how great a speech was given.

It is fine to yell "Right On", but it is meaningless if nothing follows to implement the rhetoric.

It is fine to criticize in speeches problems which every one knows exists, or to criticize political leaders, without providing alternatives and follow-through suggestions and action programs.

You must learn to discern the difference between the cheap talk and rhetoric designed to make you yell "Right On", bring you to your feet, or give a speaker more news coverage, and the serious and constructive words and comments upon which the speaker can take action with you.

Concerning those youths who are less fortunate than yourselves, and to the young blacks in this city and nation who are now being the objects of experiments on "Formalizing black english" you must tell them, and those who advocate such "ghetto english" or "black english" that black english never wrote a Supreme Court brief, or edited a television commentary, or wrote a police department budget request, or wrote housing legislation. And to those who advocate such programs, you must say, if black english is so important, why is it that you have spent all of your life learning the "kings english" and perhaps sending your children to private schools to master the "kings english".

Yes, you must know and tell your colleagues that being prepared means knowing and speaking the language of communication. The name of the game today is communications—written and spoken. And if you can not communicate in the language of the people, in the media of the people, then you certainly will not have any input into your destiny or anyone else's.

How many would have followed and listened to Martin Luther King and Adam Clayton Powell if they were unable to communicate? Not many. How many people would honor and respect Senator Edward Brooke, or Congresswoman Barbara Jordan if they came on television speaking broken english. Not many, because they want to be proud of their leaders, to point to them as examples for their children to follow. You are in a similar position.

I can think of no black leader who did not have the ability to communicate to all people in any form of media.

Being prepared also means that you become more concerned with what is inside of your head than how long your hair is. That you realize that no one looks at the length of your hair but rather the contents of your mind. Fads and fashions are temporary, intelligence and knowledge last a lifetime.

You must always conduct yourself in any place, in the manner in which you view yourself in terms of your goals. If you want to someday replace my good friend and often adviser, Marlow Cook, as the U.S. Senator from Kentucky, now is the time to start conducting yourself like a U.S. Senator. In social events, in business events, be as a U.S. Senator would be courteous, respectful and learned. People will notice you.

If you want to someday be the manager of the bank like the one in which you now work, and that should be the goal, then assume the integrity, compassion for others, and self respect in your actions that would fit the position today.

If you want to someday be the General Manager of a radio or television station like the one in which you work today, and that should be the goal, then assume the character, intellect, and confidence necessary in your preparation to achieve that goal and let them know at the station that you are the one who someday could be that general manager. People will notice you.

If you want to be the editorial writer, program manager or the Chief of Police, conduct yourself like one destined for that position.

Being prepared is all of the above. It is also making sure today, that although you might take courses in black studies, that you also have read Marcus Aurelius, Aristotle, Machiavelli, James Madison the Federalist papers and other works of history's great philosophers and writers.

Being prepared and the pursuit of excellence is not only making sure that you are prepared, but also using your influence with those who are younger and less fortunate to be an example of what they must strive for. You must be prepared to bite the bullet and not hesitate to tell them that although they may think it may be fine to listen to "soul" music 24 hours a day with a portable radio or tape recorder being as attached to them as their clothing, that a future employer does not care to know who sings what song, or who can harmonize the best; remind them that everything must be put into perspective. Remind them to spend just as much time reading the paper and absorbing programs of news and public affairs as they do in listening to music.

I would not come here this evening without taking the opportunity to comment on the meaning of communications to you. We at the Federal Communications Commission

are involved every day in decisions regarding the pluses and minuses of various broadcast entities as they relate to the "public interest." In this capacity, we know that young people today, by the time they are 18 years of age, have spent more time in front of the television set than they have in school. We know that it is important therefore, for our radio and television entities to operate truly in the public interest. We do our role pursuant to our Congressional mandate. You must do your role as citizens. Work with broadcasters in a constructive manner. Tell them that you realize that the important positions in the media are the program directors, the editorial writers, the assignment editors, and until women and minorities occupy these positions and not just be the reporter or the anchor person on camera, women and minorities will not have really made it in that industry. However, women and minorities must be prepared to occupy such positions. We have the responsibility at the FCC to make sure that the access to such positions is there; it is your responsibility to make sure that once the access is gained, that the excellence and preparation needed to do a great job is there. I am confident that you will have no problems making your mark as long as you believe in yourself and your cause. I believe in you. The Federal Communications Commission believes in you. The Louisville Urban League believes in you, and your employer believes in you. You are all going to do very well. And as you go through life, keep in mind the words of the Roman Emperor Marcus Aurelius who said over 1700 years ago:

"Think nothing profitable to you which compels you to break a promise, to lose your self-respect, to hate any man, to suspect, to curse, to act the hypocrite, to desire anything that needs walls and curtains about it. For he who values his own intelligence and the divinity within him and the worship of its excellence before all else, plays no tragic part, does not groan, does not need either solitude or much company. And, what is more than all, he lives without either pursuing or flying from life. . . . Bear in mind also, that every man lives only in the present . . . And that all the rest of his life is either past or uncertain."

FAMINE IN INDIA

Mr. HUMPHREY. Mr. President, reports in recent weeks of a severe food shortage in India focus our attention once more on the widespread dimensions of the world food crisis and the complexity of the reasons behind it.

India is presently suffering a 1-million-ton shortage of fertilizer. The increased cost of nitrogen-based fertilizer, the result of escalating oil prices and reduced petroleum availabilities, combined with new U.S. export restraints on fertilizer, are in large measure the cause of this shortage. While India's food consumption for the next year is placed somewhere between 110 and 115 million tons, analysts estimate her domestic food production to reach a maximum level of 100 million tons.

Such deficits in the past have been made up by large-scale imports from the United States. However, the United States no longer has the vast reserves of former years. Because India's foreign exchange reserves have been drained by the rise in world oil prices, she is limited in purchasing food to meet her needs.

The picture is further complicated by a vast drought that has hit the northern and central regions of the country, causing a migration of millions from the countryside to the cities.

Mr. President, I wish to point out three very significant articles: "Energy, Food and Famine," by George Will, Washington Post of September 24; "Need for Large Imports Faces India as Food Crisis Worsens," by Bernard Weinraub, Washington Post of September 20; and "Millions Starving in India," by Jacques Leslie, New York Times of September 24. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were 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 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 agriculture—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 fertlizers 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 agricultural 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.

[From the Washington Post, Sept. 20, 1974]

MILLIONS STARVING IN INDIA

(By Jacques Leslie)

NEW DELHI.—As each day of unrelenting sunshine passes, the possibility of widespread starvation provoked by drought is growing in India.

Roughly 200 million people, a third of India's population, live in areas seriously affected by drought. In several states up to half of the November rice crop has already been lost. In some areas drinking water is difficult or impossible to obtain.

Migration from dry countryside areas to cities, perhaps involving hundreds of thousands of people, is thought to have occurred.

New Delhi newspapers frequently carry reports of starvation deaths. Government officials maintain that the only deaths so far have been "hunger-related"—the result of disease or malnutrition rather than outright starvation.

While that distinction may be largely semantic, the more important issue is the possibility of famine in the next few months.

"If the monsoon continues to be dormant," said one foreign agricultural specialist, "there could be large numbers of people dying of starvation."

The experts, who just completed a tour of drought-struck areas, said that in some places "as far as the eye can see, plants are shriveling. They look half-dead, and they are past recovery." This year's drought is not yet considered as harsh as another one two years ago, but its impact may be more devastating. This is because India depleted its food reserves in alleviating the effects of the 1972 drought and has been unable to replenish them since.

While 110 million tons of food is required this year to avoid serious malnutrition, authorities now predict that this year's crop may not top 100 million tons even if the drought ends now.

Thus, depending on the severity of the drought, the government will be forced to import as much as 10 million tons—a figure that might be beyond the government's capacity.

First, India's limited foreign exchange

reserves, already drained by the increase in world oil prices, prevents the government from buying all the food required on the world market.

The only other alternative is aid. But here too, the prospect is discouraging, since potential donor nations such as the United States do not have a substantial food surplus this year and India is not alone in needing food.

The crunch periods will be the next six weeks before the arrival of the present crop and a period of two or three months before the next crop comes in spring.

Hoarding by farmers anxious to get the best price for their crop is contributing to the present shortage. The government has the problem of fixing the food price for public distribution high enough to encourage farmers to sell their stocks but low enough to hold down inflation. Partially because of the drought, food prices in India have gone up 37 per cent this year.

Some foreign officials here accuse the Indian government of being short-sighted in dealing with the food situation. One agricultural observer said, "A year ago they should have made firm commitments on fertilizer imports. They should have moved into world grain markets in May and June when prices were lower."

Officials at an international relief organization charged that delays by the government in declaring an emergency would hurt relief operations later on. An emergency declaration "is going to come out so late that our agency won't be able to help," one official said. "Right now we are introducing programs in limited blocks. In an emergency situation everything could be increased."

[From the New York Times, Sept. 24, 1974]

NEED FOR LARGE IMPORTS FACES INDIA AS FOOD CRISIS WORSENS

(By Bernard Weinraub)

NEW DELHI, September 23.—India's grave food situation has deteriorated in the last two weeks. Further millions are facing hunger in several northern states.

Government officials, still optimistic that widespread starvation in the north can be averted, hope that food imports and a national drive to "de-hoard" will ease the situation. The drive is aimed at wealthy farmers who have kept supplies off the market as prices rise.

But economists and food experts agree that the nation is in the grip of a crisis that can be eased only with sizable imports—seven million to ten million tons. A wide belt of northern and central India is drought stricken, and millions of hungry people are moving into cities in the eastern state of Orissa.

Almost every day there are reports of hunger and violence in Uttar Pradesh, Gujarat, West Bengal and Rajashtan. In Agra, site of the Taj Mahal, riots broke out last week and food shops were looted. A minister in West Bengal said that 15 million people in rural areas were either starving or living on one meal a day. A report said that more than 500 people had died of malnutrition in the state.

Gujarat is now in the grip of the worst drought in 79 years. In the last two weeks more than 200,000 head of cattle have migrated there from Rajasthan, where officials are alarmed because as much as 85 per cent of the current autumn harvest has been destroyed. "The state is faced with the grim reality of fighting the worst-ever famine in its history," said The Indian Express.

Many human tragedies exemplify India's food crisis.

In Bombay, the penniless widow of a soldier wandered from crematorium to crematorium pleading to place the body of her child, dead of malnutrition, on the funeral pyre of a stranger. The police finally took the body to a morgue and the woman was given something to eat. There are reports of mothers in Madhya Pradesh selling their children for food, and families in Assam struggling to subsist on grass, seeds and roots.

Emaciated villagers in West Bengal are wandering through the countryside in search of food, eating, according to one report, whatever they can possibly chew.

"My only hope is that death will strike fast," said Samsul Ahmed, the father of six, beginning for alms outside a district office in Siliguri.

SHADOW OF HUNGER

"The cruel shadow of hunger and starvation is falling across the land," The Economic Times said recently.

The Indian Express said: "Famine conditions, widespread destitution and starvation deaths are being reported from different parts of the country. It is, of course, a set official policy not to admit starvation deaths. But that cannot hide the ugly reality."

Government officials had hoped that some late summer rain could have salvaged the crop. But a prolonged dry spell with only paltry rainfall in the last two weeks, coupled with the absence of power for irrigation, a chaotic food distribution system and dwindling stocks, diesel shortages, the worst inflation in India's post-independence history and a relentlessly growing population have created a grim mood in New Delhi.

One agriculture specialist said that India was facing "immense problems in terms of human misery, malnutrition and starvation." He added: "The big question is how many people will actually die."

CITY VIOLENCE FEARED

"It's a problem of the cities," another expert said. How will the cities be fed and how will they keep violence from getting out of hand?"

"Not only is it the drought but the whole administrative machinery," said an expert. "No one is accounted for. There's little dedication to the job. It's a failure of planning, of looking ahead to expand irrigation and fertilizer facilities. Things are done in a haphazard way. You have an administrative set-up that was designed by the British to suppress a maximum number of people, and that same system is working today."

The autumn harvest, the source of most of India's food, is expected to produce only 60 million tons of grain, compared with 67 million tons last year. The target was 69 million tons.

It is now predicted that total grain production for the next agricultural year, which runs from July, 1974, to June, 1975, may reach 100 million tons. With India's population growing at 13 million a year, minimum food needs are thought to range from 115 million to 120 million tons. That would mean a gap of up to 20 million.

India averted starvation in the last two years only by using her food reserves—as much as nine million tons two years ago—and by buying some food abroad.

India's reserves now are at an ebb, perhaps as low as two million tons, and the international market has tightened. So far, India has ordered 2.7 million tons abroad, mostly from the United States.

Officials are especially worried about food shortages in the dense cities. Eighty million to 100 million Indians in cities—the numbers fluctuate—depend on a ration system, which enables families to buy fixed amounts of rice and wheat at low prices.

The food for the ration shops is purchased from farmers by the government at a set price. Last year the government distributed through the ration system about 11.5 million tons of grains. The year before 11 million tons was distributed.

This year, some experts say, India must distribute 12 million tons of food to her city dwellers. But the nation has bought less than five million tons from farmers. The Government has said that ration shops will distribute 10-million tons of food, but this seems doubtful. The gap will have to be filled by imports.

"It's obvious that the public distribution system is going to be cut back and this is very dangerous," said one European expert.

"The system is absolutely inadequate to meet the needs," he said. "For the first time the middle class is being pushed hard. Before this it was the poor. The middle class are not as complacement as the poor, and the situation looks very bad."

DACCA, BANGLADESH, September 23.—Prime Minister Mujibur Rahman left Dacca today for the United Nations to appeal for more aid for his shattered nation.

He told newsmen that his country has reached "near famine conditions" and said he had ordered 4,300 gruel kitchens set up in the hope of feeding almost all the nation's 75 million people.

Thousands are pouring into Dacca seeking food and shelter after devastating monsoon floods destroyed rice crops on more than 500,000 acres, the Government said.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is concluded.

RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate Calendar No. 1112, H.R. 15301, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare with amendments on page 15, in line 2, strike out "months." and insert in lieu thereof "months—".

On page 28, in line 19, after "202", strike out "(d)," and insert in lieu thereof "(d)".

On page 41, at the end of line 24, insert "(converted to a decimal fraction)".

On page 61, at the beginning of line 3, strike out "COMPENSATION" and insert in lieu thereof "COMPUTATION".

On page 64, in line 12, strike out "in".

On page 65, in line 76, strike out "subsection" and insert in lieu thereof "subsections".

On page 75, at the beginning of line 2, strike out "months," and insert in lieu thereof "month,".

On page 80, in line 9, strike out "payments" and insert in lieu thereof "payment".

On page 93, at the end of line 21, insert "insurance".

On page 93, in line 24, strike out "II," and insert in lieu thereof "II".

On page 103, in line 21, after "those" insert "of".

On page 113, in line 22, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and a lower case "L".

On page 114, in line 14, strike out "(f)" and insert in lieu thereof "(g)".

On page 115, in line 6, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and a lower case "L".

On page 116, in line 9, after "206" strike out "(a)".

On page 116, beginning with line 12, insert "such amount as the Board determines, on an estimated basis, is equal to the excess of (i) the interest which such account will actually earn in the fiscal years 1976 through 2000 over (ii) the interest which such account would have earned in such fiscal years if the provisions of subsection (e) of this section were identical to the provisions of section 15(c) of the Railroad Retirement Act of 1937."

On page 116, in line 18, after the period, strike out "One half of 1 percent of taxable payroll for each such fiscal year."

On page 116, beginning with line 20, insert "at the time of each actuarial valuation made prior to the fiscal year 2000 pursuant to the provisions of subsection (g) of this section".

On page 116, in line 22, strike out "1994, and 1999".

On page 121, at the end of line 8, strike out "subsection" and insert in lieu thereof "section".

On page 125, in line 9, after "206" strike out "(a)".

On page 130, in line 17, strike out "as" and insert in lieu thereof "or."

On page 133, in line 22, strike out "(a)".

On page 134, in line 6, strike out "subsection" and insert in lieu thereof "section".

On page 135, in line 11, strike out "subsection" and insert in lieu thereof "section".

On page 136, at the beginning of line 12, strike out "subsection" and insert in lieu thereof "section".

On page 136, in line 23, strike out "subsection" and insert in lieu thereof "section".

On page 137, in line 11, strike out "subsection" and insert in lieu thereof "section".

On page 137, in line 21, strike out "subsection" and insert in lieu thereof "section".

On page 141, in line 9, after "206" strike out "(a)".

On page 142, in line 9, strike out "(a)".

On page 142, in line 16, strike out "(a)".

On page 143, in line 6, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and the lower case "L".

On page 144, beginning with line 17, strike out (1) by striking out "(o)" at the beginning thereof and inserting in lieu thereof "(o)(1)";

On page 144, at the beginning of line 19, strike out "(2)" and insert in lieu thereof "(1)".

On page 144, at the beginning of line 22, strike out "(3)" and insert in lieu thereof "(2)".

On page 145, at the beginning of line 1, strike out "(4)" and insert in lieu thereof "(3)".

On page 147, at the beginning of line 1, strike out "and inserting in lieu thereof "Railroad Retirement Act of 1974.".

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

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 (Mr. METZENBAUM). Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 o'clock today.

The motion was agreed to; and at 1:22 p.m. the Senate took a recess until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HATHAWAY).

ORDER OF BUSINESS

Mr. PASTORE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call not be counted against the other bill.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on H.R. 15404, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The report will be stated by title.

The 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. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies for the fiscal year 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 all 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 19, 1974, at page 31712.)

Mr. PASTORE. Mr. President, the act making appropriations for the Departments of State, Justice, Commerce, the judiciary, and related agencies, as it passed the Senate, provided a total of $5,262,502,000 in new obligational authority, which sum was a reduction of $190,297,600 below the revised budget estimates and $48,852,100 below the House.

The conference committee's recommendation provides a total of $5,290,157,100 in new obligational authority. This is an increase of $27,655,100 in the Senate allowance and is $21,297,000 under the House allowance. The conference total represents a reduction of $162,642,500 under the revised budget estimates totaling $5,452,799,600, which sum included $40,990,000 in budget amendments which came directly to the Senate and were not considered by the House. The total of this bill reported from conference is 3 percent under the amended budget estimates.

Mr. President, I would like to now briefly point out the major changes from the Senate-passed bill.

DEPARTMENT OF STATE

For the Department of State, the conferees agreed on a total of $705,692,000, which amount is $1,034,000 below the Senate bill, $6,908,000 above the House allowance, and $38,303,000 below the budget. The Senate considered $27,726,000 in budget amendments not considered by the House.

For the International Commission of Control and Supervision in Vietnam, the conferees recommend $5,658,000, the Senate allowance to be available only upon the enactment of authorizing legislation.

For American Sections, International Commissions, the conferees recommend $1,350,000 which sum is $20,000 below the Senate allowance and the budget estimate of $1,370,000.

For mutual educational and cultural exchange activities, the conferees recommend $54 million, which sum is $1 million below the Senate allowance of $55 million, is $1 million over the House allowance, and is a reduction of $3,500,000 below the budget.

For the Center for Cultural and Technical Interchange Between East and West, the conferees recommend $7,400,000 which sum is $14,000 below the Senate allowance and the budget estimate and is an increase of $200,000 over the House.

DEPARTMENT OF JUSTICE

For the Department of Justice, the committee on the conference agreed to a total of $2,089,002,000, which amount is $13,340,000 above the Senate bill, $57,873,000 below the revised budget estimate, and $23,510,000 below the House allowance. The Senate considered $5,200,000 in budget amendments not considered by the House.

Under salaries and expenses, general legal activities, the conferees recommend language included by the Senate making not to exceed $30,000 available for expenses of collecting evidence, to be expended under the direction of the Attor-

ney General and accounted for solely on his certificate.

For the Immigration and Naturalization Service, the conferees recommend $175,850,000 which sum is $500,000 below the Senate allowance of $176,350,000 and is $500,000 above the House allowance of $175,305,000. The conferees are agreed that all of the additional positions allowed are for the Border Patrol.

For the Federal Prison System, buildings and facilities, the conferees recommend $27,690,000 instead of $53,200,000 proposed by the House and $13,850,000 proposed by the Senate. The increase of $13,840,000 over the Senate allowance consists of $2,550,000 for site acquisition and planning for a northeast adult complex and $11,290,000 for construction of a southeast youth complex for which a site has been chosen. The conferees are agreed that upon selection of a site for a northeast youth complex, consideration will be given to a supplemental request for funds.

For support of U.S. prisoners, the conferees recommend $26,200,000, the Senate allowance and budget estimate and an increase over the House of $1,500,000. This increase was contained in a budget estimate not considered by the House and will be used to liquidate a deficit incurred in this account in fiscal 1974.

DEPARTMENT OF COMMERCE

For the Department of Commerce, the committee of the conference recommends a total of $1,374,478,000, which amount is $14,250,000 above the Senate bill, $40,385,000 below the revised budget estimate, and $3,350,000 below the House allowance. The Senate considered $8,046,000 in budget amendments not considered by the House.

For Domestic and International Business Administration, the conferees recommend $58,750,000, a reduction in the Senate allowance of $250,000.

For the U.S. Travel Service, the conferees recommend $11,250,000, an increase of $250,000 over the Senate allowance of $11,000,000 and a reduction of $283,000 in the budget estimate.

For the National Oceanic and Atmospheric Administration, the conferees recommend $434,300,000, the Senate allowance and a reduction of $2,000,000 below the House. The sun recommended is $15,207,000 below the amended budget estimate. In addition, the conferees recommend language included by the Senate which provides that the sum of $500,000 shall be made available to the Atlantic States Marine Fisheries Commission, $175,000; the Gulf States Marine Fisheries Commission, $200,000; and to the Pacific Marine Fisheries Commission $125,000.

For science and technical research, the conferees recommend $61,400,000, a reduction of $750,000 in the Senate allowance of $62,150,000, but an increase of $1,000,000 over the House. The increase of $1,000,000 for the National Bureau of Standards consists of $500,000 for computer science technology, $250,000 for safety research on radioactive materials and X-ray equipment, and $250,000 for replacement of general laboratory equipment.

For the Maritime Administration—ship construction, the conferees recommend $275,000,000, the House allowance and budget estimate, and an increase of $15,000,000 over the amount proposed by the Senate.

THE JUDICIARY

For the judiciary, the conferees recommend a total of $297,513,100, the Senate allowance, a decrease of $60,000 in the House allowance and a decrease of $15,743,500 below the budget estimate. The Senate considered a budget amendment of $18,000 for the Supreme Court, not considered by the House.

RELATED AGENCIES

For related agencies, the conferees recommend a total of $823,472,000, an increase of $1,099,100 over the Senate allowance, a reduction of $1,285,000 below the House, and a reduction of $10,338,000 under the budget estimate.

For the Commission on the Organization of the Government for the Conduct of Foreign Policy, the conferees recommend $1,594,000, a reduction of $900 in the Senate amount.

For the Equal Employment Opportunity Commission, the conferees recommend $53,597,000, a decrease of $1,250,000 below the sum approved by the Senate of $54,847,000. In addition, the conferees recommend $3,500,000 for the limitation on payments to States and local agencies, an increase of $1,000,000 over $2,500,000 proposed by the House.

For the Marine Mammal Commission, the conferees recommend $750,000 instead of $900,000 proposed by the Senate and $600,000 proposed by the House. In addition, the amendment will provide that, notwithstanding section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses.

For the Small Business Administration, the conferees recommend a transfer of not to exceed $85,415,000 from the revolving funds to salaries and expenses, instead of $86,180,000 as proposed by the Senate and $84,650,000 as proposed by the House. Also recommended is the sum of $327,500,000, an increase of $500,000 over the Senate proposal for the Business Loan and Investment Fund. For the Disaster Loan Fund, the conferees recommend $90,000,000, the Senate allowance.

For the U.S. Information Agency, the conferees recommend $218,462,000 for the regular salaries and expense account, an increase of $2,000,000 over the Senate allowance. In addition, $8,377,000 is recommended for salaries and expenses, special foreign currency program.

Mr. President, I shall be happy to answer any questions that any Senator would like to ask.

I ask unanimous consent that a tabulation of the fiscal year 1974 appropriations and the budget House-Senate and conference committee allowances for the fiscal year 1975 be printed in the RECORD.

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

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

TITLE I—DEPARTMENT OF STATE

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item	New budget (obligational) authority, fiscal year 1974 (enacted to date)[1]	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	Conference action
(1)	(2)	(3)	(4)	(5)	(6)
Administration of Foreign Affairs:					
Salaries and expenses	$322,180,000	$352,000,000	$349,650,000	$349,650,000	$349,650,000
Representation allowances	1,200,000	[2] 1,500,000	1,350,000	1,350,000	1,350,000
Acquisition, operation, and maintenance of buildings abroad	22,358,000	22,914,000	22,914,000	22,914,000	22,914,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	5,462,000	4,870,000	4,870,000	4,870,000	4,870,000
Emergencies in the diplomatic and consular service	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Payment to Foreign Service retirement and disability fund	20,535,000	20,535,000	20,535,000	20,535,000	20,535,000
Total, administration of foreign affairs	373,835,000	403,919,000	401,419,000	401,419,000	401,419,000
International Organizations and Conferences:					
Contributions to international organizations	218,537,000	214,079,000	205,903,000	205,903,000	205,903,000
Missions to international organizations	5,951,000	6,660,000	6,600,000	6,600,000	6,600,000
International conferences and contingencies	6,200,000	6,400,000	6,400,000	6,400,000	6,400,000
International trade negotiations	1,744,000	2,465,000	2,000,000	2,000,000	2,000,000
International commission of control and supervision		[3] 27,726,000		5,658,000	5,658,000
Total, international organizations and conferences	232,432,000	257,330,000	220,903,000	226,561,000	226,561,000

Footnotes at end of table.

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date)[1] (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bil. (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
International Commissions:					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	$4,595,000	$4,701,000	$4,701,000	$4,701,000	$4,701,000
Construction	3,800,000	[4] 7,731,000	6,231,000	6,231,000	6,231,000
American sections, international commissions	1,003,000	1,370,000	1,300,000	1,370,000	1,350,000
International fisheries commissions	3,575,000	4,030,000	4,030,000	4,030,000	4,030,000
Total, international commissions	12,973,000	17,832,000	16,262,000	16,332,000	16,312,000
Educational Exchange:					
Mutual educational and cultural exchange activities	50,587,000	57,500,000	53,000,000	55,000,000	54,000,000
Center for cultural and technical interchange between East and West	6,925,000	7,414,000	7,200,000	7,414,000	7,400,000
Total, educational exchange	57,512,000	64,914,000	60,200,000	62,414,000	61,400,000
Other: Payment to International Center, Washington D.C.	2,200,000				
Total, title I, Department of State	678,952,000	743,995,000	698,784,000	706,726,000	705,692,000
TITLE II—DEPARTMENT OF JUSTICE					
Legal Activities and General Administration:					
Salaries and expenses, general administration	$17,334,000	$22,486,000	$21,850,000	$21,850,000	$21,850,000
Salaries and expenses, general legal activities	53,361,000	[5] 60,530,000	59,000,000	59,000,000	59,000,000
Salaries and expenses, Antitrust Division	14,790,000	[5] 16,882,000	16,762,000	16,762,000	16,762,000
Salaries and expenses, U.S. attorneys and marshals	108,050,000	[5] 129,952,000	126,600,000	126,600,000	126,600,000
Fees and expenses of witnesses	13,100,000	14,200,000	14,200,000	14,200,000	14,200,000
Salaries and expenses, Community Relations Service	3,551,000	4,050,000	3,750,000	3,750,000	3,750,000
Total, legal activities and general administration	210,186,000	248,100,000	242,162,000	242,162,000	242,162,000
Federal Bureau of Investigation: Salaries and expenses	392,290,000	435,600,000	433,100,000	433,100,000	433,100,000
Immigration and Naturalization Service: Salaries and expenses	153,704,000	[10] 184,100,000	175,350,000	176,350,000	175,850,000
Federal Prison System:					
Salaries and expenses, Bureau of Prisons	143,374,000	172,500,000	169,000,000	169,000,000	169,000,000
Buildings and facilities	14,800,000	53,200,000	53,200,000	13,850,000	27,690,000
Support of U.S. prisoners	21,500,000	[6] 26,200,000	24,700,000	26,200,000	26,200,000
Total, Federal prison system	179,674,000	251,900,000	246,900,000	209,050,000	222,890,000
Law Enforcement Assistance Administration: Salaries and expenses	870,675,000	886,400,000	880,000,000	880,000,000	880,000,000
Drug Enforcement Administration: Salaries and expenses	112,664,000	140,775,000	135,000,000	135,000,000	135,000,000
Total, title II, Department of Justice	1,919,197,000	2,146,875,000	2,112,512,000	2,075,662,000	2,089,002,000
TITLE III—DEPARTMENT OF COMMERCE					
General Administration:					
Salaries and expenses	$8,625,000	$10,773,000	$9,800,000	$10,200,000	$10,200,000
Special foreign currency program	2,940,000				
Total, General Administration	11,565,000	10,773,000	9,800,000	10,200,000	10,200,000
Social and Economic Statistics Administration:					
Salaries and expenses	41,000,000	[7] 52,128,000	47,977,000	47,977,000	47,977,000
Periodic censuses and programs	19,100,000	23,579,000	23,000,000	22,250,000	22,250,000
Total, Social and Economic Statistics Administration	60,100,000	75,707,000	70,977,000	70,227,000	70,227,000
Economic Development Administration:					
Economic development assistance programs	[8] 220,500,000	[9] 184,200,000	184,200,000	184,200,000	184,200,000
Administration of economic development assistance programs	20,100,000	[10] 17,787,000	17,625,000	17,625,000	17,625,000
Total Economic Development Administration	240,600,000	201,987,000	201,825,000	201,825,000	201,825,000
Regional Action Planning Commissions: Regional development programs	42,000,000	35,008,000	34,995,000	34,995,000	34,995,000
Domestic and International Business Administration:					
Operations and Administration	53,700,000	59,521,000	58,500,000	59,000,000	58,750,000
Participation in U.S. expositions	150,000				
Total Domestic and International Business Administration	53,850,000	59,521,000	58,500,000	59,000,000	58,750,000
Foreign Direct Investment Regulation: Salaries and expenses	2,700,000	([11])			
Minority Business Enterprise: Minority business development	35,681,000	[12] 55,374,000	53,000,000	52,000,000	52,000,000
U.S Travel Service: Salaries and expenses	11,100,000	11,533,000	11,500,000	11,000,000	11,250,000
National Oceanic and Atmospheric Administration:					
Operations, research, and facilities	367,001,000	[13] 449,507,000	436,300,000	434,300,000	434,300,000
Coastal zone management	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Administration of Pribilof Islands	3,598,000	3,937,000	3,937,000	3,937,000	3,937,000
Fishermen's Guaranty Fund	101,000	125,000	61,000	61,000	61,000
Offshore Shrimp Fisheries Fund	325,000				
Total, National Oceanic and Atmospheric Administration	383,025,000	[14] 465,569,000	452,298,000	450,298,000	450,298,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued

TITLE III—DEPARTMENT OF COMMERCE—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date) (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
National Bureau of Fire Prevention: Operations, research, and administration		$13,000,000	$7,000,000	$6,000,000	$6,000,000
Patent Office: Salaries and expenses	$71,982,000	[15] 77,194,000	76,300,000	76,300,000	76,300,000
Science and Technical Research: Scientific and technical research and services	65,232,000	65,835,000	60,400,000	62,150,000	61,400,000
Maritime Administration:					
Ship construction	275,000,000	275,000,000	275,000,000	280,000,000	275,000,000
Operating-differential subsidies (appropriation to liquidate contract authority)	(244,515,000)	(242,800,000)	(242,800,000)	(242,800,000)	(242,800,000)
Research and development	19,000,000	27,500,000	25,500,000	25,900,000	25,900,000
Operations and training	36,827,000	40,462,000	40,333,000	40,333,000	40,333,000
Total, Maritime Administration	330,827,000	343,362,000	341,233,000	326,233,000	341,233,000
Total, title III, Department of Commerce	1,308,662,000	1,414,863,000	1,377,828,000	1,360,228,000	1,374,478,000
TITLE IV—THE JUDICIARY					
Supreme Court of the United States:					
Salaries	$4,154,000	$4,496,000	$4,450,000	$4,450,000	$4,450,000
Printing and binding Supreme Court reports	515,000	565,000	565,000	565,000	565,000
Miscellaneous expenses	605,000	642,000	642,000	642,000	642,000
Automobile for the Chief Justice	16,000	16,300	16,300	16,300	16,300
Books for the Supreme Court	63,000	63,000	63,000	63,000	63,000
Care of the building and grounds	1,493,300	[16] 687,300	669,300	687,300	687,300
Reappropriation	75,000		371,500	371,500	371,500
Total Supreme Court of the United States	6,921,300	6,469,600	6,777,100	6,795,100	6,795,100
Court of Customs and Patent Appeals: Salaries and expenses	677,000	816,000	782,000	782,000	782,000
Costoms Court: Salaries and expenses	2,424,000	2,479,000	2,479,000	2,479,000	2,479,000
Court of Claims: Salaries and expenses	2,194,000	2,341,000	2,341,000	2,341,000	2,341,000
Courts of Appeals, District Courts, and Other Judicial Services:					
Salaries of judges	27,300,000	27,975,000	27,975,000	27,975,000	27,975,000
Salaries of supporting personnel	90,000,000	103,756,000	101,800,000	101,822,000	101,822,000
Representation by court-appointed counsel and operation of defender organizations	18,675,000	15,700,000	15,700,000	15,700,000	15,700,000
Fees of jurors	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000
Travel and miscellaneous expenses	12,909,000	15,365,000	15,200,000	15,100,000	15,100,000
Administrative Office of the U.S. Courts	4,208,000	5,645,000	5,090,000	5,090,000	5,090,000
Salaries and expenses of U.S. magistrates	7,837,000	8,764,000	8,764,000	8,764,000	8,764,000
Salaries of referees (special fund)	6,991,000	6,990,000	6,990,000	6,990,000	6,990,000
Expenses of referees (special fund)	13,300,000	14,101,000	14,000,000	14,000,000	14,000,000
Total, courts of appeals, district courts, and other judicial services	199,720,000	216,796,000	214,019,000	213,941,000	213,941,000
Federal Judiciary Center: Salaries and expenses	2,073,000	2,699,000	2,400,000	2,400,000	2,400,000
Space and Facilities, the Judiciary: Space and facilities		78,500,000	66,100,000	66,100,000	66,100,000
Expenses, U.S. Court Facilities: Furniture and furnishings		[17] 3,156,000	2,675,000	2,675,000	2,675,000
Total, title IV, the Judiciary	214,009,300	313,256,600	297,573,100	297,513,100	297,513,100
TITLE V—RELATED AGENCIES					
Arms Control and Disarmament Agency: Arms control and disarmament activities	$8,065,000	$9,500,000	$9,250,000	$9,250,000	$9,250,000
Board for International Broadcasting: Grants and expenses	49,625,000	49,840,000	49,800,000	49,800,000	49,800,000
Commission on American Shipbuilding: Salaries and expenses	205,000				
Commission on Civil Rights: Salaries and expenses	5,950,000	6,905,000	6,850,000	6,850,000	6,850,000
Commission on the Organization of the Government for the Conduct of Foreign Policy: Salaries and expenses	1,050,000	1,600,000	1,250,000	1,594,900	1,594,000
Department of the Treasury: Bureau of Accounts: Fishermen's Protective Fund	1,000,000				
Equal Employment Opportunity Commission: Salaries and expenses	44,400,000	56,170,000	52,347,000	54,847,000	53,599,000
Federal Maritime Commission: Salaries and expenses	6,385,000	7,382,000	7,300,000	7,300,000	7,300,000
Foreign Claims Settlement Commission: Salaries and expenses	947,000	1,250,000	1,240,000	1,240,000	1,240,000
Marine Mammal Commission: Salaries and expenses	412,000	1,000,000	600,000	900,000	750,000
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance: Salaries and expenses	332,000	500,000	332,000	332,000	332,000
Small Business Administration:					
Salaries and expenses:					
Appropriation	23,000,000	27,100,000	26,500,000	26,500,000	26,500,000
Transfer from revolving funds	(78,150,000)	(86,200,000)	(84,650,000)	(86,180,000)	(85,415,000)
Payment of participation sales insufficiencies	973,000				
Business loan and investment fund	225,000,000	328,000,000	328,000,000	327,000,000	327,500,000
Disaster loan fund		91,000,000	91,000,000	90,000,000	90,000,000
Total, Small Business Administration	248,973,000	446,100,000	445,500,000	443,500,000	444,000,000
Special Representative for Trade Negotiations: Salaries and expenses	1,519,000	1,925,000	1,850,000	1,850,000	1,850,000
Tariff Commission: Salaries and expenses	7,400,000	9,000,000	8,900,000	8,900,000	8,900,000

Footnotes at end of table.

Item	New budget (obligational) authority, fiscal year 1974 (enacted to date) [1]	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommeded in House bill	New budget (obligational) authority recommended in Senate bill	Conference action
(1)	(2)	(3)	(4)	(5)	(6)
U.S. Information Agency:					
Salaries and expenses	$203,062,000	$222,091,000	$219,668,000	$216,462,000	$218,462,000
Salaries and expenses (special foreign currency program)	6,000,000	9,377,000	8,700,000	8,377,000	8,377,000
Special international exhibitions	10,774,000	6,770,000	6,770,000	6,770,000	6,770,000
Special international exhibitions (special foreign currency program)	78,000				
Acquisition and construction of radio facilities	1,000,000	4,400,000	4,400,000	4,400,000	4,400,000
Total, U.S. Information Agency	220,914,000	242,638,000	239,538,000	236,009,000	238,009,000
Total, title V, related agencies	597,177,000	833,810,000	824,757,000	822,372,900	823,472,000
Total, titles I, II, III, IV, and V, new budget (obligational) authority	4,717,997,300	4,452,799,600	5,311,454,100	5,262,502,000	5,290,157,100
Consisting of—					
1. Appropriations	4,717,922,300	5,452,799,600	5,311,082,600	5,262,130,500	5,289,785,600
2. Reappropriations	75,000		371,500	371,500	371,500
Memoranda:					
Appropriations to liquidate contract authorizations	(244,515,000)	(242,800,000)	(242,800,000)	(242,800,000)	(242,800,000)
Total appropriations, including appropriations to liquidate contract authorizations	(4,962,512,300)	(5,695,599,600)	(5,554,254,100)	(5,505,302,000)	(5,532,957,100)

[1] Includes amounts in 2d Supplemental Appropriation bill, 1974. In addition the bill includes an indefinite appropriation for certain prior-year pay cost increases.
[2] The budget proposed consolidation of this item with "Salaries and expenses."
[3] $27,726,000 contained in S. Doc. 93-88 not considered by House.
[4] Excludes request of $94,575,000 for the Colorado River International Salinity Control project.
[5] The budget proposed consolidation of "Salaries and expenses, Antitrust Division" and "Salaries and expenses, U.S. attorneys and marshals" with "Salaries and expenses, general legal activities."
[6] Includes $1,500,000 contained in S. Doc. 93-89 not considered by House.
[7] Includes $2,145,000 not considered by House (H. Doc. 93-305—$700,000; S. Doc 93-93—$1,455,000).
[8] Reflects consolidation of appropriation items.
[9] Includes budget amendment of $30,200,000, contained in H. Doc. 93-305.
[10] Includes budget amendment of $1,787,000, contained in H. Doc. 93-305.
[11] Reflects withdrawal of budget estimate of $1,971,000 in H. Doc. 93-305.
[12] Excludes request of $39,527,000 for the Community Development Corporation program.
[13] Includes $5,901,000 not considered by House (H. Doc. 93-305—$300,000; S. Doc. 93-93—$5,601,000).
[14] Excludes $6,630,000 contained in the Special Energy Research and Development Appropriation Act, 1975 (Public Law 93-322 approved June 30, 1974).
[15] The budget included this item in "Scientific and technical research and services."
[16] Includes $18,000 contained in S. Doc. 93-85 not considered by House.
[17] Estimate contained in H. Doc. 93-221, transmitted to the Congress on Feb. 25, 1974.
[18] Includes $3,700,000 contained in S. Doc. 93-101 not considered by House.

Mr. HRUSKA. Mr. President, as ranking minority member on the Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies appropriation bill, I would be terribly remiss if I failed to commend our chairman, the senior Senator from Rhode Island (JOHN O. PASTORE), for his faithful diligence in maintaining the priorities established by the Senate during our conference with Members of the House.

This conference report which is on the desk of every Member should be adopted. It was approved by the conferees as the best possible solution to those items and matters in disagreement by the two Houses.

Last month President Ford outlined his views to the Congress with respect to frugality in Government and the necessity that we all cut Government spending. I share those views, Mr. President, and because this conference report is bare bones and is $162,642,500 or 3 percent below the budget, I commend it to my colleagues as worthy of quick approval by the Senate.

Mr. PASTORE. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 28 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert:

: *Provided further*, That the Chief Judge of each circuit may appoint a senior law clerk to the Court at not more than $30,000 per annum, without regard to the limitations referred to above

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 33 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert: $750,000: *Provided*, That, notwithstanding section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses

Mr. PASTORE. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 28 and 33.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

SENATE RESOLUTION 409—DESIGNATING THE PERIOD SEPTEMBER 23 THROUGH SEPTEMBER 27 AS "MEALS-ON-WHEELS WEEK"

Mr. McGOVERN. Mr. President, I ask unanimous consent that a resolution (S. Res. 409) submitted on yesterday be corrected to concur with the proper language. It is simply a perfecting amendment.

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

The resolution (S. Res. 409), with its preamble, is as follows:

S. RES. 409

Resolution, designating the period 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 financial 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 period 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.

RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

The Senate continued with the consideration of the bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. 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. HATHAWAY. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 15301, the railroad retirement bill.

Mr. HATHAWAY. Is there a time agreement on that?

The PRESIDING OFFICER. Three hours on the bill, 1 hour on each amendment.

Mr. HATHAWAY. Thank you, Mr. President.

I ask unanimous consent that Angus King, Frank Crowley, and Robert Hunter be given the privilege of the floor during debate and votes on the pending measure.

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

Mr. BEALL. Will the Senator yield?

Mr. HATHAWAY. I am happy to yield, but I have one more unanimous-consent request.

Mr. President, due to an error in the printing of this bill, a part of one line stricken from the House bill was omitted from this print. I ask unanimous consent that this language, which should appear in line type, be reinserted on page 116, line 22, immediately following the word "section." The words are "during fiscal years 1979, 1984, 1989,".

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. HATHAWAY. Mr. President, I yield to the Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, I ask unanimous consent that David Rust of my staff be given the privilege of the floor.

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

Mr. HATHAWAY. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. HATHAWAY. Mr. President, the Senate is considering today a major piece of legislation aimed at solving a chronic problem which has been before this body all too often in the past several years. The bill I refer to is H.R. 15301, which would restructure the railroad retirement system. As all of my colleagues are aware, this system, which provides retirement and disability benefits to over one million of our citizens, is currently in serious financial difficulty. Estimates vary, but all projections indicate bankruptcy for the railroad retirement fund by the early 1980's if no changes are made. It is out of this crisis situation that H.R. 15301 has grown.

Serious questions were first raised as to the actuarial soundness of the railroad retirement system in 1970 at the time that consideration was being given to an increase in railroad retirement benefits. Since adequate information on which to base a long-term solution was not then available, Congress established a Commission on Railroad Retirement to study the system and its financing for the purpose of making recommendations as to the measures necessary to provide adequate levels of benefits on an actuarially sound basis—Public Law 91-77.

On September 7, 1972, the report of the Commission was received by Congress. The principal recommendations set forth in this report called for the restructuring of the railroad retirement program into a two-tier system, under which railroad employees would receive a basic benefit payable exactly the same as social security benefits, with a second tier of benefits over and above the social security tier.

The Commission further recommended that future accrual of dual benefits—payment of separate social security and railroad retirement benefits—should be stopped, but that "legally vested rights" of railroad workers and railroad retirement beneficiaries to benefits based on social security covered nonrailroad service should be guaranteed; that a "firm financial plan" should be adopted to finance the second, or staff tier of railroad retirement benefits on an assured, fully self-supporting basis by contributions from the railroad community; and that the railroad retirement benefit formulas should be restructured "to assure that the overall benefits in the future continue to bear a reasonable relationship to wages in a dynamic economy and to make benefits more equitable among the various groups of beneficiaries." As will be seen as I outline the major provisions of this bill, it carries out, in significant part, these recommendations made by the Commission.

Shortly after the Commission issued its report, Congress enacted Public Law 92-460, which contained a provision instructing representatives of railroad labor and management to enter into negotiations that would take into consideration the Commission's specific recommendations and to submit a report containing their mutual recommendations as to what measures should be taken to assure the receipt of sufficient revenues to finance the benefits provided by the Railroad Retirement Act. Pursuant to that directive, the representatives submitted a report, dated February 27, 1973, calling attention to the complex issues involved and stating that substantial progress had been made in shaping mutual agreeable recommendations.

Subsequently, Public Law 93-69 was enacted, a provision of which directed the representatives of labor and management to present to Congress their joint recommendations in the form of a draft bill for restructuring the railroad retirement system in a manner which will insure its long-range actuarial soundness. The bill before us today implements the recommendations submitted by the Joint Labor-Management Railroad Retirement Negotiating Committee in accordance with the directive contained in Public Law 93-69.

Essentially, the bill provides for a complete restructuring of the system by preventing the future accrual of so-called dual-benefit rights and breaking the retirement benefit into two components, one reflecting a basic social security benefit—calculated on the basis of both railroad and nonrailroad service—and the other related strictly to railroad service. The dual benefits of those already retired as well as those still active in railroading who are vested under both systems as of January 1, 1975, are protected.

Further, the formula for the second tier—the "staff" benefit—is altered by the bill so as to produce future benefit levels which bear a reasonable relationship to wages. It should be noted that these two changes in existing law—the elimination of future dual benefits and the alteration of the formula—are major concessions on the part of the workers in this industry and account for cutting the system's deficit by more than one-half.

For their part, the rail carriers, through this bill and last year's legislation—Public Law 93-69—have taken on the responsibility for funding the entire future cost of the system, with two exceptions: the employees will continue to pay a tax equal to the social security tax paid by all other workers, and the cost of the phasing out of dual benefits will be borne by the general revenues. This cost is estimated to amount to 3.64 percent of payroll or $285 million a year on a level cost basis for the next 25 years.

It is possible, I should note, that this cost could rise to a maximum of $315 million a year due to cost-of-living increases in the dual benefits. I would point out, however, that this increase is not certain, and, in any case, would be entirely offset by gains anticipated from the changes the bill makes in the investment policy of the railroad retirement fund.

Prior to last year's changes, the cost of the system was borne equally by the workers and the carriers, an arrangement contrary to that prevailing in most major American industries.

Obviously, the question which can be asked about this bill is why the future dual benefit cost should be carried by the general revenues. This cost—estimated at $285 million a year, as I mentioned—represents the amount necessary to continue paying dual benefits—that is, benefits under both social security and railroad retirement—to those people protected under the bill—present retirees and those currently vested under both systems. And this cost constitutes the major segment of the present railroad retirement deficit. In order to explain how this situation arose and to justify the general revenue appropriations authorized in this bill, it is necessary to go back to the interrelationship between the railroad retirement and social security systems and trace the roles of the carriers, railway labor, and the Congress.

In 1951 the Congress created what is called the financial interchange, under which the railroad retirement system was reinsured with the social security system. Under this program, the railroad retirement system pays to the social security system each year an amount equal to the taxes which would have been paid by all railroad employees, and by the railroads, if railroad service were service

covered under the Social Security Act. The social security system, on the other hand, transfers to the railroad retirement system each year an amount equal to the total of social security benefits which would have been paid to all retired railroad employees, their dependents, and survivors if all railroad service of the employees since 1936 had been covered under the Social Security Act. The net result of the financial interchange program has been a transfer over the years of $8.2 billion from the social security system to the railroad retirement system.

The Social Security Act prohibits payment of multiple benefits to any individual under that act. For this reason, whenever an individual receiving railroad retirement benefits also qualifies for social security benefits, the amounts paid to the railroad retirement system under the financial interchange on account of that individual are reduced by the total of the social security benefits which that individual receives. The lost reimbursement to the railroad retirement system over the years arising out of this situation is in excess of $4 billion, and it is estimated that the present value of the future lost reimbursement which will arise out of the provisions of the bill continuing payment of both railroad retirement and social security benefits to certain individuals is an additional $4½ billion.

A principal factor leading to this $8½ billion loss to the railroad retirement account—$4 billion in the past and $4½ billion in the future—arises out of the manner in which benefits are computed under the Social Security Act. That act grants proportionately greater benefits to persons with relatively short periods of covered service and relatively low wages. In computing the amounts to be transferred to the railroad retirement system under the financial interchange arising out of the service of any individual employee, the amounts to be transferred are computed on the basis of both his railroad employment and his nonrailroad employment. When that individual then begins to draw benefits from the social security system based upon his nonrailroad employment, the amounts by which the financial interchange reimbursement are reduced are disproportionate to the individual's total employment, railroad and nonrailroad. In other words, a person working 40 years for the railroads would get a smaller social security benefit than someone working 20 years for the railroad and 20 years for someone else. And therein lies the dual benefit problem.

H.R. 15301 eliminates this situation for the future by providing for the computation of railroad retirement tier I benefits under the social security formula based on both railroad and nonrailroad service.

So the question we were confronted with was who should bear the cost, estimated to be 3.64 percent of taxable payroll, of continuing these benefits to persons already retired and those with vested rights protected under the bill.

The Office of Management and Budget has suggested that this cost can be met by simply cutting benefits under the bill. The committee rejected this suggestion for three reasons: First, cutting off the benefits of those already receiving or legally entitled to them would clearly be inequitable.

These individuals have a right to receive those benefits the law had led them to rely upon or expect. Second, as I have mentioned, more than half of the long-range cost of putting the overall system in actuarial balance under this bill is accomplished through significant reductions in benefits payable to future retirees. These reductions include the prohibition of future dual benefits as well as changes in the benefit formula. Finally, since accrual of future dual benefit rights is prohibited under the bill, it seems unfair to assign this cost to people who will never be able to collect such benefits.

Then the question becomes whether these costs should be assigned to the carriers. Aside from the obvious questions as to whether the carriers, particularly those in the northeast, can afford this additional burden, the committee—and the House—decided that to place the cost on them would be inequitable.

In the first place the railroads had no part in the creation of this dual benefit situation. The lost reimbursement to the railroad retirement system arising out of individuals becoming entitled to social security benefits arises out of nonrailroad employment performed by these individuals—employment which has not benefitted the railroad industry in any fashion. A further factor leading to lost reimbursement arises in part out of provisions contained in the Social Security Act, and the formula for the computation of benefits thereunder—again matters over which the railroad industry has no control. With respect to legislation enacted repealing restrictions on dual benefits, the railroad have consistently opposed such legislation.

The problem of dual beneficiaries has not occurred overnight. In 1953, when the problem was discussed in the report of the Joint Committee on Railroad Retirement established under Senate Concurrent Resolution 51, 82d Congress, approximately 15 percent of railroad retirement beneficiaries were also entitled to social security benefits. The report stated:

> With regard to persons with ten years or more of service the problem of dual benefits is not now serious, and if this ever should become a problem in the future, it could be solved by amendment to the Railroad Retirement Act, or the Social Security Act, without integration. (S. Rept. 6, Part I, 83d Cong. 1st Sess., p. 6.)

Today approximately 40 percent of railroad retirement beneficiaries are also entitled to social security benefits. This has resulted from liberalizations in eligibility requirements for social security benefits being enacted, and from acts repealing restrictions on railroad retirement benefits for persons also receiving social security benefits.

A detailed study of the legislative history of the various congressional actions with regard to the development of the dual benefit problem clearly indicates that this increase in dual beneficiaries from 15 percent of railroad retirees to 40 percent is, in large measure, attributable to acts of Congress which have made it possible for individuals to qualify under both acts. And, as I mentioned before, the rail carriers in each instance are on record as being firmly opposed to these various congressional actions. Each year the problem has grown just a bit greater than it was the year before, but it was not until the Commission on Railroad Retirement submitted its report in 1972 that the full dimensions of the problem became apparent. It hardly seems fair for Congress to have created, maintained, and even expanded a discriminatory and irrational pension structure which in no way benefits the railroad industry and then turn around and thrust its enormous costs onto that industry.

I should point out to my colleagues that there is precedent for the approach taken in this bill. I refer here to the appropriations made from the general revenues each year to cover the cost of allowing social security and railroad retirement credits for military service. Providing these payments represents a policy decision by the Congress that it would be inequitable not to provide them—and we do pay the cost out of general revenue. By the same token, the decision which we are making in this bill—and with which few of my colleagues would quarrel—is that it would be fundamentally unfair to cut off these dual benefits to those already receiving them and those with a legally vested expectation of receiving them. And by making this decision, we assume a Federal responsibility. Just as we would not impose the social security on the worker's last premilitary employer, so we should not impose this dual benefit cost on the railroad industry.

Before concluding on this point, I should say a word about the effect of this bill on the present troubled state of the national economy.

Mr. CURTIS. Mr. President, will the Senator yield for a question or two on the benefits before he goes to the economy discussion?

Mr. HATHAWAY. If the Senator will refrain, I just have another page or so in my general remarks, and then I would be glad to answer his questions at that time.

Mr. CURTIS. I would be happy to defer.

Mr. HATHAWAY. It will be argued, I am sure, that the cost associated with this bill—by adding to the size of the Federal budget—will aggravate our already chronic inflation. A strong case can be made that exactly the opposite will happen—that a tax increase on the carriers instead of the public financing provisions of the bill would actually lead to more inflation which will hit quicker than any generated by the present bill. A simple look at the economics of the transportation industry, shows why. The railroads, by and large, simply cannot afford to absorb the costs associated with this bill.

In the industry in general these costs would sop up almost one-half of net income. And they would simply put many roads that much more in the hole. So if this cost cannot be absorbed, what hap-

pens to it? It gets passed on to shippers—and then to consumers obviously—in the form of a rate increase. And that is direct, measurable inflation in the price of every good shipped by rail, from coal to automobiles, from chemicals to wheat.

In short, we have isolated and ended the source of Railroad Retirement's difficulties—the continuation and growth of the dual benefit problem. This process has required sacrifices from both railway management and railway labor, and, we feel, requires participation by the Federal Government. Although we do not relish the necessity of this participation, it is a finite cost which seems justified by the long-range solution agreed upon in this bill.

Mr. President, I do not wish to prolong my remarks but would only call to the attention of my colleagues several other important features of the bill.

The first of these is the fact that several benefit liberalizations are made—not across the board, but to certain groups of beneficiaries. These changes, which have a cumulative cost estimated at 3.1 percent of payroll, provide:

First, people who retire at age 60 with 30 years of service could receive supplemental annuities at age 60, rather than at age 65;

Second, the spouse of an individual who retires at age 60 with 30 years of service could qualify for a spouse's annuity at age 60, rather than at age 65—these two provisions make fully effective the early retirement provisions passed last year—and

Third, the benefits generally payable to survivors—most widows—would be increased from 110 percent of the comparable social security benefit to 130 percent of the comparable benefit.

I should point out that this last change, which is the most significant in terms of cost, follows an explicit recommendation of the Commission on Railroad Retirement and answers what is undoubtedly the number one criticism of the program by the retirees themselves.

An additional change in current law made by the bill concerns control of the investments of the railroad retirement fund. Presently, the Secretary of the Treasury determines the manner in which the account will be invested. Under the bill this authority over investments would be vested in the Railroad Retirement Board and any additional income earnings would be used, in effect, to reduce the payments out of general revenues authorized to meet the cost of phasing out dual benefits. We were informed in committee that under the House-passed provision, the Railroad Retirement Board, by returning low-interest earning investments and making new investments at higher interest rates, anticipated additional income over the long-run equal to one-half of 1 percent of taxable payroll, or $30 million a year.

However, the formula used to determine the amount to be transferred to the Treasury as an offset for general revenue payments might result in transfers in excess of the actual additional interest earnings. Accordingly we have modified the House bill so that the additional interest earnings as actually determined by the Board will be deducted from the authorization for general revenue contributions under the bill. Thus, any gain from the change in investment policy will accrue to the general taxpayers as long as there is Federal participation in the funding of the system.

Mr. President, I have presented a brief look at our approach to a most complex and troublesome subject. I hope that my colleagues will support this bill as the best and most equitable solution available to the problems of this system. And, finally, I hope that this measure will mark the end of the difficult period all those involved in this system have just been through and the beginning of a new system which will be both more stable and more fair.

I yield to the Senator from Nebraska.

Mr. CURTIS. I thank my distinguished colleague, and I commend him for his statement and the clarity with which he has presented it.

The committee has worked on this matter that is filled with problems, it has been difficult, and which has been with Congress for some time.

In the matter of establishing the record there are a few questions I would like to ask. One is this: When we speak of a dual system, it is not for the same employment, is that not correct?

Mr. HATHAWAY. Not for what?

Mr. CURTIS. Not for the same identical work performed.

Mr. HATHAWAY. The Senator is correct. It is for different employers.

Mr. CURTIS. In other words, the Social Security Act does not apply to railroad labor.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. But this dual system of benefits comes about when individuals who are performing railroad labor have a second job.

Mr. HATHAWAY. That is correct.

Mr. CURTIS. Or a third job.

Mr. HATHAWAY. Either concurrently or one following the other.

Mr. CURTIS. And from that job they earn social security entitlement.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. And to that extent it is somewhat similar to the problem in reference to civil service employees who may work for the Government; and civil service employees, for the most part, do not pay social security taxes nor does the Government as the employer; yet many of them will be entitled to benefits; is that correct?

Mr. HATHAWAY. They are not really the same because under civil service there is no financial interchange as there is under the railroad retirement system. It is dual benefits as they affect the financial interchange that forms the basis for the shortfall that we are trying to take care of in this bill by the appropriation of $285 million a year out of general revenue for a period of 25 years.

Mr. CURTIS. Yes.

Now, as I understand the new plan, if a retiring employee or other beneficiary is entitled to benefits, he receives the amount from the social security fund to which he is entitled, and then from the railroad retirement fund he gets a supplement for that to bring it up to the promised amount; is that correct?

Mr. HATHAWAY. The Senator is correct. He receives a social security benefit as part of his railroad retirement check.

Mr. CURTIS. Does the Senator happen to know how much the tax or contribution of an individual railroad employee is at the present time, assuming that he pays the maximum?

Mr. HATHAWAY. A railroad employee pays the same as a social security employee now.

Mr. CURTIS. How much does it amount to in dollars?

Mr. HATHAWAY. I think it is 5.8 percent.

Mr. CURTIS. Is it not on a lesser base?

Mr. HATHAWAY. It is 5.8 percent. The base is somewhat less, up to about $2,000 less.

Mr. CURTIS. What is the maximum dollar amount that a railroad employee pays into the railroad retirement fund? Is it in the neighborhood of $63 a month?

Mr. HATHAWAY. It is about that, yes.

Mr. CURTIS. How much does the employing company, the railroad company, pay?

Mr. HATHAWAY. In the neighborhood of some 15 percent.

Mr. CURTIS. About three times.

Mr. HATHAWAY. That is correct. About three times, as much as the employee pays.

Mr. CURTIS. In the neighborhood, we are talking about the maximum, of about $195?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. So, on a 12-month basis, it is roughly in the neighborhood of $2,300?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Under this new plan, will the dollar amount to be contributed by railroad employees be in any way diminished?

Mr. HATHAWAY. No, it will not.

Mr. CURTIS. How about the dollar amount contributed by the railroad company, will that be in any way diminished?

Mr. HATHAWAY. No, it will not be diminished.

Mr. CURTIS. How many railroad employees are there in the country?

Mr. HATHAWAY. There are presently 600,000 railroad employees.

Mr. CURTIS. And how many beneficiaries are on the railroad retirement rolls?

Mr. HATHAWAY. A little over a million.

Mr. CURTIS. So we have over a million beneficiaries of the retirement system as compared to 600,000 workmen?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Now, that part that the General Treasury of the United States is going to pick up represents the total amount they would earn under social security; is that correct?

Mr. HATHAWAY. The amount the taxpayers will pick up represents the shortfall in the financial interchange resulting from the dual-benefit system. The cost is the amount necessary to continue dual-benefit payments to those who are already retired and those who have a

vested interest in both systems, both social security and railroad retirement as of January 1, 1975.

Under the dual-benefit system, the railroad employee is unique in that he receives, in effect, two social security payments, one from social security and one as a component of his railroad benefit.

Another employee working for two different employers would not receive two checks such as that because his two employment periods would be added together to compute one social security benefit. The problems arises because the social security system favors the lower income employee. When you add his two checks together, they are greater than if that employee had had all his service, railroad and nonrailroad, lumped together. However, the social security system has been reimbursing the railroad retirement system as if that railroad employee was getting only one benefit.

As a result of that, there is a differential which has amounted, as I stated in my general remarks, to $4 billion over the past 23 years, and we estimate $4.5 billion for the next 25 years. The sum of $285 million per year on a level basis for the next 25 years will make up for that deficit.

Mr. CURTIS. What happens in the estimated period of 25 years?

Mr. HATHAWAY. At the end of the 25 years, there will no longer be any necessity of any payment made from general revenues.

Mr. CURTIS. Is it expected that with the exception of someone who already has an entitlement to two benefits that the entire cost of his retirement, if he is a railroad employee, will be borne by the railroad retirement fund?

Mr. HATHAWAY. It is expected, yes.

Mr. CURTIS. What if that individual in the future performs labor in a second job?

Mr. HATHAWAY. If he does not have a vested interest under the railroad retirement system and the social security system as of January 1, 1975, he will not be entitled to the so-called dual benefits. He will be paid a social security component of his railroad retirement based on rail and nonrail service just like any other social security recipient, and he will get the second tier of benefits based strictly on his railroad service.

Mr. CURTIS. That part, that will end, will be the interchange, and the reimbursement comes to an end for the new employees, but what will be the situation of a young man who starts out now in railroad and continues on for the normal period to retirement and then, in addition, he has a second job, totally unrelated to railroading, on which he and his employer pay the social security tax, will he be entitled to two benefits?

Mr. HATHAWAY. He will not be able to accrue dual benefits because he will not be vested under the system, so he will be just like any other employee.

Mr. CURTIS. What will prevent——

Mr. HATHAWAY. If he goes to work for 10 different employers, he gets one check based on his employment with those 10, no matter whether he worked for the railroad or who he worked for, but the railroad employee will get an additional benefit from the railroad retirement fund from the additional moneys that the carriers put in.

Mr. CURTIS. Perhaps I have not made myself clear.

Here is what I assume, the young man starts out now, he enters the railroad employment, he continues on for the normal number of years and he retires, but he also has a second job which he and his employer pay the social security tax on.

Will he be entitled to both retirement funds figured independently?

Mr. HATHAWAY. He will get one social security benefit as part of his railroad retirement and he gets an additional benefit based on contributions made to the railroad retirement fund.

That is not the same as a dual benefit.

Mr. CURTIS. Well, I will withdraw the word "dual."

Will he not get two benefits handled separately?

Mr. TAFT. Will the Senator yield?

Mr. HATHAWAY. He will get one check which will include his social security component.

Mr. TAFT. Will the Senator yield?

Exactly the same as an employee covered by a private employer and social security.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Most people covered by a private pension plan are also covered by social security.

Mr. TAFT. Yes, and this is essentially what will happen to a railroad employee under this bill. He will get his "private pension" as tier II or his railroad retirement benefit and he will get his social security as tier I.

Mr. CURTIS. Yes.

Mr. TAFT. But in the future, there will not be any dual benefit social security cost on the interchange with the railroad retirement fund.

Mr. CURTIS. In other words, and I do not wish to be argumentative, I merely want to understand because we run into this in social security legislation and we have the same problem in reference to other groups that are extant from social security, the biggest group is the civil service group, but there are, for instance, firemen in some cities and States, as well as some other employees, that are not covered by social security.

Now, for the new railroad employee that operates under the passage of this bill, his situation in regard to a second job will be the same as a civil service employee's situation is now, is that correct?

Mr. TAFT. That is correct, in that he will get social security credit for his nonrailroad work. He will not get two checks, however, as his social security entitlement will show up as tier I of his railroad retirement check.

Mr. CURTIS. Is it not true that one of the things that made this legislation necessary at this time is that the railroad retirement fund could not carry on and pay its obligations under existing law?

Mr. HATHAWAY. That is right. We estimate the fund would be bankrupt about 1980 if it continues as at the present.

Mr. CURTIS. So the contribution to be made by the Federal Government over the next 25 years is brought about by the threat of bankruptcy of the railroad retirement fund, as a practical matter?

Mr. HATHAWAY. That is correct.

Mr. CURTIS. I thank my distinguished colleagues for their helpful information.

Mr. HATHAWAY. Mr. President, I reserve the remainder of my time.

Mr. SCHWEIKER. I yield 15 minutes to the distinguished Senator from Ohio.

Mr. TAFT. I thank the Senator.

I would like to thank the distinguished Senator from Maine for a very lucid explanation of a very complicated subject. I concur with many of the comments which he has made.

Mr. President, I urge support of H.R. 15301, a bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, as amended in the Labor and Public Welfare Committee.

As I view it, there is really only one matter that is controversial in this bill. I refer to the provision under which Federal funds would be used to finance, in part, the phase-out cost of windfall dual benefits to the extent of $285 million per year over a 25-year period. Frankly, I had some misgivings myself on this aspect of the bill, but after having reviewed the testimony given before the subcommittee and studying the problem carefully, I have come firmly to the conclusion that the solution proposed by the bill is the only rational one.

Dual benefits are the social security benefits that under existing law a railroad employee may qualify for by working for an employer covered by social security, whether on a "moonlighting" basis or as a separate part of his working career.

They are dual benefits in the sense that, under the financial interchange between railroad retirement and social security, a basic portion of all regular railroad retirement benefits is financed by social security. A second social security benefit, paid directly, is thus in that sense dual to a part of the railroad retirement benefit.

These dual benefits produce a windfall to the employee, because they involve the payment of two social security benefits in relation to an employee's working career, and the nature of the social security formula is such that if a career is split into two pieces and a separate social security benefit is computed in relation to each piece their total is greater than the amount of a single social security benefit computed in relation to the entire career.

Dual benefits of this nature are unique to the railroad industry—no other private industry in the United States has them.

The dual benefit windfall is inequitable in that it gives an advantage to employees who split their working careers between railroads and other industries, as compared with employees who devote their entire working careers either to

the railroad industry or to industries under social security. On the other hand as to employees entitled and retirees the benefits are in effect vested and promised, and Congress has so regarded them.

Finally, dual benefits resulted in added cost to the railroad retirement system because under the financial interchange the railroad retirement system is charged with the windfall cost, even though the benefit is a social security benefit.

Dual benefits are not like most elements of the railroad retirement system in representing the product of an agreement between railroad management and railroad labor. Quite the contrary. They were imposed on the railroad retirement system by action of the Congress, over the objection initially of railroad labor as well as railroad management, and every stage of liberalization by Congress thereafter was over the objections of railroad management.

I believe this problem of dual benefits must be examined in historical perspective. Before 1950, because of the way the social system was set up, there was no real problem of people qualifying under both social security and railroad retirement, and shortly after the financial interchange was introduced a joint committee of Congress reported that if dual benefits ever should become a problem it could be solved by amendment of either the Railroad Retirement Act or the Social Security Act. In 1950 the social security system was changed so that it became easier to qualify for social security benefits and not at all difficult to qualify during a single working career for both railroad retirement and social security benefits, but at that time there were certain restrictions in effect on the payment of dual benefits. The railroad employee labor unions as well as the railroads opposed legislation which would eliminate those restrictions.

Congress nevertheless enacted legislation in 1954, and the foundations were laid for development of the problem. Subsequently, on three occasions the railroad employees labor unions joined with the railroads in supporting legislation which would prevent an increase in social security benefits being duplicated by an increase in railroad retirement benefits for the retired employee who was receiving the dual benefit. On other occasions this was not agreed to. Although the problem began to be recognized for what it was, its full dimensions did not become clear until in 1972 the Commission on Railroad Retirement, which had been created as the result of our legislation in 1970, made its report. In the meantime, in 1971, 1972, and 1974 the Congress enacted further increases in both social security and railroad retirement benefits, and the legislation was so structured that for those who were receiving dual benefits there was a double increase.

These dual benefits are now responsible for an actuarial deficit in the railroad retirement system of almost 8 percent of taxable payrolls. The total deficit in that system is slightly more than 9 percent. So the dual benefits are directly responsible for about 85 percent of the deficit.

Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TAFT. The railroads and the labor unions have agreed to eliminate dual benefits in the future. Under the pending bill, no new employees, and no present employees unless they are fully qualified under both railroad retirement and social security by the end of this year, would receive dual benefits, and those who are qualified would not be able to earn future dual benefit credits after this year. Those measures would cut the future potential cost of the dual benefits by more than 4 percent of taxable payroll. That is more than one-half of what would be the cost of dual benefits; it is almost one-half the total deficit.

There remain, however, the rights of those now on beneficiary rolls who are receiving dual benefits and those not yet retired who have already qualified for dual benefits. Under the pending bill, those on beneficiary rolls would continue to receive the windfall portion of the dual benefits they are now receiving, and those who have already qualified as of prescribed qualifying dates will on retirement receive the windfall portion of the benefit for which they have qualified. In both cases the windfall amounts will be frozen upon retirement and will not be subject to any increase which may be made thereafter in social security benefits. This treatment of those on beneficiary rolls and those who are, so to speak, already vested is generally in keeping with the recommendations of the Commission on Railroad Retirement, and I do not see how we in Congress could fault the industry or the unions for recommending that those people be taken care of in accordance with existing commitments.

With these measures effectuated by the enactment of the pending bill, over the next several decades dual benefits will disappear from the railroad retirement system. However, payment of the windfall to those limited classes who would continue to receive them through their lifetimes would have to be financed. It is estimated at about 3⅔ percent of taxable payroll on a level basis. The critical issue is—who will bear the cost?

Under the bill the phaseout cost of dual benefits would be paid out of general revenues. The bill as reported by the committee calls for the Railroad Retirement Board to estimate the amount the railroad retirement fund would require, on a level basis, over the next 25 years ending with the fiscal year 2000 which, with additional interest income as will be hereinafter discussed, would enable that fund at this point to pay all the windfall dual benefits to the limited and shrinking group of people still entitled to them. This, of course, would include benefit payments continuing, on a diminishing basis, after the year 2000 as well as before that year. According to the committee amendment, the Railroad Retirement Board is to update its estimates every 3 years. On the basis of the Board's initial estimates, it appears that what we are talking about is a contribution from the general revenues of $285 million, or probably less, annually over a 25-year period.

I am frank to admit that this calling on the Treasury is troublesome, and it was a last resort. But let us consider the alternatives.

In doing so we must recognize that the windfall dual benefit is an inequitable benefit. It gives an advantage to the split career employee and to the "moonlighter" over the employee who has stuck by the railroad industry, and over any other industrial worker who has not divided his time between the railroad industry and other private industry. It provides an unrealistically large benefit in relation to the tax payments the employee made under social security during his working career. When we are dealing with such an inequitable benefit, no method of financing can be entirely equitable. The job before us is to find the least inequitable method.

First, can we turn to the railroad community to finance it?

If we were to look to the current and future employees for financing, we would place this cost on those who cannot benefit from the very program we would be calling on them to finance. Furthermore, under our legislation last year the railroad employees are paying retirement taxes at the same rate as employees in industries covered by social security. To interfere with that arrangement without the most compelling reasons for doing so would in my judgment, be a mistake.

Can we look to the railroads for the phaseout cost? This too would seem unwarranted. As I stated earlier, the railroads opposed the dual benefits from the outset. The railroads have received no benefit from the service which gives rise to the dual benefit: That is service for employers under social security, not for railroad employers. The railroads and their employees have jointly borne the dual benefit cost for the last 20 years, and it has amounted to $4 billion—the cost of a social security benefit paid for service to employers under social security.

Neither does it make sense to impose the cost on the railroads in the thought that they will pass it on to the shipping public in the form of higher freight rates. In the first place, competitive considerations might make it difficult if not impossible for the railroads to recoup all their increased cost in this way. Second, to the extent that railroads could increase freight rates, it would place them at a competitive disadvantage—and would invite their competition to increase their rates too. Third, through increased freight rates by the railroads and their competitors, and through the cumulative effect of freight rate increases which carry through with a multiplier effect to the prices of the commodities that are shipped, this process would be the most inflationary of all possible ways of raising the money.

The solution that the parties themselves suggested was that inasmuch as they were dealing with a social security

benefit, the social security system would be called upon to finance it. But it turned out that, although the social security system is not in the grave financial difficulty the railroad retirement system is in, there are foreshadowings of possible future difficulties. Representative WILBUR MILLS discussed this subject on the House floor during the September 12 debate on H.R. 1530. Accordingly, the other Chamber dropped the idea of social security financing, and our committee has concurred.

That rules out every one but the one body really responsible for this condition. The Congress has been responsible for providing these dual benefits, and for increasing them to the point where they have become such a burden. It seems only right that we recognize the matter for what it is—a legislative error—and take the only steps that are available to us to correct it. By that I mean that we should authorize the backup financing which would assure the payment of windfall dual benefits to the two groups who would be entitled to them in the future, until those groups disappear and the payments run out.

Let me make clear that I am not suggesting this as a means of picking up the deficit in the railroad retirement system. It is true that with all the changes which the parties have agreed to and this bill would provide, including the financing of the phaseout of windfall dual benefits, the system will be on a sound basis, but the parties themselves have made arrangements, by changing the benefit formula, and, more important, by putting a stop to the further accrual of dual benefit credits, that will do far more than we are being asked to do to take care of the deficit. All that is involved is the payment of that part of the windfall dual benefits, during the phaseout period, that is not financed as a result of the new investment policy.

There is precedent for financing a portion of these retirement benefits from Federal funds. Both railroad retirement and social security grant members of the uniformed services a credit toward their retirement benefits which takes into account the time they have spent in military services. In recognition of the public purpose of their military service, this credit is financed by contributions from the general revenues. In fact, the method of financing it under the Social Security Act is the model after which the section of the bill H.R. 15301 on financing the phaseout cost of dual benefits was patterned. Like the military service credits, the windfall dual benefits are not something for which the railroads as employers are responsible; they developed as a result of congressional action. As in the case of the military service credits, the arrangements for financing from general revenues are appropriate for the windfall dual benefits.

On the other hand, these financing arrangements would not constitute any precedent for extending the same source of financing to other portions of the railroad retirement system, or to other industrial pension plans or even social security. So long as the railroad retirement system bears a reasonable resemblance to other private industry pension plans, we have the commitment of the railroad industry by Mr. Dempsey, its chief negotiator, that the railroad companies will finance that part of the system which is supplementary to social security. I believe we can hold the railroad companies to that commitment. So far as concerns social security, or other industrial pension plans, we are creating no precedent because what we are contending with here in the dual benefit areas is something which is unique and without counterpart in American industry.

Plainly, the bill proposes the only alternative that is both practical and by and large noninflationary. What we are dealing with is not a new program that would pump additional money into the spending stream, but rather the limited continuance, phasing out, and winding up of an existing program. To be sure, if all of the dual benefits were cut the result would, I suppose, be deflationary; but given the injustice of such an approach, that is surely all that could be said for it. If these benefits, then, are to be continued for this limited group and the choice is between funding through increased railroad taxes and funding through general Federal revenues, the latter would have by far the least damaging effect on the economy. An increased tax on the railroads would mean immediately increased freight rates, which would have a multiplier effect throughout the entire economy. The amounts to be drawn from general revenues, on the other hand, will simply go into the fund and be invested in Federal securities for many years to come, and accordingly will have no such inflationary impact at all.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. SCHWEIKER. Mr. President, I yield the Senator an additional 5 minutes.

Mr. TAFT. Finally, under the bill a part of the phaseout cost would be made available through the revised and a somewhat more liberal investment policy provided for the railroad retirement system. Under present law, the Secretary of the Treasury controls the actual investment of railroad retirement funds. Under a provision which was added to the legislation in the House, the Railroad Retirement Board would be in position to direct the investment of its funds, and the types of investment which could be made would be somewhat expanded although full safeguards would be afforded for the protection of those investments.

As I stated in my supplementary views to the committee report, I have some reservations regarding the concept underlying Representative Moss' floor amendment to H.R. 15301, as modified during the Labor Committee's markup session. This amendment provides that any additional interest income produced in the future by the liberalized investment policy provided for in the bill will be credited to the cost of paying the windfall dual benefits to the classes for whom such benefits would be preserved until the dual benefits are entirely phased out.

It seems to me that our goal in passing any railroad retirement restructuring legislation should be to assure the financial ability of the railroad retirement fund over the long run I have doubts in my own mind as to whether the Moss amendment is consistent with this purpose since it could build up no surplus from good investment yield. In the House debate on this subject, the point was repeatedly made that if the railroad retirement system had been free to invest its funds in the same manner as well-managed private pension plans, its income over the years would have been $2.4 billion greater than it actually was. Actually since the Treasury paid low interest, general revenue funds benefited. I think this is a point well made and constitutes an object lesson to us that we should not place these kinds of undue restrictions on the fund. I believe it would make better economic sense not to insist on the application of expected additional income as a credit against the deficit in general revenues occasioned by the payment of dual benefits. Instead, it would be a better practice to apply the entire income derived from investments to the fund for the future as would a private pension fund.

This would strengthen the fund and assure its continuing actuarial soundness, and more importantly, insure that over the long haul the parties in interest will not be back to Congress seeking additional funds from the general treasury to make up any deficit in the fund.

However, for the time being, I will not propose any deletion or modification of what has been termed the "Moss amendment." I will watch with great interest the experience gained under the amendment's operation for the next year or so. If in operation the amendment proves to be adverse to the posture of the fund, I may undertake efforts at that point to delete this provision from the bill.

In conclusion, I submit that in the light of the history of dual benefits, the responsibility of Congress for allowing and increasing them, the willingness of the unions to terminate them, and all the available alternatives, the financing responsibility should rest right where the bill H.R. 15301 would place it—as a part of the Federal obligation.

Mr. SCHWEIKER. Mr. President, I yield 10 minutes to the distinguished Senator from Maryland, who is also a member of our Subcommittee on Railroad Retirement.

Mr. BEALL. I thank the distinguished Senator from Pennsylvania for yielding to me.

Mr. President, as a member of the Railroad Retirement Subcommittee, it is a pleasure to participate in today's debate on H.R. 15301.

This legislation marks a significant milestone in our efforts to strengthen the railroad retirement system so that the employees contributing to this program as well as the recipients currently receiving benefits can be assured that their retirement fund is viable, strong, and able to fulfill its commitments.

To understand fully the intricacies of the railroad retirement system, it is important for us to survey briefly the history of the Federal Government's involvement in this pension program. During the closing years of the 19th century the railroad companies established a

pension system designed to serve their employees.

Because the railroads were, at this point in our history, so productive, it was not deemed necessary to establish a pension fund. Instead, the benefits were paid out of the corporation's revenue. Needless to say, such a system functions well in a thriving and expanding industry. The depression, however, brought to an end the companies' ability to shoulder this burden, and the Federal Government intervened to establish the quasi-public railroad retirement system in 1935. Today, as has been indicated earlier approximately 1 million beneficiaries receive monthly benefits from this program, and about 600,000 employees are currently contributing to the railroad retirement fund.

Two major factors are currently contributing to the substantial deficit the trust fund is incurring each year. First, as the railroad industry has declined in recent years, the number of employees has likewise diminished. Thus approximately 1.7 persons are drawing monthly benefits from the railroad retirement system for each employee who is paying taxes into the fund. Second, Congress has, over the years, permitted employees to accrue benefits under both the railroad retirement system and the social security system. This so-called dual benefits problem is a major drain on the resources of the railroad retirement trust fund. H.R. 15301 provides for the gradual phaseout of dual benefits and will thus alleviate this burden.

I would also note, Mr. President, that H.R. 15301 substantially restructures the railroad retirement system. In the short run, the benefit structure will become more complex and it is unlikely that the average rail employee will be able to determine his or her benefits. However, in the long run, the new system provided in this bill will establish a simplified system that will more nearly parallel those of private industry. Under the new system, tier I benefits will constitute a social security benefit which will be paid to the recipient through the railroad trust fund. The social security system will finance this provision by way of the financial interchange. Tier II benefits will be based upon the employees railroad service and they will be paid by the railroad retirement trust fund from taxes paid by the railroad industry. Any additional changes in the tier II benefits will result from collective bargaining between the rail industry and their unions and the subcommittee has been assured that no additional Federal fund will be requested to pay for such benefits.

I am sure that the establishment of the Federal payment to the Railroad retirement trust fund may be controversial in some quarters but I am inclined to believe that it is necessary because of actions of the Congress which were enacted over the objections of the rail industry and the rail unions. The dual benefit problem exists because of the actions of the Federal Government and I believe it is appropriate for us to bear the burden of phasing out this anomaly. I believe, Mr President, that there are some major questions that should be completely discussed during this debate so that the public will have a better understanding of this legislation in general and the rationale behind the Federal payment in particular.

Mr. President, our Nation's economic health depends in part upon the strength of our rail system. We must recognize the need to provide rail employees with an adequate retirement system which will help to attract able people into this vital industry. The rail industry has long been an important element in the economic strength of the State of Maryland. Because of its overall importance to our Nation's economic security. I was pleased, Mr. President, to have participated in the Senate's consideration of this legislation.

In closing, Mr. President, I commend the distinguished Senator from Maine (Mr. HATHAWAY) for his patience and perseverance in the handling of this very difficult bill. I should also like to thank Mr. Angus King, the counsel to the Subcommittee on Railroad Retirement, and Mr. Frank Crowley, from the Library of Congress, for the excellent staff support they have given to all of the members of the subcommittee on this very complicated bill.

Mr. President, I have several questions that I would like to direct to the distinguished chairman of the Railroad Retirement Subcommittee (Mr. HATHAWAY).

I think, Mr. President, that one aspect that may concern some of us is the fact that we may be establishing a precedent by allowing, in this legislation, general funds to flow into a trust fund. Is it the opinion of the chairman that we are establishing a precedent? Will the passage of this bill increase the pressure for general funding of other trust funds?

Mr. HATHAWAY. If the Senator will yield, it is the opinion of the Senator from Maine that this will not set a precedent, because we are dealing with a unique situation; namely, the dual benefits problem. To the best of this Senator's knowledge, that problem does not exist in any other industry, so I do not think that this is a precedent-setting action that we are taking today.

Mr. BEALL. The railroad retirement trust fund was established by contributions from both the employer and the employee. By passing this bill, whereby we are contributing funds from the General Treasury, are we in any way endangering the principle of the contributory relationship that exist between the employer—the railroad in this case—and the employee—the railroad employee?

Mr. HATHAWAY. I suppose that we are, but I think it should be noted that most major industry pension plans, such as the auto workers, are already noncontributory.

Mr. BEALL. I am not as much concerned about the noncontributory aspect on the part of labor. I am concerned about the question of whether we are endangering this relationship, in that the Federal Government might be assuming a role that has formerly been carried by one of the partners.

Mr. HATHAWAY. I do not think so. I think, for the same reason I gave before, that this is solving a problem. An additional factor is that we are dealing here with a finite sum over a finite period of time. Albeit 25 years, nevertheless, there is a ceiling on the Federal contributions involved.

Mr. BEALL. It is my understanding that the legislation contains three major liberalizations of benefits that are unrelated to the dual benefits issue.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. It is my further understanding that these accrued benefits will cost between $250 million and $300 million a year. There are no new taxes proposed in this legislation to pay for these benefits. My question is, Can the trust fund absorb the increases and remain actuarially sound?

Mr. HATHAWAY. Yes, the trust fund can. Actuarial projections show that the cost of increased benefits is covered by the taxes provided for under the bill.

Furthermore, the carriers are committed to covering all the future increases in benefits as well.

Mr. BEALL. There are no additional taxes in this bill.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. I assume the Senator meant to say that taxes already in effect are sufficient to provide the funds necessary to maintain the viability of the fund.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. There is a chart on page 2 of the Senate report that shows that with the $285 million annual Federal payment, the fund will diminish from $3.7 billion now to $2.9 billion in 1979. I assume that this results from decreased employment and the increased number of pensioners in the railroad retirement system. I am wondering what the projection is beyond 1979 and at what point this situation will stabilize? Or does it, perhaps, not stabilize, thus reaching the point where there is nothing left?

Mr. HATHAWAY. We do not reach the point where there is nothing left. The fund is projected to reach a low of about $620 million sometime shortly after the year 2000. At that time, the fund should start to go back up. The reason for this is because of the bulge in retirements expected in the next several decades.

Of course, this assumes that the financial interchange with social security will be put on a current basis.

Mr. BEALL. Does it also assume that 600,000 is as low as railroad employment will go?

Mr. HATHAWAY. No; it assumes that railroad employment will go down to about 350,000.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. BEALL. Two more minutes?

Mr. SCHWEIKER. I yield the Senator 2 more minutes.

Mr. BEALL. If Congress through its efforts and the executive branch through its efforts are successful in stimulating increased rail transportation, it is possible that this situation could be improved in the future. It is possible that we might

not have such a severe dropoff in railroad employment, but could possibly even have an increase?

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. It is very difficult for a layman to completely understand the actuarial aspects of this legislation. As I understand it, abolishing the dual benefits will result in a significant saving to the fund?

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. And that saving is about $4.5 billion?

Mr. HATHAWAY. The Senator is correct; about $4.5 billion.

Mr. BEALL. So that saving, plus the $285 million being used to pay the future cost of eliminating the dual benefits, will both restore the viability of the fund and pay for the increased benefits being legislated in this bill. Is that an oversimplification, or is that accurate?

Mr. HATHAWAY. The Senator is essentially correct.

Mr. BEALL. As I understand, the trust fund has been penalized since the Congress allowed the dual benefits because it has had to assume this additional liability for which it had no responsibility?

Mr. HATHAWAY. That is correct.

Mr. BEALL. And as of this date, we are going to take over this responsibility and the fund will be allowed to recoup some of this loss.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. I thank the Senator.

Mr. SCHWEIKER. Mr. President, I commend the distinguished Senator from Maine for his leadership on our committee. I have been pleased to work with him as the ranking Republican member of the committee on this very important problem.

I think there is one aspect of the problem that should be pointed out at this point, because of an adverse effect that it has had on the railroad retirement fund. Initially the railroad retirement fund was set up with the idea that it would enjoy some interest advantage in the investments made after putting the employee contributions and the railroad contributions into the regular retirement fund; but actually, since 1956, instead of having an interest advantage by using the Federal Government trustees as the trustee of the fund, quite the opposite has happened.

I think the RECORD should show that the fund has really been discriminated against, in that the Secretary of the Treasury has used the fund for his own purposes at the expense of those who participated in the fund, that is, the railroad companies and the workers themselves.

For example, a recent study made for the Railroad Negotiating Committee indicates that if the railroad retirement fund had been invested in private securities commencing in 1955, on the same basis as uninsured private pension plans, it would have earned since then an additional $2.4 billion.

I think this is important, because here we are talking about some revenue financing, when the truth of the matter is that the Secretary of the Treasury acted in the interest of the Government and not in the interest, as a trustee, of the workers and of the companies involved, and in fact if some other trustee of some other private fund had done this, we would have charged them with mismanagement of the fund and a transaction that was not at arm's length, in the terminology of financial fiduciaries.

So I think it is only fair to point out that indirectly the Government has taken advantage of the fund and has issued to the fund low interest-bearing bonds and certificates, say in the 4-percent range, when, if the funds had been invested in the private market as a normal pension fund would have invested them, they could have obtained private securities at an average return of 6.5 to 7 percent. That is exactly what the study has shown, that since 1955 alone, the fund has unfairly lost, for the benefit of the workers and the companies who put the money in—and I might say it is not Government money, it is private money; this is a very unique situation, the only one of its kind, where we have a company and workers putting money into a fund that is regulated by the Government, even though in fact it is not Government money, and the Government used it for its own advantage against the interests of the workers and companies—interest to the tune of $2.4 billion since 1955 and to the tune of $4.1 billion since the fund was started.

All I wish to point out for the RECORD is that the railroad workers and the railroad companies were discriminated against by the way that the Secretary of the Treasury executed his duties as a trustee, and that in fact if it had been a private fund, the trustee could have been charged with malfeasance or misfeasance because of this discrepancy.

So when we talk about using some revenue financing to tide them over the period of switching from the dual benefit system, perhaps we are only rightfully returning to the participants of the fund money they would have accumulated if the Secretary of the Treasury had looked at it from two viewpoints instead of a single viewpoint, when he was wearing two hats instead of one hat.

I think we should point this out because nowhere else has this happened, and in no other way could the funds have been used in such a fashion without legal points, moral issues, or issues as to propriety being raised; but because the Government did it, no one raised the issues. I think that is important in view of the transition we are now making.

Mr. President, as ranking Republican on the Senate Railroad Retirement Subcommittee, I would like to bring several additional points to the attention of my colleagues in connection with H.R. 15301.

First, it should be emphasized that this measure is a complete rewrite of the Railroad Retirement Act of 1937. This is a major accomplishment, Mr. President; it affects many thousands of past and future railroad retirees, in varying circumstances, and in my judgment, it affords fair and equitable treatment to all.

The second point is that this legislation represents a landmark agreement between rail labor and rail management. Representatives of labor and management negotiated for months to resolve the many contested issues, and the agreement they finally reached has been substantially incorporated into H.R. 15301. Rail labor and management should be commended, Mr. President, for their accomplishment in accommodating the many divergent viewpoints on this issue.

I would also like to stress that under this legislation, persons now receiving both railroad retirement and social security benefits, or those having presently vested rights to both benefits, will receive both benefits in the future. I believe this is a vital feature of this legislation; vesting means promising to pay, and I think it is essential for the Government to keep the commitment when a promise to pay has been made. This is particularly appropriate in light of the strong vesting requirements which have now been made applicable to private employers by the new pension legislation.

In reality, all we are doing is requesting the Government to keep up its good faith, as we require, under the Pension Reform Act of 1974, which was signed on Labor Day, the private sector to keep its promises.

I should also add that this legislation should be viewed in the context of our continuing energy crisis. A strong national rail system must be maintained if coal and other alternative energy sources are to be developed, and our national rail system will not be strong if our railroad retirement legislation is not strong. Thus, this bill is a particularly vital measure at this time, and I urge my colleagues to support it.

Finally, this legislation will lower the retirement age to 60 for persons with 30 years of service, and lower the spouses' annuity to 60 as well, making this a true 30/60 package. It will increase survivor benefits from 110 to 130 percent of the comparable social security benefit. And it will insure that the Railroad Retirement Fund is sufficiently funded to pay these benefits, so we keep our promise to our Nation's thousands of railroad retirees.

This is very important and vital legislation, Mr. President, and I urge its prompt passage.

Mr. HATHAWAY. Mr. President, I yield to the Senator from Kansas.

Mr. SCHWEIKER. Mr. President, I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas (Mr. DOLE) is recognized.

Mr. DOLE. Mr. President, I have heard the debate and listened to the discussion, and wish now to speak myself in full support of this legislation, which is so very vital to the railroad retirement system. As one of the few labor proposals I can think of that is fully endorsed by both management; that is, the railroad—and the unions, it is especially unique and deserves expeditious action on our part.

SOUND FINANCIAL BASIS

As pointed out by the Senators on the committee and others with special knowledge of the problem, H.R. 15301

will completely restructure the Railroad Retirement Act to place it on a sound financial basis. Although the retirement fund now stands at approximately $5.5 billion, estimates are that that amount would be depleted by 1981 if the existing system were to continue.

In order to preclude that development, this bill will initiate a phaseout of the "dual-benefits" setup, under which a great percentage of our Nation's 1 million railroad workers have been receiving both pension and social security payments—but at a loss to the system from reduced reimbursements of more than $4 billion. The proposed changes will, however, be made in the most fair and equitable manner possible from the standpoint of everyone involved—including the Government itself.

GENERAL FUNDS

While there may be some controversy over the propriety of authorizing funds from the general treasury to pay for the phaseout, I think the committee aptly explained that it was the only acceptable and workable alternative available. That is, no justification could be made for requiring the social security system to bear the burden of any deficit—thereby necessitating further payroll tax increases.

This bill will thus authorize appropriations of $285 million annually through the year 2000 to accomplish the intended transition. No one will dispute that the price tag is substantial, but the long-range rewards in the form of stability for a very worthwhile and deserving program are even greater.

TWO-TIER SYSTEM

The new structure of railroad retirement under this bill will be based on a two-tier system, the first of which is a continuation of the financial interchange practice with social security. These benefits would be based on both railroad and nonrailroad service.

The second tier of benefits would be based solely on railroad-connected employment and be financed strictly by the railroad industry. Increases in this level will not—it has been agreed—be considered until 1978.

ELIGIBILITY

The "two-tier" system will provide the formula under which all those with less than 25 years of railroad service and fewer than the required number of social security quarters will have their railroad retirement benefits computed. In this way, there will be maximum protection for payments made under both systems.

Those persons with under 25 years of service who did have the necessary number of quarters in both railroad retirement and social secuity when their service with the railroads was terminated will, however, be eligible for dual benefits. Otherwise, the changes will not apply to anyone with more than 25 years of railroad service—whether or not they are presently employed by a railroad—who have accumulated the necessary number of quarters under both systems. And in no event will persons already retired and receiving dual benefits be affected.

EARLY RETIREMENT

Although Public Law 93-69, enacted last year, included a provision which enabled an employee to retire at age 60 with 30 years service, that measure was only temporary. H.R. 15301 will make such a plan permanent, as well as change the payment of annuities to spouses.

Accordingly an unreduced annuity will be payable to spouses at the age of 60 if the employee retires after June 30, 1974—having reached the age of 60 with the 30 years of service. For a reduced annuity, spouses would be eligible at the age of 62 if the employee retires after December 31, 1974, at age 62 with less than 30 years of service.

While it is unfortunate that some will miss qualifying for this supplemental benefit by perhaps only a few months, it was felt that a definite cutoff date was imperative. The ones established, it should be pointed out, were agreed upon by a labor-management group pursuant to development of this legislation.

FURTHER IMPROVEMENTS

Other noteworthy improvements in existing authority deserve special mention, I think, in commenting on the merits of the bill before us. Among these, for example, is the provision that employees who are not retired with dual benefits will receive any excess employee tax contributions at time of retirement.

A similar effort at making the overall system more equitable is evidenced by the fact that employees will not be required to make any contributions to the Railroad Retirement Fund in excess of social security tax levels. Also, any changes in social security benefits effective after December 31, 1974, will be passed through to railroad retirement beneficiaries.

Finally, the minimum guaranteed benefits payable to widows and other survivors of railroad employees will increase from 110 to 130 percent of comparable social security benefits. In addition, H.R. 15301 provides for four annual cost-of-living adjustments, beginning in 1977, and establishes other assurances that those retiring during the next 8 years will receive not less than the benefit computed under the current railroad retirement formulas and the current limit on creditable compensation.

TIMELY LEGISLATION

Mr. President, this legislation clearly demonstrates congressional willingness to affirmatively and expeditiously respond to a very real, but solvable problem. Quick action was certainly essential here—for benefit increases were set to expire on December 31, 1974, and the entire system was in immediate need of constructive changes—and that action will have been taken with passage of the bill today.

That it is a well-drafted, meaningful and productive piece of legislation is very apparent, I believe, from the observation that no new amendments or revisions to the law will now be necessary until 1978. Taken together with the recently enacted Employee Retirement Income Security Act, then, this restructuring of the railroad retirement system represents not just a significant, but a landmark achievement of the 93d Congress on behalf of pensioners who have been the very strength of our American work force.

EFFECTS IN KANSAS

The extent of the impact of this proposal is readily seen in the fact that nearly 26,000 beneficiaries on the railroad retirement rolls will be affected in the State of Kansas alone. Add to that the approximately 17,000 present railroad employees—plus their dependents—who stand to benefit in future years, and I have a very sizable percentage of constituents with a great personal interest at stake here.

I have received nearly a thousand letters from those same concerned individuals urging my support for this bill. And as the representative of the many fine railroad people in my State, I wholeheartedly endorse its principles and purpose—expressing the hope that it will receive unanimous approval, and soon be signed into law.

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

Mr. HATHAWAY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Maine.

Mr. HATHAWAY. Mr. President, before we conclude action on this bill, I want to express my special appreciation to the members of the Railroad Retirement Subcommittee and their staffs for their work on this bill. Also, I want to recognize those here who have been extensively helpful in the bill's development. I include Senator SCHWEIKER and David Marston and Ruthann Chocola of his office; Senator BEALL and David Rust of his office; Senator TAFT and Robert Hunter; Senator WILLIAMS and his counsel Donald Elisburg; Senator JAVITS and Don Zimmerman, and our minority counsel. Also I want to recognize the invaluable assistance of James Cowen and Dale Zimmerman of the Railroad Retirement Board, Frank Crowley of the Congressional Research Service, and Angus King and Connie McInnis of the subcommittee staff.

Mr. WILLIAMS. Mr. President, the passage today of H.R. 15301, the Railroad Retirement Act of 1974, represents the culmination of many frustrating years in attempting to solve piecemeal the myriad problems which have been encountered by the railroad retirement system.

As a result of these revisions to the railroad retirement system, the financial security of the thousands of railroad retirees and future retirees will be guaranteed and the financial structure will be made secure.

Serious questions were first raised as to the actuarial soundness of the railroad retirement system in 1970 at the time that consideration was being given to an increase in railroad retirement benefits. Since adequate information on which to base long-term solutions was not then available, Congress established

a Commission on Railroad Retirement to study the system and its financing for the purpose of making recommendations as to the measures necessary to provide adequate levels of benefits on an actuarially sound basis (Public Law 91–377).

On September 7, 1972, the report of the Commission was received by Congress. The principal recommendation set forth in this report called for the restructuring of the railroad retirement program into a two-tier system, under which railroad employees would receive a basic benefit payable exactly the same as social security benefits, with a second tier of benefits over and over the social security tier. The Commission further recommended that future accrual of dual benefits should be stopped, but that "legally vested rights of railroad workers and railroad retirement beneficiaries to benefits based on social security-covered nonrailroad service should be guaranteed; that a "firm financial plan" should be adopted to finance the second—staff—tier of railroad retirement benefits on a fully self-supporting basis by contributions from the railroad community; and that the railroad retirement benefit formulas should be restructured "to assure that the overall benefits in the future continue to bear a reasonable relationship to wages in a dynamic economy and to make benefits more equitable among the various groups of beneficiaries."

Shortly after the Commission issued its report Congress enacted Public Law 92–460, which contained a provision instructing representatives of railroad labor and management to enter into negotiations that would take into consideration the Commission's specific recommendations, and to submit a report containing their mutual recommendations as to what measures should be taken to assure the receipt of sufficient revenues to finance the benefits provided by the Railroad Retirement Act. Pursuant to that directive, the representatives submitted a report, dated February 27, 1973, calling attention to the complex issues involved, and stating that substantial progress had been made in shaping mutually agreeable recommendations. Subsequently, Public Law 93–69 was enacted. One of its provisions directed the representatives of labor and management to present to Congress their joint recommendations, in the form of a draft bill, for restructuring the railroad retirement system in a manner which will insure its long-range actuarial soundness.

The present railroad retirement system was established by, and operates under, the Railroad Retirement Act of 1937. This new act will provide all retirement and survivor benefits to employees with 10 years or more of railroad service, retiring after December 31, 1974, and their spouses and survivors.

The bill restructures the Railroad Retirement Act of 1937, and places it on a sound financial basis. Railroad retirement benefits will hereafter consist of two components—the first tier will be a benefit computed under the Social Security Act, counting all railroad employment as social security covered employment, and combining that service with all social security-covered employment; and a second tier of benefits based on railroad service alone computed under the Railroad Retirement Act.

This new technique of computing benefits will bring about more adequate coordination between the Railroad Retirement Act and the Social Security Act, thereby preventing future excess costs to the railroad retirement system which threaten the existing system with bankruptcy.

Persons in receipt of both railroad retirement and social security benefits as of December 31, 1974, will continue to receive benefits under both systems without any reduction in those benefits. Persons who already have vested rights under both the railroad retirement and the social security systems will in the future be permitted to receive benefits computed under both systems similarly to existing law. The excess costs of paying benefits to persons described in this paragraph will be met through appropriations estimated at $285 million per year through the year 2000.

The measure closely follows the recommendations of the Commission on Railroad Retirement that a new railroad retirement benefit formula be adopted.

The bill also makes permanent three increases in the level of railroad retirement benefits under the 1937 act which the Congress, commencing in 1970, put into effect on a temporary basis pending a restructuring of the railroad retirement system. Those temporary increases, which were respectively 15 percent, 10 percent, and 20 percent of then existing benefits, would otherwise expire at the end of this year.

The new benefit formula which the bill would establish contains another feature which has no counterpart in the 1937 act—cost-of-living adjustments in the level of benefits. Since the social security component of the formula will be the equivalent of benefits payable at the time under the Social Security Act, the level of that component will be increased at the same time and in the same amount as the level of social security benefits is increased, including increases resulting from the automatic cost-of-living adjustments under section 215(i) of the Social Security Act. This not only will maintain a congruence between the level of the social security component and the level of benefits under the Social Security Act, but also will insure retired railroad employees of at least as much protection against inflation as the Social Security Act affords to retired employees in other industries.

The eligibility requirements for regular employee age and disability annuities under the proposed Railroad Retirement Act would remain the same as under present law. The eligibility conditions for an employee's entitlement to a supplemental annuity would differ from those contained in the present law only in that under the new act an employee who has completed 30 years of service would be eligible for a supplemental annuity at age 60 rather than at age 65; the applicability of this liberalization, however, would be confined to employees whose regular annuities first began to accrue on or after July 1, 1974.

In the case of spouses, the present law provides that a spouse of an employee can be eligible for a spouse's annuity only if the employee has attained age 65. Furthermore, a spouse who does not have a child of the employee in her care can receive an unreduced spouse's annuity only if she has attained age 65 or a reduced annuity if she has attained age 62. These eligibility requirements would be liberalized under the proposed act to provide: First, that a spouse of an employee who has 30 years of service would be eligible for an unreduced annuity when both she and the employee have attained age 60—this liberalization would be applicable only in cases where the employee's annuity first began to accrue on or after July 1, 1974, and second, that a spouse of an employee who has less than 30 years of service can receive an unreduced spouse's annuity when the employee has attained age 62 and the spouse has either attained age 65 or has a child of the employee in her care or a reduced spouse's annuity when the employee and the spouse have both attained age 62—this liberalization would be applicable only in cases where the employee's annuity first begins to accrue on or after January 1, 1975.

The eligibility requirements for survivor annuities under the proposed act would be the same as those set forth in the present act.

Finally, the proposed act contains a provision which would provide automatic adjustments in the eligibility requirements for social security level annuity amounts or health care benefits provided under the act whenever amendments to the Social Security Act become effective after December 31, 1974, to liberalize the eligibility requirements for similar benefits under that act. No person can become entitled to an annuity under the Railroad Retirement Act by reason of this provision if: First, the Social Security Act provided benefits for such a person prior to 1975 but the Railroad Retirement Act did not—examples of such persons would be divorced wives and children of living employees, or second, the person does not satisfy a requirement contained in the proposed Railroad Retirement Act of a kind which was either not imposed by the Social Security Act on December 31, 1974, or was not liberalized by the amending legislation. Furthermore, the provision in question would not operate to provide annuities to an employee, and those deriving from them, who has less than 10 years of railroad service or to survivors in a case where the employee did not have a current connection with the railroad industry at the time of his death.

Mr. President, I believe this bill represents a true balancing of all of the interests involved. It will finally place the railroad retirement system on a sound financial footing. In my judgment, the most important feature of this bill will be the increased protection of the retirement benefits that will be accruing to present and future retired railroad work-

ers and their survivors. In reaching this solution, I believe the parties have given the interests of the retirees appropriate priority and I commend the many railroad brotherhoods, the railroad industry and the chairman of the Railroad Retirement Subcommittee, Senator HATHAWAY, for their efforts in resolving this matter.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the distinguished Senator from New York, who is unable to be in attendance today, be permitted the privilege of presenting a statement for the RECORD on this bill prior to the vote on the bill.

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

STATEMENT BY SENATOR JAVITS

Mr. President, this is the opportunity to reassure the one and one-half million railroad employees and retirees, after years of uncertainty, that the railroad retirement system will at last be put on a sound financial basis. This bill will assure them that the basic system on which they depend for income security will continue and that none of the benefit increases which the Congress enacted in recent years will be reduced.

It was not until 1970 that it became apparent that the railroad retirement system, which we first established in 1934, was in a dire financial condition. At that time we provided for an independent Commission on Railroad Retirement to study the railroad retirement system and recommend the necessary legislative changes. The Commission filed its report in 1972 and recommended major restructuring of the railroad retirement system into a two-tier program. Subsequently, in 1973, Congress directed representatives of railroad management and labor to establish a Joint Negotiating Committee to negotiate an agreement on specific changes to the Railroad Retirement Act within the framework of the Commission's recommendations. After long, hard and statesman-like bargaining, and concessions made on both sides, the parties recommended a bill which is substantially identical to the proposed legislation before us today, H.R. 15301.

The two-tier system embodied in this bill is substantially that recommended by the Commission. The first component of railroad retirement benefits will be a basic social security benefit. This will be calculated on the basis of the benefit formula provided in the Social Security Act as applied to all the employee's wages and services, whether that employment is for a railroad or for an employer covered by the Social Security Act. Whenever future increases in the level of social security benefits are provided, they will be applied to the new railroad retirement formula just as if the railroad employees were social security beneficiaries. This will establish, on a permanent basis, an entirely secure benefit structure based on combined railroad and non-railroad services and compensation.

The second component will be in addition to the social security "tier" and will be financed completely by the railroad industry, based on a formula calculated from a combination of the employee's career railroad earnings and a flat dollar amount for years of service. In addition, the supplemental annuity now provided to long-term railroad employees will be continued. In order to protect career railroad employees, the bill contains a special feature to ensure that no employee retiring within the next eight years will receive less than he would under the present benefit formula.

It is also important to note that the three temporary benefit increases enacted since 1970, of 15%, 10% and 20% consecutively, which were adopted to put railroad employees in parity with social security beneficiaries, will be made permanent by this bill. There will also be four cost-of-living adjustments for the second component of benefits over the next six-year period as a guard against the kind of crippling inflation we are facing today.

Another important aspect of the bill is that it will make more effective the early retirement provision of the legislation adopted last year, which entitled a railroad employee to retire with his full basic benefit with 30 years of service at age 60. We will now remove the remaining disincentive to early retirement by enabling the employee also to receive his supplemental annuity, and by allowing his or her spouse to receive the full spouse benefit at age 60 with 30 years of railroad service. I understand on the basis of information supplied to me by the Railroad Retirement Board, that ten to twelve thousand employees can be expected to take advantage of these early retirement provisions over the next 1 to 2 years. Additional benefit increases which are included in this bill for widows, widowers and other survivors are consistent with the Commission's recommendations. Survivors' benefits will be increased to 130% of the comparable social security benefits, from the present 110%.

Much attention has been focused on the so-called dual benefit issue, which has caused so much difficulty for the railroad retirement system. This problem has been caused by previous amendments to the Railroad Retirement Act which have allowed persons with vested benefit rights under both the Social Security Act and the Railroad Retirement Act to receive the full amount of both benefits upon retirement, despite the fact that such employees receive a significantly larger combined amount than they would receive under either system alone.

The financial burden of this problem has fallen upon the railroad retirement system, and has been a major cause of that system's projected financial collapse within the next seven years, unless corrections are made. This bill will end the future accrual of dual benefits, leaving only the problem of phasing them out without undue hardship to present employees. The Committee correctly concluded that among the several alternatives of providing the costs of this phase-out over the next twenty-five years, the most equitable method will be to provide for appropriations from general federal revenues. I believe that this one-time cost is appropriate and necessary to bring about a solution to this most difficult problem.

In closing, Mr. President, I extend my congratulations to the fine job carried out by representatives of labor and management in working out this total restructuring of the railroad retirement system, as well as to my colleagues on the Labor and Public Welfare Committee for their careful attention to this complex legislation. I urge full support for this bill before us today.

Mr. HATHAWAY. Mr. President, I am prepared to yield back the remainder of my time unless there are some further questions about the bill.

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

The PRESIDING OFFICER. The question first occurs on the committee amendments. Does the Senator wish them considered en bloc?

Mr. HATHAWAY. Mr. President, I do wish the committee amendments to be considered en bloc, and I ask unanimous consent that they may be so considered.

The PRESIDING OFFICER. Including the correction on page 116?

Mr. HATHAWAY. Including the correction on page 116.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. (Putting the question.)

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? 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 Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) and the Senator from Illinois (Mr. PERCY) would each vote "yea."

The result was announced—yeas 86, nays 1, as follows:

[No. 425 Leg.]

YEAS—86

Abourezk	Gravel	Moss
Aiken	Griffin	Muskie
Allen	Gurney	Nelson
Baker	Hansen	Nunn
Bartlett	Hart	Packwood
Beall	Hartke	Pastore
Bentsen	Haskell	Proxmire
Bible	Hathaway	Randolph
Brock	Helms	Ribicoff
Brooke	Hollings	Roth
Buckley	Hruska	Schweiker
Burdick	Huddleston	Scott, Hugh
Byrd, Harry F., Jr.	Humphrey	Scott, William L.
Byrd, Robert C.	Inouye	Sparkman
Cannon	Jackson	Stafford
Case	Johnston	Stennis
Chiles	Kennedy	Stevens
Church	Long	Stevenson
Clark	Magnuson	Symington
Cook	Mansfield	Taft
Cotton	Mathias	Talmadge
Cranston	McClellan	Thurmond
Curtis	McClure	Tower
Dole	McGee	Tunney
Domenici	McGovern	Weicker
Eagleton	McIntyre	Williams
Eastland	Metcalf	Young
Fannin	Metzenbaum	
Fong	Mondale	
	Montoya	

NAYS—1

Ervin

NOT VOTING—13

Bayh	Fulbright	Pearson
Bellmon	Goldwater	Pell
Bennett	Hatfield	Percy
Biden	Hughes	
Dominick	Javits	

So the bill (H.R. 15301) was passed.

Mr. HATHAWAY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHWEIKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

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

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon tomorrow.

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

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

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

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 3:30 P.M. ON MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday next prior to the hour of 3:30 p.m.

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

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the distinguished assistant Republican leader, (Mr. GRIFFIN), be recognized for not to exceed 15 minutes; that he be followed by the junior Senator from West Virginia for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at the hour of 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes; after which the junior Senator from West Virginia will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each, at the conclusion of which period the Senate will take up, presumably in the following order, the following measures: Calendar Order No. 1114, S. 2233, the Hells' Canyon National Recreation Area measure; Calendar Order No. 1117, S. 3378, a bill of rights for the disabled; and Calendar Order No. 1111, H.R. 16102 the daylight saving time bill. Whether or not action will be completed on that last measure, I cannot say at this time. Rollcall votes may occur during the afternoon.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 noon tomorrow.

The motion was agreed to; and at 4:16 p.m., the Senate adjourned until tomorrow, Thursday, September 26, 1974, at 12 noon.

NOMINATION

Executive nomination received by the Senate September 25, 1974:

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Morse, Frederick R.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 25, 1974:

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1977.

U.S. TARIFF COMMISSION

Daniel Minchew, of Georgia, to be a member of the U.S. Tariff Commission for the remainder of the term expiring June 16, 1976.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, September 25, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

Let integrity and uprightness preserve me; for I wait on Thee.—Psalms 25: 21.

God of our fathers, we draw near to Thee as we celebrate the 200th anniversary of the First Continental Congress and we pause to acknowledge our dependence on Thee, to thank Thee for Thy guiding spirit which led our Nation in the past, and to pray that Thy presence may be with us to lead us in the days ahead.

May our celebration issue into a greater commitment to Thee and to our country that this Nation of ours may be great in religious faith, great in moral living, great in liberty and justice for all, and great in the brotherhood of man.

May the words of our mouths, the worship of our hearts, and the works of our hands be acceptable unto Thee as we seek to bring in the day when nations shall live in peace, for freedom and with good will in every heart.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate 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. 16243) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 7, 15, 28, 34, and 38 to the foregoing bill.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

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 professions, to revise the National Health Service Corps program and the National Health Serv-

ice Corps scholarship training program, and for other purposes; and

S.J. Res. 244. Joint resolution to extend termination date of Export-Import Bank.

The message also announced that Mr. McINTYRE was appointed to replace Mr. CRANSTON as a conferee on S. 3164, providing for greater disclosure of the nature and costs of real estate settlement services; and that Mr. McINTYRE and Mr. BENNETT were appointed as additional conferees on H.R. 15977, to extend for 4 years the life of the Export-Import Bank and to provide increases in its overall commitment authority.

The message also announced that the President pro tempore, pursuant to Public Law 70–770, appointed Mr. BURDICK to the Migratory Bird Conservation Commission, in lieu of Mr. METCALF, resigned.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, September 27, 1974, to file a conference report on the bill (H.R. 15580) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 12471

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 12471), the Freedom of Information Act amendments.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 93–1380)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

H.R. 12471—FREEDOM OF INFORMATION ACT AMENDMENTS

That (a) the fourth sentence of section 552(a)(2) of title 5, United States Code, is amended to read as follows: "Each agency shall also maintain and make available for public inspection and copying current indexes providing identifying information for the public as to any matter issued, adopted, or promulgated after July 4, 1967, and required by this paragraph to be made available or published. Each agency shall promptly publish, quarterly or more frequently, and distribute (by sale or otherwise) copies of each index or supplements thereto unless it determines by order published in the Federal Register that the publication would be unnecessary and impracticable, in which case the agency shall nonetheless provide copies of such index on request at a cost not to exceed the direct cost of duplication.".

(b)(1) Section 552(a)(3) of title 5, United States Code, is amended to read as follows:

"(3) Except with respect to the records made available under paragraphs (1) and (2) of this subsection, each agency, upon any request for records which (A) reasonably describes such records and (B) is made in accordance with published rules stating the time, place, fees (if any), and procedures to be followed, shall make the records promptly available to any person."

(2) Section 552(a) of title 5, United States Code, is amended by redesignating paragraph (4), and all references thereto, as paragraph (5) and by inserting immediately after paragraph (3) the following new paragraph:

"(4)(A) In order to carry out the provisions of this section, each agency shall promulgate regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees applicable to all constituent units of such agency. Such fees shall be limited to reasonable standard charges for document search and duplication and provide for recovery of only the direct costs of such search and duplication. Documents shall be furnished without charge or at a reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public.

"(B) On complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, has jurisdiction to enjoin the agency from withholding agency records and to order the production of any agency records improperly withheld from the complainant. In such a case the court shall determine the matter do novo, and may examine the contents of such agency records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section, and the burden is on the agency to sustain its action.

"(C) Notwithstanding any other provision of law, the defendant shall serve an answer or otherwise plead to any complaint made under this subsection within thirty days after service upon the defendant of the pleading in which such complaint is made, unless the court otherwise directs for good cause shown.

"(D) Except as to cases the court considers of greater importance, proceedings before the district court, as authorized by this subsection, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

"(E) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this section in which the complainant has substantially prevailed.

"(F) Whenever the court orders the production of any agency records improperly withheld from the complainant and assesses against the United States reasonable attorney fees and other litigation costs, and the court additionally issues a written finding that the circumstances surrounding the withholding raise questions whether agency personnel acted arbitrarily or capriciously with respect to the withholding, the Civil Service Commission shall promptly initiate a proceeding to determine whether disciplinary action is warranted against the officer or employee who was primarily responsible for the withholding. The Commission, after investigation and consideration of the evidence submitted, shall submit its findings and recommendations to the administrative authority of the agency concerned and shall send copies of the findings and recommendations to the officer or employee or his representative. The administrative authority shall take the corrective action that the Commission recommends.

"(G) In the event of noncompliance with the order of the court, the district court may punish for contempt the responsible employee, and in the case of a uniformed service, the responsible member.".

(c) Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(6)(A) Each agency, upon any request for records made under paragraph (1), (2), or (3) of this subsection, shall—

"(i) determine within ten days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of any such request whether to comply with such request and shall immediately notify the person making such request of such determination and the reasons therefor, and of the right of such person to appeal to the head of the agency any adverse determination; and

"(ii) make a determination with respect to any appeal within twenty days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of such appeal. If on appeal the denial of the request for records is in whole or in part upheld, the agency shall notify the person making such request of the provisions for judicial review of that determination under paragraph (4) of this subsection.

"(B) In unusual circumstances as specified in this subparagraph, the time limits prescribed in either clause (i) or clause (ii) of subparagraph (A) may be extended by written notice to the person making such request setting forth the reasons for such extension and the date on which a determination is expected to be dispatched. No such notice shall specify a date that would result in an extension for more than ten working days. As used in this subparagraph, 'unusual circumstances' means, but only to the extent reasonably necessary to the proper processing of the particular request—

"(i) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

"(ii) the need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request; or

"(iii) the need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject-matter interest therein.

"(C) Any person making a request to any agency for records under paragraph (1), (2), or (3) of this subsection shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of this paragraph. If the Government can show exceptional circumstances exist and that the agency is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the agency additional time to complete its review of the records. Upon any determination by an agency to comply with a request for records, the records shall be made promptly available to such person making such request. Any notification of denial of any request for records under this subsection shall set forth the names and titles or positions of each person responsible for the denial of such request."

SEC. 2. (a) Section 552(b)(1) of title 5, United States Code, is amended to read as follows:

"(1)(A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;"

(b) Section 552(b)(7) of title 5, United States Code, is amended to read as follows:

"(7) investigatory records compiled for law enforcement purposes, but only to the extent that the production of such records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source, (E) disclose investigative techniques and procedures, or (F) endanger the life or physical safety of law enforcement personnel;"

(c) Section 552(b) of title 5, United States Code, is amended by adding at the end the following: "Any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt under this subsection.".

SEC. 3. Section 552 of title 5, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) On or before March 1 of each calendar year, each agency shall submit a report covering the preceding calendar year to the Speaker of the House of Representatives and President of the Senate for referral to the appropriate committees of the Congress. The report shall include—

"(1) the number of determinations made by such agency not to comply with requests for records made to such agency under subsection (a) and the reasons for each such determination;

"(2) the number of appeals made by persons under subsection (a)(6), the result of such appeals, and the reason for the action upon each appeal that results in a denial of information;

"(3) the names and titles or positions of each person responsible for the denial of records requested under this section, and the number of instances of participation for each;

"(4) the results of each proceeding conducted pursuant to subsection (a)(4)(F), including a report of the disciplinary action taken against the officer or employee who was primarily responsible for improperly withholding records or an explanation of why disciplinary action was not taken;

"(5) a copy of every rule made by such agency regarding this section;

"(6) a copy of the fee schedule and the total amount of fees collected by the agency for making records available under this section; and

"(7) such other information as indicates efforts to administer fully this section.

"The Attorney General shall submit an annual report on or before March 1 of each calendar year which shall include for the prior calendar year a listing of the number of cases arising under this section, the exemption involved in each case, the disposition of such case, and the cost, fees, and penalties assessed under subsections (a)(4)(E), (F), and (G). Such report shall also include a description of the efforts undertaken by the Department of Justice to encourage agency compliance with this section.

"(e) For purposes of this section, the term 'agency' as defined in section 551(1) of this title includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency."

SEC. 4. The amendments made by this Act shall take effect on the ninetieth day beginning after the date of enactment of this Act.

And the Senate agree to the same.

CHET HOLIFIELD,
WILLIAM S. MOORHEAD,
JOHN E. MOSS,
BILL ALEXANDER,
FRANK HORTON,
JOHN N. ERLENBORN,
PAUL MCCLOSKEY,
Managers on the Part of the House.

EDWARD M. KENNEDY,
PHILIP A. HART,
BIRCH BAYH,
QUENTIN N. BURDICK,
JOHN V. TUNNEY,
CHARLES MCC. MATHIAS, JR.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INDEX PUBLICATION

The House bill added language to the present Freedom of Information law to require the publication and distribution (by sale or otherwise) of agency indexes identifying information for the public as to any matter issued, adopted, or promulgated after July 4, 1967, which is required by 5 U.S.C. § 552(a)(2) to be made available or published. This includes final opinions, orders, agency statements of policy and interpretations not published in the *Federal Register*, and administrative staff manuals and agency staff instructions that affect the public unless they are otherwise published and copies offered for sale to the public. Such published indexes would be required for the July 4, 1967, period to date. Where agency indexes are now published by commercial firms, as they are in some instances, such publication would satisfy the requirements of this amendment so long as they are made readily available for public use by the agency.

The Senate amendment contained similar provisions, indicating that the publication of indexes should be on a quarterly or more frequent basis, but provided that if an agency determined by an order published in the *Federal Register* that its publication of any index would be "unnecessary and impracticable," it would not actually be required to publish the index. However, it would nonetheless be required to provide copies of such index on request at a cost comparable to that charged had the index been published.

The conference substitute follows the Senate amendment, except that if the agency determines not to publish its index, it shall provide copies on request to any person at a cost not to exceed the direct cost of duplication.

IDENTIFIABLE RECORDS

Present law requires that a request for information from an agency be for "identifiable records." The House bill provided that the request only "reasonably describe" the records being sought.

The Senate amendment contained similar language, but added a provision that when agency records furnished a person are demonstrated to be of "general public concern," the agency shall also make them available for public inspection and purchase, unless the agency can demonstrate that they could subsequently be denied to another individual under exemptions contained in subsection (b) of the Freedom of Information Act.

The conference substitute follows the House bill. With respect to the Senate proviso dealing with agency records of "general public interest," the conferees wish to make clear such language was eliminated only because they conclude that all agencies are presently obligated under the Freedom of Information Act to pursue such a policy and that all agencies should effect this policy through regulation.

SEARCH AND COPYING FEES

The Senate amendment contained a provision, not included in the House bill, directing the Director of the Office of Management and Budget to promulgate regulations

establishing a uniform schedule of fees for agency search and copying of records made available to a person upon request under the law. It also provided that an agency could furnish the records requested without charge or at a reduced charge if it determined that such action would be in the public interest. It further provided that no fees should ordinarily be charged if the person requesting the records was an indigent, if such fees would amount to less than $3, if the records were not located by the agency, or if they were determined to be exempt from disclosure under subsection (b) of the law.

The conference substitute follows the Senate amendment, except that each agency would be required to issue its own regulations for the recovery of only the direct costs of search and duplication—not including examination or review of records—instead of having such regulations promulgated by the Office of Management and Budget. In addition, the conference substitute retains the agency's discretionary public interest waiver authority but eliminates the specific categories of situations where fees should not be charged.

By eliminating the list of specific categories, the conferees do not intend to imply that agencies should actually charge fees in those categories. Rather, they felt, such matters are properly the subject for individual agency determination in regulations implementing the Freedom of Information law. The conferees intend that fees should not be used for the purpose of discouraging requests for information or as obstacles to disclosure of requested information.

COURT REVIEW

The House bill clarifies the present Freedom of Information law with respect to *de novo* review requirements by Federal courts under section 552(a)(3) by specifically authorizing the court to examine *in camera* any requested records in dispute to determine whether the records are—as claimed by an agency—exempt from mandatory disclosure under any of the nine categories of section 552(b) of the law.

The Senate amendment contained a similar provision authorizing *in camera* review by Federal courts and added another provision, not contained in the House bill, to authorize Freedom of Information suits to be brought in the Federal courts in the District of Columbia, even in cases where the agency records were located elsewhere.

The conference substitute follows the Senate amendment, providing that in determining *de novo* whether agency records have been properly withheld, the court may examine records *in camera* in making its determination under any of the nine categories of exemptions under section 552(b) of the law. In *Environmental Protection Agency* v. *Mink, et al.*, 410 U.S. 73 (1973), the Supreme Court ruled that *in camera* inspection of documents withheld under section 552(b)(1) of the law, authorizing the withholding of classified information, would ordinarily be precluded in Freedom of Information cases, unless Congress directed otherwise. H.R. 12471 amends the present law to permit such *in camera* examination at the discretion of the court. While *in camera* examination need not be automatic, in many situations it will plainly be necessary and appropriate. Before the court orders *in camera* inspection, the Government should be given the opportunity to establish by means of testimony or detailed affidavits that the documents are clearly exempt from disclosure. The burden remains on the Government under this law.

RESPONSE TO COMPLAINTS

The House bill required that the defendant to a complaint under the Freedom of Information law serve a responsive pleading within 20 days after service, unless the court directed otherwise for good cause shown.

The Senate amendment contained a similar provision, except that it would give the defendant 40 days to file an answer.

The conference substitute would give the defendant 30 days to respond, unless the court directs otherwise for good cause shown.

EXPEDITED APPEALS

The Senate amendment included a provision, not contained in the House bill, to give precedence on appeal to cases brought under the Freedom of Information law, except as to cases on the docket which the court considers of greater importance.

The conference substitute follows the Senate amendment.

ASSESSMENT OF ATTORNEY FEES AND COSTS

The House bill provided that a Federal court may, in its discretion, assess reasonable attorney fees and other litigation costs reasonably incurred by the complainant in Freedom of Information cases in which the Federal Government had not prevailed.

The Senate amendment also contained a similar provision applying to cases in which the complainant had "substantially prevailed," but added certain criteria for consideration by the court in making such awards, including the benefit to the public deriving from the case, the commercial benefit to the complainant and the nature of his interest in the Federal records sought, and whether the Government's withholding of the records sought had "a reasonable basis in law."

The conference substitute follows the Senate amendment, except that the statutory criteria for court award of attorney fees and litigation costs were eliminated. By eliminating these criteria, the conferees do not intend to make the award of attorney fees automatic or to preclude the courts, in exercising their discretion as to awarding such fees, to take into consideration such criteria. Instead, the conferees believe that because the existing body of law on the award of attorney fees recognizes such factors, a statement of the criteria may be too delimiting and is unnecessary.

SANCTION

The Senate amendment contained a provision, not included in the House bill, authorizing the court in Freedom of Information Act cases to impose a sanction of up to 60 days suspension from employment against a Federal employee or official who the court found to have been responsible for withholding the requested records without reasonable basis in law.

The conference substitute follows the Senate amendment, except that the court is authorized to make a finding whether the circumstances surrounding the withholding raise questions whether agency personnel acted arbitrarily or capriciously with respect to the withholding. If the court so finds, the Civil Service Commission must promptly initiate a proceeding to determine whether disciplinary action is warranted against the responsible officer or employee. The Commission's findings and recommendations are to be submitted to the appropriate administrative authority of the agency concerned and to the responsible official or employee, and the administrative authority shall promptly take the disciplinary action recommended by the Commission. This section applies to all persons employed by agencies under this law.

ADMINISTRATIVE DEADLINES

The House bill required that an agency make a determination whether or not to comply with a request for records within 10 days (excepting Saturdays, Sundays, and legal public holidays) and to notify the person making the request of such determination and the reasons therefore, and the right of such person to appeal any adverse determination to the head of the agency. It also required that agencies make a final determination on any appeal of an adverse determination within 20 days (excepting Saturdays, Sundays, and legal public holidays) after the date of receipt of the appeal by the agency. Further, any person would be deemed to have exhausted his administrative remedies if the agency fails to comply with either of the two time deadlines.

The Senate amendment contained similar provisions but authorized certain other administrative actions to extend these deadlines for another 30 working days under specified types of situations, if requested by an agency head and approved by the Attorney General. It also would grant an agency, under specified "unusual circumstances," a 10-working-day extension upon notification to the person requesting the records. In addition, an agency could transfer part of the number of days from one category to another and authorize the court to allow still additional time for the agency to respond to the request. The Senate amendment also provided that any agency's notification of denial of any request for records set forth the names and titles or positions of each person responsible for the denial. It further allowed the court, in a Freedom of Information action, to allow the government additional time if "exceptional circumstances" were present and if the agency was exercising "due diligence in responding to the request."

The conference substitute generally adopts the 10- and 20-day administrative time deadlines of the House bill but also incorporates the 10-working-day extension of the Senate amendment for "unusual circumstances" in situations where the agency must search for and collect the requested records from field facilities separate from the office processing the request, where the agency must search for, collect, and examine a voluminous amount of separate and distinct records demanded in a single request, or where the agency has a need to consult with another agency or agency unit having a substantial interest in the determination because of the subject matter. This 10-day extension may be invoked by the agency only once—either during initial review of the request or during appellate review.

The 30-working-day certification provision of the Senate amendment has been eliminated, but the conference substitute retains the Senate language requiring that any agency's notification to a person of the denial of any request for records set forth the names and titles or positions of each person responsible for the denial. The conferees intend that this listing include those persons responsible for the original, as well as the appellate, determination to deny the information requested. The conferees intend that consultations between an agency unit and the agency's legal staff, the public information staff, or the Department of Justice should not be considered the basis for an extension under this subsection.

The conference substitute also retains the Senate language giving the court authority to allow the agency additional time to examine requested records in exceptional circumstances where the agency was exercising due diligence in responding to the request and had been since the request was received.

NATIONAL DEFENSE AND FOREIGN POLICY EXEMPTION (B)(1)

The House bill amended subsection (b)(1) of the Freedom of Information law to permit the withholding of information "authorized under the criteria established by an Executive order to be kept secret in the interest of the national defense or foreign policy."

The Senate amendment contained similar

language but added "statute" to the exemption provision.

The conference substitute combines language of both House and Senate bills to permit the withholding of information where it is "specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy" and is "in fact, properly classified" pursuant to both procedural and substantive criteria contained in such Executive order.

When linked with the authority conferred upon the Federal courts in this conference substitute for *in camera* examination of contested records as part of their *de novo* determination in Freedom of Information cases, this clarifies Congressional intent to override the Supreme Court's holding in the case of *E.P.A.* v. *Mink, et al.*, supra, with respect to *in camera* review of classified documents.

However, the conferees recognize that the Executive departments responsible for national defense and foreign policy matters have unique insights into what adverse effects might occur as a result of public disclosure of a particular classified record. Accordingly, the conferees expect that Federal courts, in making *de novo* determinations in section 552(b)(1) cases under the Freedom of Information law, will accord substantial weight to an agency's affidavit concerning the details of the classified status of the disputed record.

Restricted Data (42 U.S.C. 2162), communication information (18 U.S.C. 798), and intelligence sources and methods (50 U.S.C. 403(d)(3) and (g)), for example, may be classified and exempted under section 552(b)(3) of the Freedom of Information Act. When such information is subjected to court review, the court should recognize that if such information is classified pursuant to one of the above statutes, it shall be exempted under this law.

INVESTIGATORY RECORDS

The Senate amendment contained an amendment to subsection (b)(7) of the Freedom of Information law, not included in the House bill, that would clarify Congressional intent disapproving certain court interpretations which have tended to expand the scope of agency authority to withhold certain "investigatory files compiled for law enforcement purposes." The Senate amendment would permit an agency to withhold investigatory records compiled for law enforcement purposes only to the extent that the production of such records would interfere with enforcement proceedings, deprive a person of a right to a fair trial or an impartial adjudication, constitute a clearly unwarranted invasion of personal privacy, disclose the identity of an informer, or disclose investigative techniques and procedures.

The conference substitute follows the Senate amendment except for the substitution of "confidential source" for "informer," the addition of language protecting information compiled by a criminal law enforcement authority from a confidential source in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, the deletion of the word "clearly" relating to avoidance of an "unwarranted invasion of personal privacy," and the addition of a category allowing withholding of information whose disclosure "would endanger the life or physical safety of law enforcement personnel."

The conferees wish to make clear that the scope of this exception against disclosure of "investigative techniques and procedures" should not be interpreted to include routine techniques and procedures already well known to the public, such as ballistic tests, fingerprinting, and other scientific tests or commonly known techniques. Nor is this exemption intended to include records falling within the scope of subsection 552(a)(2) of the Freedom of Information law, such as administrative staff manuals and instructions to staff that affect a member of the public.

The substitution of the term "confidential source" in section 552(b)(7)(D) is to make clear that the identity of a person other than a paid informer may be protected if the person provided information under an express assurance of confidentiality or in circumstances from which such an assurance could be reasonably inferred. Under this category, in every case where the investigatory records sought were compiled for law enforcement purposes—either civil or criminal in nature—the agency can withhold the names, addresses, and other information that would reveal the identity of a confidential source who furnished the information. However, where the records are compiled by a criminal law enforcement authority, *all* of the information furnished only by a confidential source may be withheld if the information was compiled in the course of a criminal investigation. In addition, where the records are compiled by an agency conducting a lawful national security intelligence investigation, all of the information furnished only by a confidential source may also be withheld. The conferees intend the term "criminal law enforcement authority" to be narrowly construed to include the Federal Bureau of Investigation and similar investigative authorities. Likewise, "national security" is to be strictly construed to refer to military security, national defense, or foreign policy. The term "intelligence" in section 552(b)(7)(D) is intended to apply to positive intelligence-gathering activities, counter-intelligence activities, and background security investigations by governmental units which have authority to conduct such functions. By "an agency" the conferees intend to include criminal law enforcement authorities as well as other agencies. Personnel, regulatory, and civil enforcement investigations are covered by the first clause authorizing withholding of information that would reveal the identity of a confidential source but are not encompassed by the second clause authorizing withholding of all confidential information under the specified circumstances.

The conferees also wish to make clear that disclosure of information about a person to that person does not constitute an invasion of his privacy. Finally, the conferees express approval of the present Justice Department policy waiving legal exemptions for withholding historic investigatory records over 15 years old, and they encourage its continuation.

SEGREGABLE PORTIONS OF RECORDS

The Senate amendment contained a provision, not included in the House bill, providing that any reasonably segregable portion of a record shall be provided to any person requesting such record after the deletion of portions which may be exempted under subsection (b) of the Freedom of Information law.

The conference substitute follows the Senate amendment.

ANNUAL REPORTS BY AGENCIES

The House bill provided that each agency submit an annual report, on or before March 1 of each calendar year, to the Speaker of the House and the President of the Senate for referral to the appropriate committees of the Congress. Such report shall include statistical information on the number of agency determinations to withhold information requested under the Freedom of Information law; the reasons for such withholding; the number of appeals of such adverse determinations with the result and reasons for each; a copy of every rule made by the agency in connection with this law; a copy of the agency fee schedule with the total amount of fees collected by the agency during the year; and other information indicating efforts to properly administer the Freedom of Information law.

The Senate amendment contained similar provisions and added two requirements not contained in the House bill, (1) that each agency report list those officials responsible for each denial of records and the numbers of cases in which each participated during the year and (2) that the Attorney General also submit a separate annual report on or before March 1 of each calendar year listing the number of cases arising under the Freedom of Information law, the exemption involved in each such case, the disposition of the case, and the costs, fees, and penalties assessed under the law. The Attorney General's report shall also include a description of Justice Department efforts to encourage agency compliance with the law.

The conference substitute incorporates the major provisions of the House bill and two Senate amendments. With respect to the annual reporting by each agency of the names and titles or positions of each person responsible for the denial of records requested under the Freedom of Information law and the number of instances of participation for each, the conferees wish to make clear that such listing include those persons responsible for the original determination to deny the information requested in each case as well as all other agency employees or officials who were responsible for determinations at subsequent stages in the decision.

EXPANSION OF AGENCY DEFINITION

The House bill extends the applicability of the Freedom of Information law to include any executive department, military department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of Government (including the Executive Office of the President), or any independent regulatory agency.

The Senate amendment provided that for purposes of the Freedom of Information law the term agency included any agency defined in section 551(1) of title 5, United States Code, and in addition included the United States Postal Service, the Postal Rate Commission, and any other authority of the Government of the United States which is a corporation and which receives any appropriated funds.

The conference substitute follows the House bill. The conferees state that they intend to include within the definition of "agency" those entities encompassed by 5 U.S.C. 551 and other entities including the United States Postal Service, the Postal Rate Commission, and government corporations or government-controlled corporations now in existence or which may be created in the future. They do not intend to include corporations which receive appropriated funds but are neither chartered by the Federal Government nor controlled by it, such as the Corporation for Public Broadcasting. Expansion of the definition of "agency" in this subsection is intended to broaden applicability of the Freedom of Information Act but it is not intended that the term "agency" be applied to subdivisions, offices or units within an agency.

With respect to the meaning of the term "Executive Office of the President" the conferees intend the result reached in *Soucie* v. *David*, 448 F.2d 1067 (C.A.D.C. 1971). The term is not to be interpreted as including the President's immediate personal staff or units in the Executive Office whose sole function is to advise and assist the President.

EFFECTIVE DATE

Both the House bill and the Senate amendment provided for an effective date of 90

days after the date of enactment of these amendments to the Freedom of Information law.

The conference substitute adopts the language of the Senate amendment.

CHET HOLIFIELD,
WILLIAM S. MOORHEAD,
JOHN E. MOSS,
BILL ALEXANDER,
FRANK HORTON,
JOHN N. ERLENBORN,
PAUL MCCLOSKEY,
Managers on the Part of the House.

EDWARD M. KENNEDY,
PHILIP A. HART,
BIRCH BAYH,
QUENTIN N. BURDICK,
JOHN V. TUNNEY,
CHARLES MCC. MATHIAS, JR.,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. MCCORMACK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 540]

Abzug	Green, Oreg.	Preyer
Archer	Griffiths	Price, Tex.
Armstrong	Gunter	Rangel
Badillo	Hammer-schmidt	Rarick
Bafalis	Hansen, Wash.	Reid
Biaggi	Harrington	Robison, N.Y.
Blatnik	Harsha	Roncalio, Wyo.
Brasco	Hays	Rooney, N.Y.
Breaux	Hébert	Rosenthal
Brooks	Holifield	Ruppe
Buchanan	Hudnut	Schroeder
Camp	Jarman	Seiberling
Carey, N.Y.	Johnson, Colo.	Shipley
Cederberg	Koch	Sisk
Clark	Leggett	Stanton, James V.
Clawson, Del	Lehman	Steed
Conyers	Luken	Steele
Corman	McCloskey	Steelman
Daniel, Robert W., Jr.	McKinney	Steiger, Ariz.
Davis, Ga.	McSpadden	Stephens
Dellums	Macdonald	Symington
Diggs	Maraziti	Tiernan
Dingell	Mayne	Towell, Nev.
Dorn	Michel	Traxler
Drinan	Mills	Udall
Eckhardt	Mitchell, Md.	Wampler
Fraser	Moss	White
Gettys	Nelsen	Wilson, Charles, Tex.
Gibbons	O'Hara	Wright
Ginn	Owens	
Grasso	Podell	
Gray	Powell, Ohio	

The SPEAKER. On this rollcall 341 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to the order of the House of September 23, 1974, the Chair declares the House in recess for the purpose of observing and commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress. The proceedings will actually start formally at 12:30 p.m.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS, 1774–1974

During the recess, the following proceedings took place in observing and commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress, the Speaker of the House of Representatives presiding:

COMMEMORATIVE CEREMONY IN HONOR OF THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS IN THE UNITED STATES HOUSE OF REPRESENTATIVES, SEPTEMBER 25, 1974

The Old Guard Colonial Fife and Drum Corps, led by Staff Sergeant John Markel as Drum Major, entered the door to the left of the Speaker and took the positions assigned to them.

The honored guests, Mr. Alistair Cooke, Prof. Cecelia M. Kenyon and Prof. Merrill Jensen, entered the door to the right of the Speaker and took the positions assigned to them.

The Old Guard Colonial Fife and Drum Corps presented a rendition of "Chester."

The Doorkeeper (Hon. William M. Miller) announced the First Flag of the United States.

[Applause, the Members rising.]

The Flag was carried into the Chamber by a Color Bearer and a Guard of Honor.

The Color Guard saluted the Speaker, faced about, and saluted the House.

The Flag was posted and the Members were seated.

The SPEAKER. The Chair recognizes the Honorable MIKE MCCORMACK of Washington, the chairman of the Committee on Arrangements.

Mr. MCCORMACK. Mr. Speaker, fellow Members, ladies and gentlemen: December of 1773, a group of Boston citizens, outraged with a new British tax on tea, swarmed over three British ships in the Harbor and dumped the cargo overboard.

In the spring of 1774, the British Parliament, responding sternly, enacted the Coercive Acts, closing the port of Boston, quartering troops in Boston, and exempting British officials from trial in the Colony's courts.

The colonists called these the Intolerable Acts, and they were the central subject of discussion when the First Continental Congress met on September 5, 1774.

Out of this session came a "Declaration and Resolves" of colonial rights and an agreement to stand together in boycotting commerce with Great Britain.

The thirst for liberty and justice and a willingness to sacrifice for it was the initial manifestation of the spirit that produced the Declaration of Independence, the Constitution, the Bill of Rights, and a 200-year tradition of representative government, preserving freedom and dignity for all Americans.

Today we meet to commemorate the 200th anniversary of that First Congress. The other members of your arrangements committee are: The Honorable JOSEPH M. MCDADE, of Pennsylvania, the Honorable JAMES M. HANLEY, of New York, and the Honorable JACK F. KEMP, of New York.

News of Parliament's passage of the Coercive Acts arrived in the Colonies during the early summer of 1774. This news not only elicited demands for a general Congress to take steps to define and to secure colonial rights; it also provoked a searching reexamination of the nature of the connection between Britain and the Colonies, as well as the extent and character of American rights. The flood of pamphlets and newspaper essays that poured forth from American presses provided the intellectual context—and established the mood—within which the First Continental Congress acted. Perhaps the most penetrating, and certainly the most moving, of these pamphlets was entitled "A summary View of the Rights of British America," the inspired performance of a young Virginia lawyer and legislator, Thomas Jefferson. Here to read Jefferson's ringing conclusion is Congresswoman BARBARA JORDAN, of Texas.

Miss JORDAN. Proceeding from the then still novel assumption that the Colonies were distinct and independent governments bound to Britain only through their mutual allegiance to a common monarch, Jefferson argued at length in a summary view that the British Parliament had no authority over the colonists, who were bound only by laws made by their own elected representatives and the legislatures of each of the Colonies. But, Jefferson argued, Parliament had not been alone in pursuing illegal "Acts of Power" in what, he said, was "Too plainly a deliberate and systematical plan of reducing us to slavery." George III himself had been guilty of a "wanton exercise of power" in the Colonies. Charging the King with a long list of oppressive acts against the Colonies, Jefferson concluded his pamphlet with the following warning: (Last paragraph of "A Summary View of the Rights of British America.").

That these are our grievances, which we have thus laid before his majesty, with that freedom of language and sentiment which becomes a free people claiming their rights, as derived from the laws of nature, and not as the gift of their chief magistrate: Let those flatter who fear, it is not an American art. To give praise which is not due might be well from the venal, but would ill beseem those who are asserting the rights of human nature. They know, and will therefore say, that kings are the servants, not the proprietors of the people.

Open your breast, sire, to liberal and expanded thought. Let not the name of George the third be a blot in the page of history. You are surrounded by British counsellors, but remember that they are parties. You have no ministers for American affairs, because you have none taken from among us, nor amenable to the laws on which they are to give you advice. It behoves you, therefore, to think and to act for yourself and your people. The great principles of right and wrong are legible to every reader; to pursue them requires not the aid of many counsellors. The whole art of government consists in the art of being honest. Only aim to do your duty, and mankind will

give you credit where you fail. No longer persevere in sacrificing the rights of one part of the empire to the inordinate desires of another; but deal out to all equal and impartial right. Let no act be passed by any one legislature which may infringe on the rights and liberties of another. This is the important post in which fortune has placed you, holding the balance of a great, if a well poised empire. This, sire, is the advice of your great American council, on the observance of which may perhaps depend your felicity and future fame, and the preservation of that harmony which alone can continue both to Great Britain and America the reciprocal advantages of their connection. It is neither our wish nor our interest to separate from her.

We are willing, on our part, to sacrifice everything which reason can ask to the restoration of that tranquility for which all must wish. On their part, let them be ready to establish union and a generous plan. Let them name their terms, but let them be just. Accept of every commercial preference it is in our power to give for such things as we can raise for their use, or they make for ours. But let them not think to exclude us from going to other markets to dispose of those commodities which they cannot use, or to supply those wants which they cannot supply. Still less let it be proposed that our properties within our own territories shall be taxed or regulated by any power on Earth but our own. The God who gave us life gave us liberty at the same time; the hand of force may destroy, but cannot disjoin them. This, sire, is our last; our determined resolution; and that you will be pleased to interpose with that efficacy which your earnest endeavors may ensure to procure redress of these our great grievances, to quiet the minds of your subjects in British America, against any apprehensions of future encroachment, to establish fraternal love and harmony through the whole empire, and that these may continue to the latest ages of time, is the fervent prayer of all British America!

Mr. McCORMACK. Thank you, BARBARA.

Ladies and gentlemen, Congressman JIM HANLEY of New York.

Mr. HANLEY. Mr. Speaker, I am privileged today to introduce our first guest speaker, Miss Cecelia M. Kenyon. Professor Kenyon is the Charles N. Clark professor of government at Smith College, and during this school year is serving as the James Pinckney Harrison Professor of History at the College of William and Mary.

She is known primarily for her penetrating and insightful essays on the political thought of the Founding Fathers and especially for her work on the Anti-Federalists. She is presently doing a large study of early American political ideas and is serving on the advisory committee for the Library of Congress American Revolution Bicentennial Program.

Professor Kenyon.

Prof. CECELIA M. KENYON. Mr. Speaker, Members of the House of Representatives, ladies and gentlemen:

Members of the First Continental Congress would be pleased indeed to know that this House, its heir and descendant, had paused in the midst of efforts to cope with contemporary problems and commemorate the purposes and achievements of that Congress of two centuries ago.

For the delegates of that Congress had a profound sense of the significance of their own meeting, for themselves and their generation, and for their posterity—that is to say, for us today in this Chamber, and for the millions of Americans represented here by the Members of this House.

That significance was stated succinctly by a delegate from Virginia, Richard Bland:

> The question is, whether the rights and liberties of America shall be contended for, or given up to arbitrary power.

The tasks that brought those men to Philadelphia in 1774 is still significant today. Indeed when we consider the relatively rare existence of constitutional republics throughout all of known history, the preservation of liberty will always be a difficult and continuous task. For no generation alone can guarantee the enjoyment of liberty either for itself or for its posterity.

It is therefore fitting and proper for us to look back at the thought and the work of our predecessors, for in doing so, we may gain insight and understanding that will enable us to pass on to our posterity the heritage of liberty and self government which the men of 200 years ago preserved, enhanced, and transmitted to succeeding generations of Americans.

What were the assumption of the Members of that First Continental Congress? What were their objectives and their problems? What were the political skills which they used to resolve their differences and reach conclusions to resolve their differences and reach conclusions to which at least a majority could in conscience consent, and then present to their constituents as a program for national action by which to defend their rights and liberties?

My colleagues and I will attempt to answer some of these questions.

First, all of the delegates, including those who later remained loyal to the British Government, were committed to the principles of constitutionalism and the rule of law. They differed in their interpretations of the British Constitution and its application to the American Colonies, but they were unanimous in their conviction that the only legitimate government was one based on a constiution and operated in accordance with the rule of law.

Second, they were agreed that Americans had a just claim to certain rights and liberties, and that these were in serious jeopardy because of policies adopted by the British Crown and Parliament. They were not agreed, however, as to the origin and justification of these liberties, and because the journal of the Congress is so sparse, and the rule of secrecy adopted by the delegates so well observed, we can only speculate about the debate that took place both in committees and in the Congress as a whole.

The issue was whether to base their liberties on natural law on the British Constitution, on their Colonial Charters or on all three. To rest their claims on colonial charters alone was probably unsatisfactory to many delegates because of experience. Charters had been revoked in the past, and might be again in the future. Indeed, the crisis which led to the meeting of the Congress was the virtual revocation of the Charter of Massachusetts.

To rely on the British Constitution alone must have seemed futile to some delegates, because the debates of the preceeding decades had already demonstrated either that the British Government was prepared to violate that Constitution or that the British in Britain interpreted the Constitution, in a manner quite different from that of their American cousins.

To rely on natural law as the foundation of their liberties must have made a number of delegates uncomfortable, for any one of several reasons. The doctrine of natural law, and its corollary of natural rights, was associated with the doctrine of a State of nature, in which men were supposed to have lived without any government and from which they emerged only by consenting to a social contract. The trouble was, or may have been, that some delegates simply did not believe that men had ever lived without government. James Otis, a pamphleteer popular during the 1760's, stated flatly that he did not believe in the state of nature, but that since he could find no better basis for the rights and liberties in which he did believe, he would use that concept.

A second problem in using natural law and natural rights doctrine was the principle of equality associated with it. All of the Colonies, without exception, required some property qualifications for voting, and in none of the colonies had slavery been abolished. But if men had been equal in the state of nature, then upon what principle could their inequality in civil society be justified? That was an embarrassing question, and we know from contemporary sources that some Americans were troubled by it.

In the end, the Congress agreed to use all three justifications: the British Constitution, the Colonial Charters, and the concept of natural law and natural rights. And despite all its problems and weaknesses it was the last of these three that gave the American Revolution its universality and its special quality of leaving to each generation of Americans the obligation to carry forward at least one more step its ever unfinished business.

A third belief shared by the delegates to the First Congress was that the most perfect form of constitutionalism was a government which had within it at least one strong representative branch, a branch which above all else, controlled the power of taxation and expenditure of the people's property. For centuries, as they knew very well, their English ancestors had stubbornly used the power of

the purse to gain and preserve the rights, liberties, and privileges of free men. The Colonies themselves had repeatedly used that same power of the purse to win concessions from their royal governors, to erode their power, and in short, to compel their chief executives to be almost as accountable to the people over whom they ruled as they were to the monarch to whom they owed their appointment. The colonists knew that if they lost this power, they would lose their principal weapon against arbitrary government. Every schoolchild in America knows that the grand battle cry of the Revolution was, "No taxation without representation."

To this argument the British Government and its supporters replied that the Americans were "virtually" represented in Parliament, although they did not actually vote for or send any members to the Parliament. The British defenders of this system argued that actual voting was not the essential element in representation. Once a man got into Parliament he represented not the particular district for which he was elected; rather, he represented the entire nation, indeed, the entire Empire.

Americans did not accept this theory, for four reasons—two of them practical, and derived from experience, two of them theoretical, but also grounded in experience. In the first place Americans were accustomed to having their own man in their colonial assemblies. He usually came from the district he represented, and in some colonies his constituents sent him to the legislature with definite instructions. If they did not approve of his conduct, they could turn him out, usually within a year. The idea that some Englishman 3,000 miles away could represent them was outlandish. It was also unrealistic, and this was their second reason for rejecting this theory of "virtual" representation. To the Americans it was perfectly clear that there were areas in which the interests of the British voter and the American colonist were in direct conflict. An obvious example was taxation. If the Parliament could tax the colonists heavily, it could lower taxes for the British who lived in Britain.

The two theoretical arguments against "virtual" representation were also rooted in the colonists' experience in politics. That experience led them to doubt both the psychological and ethical assumptions upon which the British theory rested. Americans were not sure that it was possible for a man always to perceive what the interest of the entire nation or empire was—assuming that there was a common interest. The problem then was both cognitive and ontological. Finally, they doubted that it was ethically possible for a member of Parliament always to vote for the general welfare, when his own interest or that of his immediate constituents was or seemed to be in conflict with it.

Because of the Americans' insistence on voting as a crucial element in legitimate representation, it is pleasing to note that the delegates to the First Congress were all chosen by processes which involved some degree of voter choice, sometimes by direct election, more frequently by indirect election.

Of even greater importance, the delegates knew that their power and authority rested on the willingness of constituents to follow their lead. The sensitivity of the Members of the First Congress to the meaning of representation, their awareness that the only real power they possessed was the power to persuade, was well stated by a delegate from South Carolina.

> We have no legal authority; and obedience to our determinations will only follow the reasonableness, the apparent utility and necessity of the measures we adopt. We have no coercive or legislative authority. Our constituents are bound only in honor to observe our determinations.

Thus the great and crucial problem of the Congress was to devise ways and means that would be effective against the British Government, and voluntarily accepted by their American constituents.

Then, as now, the task of reaching agreement on means proved to be far more difficult than agreeing on ends.

It is in reading the record of disagreements within the Congress, and observing the methods by which its members resolved those differences, that a modern American senses the difficulty of their task and catches a glimpse of the political skills already acquired by our forefathers and used by them to take the first great step toward a continental union based upon the republican ideal of liberty and justice for every citizen.

In the end, and after practical compromises that would be perfectly understandable to this House, which, like its venerable predecessor, represents different regions and different interests, the Congress did agree to a plan for exerting peaceful but strong pressure on both the people of Britain and their government. Whether the plan would have been successful in its object, the restoration and preservation of American liberty without resort to armed force, we shall never know. Before it could take full effect, the conflict between America and Britain erupted into military action at Lexington and Concord on April 19, 1775.

Was this first Congress a success, and did its work really end on October 26, 1774? If judged by its immediate goal, to restore American rights without resort to force, it was a failure. If, however, we look upon it as a determined effort to secure American liberty by means of national unity, it was successful, because it was followed by the Second Continental Congress, and that Congress by an unbroken series of Congresses, from that day 200 years ago until this moment.

It therefore seems appropriate to end these remarks with a quotation taken, not from the First Congress, but from one of its immediate successors. The words are those of John Adams, written to his wife in late April of 1777. Adams was then working away at the Congress in Philadelphia, subject to cross pressures of conflicting interests and opinions, serving on multiple committees, responding to incessant demands on his time and energy, doing in short, very much the kind of job that a Member of this present House does.

But John Adams was alone, and he was homesick. He wanted to be back on his farm in Massachusetts, with his wife and his children. Weary of his work in the Congress, he wrote a very homesick letter to his wife, Abigail. The last words of that letter were not addressed to Abigail, really, but to us, to all of us: "Posterity! You will never know how much it cost the present generation, to preserve your Freedom! I hope you make a good use of it. If you do not, I shall repent in Heaven that ever I took half the paines to preserve it."

This quotation is from: L. H. Butterfield, editor in chief; Wendall D. Garret, associate editor; Marjorie E. Sprague, assistant editor, The Adams Papers, series II: "Adams Family Correspondence." Sponsored by the Massachusetts Historical Society, Atheneum (1965), originally published by Harvard University Press (1963). Volume II (June 1776–March 1778), page 224.

Mr. McCORMACK. Thank you, Prof. Cecelia Kenyon.

Now, ladies and gentlemen, Congressman JACK KEMP, of New York.

Mr. KEMP. Mr. Speaker, my distinguished colleagues and friends. It has been said that the only thing that people learn from history is that no one ever learns anything from history. And certainly today we can ill afford the luxury of not learning the lessons of the past.

And our second guest speaker is Prof. Merrill Jensen, the Vilas Research Professor of History at the University of Wisconsin. After serving as the university's chairman of the history department for 4 years, he also today serves with Miss Kenyon as a member of the Library of Congress American Revolution Bicentennial Program. He is the author of several books on the era of the American Revolution and is widely recognized as the world's leading living authority on the history of the Continental Congress.

Professor Jensen is now at work on a project of the history of the First Federal Congress and I would like you to join with me in greeting Prof. Merrill Jensen of the University of Wisconsin.

Professor JENSEN. The history of the Congress of the United States—our oldest national political institution—began 200 years ago this month when delegates from 12 American Colonies met in Philadelphia on the 5th of September. The occasion for that meeting was British legislation. One law of Parliament punished the town of Boston for the Boston Tea Party by closing its port. A second law altered the constitution of Massachusetts to give the British Governor far more power than he had ever had before.

Some of the delegates thought that Boston got what it deserved for destroying private property, but most of them looked upon the alteration of the Massachusetts constitution as a dangerous threat to self-government in all the Colonies.

The 57 men who assembled had learned the art of politics in some of the toughest political schools in recorded history—the Colonial Assemblies—or "Houses of Representatives"—the only elected branches of the colonial governments. Forty-two of the delegates had been or were Members of those Houses. And, as elected legislators, they were devoted to the principle of legislative supremacy.

Above all most of them distrusted executive power. No one stated that distrust more eloquently than Roger Sherman, a key figure in the First Congress and in the Constitutional Convention. In 1787 he told the delegates to the Convention that the Presidency was "nothing more than an institution for carrying the will of the legislature into effect" for the legislature was "the depository of the supreme will of the society." Therefore the President should be elected by and dependent upon Congress, and if he were not dependent, it would be "the very essence of tyranny, if there was any such thing."

With a very few exceptions, most of the delegates were not full time professional politicians. They were merchants, planters, and professional men. Even so, some of them were close to being political geniuses, and in all candor it must be said that some of them used political methods that are always deplored but often used, and that concern for truth was not always uppermost in their minds.

Nevertheless they were men concerned with fundamental ideas about the nature of man, of society, and of government, and they could and did think and write about such matters on a high level seldom matched by American political leaders since the 18th century.

The Members of the First Congress divided bitterly about the nature of the policies to be adopted to oppose what they looked upon as British attacks on American liberties. Years later John Adams declared that "one-third were Tories, one-third Whigs, and the rest mongrels." Or, to put it in modern terms, "one-third conservatives, one-third liberals, and one-third fence-sitters."

The "liberals"—the "radicals" of the time—had their way. The Congress adopted a Declaration of Rights which denied that Parliament had any power to legislate for the Colonies, except to regulate their trade, and even that only with the consent of the Colonies. Furthermore, the Declaration based American rights, in part, on the "law of nature," a doctrine infinitely useful in political debate since no one knew what it meant and therefore anyone could define it to suit his purposes.

The Congress adopted an even more radical practical means of opposition, the complete stoppage of trade with Great Britain and the nonconsumption of all British goods. And the means of enforcement was revolutionary in result. The Congress called for the creation of committees in every local community throughout the colonies to enforce the stoppage of trade. Hundreds of such committees sprang up and within a few months these illegal grassroots organizations became the local governments in most Colonies, and the basis for the overthrow of the colonial governments themselves by the end of 1775.

The first Congress set the Colonies on the road to revolution and independence, and Americans at the time realized, some with horror and some with joy, that Congress had done so.

But the Congress did more than that, for its Members raised fundamental constitutional and political issues that are as of much concern today as they were 200 years ago.

For years many Americans had challenged the right of a central government—that of Britain—to interfere within the Colonies, and the first Congress was a climax of that challenge which led to independence. But it was also the beginning of a long debate among Americans themselves.

Some of the delegates in the First Congress insisted that a central government was necessary to regulate trade, control paper money, direct military forces, settle disputes among Colonies, and provide force to suppress internal rebellions. Americans, they argued, should either agree that Britain had such power or adopt a constitution of their own.

This was the view of such men as John Jay and John Rutledge in 1774, and in 1787 they supported the adoption of the Constitution.

Other members of the First Congress such as Samuel Adams and Richard Henry Lee believed that the State legislatures should retain ultimate power and that any American central government should be one of sharply defined, precisely delegated, powers. Thirteen years later they were leading opponents of the ratification of the Constitution unless it was amended to protect the rights of citizens, and to more carefully define and limit the power of the central government over the States.

The debates did not die with the adoption of the Constitution but continued on to another climax: One of the bloodiest civil wars in history between 1861 and 1865. And today, what with the talk about a "new Federalism," who can say that the debate begun 200 years ago has been settled to the satisfaction of all Americans.

The First Congress also debated a balance of power of another sort: That among the Colonies themselves. The issue was raised the first day. How should Congress vote: by population or by colonies? In the course of the debate, Patrick Henry of Virginia declared that the Colonies were in a state of nature, that distinctions among the Colonies were no more; and then declared: "I am not a Virginian, but an American." It was not a proclamation of American nationalism, as some have said and still say, but an argument that Virginia—with 20 percent of the population of the Thirteen Colonies—should have more votes than Rhode Island and the other small Colonies.

The small Colonies insisted that they had as much at stake as the large ones, and they had more votes. Congress therefore agreed that each colony should have one vote but that the decision should not become a precedent. But it did become a precedent and is a part of the American constitutional system today. The insistence upon the equality of the states was so powerful that it had to be granted in one branch of Congress to prevent the collapse of the Constitutional Convention in 1787. Embedded at the end of the amending article of the Constitution, article 9, is the proviso that—

> No State, without its consent, shall be deprived of its equal Suffrage in the Senate.

The First Congress did more than begin debate on great and lasting issues: It provided for the continuity of Congress by agreeing to meet again in May 1775 if Britain had not redressed American grievances. The British scorned the first Congress, turned to armed force, and by the time Second Congress assembled, a war had begun that was to last 8 years before Americans won their independence.

The second Congress, and its successors elected by State legislatures, became both the symbol and the governing body of the Nation. Congress, a single house legislature, established domestic policies, directed military operations, and determined and executed the foreign policies of the United States. Not until after the adoption of the Constitution of 1787 was the Congress divided into two branches and required to share its powers and responsibilities with an executive and a Supreme Court.

The Members of the First Congress did far more than prepare the way for independence, begin the debate on great and lasting issues, and create an enduring national institution. They went on to lay the constitutional and political foundations of a new nation on both the State and national level.

Eleven of the delegates served in the State legislatures and conventions that wrote the first State constitutions; 34 of them sat in State legislatures after 1776; 16 of them became Governors of their States; and 17 of them served on State supreme courts, 10 of them as chief justices.

On the national level, 41 of them served in Congress between 1775 and 1789, 6 of them as its president. In 1787, 41 Members of the First Congress were still living. Ten of them were elected to the Constitutional Convention, and 20 of them to the State conventions that ratified the Constitution.

And last, but by no means least, two Members of the First Congress—George Washington and John Adams—were the first two Presidents of the United States under the Constitution of 1787, and two others—John Jay and John Rutledge—were the first two Chief Justices of the U.S. Supreme Court.

They were strong men who differed profoundly about the character of the constitutional and political institutions they created, but the record of their collective achievement offers a challenge to their first creation, the Congress of the United States, and above all a challenge

to this House of Representatives at the beginning of the third century of its history.

Mr. McCORMACK. Thank you, Prof. Merrill Jensen.

I would like to take a moment to recognize some of our distinguished guests and thank those who have helped contribute to the program.

I am going to ask several of them to stand and I would like to ask that we hold our applause until they are all standing.

I wish to express our thanks to Congresswoman LINDY BOGGS of Louisiana and Congressman CALDWELL BUTLER of Virginia, who are members of the Executive Committee of the American Revolutionary Bicentennial Administration; and Mr. John Warner, Administrator of the American Revolutionary Bicentennial Administration; and the distinguished president of the U.S. Capitol Historical Society and a former member of this body, the Honorable Fred Schwengel.

I would also make particular mention of the invaluable assistance given to us by the Woodrow Wilson International Center for Scholars. They have been of tremendous help to us.

I wish also to thank the Director, Dr. James Billington, and the Assistant Director, Mr. Mike Lacey. We wish to thank Dr. Jack Greene. Dr. Greene is the gentlemen who prepared the booklet for us today.

Also, I would like to acknowledge the presence of Deputy Chairman Robert Kingston and the Special Assistant to the Chairman, Joe Hagan, of the National Endowment for the Humanities, who helped finance this program today. These gentlemen are standing in the gallery. The endowment has helped defray the expenses of this program and the Public Broadcasting System.

I would also like to pay tribute to Mr. Hartford N. Gunn, president of the Public Broadcasting System. He is here today.

Then I would also like to commend the manager of our House restaurant, Mr. Kermit Cowan. He has prepared a special menu today with colonial style luncheons. I hope you all enjoy them.

I would like to pay particular tribute to three staff persons who did so much while we were at home over the Labor Day recess—Miss Ann Tonjes and Miss Barbara Grazulis of my staff and most of all Gary Hymel, executive assistant to the Majority Leader "TIP" O'NEILL's staff, who spearheaded this program from beginning to end and more than anyone else has made this entire program possible.

Will you stand up, and may we give them a round of applause.

[Applause.]

Of course we would like to thank the Third Infantry's Old Guard Fife and Drum Corps and the Camerata Chorus of Washington with its conductor, Joan Reinthaler, and the Camerata Chorus at this time will sing.

Thank you very much.

[Camerata Chorus.]

Mr. McCORMACK. I know we all want to express our appreciation to the Camerata Chorus for those songs. Not only for bringing them to us today but for learning them for us for this particular program. Alistair Cooke tells me that these were the two "pop" hits of 1774. You can see how things have changed.

Ladies and gentlemen, the Honorable Congressman JOSEPH MCDADE of Pennsylvania.

Mr. McDADE. Mr. Speaker, my colleagues, and fellow citizens. Our principal speaker today, Mr. Alistair Cooke, is well known to Americans as the creator and narrator of the special television series "America," on which his best selling book of the same title is based.

The series has won 18 awards around the world, including 5 Emmies and the Peabody Award. Mr. Cooke has been an interpreter of America for the British for 27 years through his distinguished radio series, Letters from America. He is perhaps a more sensitive interpreter of the American experience because unlike many of us and like so many of our forebears, he was not born an American but chose to become one.

A great privilege to warmly welcome Mr. Alistair Cooke.

[Applause.]

Mr. COOKE. Mr. Speaker, Mr. McDADE, Members of the House of Representatives, distinguished guests, ladies and gentlemen: Of all the times that I have sat in this House in the past 30-odd years as a reporter and listened to Presidents requesting from you declarations of war—not many of them any more since you lost the power!—listening to pronouncements that the state of the Union was good or bad or indifferent; and listening to debates on everything from the price of battleships to the coloring of margarine; I can assure you that this occasion is for me far and away the most terrifying. It was not at first put up to me as an ordeal, or even as a very great privilege, which indeed it is. I understood that there was to be a cozy get-together of some Congressmen, somewhere, a breakfast perhaps, at which I might be called on to say a few impromptu words. But standing here now I feel as if I were just coming awake from a nightmare in which I see myself before you unprepared and naked, as one often does in dreams, looking around this awesome assembly and blurting out "I accept your nomination for the Presidency of the United States."

When I blithely accepted—the invitation, that is—and the grandeur of this occasion was only then made clear to me, I tried to backtrack on the grounds of a conflict of interest. Because I was supposed now to be standing before an audience not in the United States but in the Kingdom of Fife addressing the annual dinner of the Royal and Ancient Golf Club of St. Andrews. My letter of abject apology to the Secretary prompted from him a chivalrous reply. He wrote:

> It is a pity that you will not be following in the footsteps of Francis Ouimet and Robert Tyre Jones, Jr., but it is splendid that you should be following in the footsteps of Lafayette and Churchill.

He added, however:

> A senior member asks me to remind you that we are 20 years more ancient than the First Continental Congress, and maybe you should get your priorities straight.

I cannot help recalling—and with some pride in the great honor that you do me today—that the only native-born Englishman I ever heard address this House was Winston Churchill. He remarked then that if his father had been American, and his mother English instead of the other way around he might have got here on his own.

The wistful thought occurs to me today that if my father had been Irish, and my mother English, instead of the other way round, I might have tiptoed, at a respectful distance, in the shadow of that mighty man.

We are met in what I take to be the first official celebration of the Bicentennial by the Congress to applaud the men who met in Philadelphia in September 1774, in response to many indignities, mainly, I think, to the military occupation of Boston and the monstrous, and, as it turned out, the fateful blunder of the Parliament, in closing the Port of Boston. This is an action which Englishmen, to this day, think of as being not particularly unreasonable, until you ask them to wonder how they would feel if the Congress of the United States were to close the Port of London.

They were, as we have been told, a very mixed bunch of aggrieved men. We tend to see them as a body of blue-eyed, selfless patriots all at one in their detestation of tyranny. But I doubt that the present Congress spans so wide a political gamut. They ranged from hidebound radicals to bloodshot conservatives. There were, of course, many disinterested men fighting for a principle, but there were also shrewd businessmen who saw, in a possible break with England, a gorgeous opportunity to ally with Spain and control all trade east as well as west of the Appalachians.

But—and it will be worth saying over and over in the next 2 years—the lovers of liberty carry no national passport.

This seems to me a good time to recall some unsung heroes of the American Revolution who sat not in Philadelphia but in the House of Commons, some of them who jeopardized their careers by taking the colonists' side: Henry Seymour Conway, who carried through the repeal of the Stamp Act; General John Burgoyne, himself to be the invasion commander, who raised a storm by urging Parliament to convince the colonies "by persuasion and not by the sword"; the sailor Johnstone, once the Governor of Florida, who warned the House of Commons that what it was doing would provoke a confederacy and a general revolt: a flash of foresight that made the Government benches rise and tell him he had "brought his knowledge of America to the wrong market"; and most of all, Edmund Burke, who got a respectful hearing on anything and everything until he rose to refute the argument that if the citizens of Boston were taxed without representation, they were no worse off than the citizens of Manchester. Burke replied:

> So, then, because some towns in England are not represented, America is to have no representative at all? They are our children,

and when they wish to reflect the best face of the parent, the countenance of British liberty, are we to turn to them the shameful part of our Constitution?

He was booed to the rafters.

Now, by recalling these trans-Atlantic heroes of the Revolution, I wish only to suggest the dangers that lie ahead, and that have lain in the past, in our tendency, especially in the movies and in television, and in too many school books, to sentimentalize our history or to teach it as a continual clash between the good guys and bad guys, between America and Britain, the white man and the Indian, industry and labor, between us and them.

Now, practical men usually distrust history—Henry Ford said it was "the bunk"—as a false guide, and they are right if we think that anything ever repeats itself in the same way. It is, rather, the tendency of history to repeat itself in every way but one, and the new element is unfortunately and usually the only one that matters.

So, it is a normal impulse in men of action—and I take it that I am looking at men who are nothing but men of action—to distrust history because it is done with. Americans are all activists in the sense that they have always believed that tomorrow is going to be at least as good as today, and certainly better than yesterday. Nothing could be more American than the famous remark of Lincoln Steffens after he visited the Soviet Union: "I have seen the future and it works." Bertrand Russell saw the same future at the same time, and what he saw was the past in a new guise, and it chilled his blood. But then Russell had a passion for human liberty and he could smell tyranny even when he couldn't see it. Steffens, on the other hand, was a reporter—of a type not yet extinct—a reporter who believed everything he was told.

We are about to launch ourselves on a 2-year festival of commemoration of the American past. And from the early promises of some chambers of commerce, television producers, motel proprietors, and the manufacturers of buttons and medals, it could turn into an orgy of self-righteousness.

Practically every man who signed the Declaration of Independence is at this moment being measured for a halo, or at worst a T-shirt. This is done, I think, from a fear that the truth might turn out to be dull. Well it's often embarrassing, but it's never dull.

By sentimentalizing our history we do, most of all, an enormous disservice to the young. We imply or proclaim that the United States was invented by saints with a grievance. Now any perceptive 12-year-old knows from his own experience of life that this is nonsense, and any perceptive 5-year-old from her experience in life. So, they transfer their healthy suspicions from the teacher to what is being taught and conclude that American history is a great bore.

Professor Jensen has reminded us that we have the word of a man who was in the thick of things from the start—John Adams—that in 1776 no more than a third of the population was on the revolutionary side. One-third was openly or covertly Loyalist. And the other third was that dependable minority to whom the Gallup poll pays regular tribute: the people who know nothing, feel nothing, and stand for nothing.

We are also undoubtedly going to be plunged, through the TV tube, into a public bath of immigrants, all of whom will be warm-hearted, simple, courageous and abused. But it would do no harm to young Americans—it ought, rather, to fortify their ideals—to learn that many a shipload of immigrants from 1848 into our own time contained also men jumping military service, and delinquents, both adult and juvenile: a lot of people with a lot to hide. This does not demean, indeed, to me, it glorifies the legions who struggled for a decent and tidy life. To know this will only confirm the daily experience of many young people growing up today in a community of mixed national and racial origins. It seems to me that by such teaching of the truth—of the way it was—in all its maddening complexity, they might learn early on the simple lesson that courage and cowardice know no national frontiers or racial frontiers, and that when we say a man or woman is a credit or discredit to their race, we should mean no more or less than the human race.

The war against injustice and bigotry and greed started well before 1774—in fact, with Cain and Abel—and will trouble our history till the end of time.

Now, I think it is good and proper that in 1976 we should celebrate what is best in the American past. But we should remember that our history, like that of all nations, is sometimes fine and sometimes foul. The important thing is to know which is which.

For if we accept at any given time the inevitable complexity of human motives and desires that make up the past, and the present, there is no need to fear. But some people say, "Won't a strong dose of reality disillusion the idealism of the young? It is the same question that a member of the Constitutional Convention put to James Madison when he said that good government could only be based on "ambition counteracting ambition." Was he saying, asked a mocking delegate, that "the frailties of human nature are the proper elements of good government?"

Madison replied, "I know no other." That simple sentence which reflects Madison's unsleeping sense of reality and his ability to get the Convention to set up a system that hopes for the best in human nature, but is always on guard against the worst.

That is what I believe has guaranteed the survival of the Constitution as a hardy and practical instrument of government.

So I suggest that we would be making a foolish spectacle of ourselves if we spent the Bicentennial year proclaiming to a bored world that we are unique and holier than anybody, for today national sovereignty is a frail commodity. Today we and Western Europe are faced in common with a triple threat to representative government. For the first time since the 15th century our cities are threatened by the success of violence. For the first time since the 1920's our countries are threatened by an unstoppable inflation. And for the first time in human history our planet is threatened by an unstopped nuclear arms race.

We are very much in the parlous situation of the Thirteen Colonies. We don't have much time, if any, to think of ourselves as separate nations whose fate is in our hands. Franklin's warning is apt:

> We must all hang together, or assuredly we shall all hang separately.

More and more we and many more nations are, as the Bible warned us, "members one of another."

I think that honest persons who are concerned for the reputation of this country abroad had much cause for misgiving in the past year or two, when our image was rendered alarming to free men by the gradual growth in the executive branch of Government—and it began at least a dozen or 14 years ago—of a kind of domestic Politburo, which in the end, in its malignant form, was indifferent to the Congress and contemptuous of the people and the law.

But then, through the gloom and the squalor that lay on this city, there came a strong beam of light, and it came from this House. Nothing that I can remember has redeemed, in Europe anyway, the best picture of America, which is always the one that ordinary men and women want to believe in, more than the recent public sessions—and how fortunate it was that they were public—of your Judiciary Committee.

Here after a welter of truth, and possible truth, and rumor and hearsay, we saw and heard 38 men and women debating, with sense and dignity and seriousness, the most dire threat to the constitutional system since 1860. And so long as the standing committees of Congress remember that they are standing in for nobody but the people, the state of the Constitution, I think, will be sound. And just so long will the Executive be "the servant and not the proprietor of the people."

So it seems to me a happy thing, and enough of a celebration for today, at any rate, that 200 years after the First Congress met as a team of watchdogs eager to corner a tyrannical executive, this House should have made it possible for us today to say, without complacency, and with some legitimate pride: "I have seen the past—and it works!"

The Colors were retired from the Chamber, the Old Guard Colonial Fife and Drum Corps playing "Yankee Doodle".

The Old Guard Colonial Fife and Drum Corps retired from the Chamber.

The honored guests retired from the Chamber.

At 12 o'clock and 45 minutes p.m., the proceedings commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress were concluded.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock p.m.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD, and that all Members may have permission to extend their remarks on the 200th anniversary of the meeting and accomplishments of the First Continental Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

Mr. GILMAN. Mr. Speaker, this month our Nation observes the 200th anniversary of one of the most momentous and important assemblies of men in the history of the world—the First Continental Congress.

From 11 of the 13 Colonies, delegates assembled in Philadelphia in the fall of 1774. They ranged from the then-unknown George Washington to the firebrand, Thomas Jefferson, and their range of opinions and backgrounds embraced every part of the social and political spectrum.

They came to Philadelphia, then a bustling town of about 38,000 inhabitants, and chose to meet, not in an official building or in the State house, but in a labor union hall, the Carpenters' Hall.

They met in a time of great tension and danger. The English Crown had subjected the Colonies to a succession of unjust and oppressive measures, and the citizens of the city of Boston were suffering under royal directives which had come to be known as the Intolerable Acts.

The work these diverse and distinguished men did in the month they met in Philadelphia changed the course of history. They united in their resistance to the British oppression; they gave voice to their grievances, defined the rights of the Colonies and denied the power of the Crown to abridge them.

The colonial representatives went a step further. In an act of enforcement of their grievances, they formed the Continental Association, an agreement not to import from, export to, or consume goods made in Britain.

This important action was among the first steps toward the creation of a union of the Colonies, to work for their rights and freedoms.

More important than any individual action of the First Continental Congress was the spirit the Congress embodied: the spirit of defiance, and of dedication to the principle that men are born free. It was this principle which led the Second Continental Congress, meeting in Philadelphia 2 years later, to declare the Thirteen Colonies free and independent States.

From their deeds, as we look back on them from our 200 years of perspective, we can take renewed dedication to their ideals and to their spirit which is embodied in their motto which should become the watchword of all Americans today:

May no man enjoy freedom who has not spirit enough to defend it.

The men who met in Philadelphia are long gone. But their spirit and challenge lives on.

Mr. ROUSH. Mr. Speaker, 200 years ago the first National Government in America convened for the first time. George Washington, John Jay, John Dickinson, John and Samuel Adams represented their respective colonies. There were 56 delegates in all who came together to decide what the American colonists should do in light of the fact that the British Government was imposing tyrannical rule aimed at forcing the colonists to accept a domination that geography and political conviction had rendered impossible.

The House of Representatives justly considers this First Continental Congress as our forebear. From "The Congress," as it was simply designated at the time, would come the Second Continental Congress which was absorbed into the Articles of Confederation Government and this metamorphosed into the Congress we know of under the Constitution prepared in 1787.

The First Congress showed patience, determination, and political acuity. The members there in Philadelphia denounced the infamous Coercive Acts the British Government had imposed after the Boston Tea Party; issued a Declaration of Rights including among these life, liberty, property, the right of assembly, and trial by jury; established a Continental Association to boycott English goods and ultimately—unless the grievances were eliminated—embargo American exports to England.

Their hope was for peace and unity with the mother country—on their own terms, which meant the continuation of the kind of freedom and independence to which they were accustomed. But they prepared for the eventuality of failure of their petitions for redress to the King by expanding the Continental Association and by advising the Colonies to provide militia for themselves.

That the First Congress was to be a continuous association among the Colonies was evidenced by their agreement to meet again in the spring of 1775, if conditions had not so improved as to make this unnecessary.

Mr. Speaker, I look back upon this period of American history with a great deal of pride and much awe. I cannot help but marvel at the achievements that were made by this virtually untried group in such a time of crisis and uncertainty. With them began our national experiment with representative democracy and popular sovereignty. The leadership they gave to that movement in its earliest days certainly went far to assure the continuance, the stability, the sense of purpose that that first union among the American Colonies required.

In the 200 years since that First Continental Congress, 13 Colonies have grown to 50 States and 56 delegates to 435. But I can read what the delegates in Philadelphia said at that time. I can reflect on the principles they stood firmly by. I can observe the actions they took to defend themselves from arbitrary and tyrannical authority. And I find a continuity between that body and this one today. I find that what they cherished in the way of natural, God-given rights, the kind of society they demanded to protect those rights, are the same today. We in this body still enshrine human liberty and conceive of government as that mechanism to preserve and defend it. Our traditions in this House are finally rooted in the very beliefs and convictions of those delegates to the First Continental Congress 200 years ago.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 16032, CHANGING THE COMPOSITION OF THE PENNY AND AUTHORIZING GRANTS TO EISENHOWER COLLEGE

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1312 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1312

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the one-cent piece and to amend the Bank Housing Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, New York. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which

I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1312 provides for consideration of H.R. 16032, which, as reported by our Committee on Banking and Currency, would authorize the Secretary of the Treasury, under certain conditions, to change the alloy and weight of the 1-cent piece. The proposed legislation would also amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N. Y.

The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of such consideration the committee would rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, although the proposed legislation involves both ends of our coinage spectrum, pennies and dollars, each of the two sections of H.R. 16032 lends itself to separate consideration. In ascending order, therefore, let us first consider the penny problem, which is dealt with in section 1.

It is common knowledge that our 1-cent coin is composed of 95 percent copper and 5 percent zinc. Speculators, particularly, are aware of this fact. They also know that pennies could become very attractive for a purpose other than making change upon the concurrence of two things: First, if copper content of the 1-cent coin remains at 95 percent; and second, if the price of copper exceeds $1.50 per pound.

In April 1974, copper rose to $1.43 on the futures market, which prompted the Secretary of the Treasury to exercise his authority under the Coinage Act of 1965 by issuing an order prohibiting the melting, treating, or exporting of 1-cent coins.

To discourage such speculative interest in the 1-cent coin and to assure sufficient pennies in circulation to meet the needs of commerce, the proposed legislation would give the Secretary of the Treasury discretionary authority to reduce the copper content of the penny and even to direct the production of pennies of other metallic content, provided that he gives the Congress at least 60 days' notice of the alternative materials he intends to use, and provided, further, that he also considers the effect of the use of such other metallic coins upon coin-operated devices.

Section 2 of H.R. 16032 directs our attention to Eisenhower dollars. Up to the close of business on June 28, 1974, the Government had sold 8,306,294 of the Eisenhower proof silver dollars—40 percent silver content—at $10 each, as authorized by the Bank Holding Company Act Amendments of 1970. Section 2 of the proposed legislation would authorize the appropriation of one-tenth of the gross sales to date of the Eisenhower proof silver dollars, up to a total of $10 million, to Eisenhower College, which was designated by Congress in 1968 as a memorial to our 34th President. Under the provisions of the proposed legislation, therefore, the sum of $8,306,294, one-tenth of the gross sales, could be appropriated to Eisenhower College.

However, before the Secretary of the Treasury may transfer any money to Eisenhower College under the proposed legislation, Eisenhower College must make satisfactory assurances to him that 10 percent of the amount it receives will be transferred to the Sam Rayburn Library at Bonham, Tex.

Mr. Speaker, under section 1 of H.R. 16032, no costs would be incurred outside of the normal Bureau of the Mint expenditures in the production of the new authorized 1-cent coins. Under section 2, the maximum appropriation to Eisenhower College, assuming additional proof silver dollars are sold hereafter, would be $10 million, of which sum $8,306,294 would be authorized immediately.

Mr. Speaker, I urge the adoption of House Resolution 1312 in order that H.R. 16032 may be considered.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. Was there similar legislation that the House killed about a year ago by striking down the rule making the legislation in order?

Mr. MATSUNAGA. That is my recollection, but within a year, it is the feeling of the Committee on Rules that Members of the House are enlightened as to the facts and as to the goodness of this bill. Therefore, we are bringing it up again, for the consideration of a slightly different bill.

Mr. GROSS. Is the financial situation of the country in such shape that we are now financing colleges out of specially minted coins and that sort of gimmickry? If so, why do we not just support all colleges by minting special coins?

Mr. MATSUNAGA. For this reason, I might say to the gentleman from Iowa: In the case of the Eisenhower College, the Congress approved it as a living memorial to our 34th President. None of the other colleges can make that claim, and therefore, I feel it is the obligation of the Congress to make good on our pledge.

The gentleman will recall also that in authorizing the minting and selling of Eisenhower dollars to be sold not at $1 apiece, but at $10 apiece, it was understood that some of that money would be used for the purpose of maintaining the Eisenhower College.

Mr. GROSS. This could also mean the House is trying to rectify a mistake it made when it defeated the rule a year ago?

Mr. MATSUNAGA. Well, I think perhaps at that time the gentleman from Iowa who opposed the measure was too strong in his persuasion.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I am happy to yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, I am listening with a great deal of interest to this, and I just want to ask a question.

Does the gentleman consider this "backdoor spending"?

Mr. MATSUNAGA. I do not know what the gentleman means by "backdoor spending."

Mr. HOLIFIELD. Well, that is usually spending from nonappropriated funds, from a revolving fund or some special arrangement whereby it does not have to go through the authorization process and through the Committee on Appropriations. That is the way it has been explained to me.

Mr. MATSUNAGA. Mr. Speaker, if the gentleman will yield, I will state that I would hate to think of this bill as authorizing "backdoor spending" in the undesirable way. Everything is out in the open, and we are dealing with it specifically. I would certainly hate to think we can maintain the Eisenhower College, which is a living memorial to President Eisenhower, only by backdoor spending. I would like to authorize and appropriate it openly, through the front door; as we are proposing to do in H.R. 16032, by action of the whole House.

Mr. HOLIFIELD. Mr. Speaker, I have another question.

As I understand it and from the way the gentleman explained it, there would be some $8 million to go to the Eisenhower College and some $2 million to the memorial for our former revered Speaker, Sam Rayburn; is that right?

Mr. MATSUNAGA. Not $2 million but $1 million of it, yes.

Mr. HOLIFIELD. Is the figure $1 million?

Mr. MATSUNAGA. As a matter of fact, 10 percent of $8 million would be $800,000, not quite $1 million immediately, but a maximum of $1 million.

Mr. HOLIFIELD. I see. Mr. Speaker, I thank the gentleman.

Mr. MATSUNAGA. The grant to Eisenhower College would be conditioned upon its setting aside 10 percent of it for the Rayburn Library.

Mr. HOLIFIELD. Mr. Speaker, I will ask this further question:

Is this kind of a partnership arrangement, such as making hamburger meat out of a horse and a rabbit, 50–50 as far as animals are concerned, but 80–20 or 90–10 as far as the division of money is concerned.

Mr. MATSUNAGA. Mr. Speaker, if the gentleman will yield further, I do not know much about horses, and I do not believe I have ever eaten hamburgers made out of horsemeat. So I am afraid I am going to have to yield to the gentleman from Texas, Mr. Patman, to answer that question, or perhaps the gentleman might raise that question during general debate on the bill itself.

Mr. HOLIFIELD. Mr. Speaker, this House, of course, reveres both former President Eisenhower and our former Speaker, Sam Rayburn. I was just making the inquiries from the standpoint of broadening my knowledge of the

subject matter which the gentleman has quite ably explained.

Mr. MATSUNAGA. Mr. Speaker, I might say to the gentleman from California that the money is already there. The dollars have been sold, and the money is already in the Treasury.

We made money by selling money, because we sold over 8 million silver dollars for $10 apiece. The taxpayer is not being asked to pay for the proposed expenditure; coin collectors like my son have already paid to finance the proposal.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am reading from the report on page 5, in answer to the question asked by the gentleman from California (Mr. HOLIFIELD) as to "backdoor spending."

It says as follows:

> Under section 2 of H.R. 16032 the $10 million authorized for grants to the two institutions can be made available only through appropriation.

The distinguished gentleman from Hawaii (Mr. MATSUNAGA) has ably pointed out the provisions of the resolution. I see no harm in debating the bill.

It is true that a similar measure was up in August 1973 and the rule was defeated, but the issue of the penny was not a part of the measure. Taking the copper out of pennies is merely a standby provision, and I feel that we do have an obligation to the Eisenhower College. And since we do have an obligation there, 10 percent of the total sales of the Eisenhower proof silver dollars goes to the Eisenhower College, and 10 percent of that amount would go to the Sam Rayburn Library.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I am happy to yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I thank my friend, the gentleman from Tennessee, for yielding.

I was just wondering about this: I am a little puzzled as to why such apparently different measures are joined in this bill.

It would seem to me that the matter of the content of the penny on the one hand and that of the support of these worthy institutions on the other are somewhat different matters. I do not quite understand why the two have been joined in this wedlock, or combination, or whatever it may be.

Mr. QUILLEN. That is a very good question, and it was asked of the chairman of the committee, the gentleman from Texas (Mr. PATMAN) when he was before the Committee on Rules, and I shall now yield to the gentleman for his answer at this time.

Mr. PATMAN. Mr. Speaker, both sections of this bill—and there are only two sections—deal with coinage. They are related. There is no question but what they belong together.

I believe that we could not honor the memory of two greater men than President Eisenhower and former Speaker Sam Rayburn who, incidentally, was born in west Tennessee, and then went to Texas when he was very young with his family, and they lived in the same congressional district, I mean President Eisenhower and Mr. Rayburn. Mr. Eisenhower was born over in the Sam Rayburn area in Texas. So that there is a lot of connection between the two of them.

Mr. QUILLEN. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I will be delighted to yield to the gentleman from Iowa.

Mr. GROSS. I hope the gentleman from Texas will remain on his feet. Is the gentleman telling us that this is a real nice horse trade?

Mr. PATMAN. No.

Mr. GROSS. What did the gentleman say? The gentleman said he made some kind of a deal with the other body in order to trade one portion of this bill for the other?

Mr. PATMAN. The other body has passed the bill.

This is a true and genuine way to recognize the memories of two of the greatest men who ever lived in the United States.

It will not cost anything, and the Government actually makes money on it. It is all open and above board. There is no trade-out, or anything else.

Mr. GROSS. It sounds very much like a horse trade. Is the gentleman from Texas saying that?

Mr. PATMAN. There are some honest horse traders, you know.

Mr. GROSS. Well, that may be. I have not seen any of them around here lately.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I believe there are a couple of points that I think are important and that should be brought out here today. One of them seems to be the fact that there is a misapprehension in the House that it was the officials of Eisenhower College who suggested this plan of financing the college. I want to make it perfectly clear that there was no official of Eisenhower College who made that suggestion.

The original idea for that came from a person by the name of Leonard Gorman, who is editor of the Syracuse Post-Standard, one of the leading daily newspapers in upstate New York, who suggested that a percentage of the money raised by this method would certainly provide a fitting memorial for President Eisenhower.

There is one other thing that I should like to mention. There has been a comment about back-door spending. Actually this is a misnomer. The truth is that this is back-door financing, because we are using the memory and the honor and the love of this great man to raise $470 million for the Treasury of the United States of America. All this bill does is suggest that less than 2 percent of that money be used to perpetuate a monument, a monument that he himself wanted in his memory.

I thank the gentleman for yielding.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I shall be delighted to yield to the distinguished gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding.

I think the gentleman from California (Mr. HOLIFIELD) raised a legitimate question when he asked if this is not in fact back-door spending. I say it is. The gentleman from Tennessee pointed to some language in the report in support of the idea that it is not back-door spending, but if we read the language of the bill, it says:

> Except as provided by subsection (b) and after receiving the assurances described in subsection (c), the Secretary of the Treasury is authorized to take one-tenth of all moneys derived from the sale of $1 proof coins minted and issued under section 101(d) . . . and transfer such amount of moneys to Eisenhower College, Seneca Falls, New York.

This Congress has no discretion as to how much money shall be appropriated, and that is what back-door spending is all about. This bill before us directs the Treasurer of the United States to transfer funds to the Eisenhower College immediately upon enactment.

It seems to me that it is back-door spending—and I should like to state that I agree with the gentleman from Hawaii (Mr. MATSUNAGA), that what we ought to do is be open and direct and for that reason I recommend to the gentleman a bill which several of us introduced, H.R. 9960, and which was referred to the Committee on Education and Labor, which is the proper committee to consider grants of this kind.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I shall be happy to yield 2 minutes to the gentleman from New York.

Mr. WALSH. I thank the gentleman for yielding.

I will not require 2 minutes. I just want to point out that on page 6 of the report under the "Cost of the Legislation," there is a statement that:

> This legislation would entail no costs outside the normal expenditures of the Bureau of the Mint in the production of coins authorized by Section 1.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the distinguished gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Speaker, I consider this to be a worthy bill. I think we can spend a lot of time arguing about technicalities—such things as how the obligation is financed, as to whether or not some official of the college made some commitment in the past as to whether or not he would be back for appropriations at some time in the future. Appropriations, as such, are not at issue here. The fact is that this is an appropriate living memorial to President Eisenhower. It is something that will be of considerable benefit to the

youth of our country. His widow and his family would appreciate additional assistance on a memorial that is faltering at this point for financial reasons. We are using President Eisenhower's memory to raise substantial sums of money through sale of these coins. How odd that we are quibbling about giving a very small portion of that money back to sustain the only memorial he wanted.

I should hope that my colleagues in this body will look into their hearts and do an appropriate act of generosity and of wisdom in supporting an institution which desperately needs our help.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I want to say to the membership that I would strongly urge the passage of this resolution and the bill, for the reasons as set forth by the gentleman from New York, the gentleman from Hawaii, and others. It is a worthy measure.

Mr. Speaker, I reserve the balance of my time.

Mr. HANLEY. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the rule which will allow us to accomplish several things. Fundamentally, it will give the Treasury Department the flexibility it needs with regard to the composition of the penny.

Second, it allows the Congress to recognize the obligation that it undertook back in 1968 with regard to Eisenhower College. I am confident that the majority of the House wants to support this measure. They want to support a living memorial to two great Americans, Dwight Eisenhower and Sam Rayburn.

I hope very much we can agree on this rule and then let the House debate the merit of the bill. I am confident that the majority will support the bill.

Mr. MATSUNAGA. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I had not intended to speak on the rule, but I know what the reaction to this bill has been in the past. It is conceivable that the House might try to vote down the rule. For that reason, I would like to say what little I have to say on this subject now. There has been a great deal of misunderstanding with regard to the legislation which created this college as a memorial to the late President Eisenhower. It happened to be in my congressional district at that time. The stories that have appeared in the press and in some of the fun that was made on the floor a year ago when this rule was voted down have completely ignored that particular point.

We have created this college as a memorial to a former President. I think it would be unfortunate if by our inaction, by our nitpicking, by our attempt to say, "Well, we would like to help this college but we want to do it some other way," we would allow this memorial to a great President to falter.

I think it says something about the character of President Eisenhower—who, incidentally, like President Truman, is beginning to look a good deal better than when he retired from the Presidency—I think it says a lot about his character that when he was asked what kind of memorial he wanted, he said he wanted this little college in upstate New York, named after him for his official memorial. What we are doing is not a dipping in the Treasury. The money from which these funds are to come is money that has been made for the United States because of the love and affection that the people of the United States have had for President Eisenhower. In a very real sense President Eisenhower has gone out and raised this money posthumously by his personality and his dedication. All we are asking is that a small portion of those funds should be used to keep alive a living memorial in his name.

I hope the rule will be adopted.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Speaker, I would like to ask my colleague from New York or the gentleman from Hawaii who has the rule, did not this bill originally surface some time in 1968 and was not a proposition made at that time that $5 million matching funds would go to this particular institution, that it would be a one-shot deal?

If I remember correctly, a statement was made to that effect—that $5 million would be all they would request. They will not be back here anymore. Now, is that correct?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from New York. He went to the committee for that.

Mr. STRATTON. Mr. Speaker, if the gentleman will yield to me, I certainly would agree with that. There was a statement made when we came in with the original legislation, of which I was the author, that the $5 million which was to be given by the Federal Government, in return for $5 million in matching funds to be raised by the college, would represent all that the college needed to survive. So this new request does represent an overrun, if you like. This is the kind of thing we have seen before, I daresay. The John F. Kennedy Memorial Center came back to us with an overrun of 140 percent, and we had to appropriate additional funds, and we did appropriate them.

Mr. SCHERLE. I decline to yield further.

All I am saying is that we have many institutions of higher learning that have run into financial difficulty. If the gentleman is going to start a precedent by bailing out every single——

Mr. STRATTON. They are not memorials to Presidents of the United States, however.

Mr. SCHERLE. Mr. Speaker, let me say to my colleague that I have as great admiration and love and affection for Sam Rayburn and President Eisenhower as he does. We are not talking about them personally. We are talking about a higher institution of learning.

What I am saying is that to come in here for a repeat performance on a one-shot deal which the House provided—I have three institutions of higher learning in Iowa such as Iowa State University, Simpson College, and Graceland College.

Mr. STRATTON. These colleges are not memorials to a President of the United States. Eisenhower College is a memorial, the only one we have. That makes a big difference.

Mr. SCHERLE. It will not take long for me to change the name of the college and put in some notable such as James Harlan or Sam Kirkwood.

Mr. STRATTON. If the gentleman wants to allow this great memorial to a great Republican President, that is his responsibility.

Mr. SCHERLE. Mr. Speaker, the House is getting a little tired of these one-shot deals which come back to haunt this body despite the fact that it ends up holding the sack for the initial proposition, which at the time it was made could not be honored.

Mr. Speaker, I thank my colleagues for yielding to me.

Mr. MATSUNAGA. Mr. Speaker, I yield 4 minutes to the gentleman from Texas, the chairman of the committee, (Mr. PATMAN).

Mr. PATMAN. Mr. Speaker, it occurs to me that the Rayburn sections of the bill merit, and if this were not the case, I would feel that the memory of one of the greatest men in the world, Sam Rayburn, was not given proper attention or proper support or proper recognition.

Mr. Rayburn, I think, did more for young Members of Congress than any other man who has ever served here. He was kind, he was respectful, he was attentive to their needs and wishes. He always had time to talk to them. He would advise them, and advise them correctly. We just did not have a better man in the Congress.

It is true that all the Members here now were not here when Mr. Rayburn served, but everyone who was here certainly respect his memory, and I believe will do anything they can to properly represent what should be done to recognize his memory.

This bill is different than the one last year. Then, we had a bill up here that was an open-ended bill and could not be restricted to $10 million, as this bill is. It could have been $100 million. That is one of the things that caused the defeat of the rule.

Another thing was that in addition, it had back-door financing in it. This bill does not have back-door financing. This bill says under section 2 that $10 million is authorized to be appropriated to the two institutions to be made available only through appropriations.

So, it has no open end to it and it has no back-door financing. Those are the two things that caused the defeat of the rule a year ago that were in the bill, and since they caused the defeat, I think it is perfectly reasonable to ask that the Members reconsider that after we have taken these features out.

Mr. Speaker, I certainly hope that the Members can see their way clear to sup-

port this bill. It is certainly worthy of their support. I do not believe there is any way we can recognize or remember two greater men in the country with such a small amount of money as contained in this bill. I ask the Members to support the rule and we will hear the arguments with regard to the bill.

Mr. MATSUNAGA. Mr. Speaker, I urge my colleagues to vote the rule, and if there are any further questions relative to the bill, we can take it up in the Committee of the Whole.

Mr. Speaker, I urge the adoption of the rule.

I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SIKES. Mr. Speaker, I note that on yesterday, on rollcall 536, which appears on page H9491 of the House RECORD, I am recorded as voting for a resolution to cut off arms to Turkey.

Mr. Speaker, I spoke against the resolution. I am against the resolution. I thought that I was voting against the resolution. I intended to vote against the resolution.

I ask that this explanation appear in the RECORD.

HON. EMMETT FRANCIS BYRNE

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, it is my sad duty to inform the House that our former colleague, the Honorable Emmett Francis Byrne of Chicago, Ill., died last evening after serious illness.

Although Representative Byrne served only one term, the 85th Congress, he was well known and highly regarded as an effective legislator who worked diligently for his district, State, and Nation. An attorney, Representative Byrne served as assistant corporation counsel for the city of Chicago, assistant State attorney for Cook County, draft board chairman, Illinois Commerce Commission hearing officer, and most recently, as a member of the Chicago Regional Export Expansion Council.

On behalf of my colleagues in the Illinois delegation, I extend deepest sympathies to the Byrne family.

PLACING CERTAIN SUBMERGED LANDS WITHIN THE JURISDICTION OF THE GOVERNMENTS OF GUAM, THE VIRGIN ISLANDS, AND AMERICAN SAMOA

Mr. DE LUGO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11559) to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

AMENDMENTS

Page 2, line 14, strike out all after "(iii)" down to and including line 17 and insert: "all submerged lands adjacent to property above the line of mean high tide acquired by the United States by eminent domain proceedings, purchase, exchange, or gift, after the date of enactment of this Act, as required for completion of the Department of the Navy Land Acquisition Project relative to the construction of the Ammunition Pier authorized by the Military Construction Authorization Act, 1971 (84 Stat. 1204), as amended by section 201 of the Military Construction Act, 1973 (86 Stat. 1135);"

Page 4, line 1, after "reimbursement," insert: "and subject to the procedure specified in subsection (c) of this section".

Page 4, after line 6, insert:

"(c) No conveyance shall be made by the Secretary pursuant to this section until the expiration of sixty calendar days (excluding days on which the House of Representatives or the Senate is not in session because of an adjournment of more than three days to a day certain) from the date on which the Secretary of the Interior submits to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate an explanatory statement indicating the tract proposed to be conveyed and the need therefor, unless prior to the expiration of such sixty calendar days both committees inform the Secretary that they wish to take no action with respect to the proposed conveyance."

Page 5, after line 8, insert:

"(d) Nothing in this Act shall affect the status of lands beyond the three-mile limit described in section 1 of this Act."

Page 6, line 17, after "ancestry" insert: ": *Provided, however,* That this section shall not be construed in derogation of any of the provisions of the April 17, 1900 cession of Tutuila and Aunuu or the July 16, 1904 cession of the Manu's Islands, as ratified by the Act of February 20, 1929 (45 Stat. 1253) and the Act of May 22, 1929 (46 Stat. 4)".

Mr. GROSS. Mr. Speaker, reserving the right to object, this is confined to Guam? What territory does this legislation embrace?

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes.

Mr. DON H. CLAUSEN. I will read fully this statement that I intend to put in the RECORD:

Mr. Speaker, I rise in support of H.R. 11559 as amended by the other body. H.R. 11559 conveys title and control of submerged lands on Guam, the Virgin Islands, and American Samoa. Local control of such area is in consonance with the authority already vested in the 50 States and the Commonwealth of Puerto Rico, permitting better land and water use development and closing the time-lag to initiate shoreline improvement. This act also turns over to the Virgin Islands government title of properties which have been under territory government control since 1937. The provisions of this act provide for the protection of U.S. Federal interest while simultaneously stimulating political and economic growth in America's territories. In meeting these two objectives, Mr. Speaker, I therefore recommend the unanimous consent of this measure by my colleagues.

Mr. GROSS. Then this legislation in no way affects submerged rights to minerals or petroleum on submerged lands offshore from the continental United States?

Mr. DON H. CLAUSEN. Mr. Speaker, the answer is "No."

Mr. GROSS. Mr. Speaker, I thank the gentleman.

I withdraw my reservation of objection.

Mr. WON PAT. Mr. Speaker, on behalf of my fellow Americans on Guam, I rise to ask that the Senate amendments to H.R. 11559, a bill to confer certain submerged lands to the governments of Guam, the Virgin Islands, and American Samoa, be accepted so that this bill can become law.

As you know, this measure in its original form passed the House on March 18, 1974 without a single dissenting vote. I am proud to be a cosponsor of this crucial measure together with my fellow Delegate from the Virgin Islands, RON DELUGO, and my other good friends, Representatives PHILLIP BURTON, chairman of the House Subcommittee on Territories, DON H. CLAUSEN, and RALPH REGULA.

Although the measure now before us has been amended in four minor instances, I find no reason why these amendments should not be accepted to prevent further delay in sending H.R. 11559 to the White House for final action.

The first amendment simply clarifies the language to ensure that the properties to be acquired by the Department of Defense on Guam for the construction of a new ammunition pier will remain under Federal jurisdiction. The House passed bill would place some clouds on the title of the properties conveyed by this act.

The second amendment suggested by the Senate also asks that Congress retain its present 60-day review of all future land transfers under the provisions of the 1963 Submerged Lands Act. Here, too, I have no objection as past experience has never shown this provision to be a problem.

The remaining two amendments only clarify that territorial jurisdiction over our respective submereged lands shall be within the standard 3-mile limit accepted by all coastal States and to comply with the Treaty with American Samoa as it deals with communal property rights in those islands.

Mr. Speaker, and my colleagues here today, your acceptance of this measure now will be recorded in history as a major advance for the political rights of your fellow Americans in the Territories.

These citizens have earned the right to have the same degree of political control over their lands as have their main-

land counterparts. They have shown their ability to govern wisely and fairly and need your assistance in removing Federal control over territorial submerged lands and transferring it where it belongs: to the people who live there.

I know that the people of Guam will be appreciative of your support and I urge that this measure be supported by the House.

Mr. DE LUGO. Mr. Speaker, it is with very real pleasure that I rise this afternoon to ask for unanimous consent for the acceptance of the Senate's amendments to my bill which would transfer submerged lands to the governments of the Virgin Islands, Guam, and American Samoa, and would also transfer many pieces of real property, which have important cultural and historic significance to the people of the Virgin Islands, to the territorial government.

I wish to thank the distinguished chairman of the Interior and Insular Affairs Committee, Congressman JAMES A. HALEY, for his continuing support and encouragement, and Congressman PHILIP BURTON, the distinguished chairman of the Interior Committee's Subcommittee on Territories and Insular Affairs for his thoughtfulnes in relinquishing what traditionally is his role in handling this legislation on the floor of the House. I also want to express my appreciation to my distinguished colleague from California, Congressman DON H. CLAUSEN, the ranking minority member of the subcommittee, for his gracious assistance throughout the history of this bill.

I am particularly happy to be able to speak on behalf of this legislation which has such profound economic and political significance for the territories. This legislation will make the rental and permit fees for the use of submerged and tidal lands payable to the territorial governments rather than to the Department of the Interior. While these funds are only a fractional amount of the Department's budget, they will be of substantial assistance to these governments.

In addition, the direct control of submerged lands by the local governments involved will eliminate the present long and frustrating administrative process involved in going through the Federal bureaucracy every time an application for use is submitted. While my legislation will ease the administrative burden involved in the development of submerged lands, the placing of these properties under local jurisdiction and supervision will lead to stricter adherence to ecological considerations than is possible with the present absentee ownership. An essential feature of this legislation is that the lands transferred will be administered for the benefit of the people guaranteeing their productive use and preservation for the present and future generations.

Mr. Speaker, the amendments offered by the Senate have the full concurrence of both the majority and minority members of the subcommittee in which hearings on this legislation were held initially, and therefore I ask unanimous consent for their acceptance. This will be the final legislative act before this bill is ready for the President's signature and marks an historic step forward in the recognition of the political maturity of the territories.

The SPEAKER. Is there objection to the request of the gentleman from the Virgin Islands?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LUGO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate amendments to the bill H.R. 11559 just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from the Virgin Islands?

There was no objection.

ANNUAL REPORT ON AGRICULTURAL EXPORT ACTIVITIES (FOOD FOR PEACE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-362)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed with illustrations.

To the Congress of the United States:

I am pleased to transmit to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This has been a successful program. It has provided a channel for humanitarian assistance, promoted economic development and, in general, supported foreign policy objectives of the United States.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the tight commodity supply situation in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food contributions to the drought-stricken African countries, including Ethiopia, were substantial. In both East and West Africa, United States food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained and the Title I concessional sales programs continued in such high-priority countries as Bangladesh, Bolivia, Cambodia, Israel, Pakistan, and Vietnam.

The Food for Peace program continues to be the primary U.S. food aid activity. Concessional sales programs continued to encourage recipient countries to establish self-help objectives and also support economic development projects. The program retains its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and pre-school children, the most nutritionally significant periods of human life. Although most programs have aspects of agricultural market development, specific programs for trade expansion have been limited because of strong commercial demand. Such programs could be resumed under changed supply conditions.

As 1973 legislation authorized the extension of the Public Law 480 program through 1977, it will go on playing its vital role in terms of development assistance, trade expansion, and promotion of our foreign policy objectives.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

FINAL REPORT OF THE ADVISORY COUNCIL ON INTERGOVERNMENTAL PERSONNEL POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor.

To the Congress of the United States:

It is a privilege for me to transmit to the Congress the final report of the Advisory Council on Intergovernmental Personnel Policy.

This report, which supplements earlier work by the Council, addresses three issues of importance to Government at all levels: equal employment, labor management relations, and the development of workforce policies by State and local governments. Because the members of the Council have expressed themselves forcefully and forthrightly on these matters, their work should serve as a useful reference point for public officials everywhere. All of us should be indebted to the Council members for their dedicated service and wisdom.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

CHANGING THE COMPOSITION OF THE PENNY AND AUTHORIZING GRANTS TO EISENHOWER COLLEGE

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16032, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

(By unanimous consent, the first reading of the bill was dispensed with).

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from New Jersey, (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 16032 is a good bill, a well-thought-out bill, to accomplish two important purposes in the national interest.

One, it will provide the Treasury Department with flexibility in meeting the tremendous demand for 1-cent coins in our economy, no matter what happens in the future to the price of copper. We came very close this year to not having enough pennies to enable merchants throughout the country to make change, because billions of pennies were disappearing from circulation and being hoarded for their copper content. We need pennies in vast quantities. If we did not have pennies, then every cash sale would be marked up to the next nickel, and we certainly do not want that kind of further contribution to inflation.

The price of copper has come down from its record levels in April, and we have every hope that the standby provisions of H.R. 16032 will not have to be utilized. But when a commodity can go from 50 cents a pound to nearly $1.50 a pound in 1 year's time, as copper did, then we have to be prepared in case it should go even higher at some future time. What section 1 of this bill does is to permit the Secretary of the Treasury to reduce the copper content of the penny in case copper prices should go above $1.50 and make the standard penny more valuable for its copper content than as a coin.

Reducing the copper content to 70 percent—instead of 95 percent—would provide enough leeway to allow for copper prices up to about $1.86 per pound. But if copper went above that, then the Secretary could, under this bill, temporarily use some other metal or metals in the 1-cent coin until it was again feasible to go back to copper pennies. He would have to take into consideration the problems which might arise in vending machines from the use of a noncopper penny, and he would also have to give Congress enough advance notice of any change to allow us time to act in case we did not want to let him go ahead with a particular copper substitute for the penny.

Basically, it is standby legislation. If copper prices do not go high enough to make it impractical to continue minting copper pennies, then nothing will be changed. But since we need more than 8 billion new pennies a year for commercial purposes, we have to be prepared for any future threat to the circulation of these coins. As the Members know, our committee acted 9 years ago to save the dimes, quarters and half-dollars from going out of circulation because of pressures on silver prices, and we solved that problem with the cupro-nickel coins. They are not as handsome as the old silver coins, but they get the job done, and we have had no shortages of the subsidiary coins. This bill will assure a continued supply of pennies, no matter what happens in the copper or other metals markets.

Section 2 of the bill deals with a matter which I am sure is close to the hearts of every Member of the Congress—Republican and Democrat alike—and that is honoring in a most appropriate manner the memories of two of the great men of our national history, the late Five-Star General and President Dwight David Eisenhower and our own Mr. Sam, the late Speaker Sam Rayburn.

Both men have had memorial institutions named after them—Eisenhower College at Seneca Falls, N.Y., the living memorial to Ike; and the Samuel Rayburn Library at Bonham, Tex., where Speaker Rayburn's papers are deposited for study by scholars interested in learning about the processes of democracy from the standpoint of one of its greatest practitioners.

Both institutions need additional funds to provide greater service to the educational community. The two institutions are bound together in a cooperative program to share materials and information and training opportunities. This is most fitting, because Dwight Eisenhower was born in the congressional district represented for so many years by Speaker Rayburn; and Speaker Rayburn guided through Congress the legislation which enabled General Eisenhower to liberate North Africa and Western Europe in World War II and worked closely with President Eisenhower during his two terms in office.

In this legislation we honor a Republican and a Democrat, both among our greatest Americans.

More than 8 million Eisenhower proof silver dollars have been sold to Amercans who revere Ike's memory and who have been willing to pay $10 each for a coin with a face value of $1. Under this bill, $1 of the mint's very high profits from each of those $10 coins would go to the college President Eisenhower himself designated as his primary memorial, and the college in turn would provide 10 percent of such receipts to the Rayburn Library.

There is no backdoor spending aspect to this. The funds would have to be appropriated, and a limit of $10 million is set under the bill. These changes from the bill we reported last year should eliminate objections voiced on the floor last year that the bill was open ended with no limit imposed and that it was backdoor spending.

Mr. Chairman, I now yield such time as she may consume to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I am happy to explain the provisions of section 1 of this bill. Section 1 deals only with the penny, and is in the form in which this legislation was approved by the Subcommittee on Consumer Affairs. Section 2, of course, deals with Eisenhower College, and was not in the subcommittee bill.

Section 1 is standby legislation, in case the price of copper should shoot up so high that pennies would again disappear from circulation because of their copper value. The so-called "melting point" of pennies, in terms of copper prices, is $1.50 per pound. A year ago, copper was only about 50 cents a pound; this spring it rose above $1.43 on the futures market. It is now down to less than 70 cents, but it is pretty volatile and could move back up again and go higher than it ever did before. We just do not know.

When this situation began to develop over the winter, with copper prices soaring, the Treasury asked for authority to go to an aluminum coin. We held hearings on that bill, and rejected it. There was no sentiment for an aluminum penny and a lot of opposition to it, from the vending machine industry which would have had a real problem with aluminum pennies jamming their machines, and even from the pediatricians who pointed out how hard it is to find an aluminum coin through X-rays in case a child swallows one. The Treasury acknowledged that the vending machine problem would be solved if they reduced the content of the penny from 95 percent copper, 5 percent zinc, to a low of 70 percent copper, 30 percent zinc. The resulting coin would be just about the same weight as the present coin. But if they went below 70 percent copper content, the metal would be too hard to strike in large quantities, the dies would wear out too fast. So 70 percent copper is the practical minimum for coinage in large quantities. Just remember that 80 percent of all coins we turn out now are pennies, more than 8 billion a year.

So what we did in the subcommittee was this: we proposed allowing the Secretary of the Treasury to reduce the copper content on a temporary basis whenever that is necessary to assure continued availability of pennies. A penny of 70 percent copper content would have a melting point of $1.86 per pound copper, compared to $1.50 per pound copper for the present 95 percent copper cent.

But if the price were to go to above $1.86 by any significant amount, then the problem would reoccur. So we provided very strictly limited authority to the Treasury to go to some other material if it is impracticable to use copper. But that could be done only after notification to Congress at least 60 days in advance of any change—and those 60 days do not include any period of adjournment of Congress or recess for more than 3 days. So if they came up with another proposal for an aluminum coin, and we still felt as we do now about aluminum, we would have a chance to block such a change. Whatever substitute material they intended to use would have to be decided upon only after taking into con-

sideration the use of such coins in coin-operated devices, and I think that pretty well rules out aluminum for the penny. It is the light weight of an aluminum coin which causes the problems in the vending machines.

The reason we have to worry about copper prices in relation to the circulation of the penny is that, even though it is illegal to melt down pennies for their copper content, a lot of speculators jump in and buy up pennies when copper prices approach the penny's melting point. For instance, until we stepped in and called upon the Federal Reserve System to stop it, a lot of banks were ordering pennies in huge quantities from the Federal Reserve banks for speculators and hoarders. One commercial bank officer in the Nashville area wanted $10,000 worth as a personal investment. A speculator in San Antonio tried to get $10,000 worth through his bank.

In El Paso, someone wanted a local bank to order $50,000 worth. And in the Richmond Federal Reserve Bank there was an order from a bank for $100,000 worth of pennies from an individual. That is 10 million pennies. That is more than 25 percent of the entire output for 1 day from all of the facilities of the Bureau of the Mint. This information is included at page 98 of our hearings.

I repeat, section 1 of the bill is strictly standby legislation. We hope it will not have to be used. The Treasury has no plans for changing the composition of the penny this year regardless of what happens on this bill. It has enough copper for this year to meet the anticipated production of pennies.

If this bill passes, the standard penny of 95 percent copper, 5 percent zinc will remain the statutory standard. Any change would be temporary. On the other hand, if we had passed the administration bill, and they had to change from 95 percent copper, the only material they would have been allowed to use would be 96 percent aluminum, and that would have become the permanent standard for the 1-cent coin there after.

The 95 percent copper penny is the most practical alloy for minting purposes; a 70 percent copper penny would be only a temporary expedient if copper prices rose above $1.50 a pound and stayed there for any length of time. Any other material used if copper prices went above $1.86 would be authorized for only a short period of time—until December 31, 1977.

Similar legislation was enacted as a standby measure in World War II, and it too had a cutoff date. They made steel coated zinc pennies for a period during World War II under that temporary authority, but turned out only a fraction of the number of pennies needed in the present economy.

Section 1 of this bill had the unanimous support of the subcommittee.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H.R. 16032 would legislate two basic provisions with regard to coinage. The first is a necessity on a nationwide basis and the second a necessity for two particular institutions.

The first and most pressing is that of the composition of the penny. Our 1-cent coin presently is composed of 95 percent copper and 5 percent zinc. The metallic content, and in particular the value of the copper component, makes the penny susceptible to speculation and eventual destruction. Although the Treasury Department has placed in effect a prohibition on the melting of pennies, the enforcement of it is such that additional authority is needed in order to avoid a potentially serious coinage problem. The committee bill provides a two-stage response to the composition-supply problem in 1-cent pieces.

First is a broad discretionary authority within the Secretary of the Treasury to alter the copper-zinc proportions in the penny. We are assured that the maximum modification involved would be to change from a 95–5 alloy to a 70–30 alloy. The net effect of this change would be to raise "melting point" prices of copper from about $1.50 per pound to $1.85 per pound, although that price is far removed from present prices of copper—current cash price is in the 80 to 90 cents per pound range. Earlier this year prices ranged as high as $1.43—April 1974 futures market. It would indeed be folly to make no provision of alternatives if we are faced by a similar upswing in the future. On the practical side, it is assured that 70 percent would be the lowest copper content for this coin as excessive diewear would result from blanks made with a lower copper content. We are also assured that the 70-percent-copper coin would function in vending machines interchangeably with the present coin.

A secondary provision is made by the bill to provide for the more extreme situation which might result from more volatile copper prices. Under this section, the Secretary would be authorized to change the composition of the penny to other metallic compositions under certain circumstances. To do so, the Secretary would have to determine that it was no longer practicable to use copper for penny production; he would have to make a specific proposal as to the content, weight, dimensions, shape, and design of such coin; and, furthermore, he would have to report his determination to Congress and wait for a 60-day period to expire. I would point out that this is both experimental and of a protective nature in that it would be available only until the end of 1977.

I think my colleagues will agree that our experiences of this year demonstrate the necessity of providing a contingency authorization for the continued production of pennies, even under adverse circumstances. I know that many areas of the country experienced penny shortages earlier this year and some retail establishments were forced to go as far as issuing paper scrip in order to make change for their customers. Naturally, the impetus for legislation of this nature is weakest when the pressure is off and the solutions are most difficult to reach when the pressure is on. For this reason, I urge my colleagues to support this bill while we have a moment's respite from the onslaught of increased copper prices.

Section 2 makes provisions for the funding of two specific institutions, to be provided out of revenues derived from $1 proof coins bearing the likeness of the late President of the United States, Dwight D. Eisenhower. The maximum amount authorized under this provision is $10 million, of which 90 percent would go to Eisenhower College in Seneca Falls, N.Y., and the balance to the Sam Rayburn Library at Bonham, Tex. When this provision came before the House as a separate bill last year, the rule was voted down. I believe this was an unfortunate occurrence in that the merits of funding these two institutions were not adequately considered. There is undoubtedly some resistance to set any precedent which would subsidize individual institutions with funds obtained as seignorage resulting from the coinage operations of the U.S. Mint. I would not presume to make a claim to my colleagues that this was other than appropriated taxpayers' money simply because the funds are raised by the sale of coins at profit rather than by tax revenues. Nonetheless, the relationship of the proof coin itself and the institution which bears the name of Dwight D. Eisenhower is undeniable. I do not believe that it is necessary in this forum to belabor the obvious by pointing out one more time the respect which we all owe the former Speaker of the House, Sam Rayburn.

Let me say that this bill does represent a cohesive package which should be acted on promptly in order that the confidence and security which it will provide may be on the books and that we may not be asked to deal with the problems involved under a crisis situation in the future.

Mr. WIDNALL. Mr. Chairman, at this time I yield 4 minutes to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Chairman, I rise in support of H.R. 16032. Eisenhower College is located in Seneca Falls in the heart of the Finger Lakes area in New York State. Even before I was elected to represent this area, I followed the beginnings of this college and its very remarkable career. Now that I do represent the area, I am even more proud of the accomplishments and the quick national fame that this institution has already won.

The college is now 6 years old and was established as a public trust by the founders. The late President Eisenhower himself heartily approved of this memorial and suggested that this was the only type of memorial that he really wanted.

In the past 6 years I have seen Eisenhower College literally lift itself up by the bootstraps. It has built a campus worth conservatively over $19 million. It has created a very distinctive curriculum and a quality academic program. It has enrolled over 900 students, achieved a growing national reputation, earned full accreditation in the shortest possible

time, and recently, when it ran into financial difficulty, enlisted the support of hundreds of students and people in the area and was able to continue to operate.

By the combined efforts of the trustees, the staff, the faculty, but even more importantly, the students, they have been able to keep their doors open.

Mr. Chairman, these are truly remarkable accomplishments for an institution as young as this one. One of the things that I want to disabuse here in the House—and I mentioned it when we had the debate on the rule—is that it was not the people of Eisenhower College who conceived the idea of using money from the memorial coin to finance the $9 million grant to the college. It was the editor of the Syracuse Post-Standard, one of the leading daily newspapers in upper New York State, who first suggested this.

The special merit of this proposal is the fact that it represents absolutely no cost to the taxpayer, since the money comes from the proceeds of the sale of the Eisenhower silver dollar.

I would like to make one other very important point. The Congress proposes by this method to raise about $470 million by the sale of the Eisenhower coin. It is even projected now that this could go, because of the Bicentennial coming up, to almost twice that, or close to $900 million.

This bill provides that less than 2 percent of this money but not over $9 million can be used as a permanent living memorial to one of the greatest military leaders in the history of this world, and certainly one of the finest Presidents that this country has ever had. I do not see how in the world we can justify the use of the name of this great man to raise funds for the General Treasury, and yet deny him the simple memorial that he requested so much and desired so greatly.

It seems to me that simple justice demands that if we use a man's name, we compensate him in some way. General Eisenhower or his family or his heirs get nothing out of this. All we are attempting to do is create a living memorial to this very wonderful American.

Mr. Chairman, I thank the gentleman from New Jersey for yielding to me.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, it is a pleasure to rise in support of this legislation today. As I said earlier during the colloquy on the rule, it will allow us the ability to do two things: That is, assign to the Treasury Department that badly needed flexibility insofar as the composition of the penny is concerned. That flexibility is direly needed, and the authority is long overdue.

Beyond that, it allows us again that opportunity to assist in the funding of the living memorials to two truly great Americans, former President Dwight Eisenhower and former Speaker Sam Rayburn.

Really, everybody gains from this legislation. The U.S. Treasury, for instance, in recognition of the estimate that the sale of the coin will gross somewhere in the neighborhood of $100 million. So, again, we profit from the image of Dwight Eisenhower.

So, is it too much to ask that for this memorial, a percentage of the gross return on that sale be allocated in accord with the commitment that the Congress made back in 1968 insofar as Eisenhower College is concerned? I do not think that is asking too much.

I feel confident that a little later this afternoon, when Members assemble in this Chamber and cast their votes, that the majority will agree that this is not doing too much; that the intent of the legislation is, indeed, noble.

I am very hopeful that the majority of this House today will see it the way that I and others who are not only supporters but proponents of the legislation see it.

We have dealt with this matter for a long time. I thought it was most regrettable some time ago, about a year ago, when the rule was defeated under very difficult circumstances. I think that if the full House at that time had had the opportunity to vote it up or down, the matter would have become law about a year ago.

Again, it is a delight to support, and I hope that the majority of this House today will see fit to approve, this legislation.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I rise to oppose section 2 of the bill, and at the proper time I hope that the House will support a motion to strike section 2.

Mr. Chairman, time after time we hear section 2 referred to as a grant to the living memorial for ex-President and General Eisenhower. Mr. Chairman, at no time has this Congress determined that this would be our memorial for President Eisenhower.

In 1968, while President Eisenhower was still alive, some of his friends and those who had worked for him and his administration came to this Congress, and told us about the fond hopes that they had for this college to which he had agreed to lend his name. They told us at that time that the college was in some difficulty and that with a little bit of help they could make it.

They came to the subcommittee, of which I was a member. The gentlewoman from Oregon (Mrs. GREEN) was the chairwoman.

We were reluctant to accede to their request for authorization for $5 million. We feared that in making this first grant, the college would become forever the obligation of the taxpayers of the United States. We expressed our reservations to the president of the college and to the other people who were asking for this help for the college.

Finally, very reluctantly, we supported that authorization, but with the express and firm promise from Mr. Rosenkrantz, the president of the college, and the others who lobbied for this that they would never again ask the Treasury of the United States to support the college.

They are now back asking for funds in a manner they say will not be a cost to the United States.

What it does is take $10 million which otherwise would go to the Treasury and belong to the United States out of the Treasury. Therefore, it is going to cost us $10 million, $9 million of which will go to the college.

I think this is a breech of faith, and I understand that in the most recent hearings, the president, Mr. Rosenkranz, again has said that he does not believe that they would ever come back again; but he is even now less firm than he was in 1968 in his statement that the college will not ever again look to the Treasury of the United States for support.

Mr. Chairman, higher education generally has experienced difficulty in recent years. Many institutions have not been economically viable.

This institution, which had projected an enrollment of 1,200 for this year, now has about 600. Their projections just about a year ago fell about 200 short. They expected to have 800. They now have a 600 enrollment.

In the State of New York, the board of education, which has jurisdiction over private as well as public schools, estimates that many institutions of higher education in New York will be forced to close their doors in coming years.

Mr. Chairman, as of 1980 the attendance in institutions of higher education generally is going to drop precipitously in the State of New York, as well as in the rest of the country. There is no assurance that if we authorize this $10 million for Eisenhower College, the college will be able to continue.

However, there is one thing that is certain, and that is this: If we again make this grant, we will just etch more deeply into their consciences the fact that we are going to guarantee their success regardless of whether they can make it as an institution on their own. I do not think we should do that. I think it would be unfair to other institutions.

We have a Roosevelt College in the city of Chicago. It has been there for a number of years, and it would love to have help. It was also named for an ex-President. They do not ask for funds, nor do I think we should express a willingness to give them funds from the Treasury to support that college.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I am happy to yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I would like to point out that the amount involved would be paid out of the sale of proof sets that have been issued with President Eisenhower's face upon the coin. That is the reason it has value. The money that is being raised and that the Government can use is coming out of the sale of something that is attached to the name of President Eisenhower.

This is the only memorial that we have for President Eisenhower in the country, and this is all that he said he wanted. I think this is done for a very fine pur-

pose, and I am happy to be one of the sponsors of the bill.

Mr. ERLENBORN. Mr. Chairman, I appreciate the gentleman's comments.

However, I think all numismatists would place a value on the coin, in any event. If we put a picture of the American eagle on a coin or if we put a picture of the fleur-de-lis on a new coin, it would have value.

I appreciate the gentleman's position. I would reiterate, however, that this Congress never decided we would make this our memorial to President Eisenhower.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I probably will not take the 5 minutes.

This matter was rather thoroughly debated when it was up before. I think the gentleman from Illinois has covered some of the basic points.

When the people who were promoting Eisenhower College came to the Committee on Education and Labor and requested $5 million, they made a firm commitment, in response to questions, that this would be the one and only request for funds.

Mr. Chairman, all private colleges throughout the United States or almost all of them, with the exception of maybe a dozen which have huge endowments, are facing a real financial crisis. I think the Members of this House will have to ask themselves this: Is there real justification for continuing to give millions of dollars to this one small college in upper New York when other colleges in our own congressional districts will be closing their doors? All of the studies that have been made agree that private colleges are going out of business, and the only question is which ones.

Now, if the commitment had not been made that that would be the only request, I feel absolutely certain that that bill would never have gotten out of the committee in the first place and we never would have started this drain on the Federal Treasury.

I do not think the issue today is whether or not Democrats or Republicans consider Eisenhower and Rayburn as great Americans. I certainly do. If any Member wants to bring out a bill that would provide $1 million for the Rayburn Library, I would enthusiastically support it.

I have grave reservations about political deals which are made so we can get support from both sides of the aisle, with the understanding that if we give this much to Eisenhower College they will give a percentage of it to the Rayburn Library. It just does not set very well with me.

Mr. Chairman, I think also that the Members ought to consider the precedent that is being set.

In our committee Kennedy College came to the committee for funds. I believe it was Kennedy College in Iowa. They came before our committee, as I believe the gentleman from Illinois will recall; Kennedy College wanted Federal funds because it was going to be a living memorial to another great President.

Mr. Chairman, are we setting a precedent that at any time a college is in trouble if they name it after some great American hero then we can appeal to the emotions of the Members of the Congress and thereafter that we must continue to finance another and another college as a memorial to each of those American heroes?

It seems to me, Mr. Chairman, that is hardly the kind of a precedent that we want to set.

Finally, Mr. Chairman, I suggest to the Members of this House that the $10 million which is requested today is not going to be the final chapter. I predict there will be hardly a private college that is going to be able to continue in the years ahead without some kind of special funding. I would be willing to wager that in a year or 2 years, or 3 years, the president and board of trustees will be back again, and they will say, "Here is a college that was set up as a memorial to President Eisenhower, and now is about to close its doors; this would be a terrible thing. So there will be another request for funds, and this will be a continuing proposition. So it seems to me that the simple thing to do would be to bring out a bill in support of the Rayburn Library; we would also say that the Eisenhower Center here in Washington where millions and millions of the American people come is a more fitting memorial to a great American President than a small college, where very, very few Americans will ever visit.

So I hope, when the amendment is offered by the gentleman from Illinois later on, that it will receive the support of the House.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I certainly respect the viewpoint of the gentlewomen from Oregon. The gentlewoman was the chairman of the committee that reported out this original legislation in the first place. I do not intend to take issue now with all of the things the gentlewoman has said. I may do so at a later time. But I would like to make one correction.

I know the gentlewoman from Oregon would not want an erroneous impression to be left, and that is the impression she gave that this college decided to name itself after President Eisenhower when they got into financial trouble. I was in on the birth of this college, and I think I know something about it. And I can assure the gentlewoman from Oregon that the name of Eisenhower was attached to this college before the ground was ever broken and long before any financial troubles developed.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, we only have one more speaker, and since the gentleman from New Jersey has no further requests, then I will yield such time as he may consume to the gentleman from Texas (Mr. ROBERTS) to close debate.

Mr. ROBERTS. Mr. Chairman and my colleagues, I appreciate very much the opportunity to appear here primarily to support the Rayburn library.

As most of my colleagues know, I had the privilege of being associated on the staff of the late Speaker Rayburn. His entire life's dream was wrapped up in this library. Not only was his dream there, but every single dime that he had was left to support the library. It is a magnificent structure, although it is very small, because he did not have a great amount of worldly goods. It has in it every single volume from the Continental Congress up to date that has to do with the Congress of the United States. A great many scholars use it for their research.

Speaker Rayburn was unable to leave enough money to carry on the library as it needs to be carried on. I believe now they have only about three employees. But it is a library that has everything he had. Certainly we recognize that he was one of the greatest Speakers, and served more than three times as long as Henry Clay.

The Sam Rayburn Library is a great institution. Mr. Rayburn did not want a direct Federal appropriation to be necessary. He tried to carry it himself.

Let me say in all candor to the Members maybe he would not want this. But those of us who are interested in it and who have tried to keep it going have not been able to do so. This is one way we can do it without any direct cost to the Government. Despite what some say—it may be backdoor, it may be all this—But there is no Federal cost at all. We are getting, $10 for each silver dollar that the Government mints of the Eisenhower coin. The Library gets 10 percent of proceeds of this bill. I wish we had a 50–50 split, but we do not have.

But this money will make it possible to continue the Sam Rayburn Library, and if any Member has not seen it, if he were not there at Speaker Rayburn's funeral or some of the other occasions, I hope he will go see it. I sincerely hope my colleagues, and particularly all of those who served with the Speaker, who witnessed his magnificent leadership and his compassion for all of the Members, will give us his vote to approve of this legislation.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to the gentleman.

Mr. FLYNT. I thank the gentleman from Texas for yielding to me.

At this time I would like to associate myself with his remarks and say that I support the bill and I hope it will be passed.

Mr. ROBERTS. I thank the gentleman from Georgia very much.

Mr. PATMAN. Mr. Chairman, I ask that the Clerk now read.

The CHAIRMAN. The Clerk will read.

Mr. GROSS. Mr. Chairman, I make

the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 100 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3515 of the Revised Statutes (31 U.S.C. 317) is amended by inserting "(a)" immediately prior to "The minor coins" and by adding at the end thereof the following new subsections:

"(b) Whenever in the judgment of the Secretary of the Treasury such action is necessary to assure an adequate supply of coins to meet the national needs, he may prescribe such composition of copper and zinc in the alloy of the one-cent piece as he may deem appropriate. Such one-cent pieces shall have such weight as may be prescribed by the Secretary.

"(c) (1) The Secretary of the Treasury may change the alloy of the one-cent piece to such other metallic composition as he shall determine—

"(A) whenever he determines that the use of copper in the one-cent piece is not practicable;

"(B) after he issues an order stating the pertinent physical properties, including content, weight, dimensions, shape, and design; and in determining such physical property takes into consideration the use of such coins in coin-operated devices; and

"(C) after he notifies in writing, on the same day as the issuance of the order under subparagraph (B), the Committee on Banking and Currency of the House of Representatives and the Committee on Banking Housing and Urban Affairs of the Senate of the contents of the determinations and orders made under paragraph (1), and a period of sixty calendar days of continuous session of Congress commencing after the date of such notification elapses.

"(2) There shall be no coinage pursuant to this subsection after December 31, 1977.

"(3) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) 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 sixty-day period."

SEC. 2. (a) Except as provided by subsection (b) and after receiving the assurances described in subsection (c), the Secretary of the Treasury is authorized to take one-tenth of all moneys derived from the sale of $1 proof coins minted and issued under section 101(d) of the Coinage Act of 1965 (31 U.S.C. 391(d) and section 203 of the Bank Holding Company Act Amendments of 1970 (31 U.S.C. 324b) which bears the likeness of the late President of the United States, Dwight David Eisenhower, and transfer such amount of moneys to Eisenhower College, Seneca Falls, New York.

(b) For the purposes of carrying out this section, there is authorized to be appropriated not to exceed $10,000,000.

(c) Before the Secretary of the Treasury may transfer any moneys to Eisenhower College under this Act, Eisenhower College must make satisfactory assurances to him that an amount equal to 10 per centum of the total amount of moneys received by Eisenhower College under this Act shall be transferred to the Samuel Rayburn Library at Bonham, Texas.

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 3, strike out line 8 and all that follows thereafter through page 4, line 2.

Mr. WYLIE. Mr. Chairman, I am not going to spend a lot of time explaining my amendment, because I think every Member knows what it does. If the Members have read the report accompanying this bill which came from committee, they will know exactly what it does and why I am offering it at this time.

Mr. Chairman, I do not feel any tremendous surge of satisfaction or any great thrill as I offer this amendment.

I leave it to the conscience of the Members of this body as to whether they should support it or not. Without meaning to be presumptuous, I understand the emotional consideration surrounding the second section of this bill, and we have received a letter which was cosigned by the Speaker of the House and our minority leader suggesting that the pending amendment should be defeated. Also, George Meany thinks the amendment should be defeated.

Nonetheless, I have the temerity to offer it again because I oppose the bill which was similar to section 2 back in August of last year, and the bill was defeated on the rule, as the Members of this body well know.

I am not necessarily opposed to appropriating money to Eisenhower College or for the Rayburn Library either, for that matter. However, I am opposed to the procedure which is being suggested or being used for this bill.

As a matter of fact, I introduced a bill which was cosponsored by 24 other Members of this body, which would provide $4.5 million for Eisenhower College and a half million dollars for the Rayburn Library.

The bill was sent to the Committee on Education and Labor, which is where it should be sent. I filed a statement in support of my bill, and I understand that the bill has had extensive hearings in the Committee on Education and Labor.

Why that bill has not been reported from the Committee on Education and Labor I do not know, but to finance an educational institution or a library, for that matter, through the back-door spending process provided in section 2 is, in my judgment, wrong. I cannot, in good conscience, support such a proposal, regardless of the worthwhileness of the cause.

What is wrong with using the orderly procedure provided for appropriating money for an educational institution and a memorial library?

To say that this is not back-door spending is not accurate. No appropriation is necessary if this bill is enacted into law, and that is my understanding of what back-door spending is all about.

To say that it will not cost the taxpayers of the United States any money is not accurate either because we have already sold $83 million worth of Eisenhower proof dollars, and the Treasury of the United States would be directed by the provisions of section 2 of this bill to transfer to Eisenhower College and the Rayburn Library $8.3 million immediately upon its enactment. Where else would it come from, but from the Treasury of the United States, from moneys which have already been collected as general revenues?

Besides, the two issues involved in this bill are not germane to each other and should be considered separately. Therefore, I respectfully urge support of my amendment so that the two matters can be considered separately.

I support section 1 of this bill. It is not controversial. However, I urge my colleagues to support my amendment, which would strike section 2.

I would add that financial support for Eisenhower College is laudable, but sentiment should not motivate the passage of otherwise unwise legislation.

I thank you.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in what I think to be opposition to the amendment offered by the gentleman from Ohio (Mr. WYLIE), because I strongly support the bill.

In the first place, I think the establishment and the continuation of a living memorial to one of the great men of this century, the man who was the No. 1 soldier of World War II and a great President, is something of which this Congress can be justly proud.

I am going to leave that issue primarily to those Members who are sponsoring the bill.

I would like to urge my colleagues, however, while they are considering the entire bill, to consider that portion of the bill which deals with the Rayburn Library.

Not only did I, along with every other Member who was here 15 years ago, know Mr. Rayburn, but I know the Rayburn Library well. I know the town of Bonham well. The Rayburn Library is about 8 or 10 miles from my congressional district, just across the Red River from the district that I represent.

Mr. Chairman, it is a typical small town American community. It is isolated from all the great colleges and universities of the country and of the Southwest. It is isolated from all the great cul-

tural institutions in that part of the country.

Mr. Rayburn thought—and he told me that he thought this—that in dispersing the works of Government officials, we should not limit them only to the great central locations in the Nation, but that we should put some of them in the smaller areas, particularly in cases where they are identified with the person who is involved.

Of course, during Mr. Rayburn's lifetime many of his friends donated money to build the library and to equip the library. I was present when the ground was broken; I was present when the library was dedicated. I have been through the library; I have visited the library many times. Along with many other Members of Congress, I have made financial and other types of contributions to the library.

As I say, Mr. Chairman, the friends of Mr. Rayburn raised money for this library which was built. Most of them have gone on. Mr. Rayburn has been gone now about 12 years or more. Most of his old friends are gone. Many of those who knew him and who were of his own generation have passed on.

There is no way for the community of Bonham to support this library in perpetuity. They do not need a lot of money. They will get only a small part of the amount set aside under the provisions of this bill.

Mr. Chairman, this is a great library. It is unique. It is one of its kind in the entire country. There is more of the Congress of the United States in the Rayburn Library at Bonham, Tex., than anywhere else in the United States, with the possible exception of the Library of Congress. Every single CONGRESSIONAL RECORD from the very first down to date is on deposit in that library. I do not know of anywhere else in the United States, except the Library of Congress, where one can find such a complete and authentic history of the Congress of the United States.

Those of us who knew Mr. Rayburn knew that perhaps of all the men who ever served in this House, from its beginning, his life was more closely identified with this House than any other. This House was his life.

Both Mr. Rayburn and the great Speaker who followed him, John McCormack, each of them served longer than any other Speakers in the history of the United States. Mr. Rayburn served more than twice as long as Henry Clay, and John McCormack served longer than Henry Clay. John McCormack is one of the staunchest advocates of this library and of this legislation living in the United States today. If he were here, he would make a speech far more eloquent than anything I could hope to say, because the two of them grew up together living with and loving this House.

Mr. Chairman, let us do this for Sam Rayburn and for General Eisenhower.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I wish first to associate myself with the remarks of the distinguished Speaker of the House, the gentleman from Oklahoma (Mr. ALBERT).

In the first place, I have to admit that there are ways of financing projects such as this that I might prefer to the one that is used in this bill, but the fact that it is so necessary to proceed with haste causes me in this particular instance to be very much in favor of passing the bill the way it is.

To begin with, I am informed that the Eisenhower College, which is a living memorial to President Dwight D. Eisenhower, will have to close its doors unless something is done, and done within the next several weeks, to allow it to keep its doors open.

I came to the Congress when Dwight D. Eisenhower first came into the Presidency. To me he will always be the President. He was a statesman, a soldier, a good friend, and a person who was deeply interested in the future generations of the country. He let it be known from the very first that the thing he wanted most of all as a living memorial to him was an educational institution. Before he became President he was president of one of the great universities of this Nation. So his love was for higher education, and his determination to provide it for the people of this country was not something which came recently.

Mrs. Eisenhower has been in touch with our friend and former colleague, Melvin Laird. He called me and told me of her call. Mrs. Eisenhower is very desirous that this bill pass today, because of the sense of dedication and the great desire of President Eisenhower to have this college as a living memorial. I think that it would be unthinkable for the Congress of the United States to pass the amendment offered by the gentleman from Ohio, as much respect and admiration as I have for the gentleman, because of the fact that what you will be doing if you adopt the amendment is to kill the Eisenhower College, and to put the Rayburn Library in serious jeopardy.

I do not believe that anybody who served in the Congress with Sam Rayburn, or who served while Dwight Eisenhower was in the Presidency, would want that to happen.

If, in fact, we do not pass this legislation then I am satisfied that it will be back here some other time, probably funding much more money than is provided for in these bills in order to accomplish our purpose, and to undo the mischief which we might do if we do not finance these two institutions.

So, Mr. Chairman, it is my hope that the Members of this body will be generous today, will be remembering some of the great services of the past, some of the things that Sam Rayburn did in his long life as a Member and as a Speaker of this House. These are things that Dwight David Eisenhower did not only for the country as President, but for the country as one of its most valiant soldiers.

It is a good thing to be warmhearted, and I hope that today the people of this House will be warmhearted, will vote down this amendment, and will proceed to pass this bill because it is the right thing to do.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, I should like to associate myself with the remarks of the distinguished minority leader. I support this bill, and I oppose the amendment that the Speaker opposed as well. We should support the Eisenhower College Memorial.

Mr. RHODES. I thank the gentleman from New York, and I yield back the balance of my time.

Mr. PATMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

The House of Representatives joined enthusiastically with the late President Eisenhower in 1968 in designating Eisenhower College at Seneca Falls, N.Y., as his official living memorial. It was done in conformance with General Eisenhower's own wishes. He had given this college the right to use his name; he had participated in the ground-breaking ceremonies; he wanted this institution to become a unique educational force in the country, to instill in its students a close identification with and devotion to the advancement of the American form of government to which he himself had devoted his entire life.

Thanks to the support the Congress provided in 1968, and to contributions from Ike's many admirers, the college was launched on its mission that year, and has already graduated three 4-year classes while quickly winning accreditation. But everyone knows what has happened to costs and prices since 1968. We have had a tremendous inflation, particularly in construction costs. Much remains to be done to complete the college's educational plant. Without further help from the Congress, this living memorial to a great American may have to close its doors. I am sure none of us wants that to happen.

One of the imaginative projects of Eisenhower College is a cooperative educational arrangement with the Samuel Rayburn Library at Bonham, Tex., the depository of the papers of the late, great Speaker of the House, our own Mr. Sam. Section 2 of this bill not only aids Eisenhower College but provides that one-tenth of all of the funds received by the college under this bill will be transferred to the Rayburn Library to make possible expanded study activities at the Library by students of Eisenhower College and other colleges and universities to do field research in the legislative process at the Federal, State, and local levels. This is a most worthwhile use of a very modest amount of Federal funds.

Where is the money to come from? It is to come from a very special source: The tremendous profits made by the

Treasury in the sale of commemorative Eisenhower silver proof dollars at $10 each. More than 8 million such coins have been sold since they were authorized by the Coinage Act Amendments of 1970—title II of the Bank Holding Company Act Amendments of 1970. The people who paid $10 for those coins—coins with a face value of only $1, of course purchased them in most instances as a mark of respect and admiration and love for Dwight D. Eisenhower. Some of the huge profits from these coins rightfully should go to the living memorial in his name—the college he watched grow with great satisfaction during the last years of his life. His widow, the beloved Mamie Eisenhower, his son, John, and his brother, Dr. Milton Eisenhower—an outstanding educator—all attested to our committee that Ike wanted this college to grow and succeed, and they urged us to enact this legislation as a means of carrying out his wishes. And all of us who served with Speaker Rayburn know that the arrangement in this bill for financial assistance to Ike's college and to Mr. Sam's library would have pleased him more than anything in the world.

There is no backdoor spending in this bill. There is a firm limit on the amount authorized. Every cent would have to be appropriated in the regular manner. The $10 million provided for—a maximum of $9 million for the college and $1 million for the Rayburn Library—would earn dividends for the educational good of this country out of all proportion to the modest cost.

Just as we refused to permit the John F. Kennedy Center for the Performing Arts to fail in its mission because of lack of funds, so we must see to it now that Eisenhower College can survive and prosper and fulfill the goals it was intended to serve when former President Eisenhower agreed to its establishment as his memorial—the only memorial he sought. Other memorials have been named after Dwight D. Eisenhower, but this is the one memorial he himself desired. We cannot let it die for lack of the modest amount provided for in this bill.

I urge the amendment be defeated. The money is available out of the proceeds of the only commemorative coin the Congress has authorized in many, many years.

This coin was authorized in 1970 primarily because silver producers, and the firms which fabricate silver into coinage metal, wanted to insure the continued use of some silver in our coinage. They got what they wanted. What better use of some of the proceeds from this highly profitable sale than to make a reality of the Eisenhower dream of a fine educational institution devoted to his ideals of public service, and to honor, at the same time, the man who served longer as Speaker of the House of Representatives than any man in our history—probably the greatest practitioner of the science and art of the American legislative process.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time in opposition to the amendment offered by the gentleman from Ohio. While it may be somewhat presumptuous of me, I want to address my remarks chiefly to the Republican side of the aisle because, as I understand it, there is a good deal of opposition to this legislation on the Republican side. Incidentally, I have voted with my Republican friends on a number of occasions in the 16 years that I have had the privilege of serving in this House. So I think perhaps I am entitled to say a word to them.

I asked one of my Republican friends the other day why there was this opposition. How is it that one of the most famous Republican Presidents should evoke such little response from the Republican side of the aisle? They said, "You know, we have got a lot of young Members on our side. They do not even remember Ike Eisenhower."

That was 16 years ago, and I suppose it makes sense that those who are 30 or a little bit under, or even a little bit over, will find it hard, really, to remember what Dwight Eisenhower was or what he stood for. I shudder to think that the years must be passing by so rapidly because I can still remember him very vividly. That was a day, those were the days, when we had some bipartisanship in this Congress, when the Democratic Congress did not hesitate to support a Republican President when they felt he was right. I wish we might achieve something of that same spirit again today.

Let me just comment on a couple of points that have been made in this debate. It was said by the gentleman from Illinois (Mr. ERLENBORN) that this college was never designated as a memorial to the late President. Maybe the gentleman did not read the original bill which I introduced and which was enacted into law; but here is what it said:

> To provide funds on behalf of a grateful nation in honor of Dwight David Eisenhower, thirty-fourth President of the United States, to be used in support of construction of educational facilities at Eisenhower College, Seneca Falls, New York, as a distinguished and permanent living memorial to his life and deeds.

So this Eisenhower College is the official memorial to President Eisenhower.

Second, the gentlewoman from Oregon (Mrs. GREEN) and others have come down here in the well and said, "The people from Eisenhower College are breaking faith to come back and ask for more money when they promised back in 1968 that $5 million would be all that they would need."

Well, is it breaking faith to recognize that inflation and unanticipated problems, which are confronting almost every educational institution today, mean that we need more money in 1974 than we thought in 1968 we were going to need? Even the United States finds that it needs more money today than it needed in 1968.

And if we are going to talk about overruns, we have got the Kennedy Center. We have already appropriated something up to $46 million, I think, for that permanent memorial to President Kennedy, although we were told originally all that was needed was $15 million.

Even the memorial to Governor Rockefeller, the South Mall project in the city of Albany, in my congressional district, was supposed originally to cost only about one-half billion dollars; it is well over a billion dollars now, but they are not letting it go to seed. So overruns are nothing new; and to suggest that an overrun in this age of inflation is somehow a violation of honor or a failure to keep faith is just kidding ourselves.

The question is whether we are prepared to let this memorial to a great President, a President who was great enough to ask that his memorial be in a college, rather than in brick and mortar, should be allowed to deteriorate just because of some technical objection that this is not the ideal bill to put it on or that somebody should not have said something that they said back in 1968.

If the Lincoln Memorial is in need of additional funds, and I understand it is weathering away and we may soon have to repair it, are we going to say, "Oh, no, no more for Abe Lincoln. He got his money and we do not have to put any more into that memorial."

Oh, no, we do not want that memorial to deteriorate in the city of Washington. And I do not think we ought to allow this memorial for President Eisenhower to deteriorate in the village of Seneca Falls, N.Y., either.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at 5 minutes after 5.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 5:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

(By unanimous consent Mr. DELLENBACK yielded his time to Mrs. GREEN of Oregon.)

Mr. PATMAN. Mr. Chairman, I had recognition when I made my remarks for the RECORD and I will yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, we are here today to celebrate a strange marriage of the Eisenhower College and the Rayburn Library; but in light of the distance existing between these two institutions, I think it is unlikely that they will ever be able to cohabit; however, the Eisenhower College will, under the terms of an agreement they have already entered into, pay support payments in an

amount equal to 10 percent of whatever they realize under the terms of this bill.

Mr. Chairman, I have explained in greater detail during general debate my objection to this section of the bill.

I support the amendment offered by the gentleman from Ohio.

Mr. Chairman, there is one thing that President Eisenhower was known for probably above all else. That was that he was a man who was good to his word.

I think it is a very poor memorial for him to have the college named after him not to be good to their word. The only reason Eisenhower College was able to obtain $5 million from the Federal Treasury in 1968 was because they gave their word. The president of the college and others speaking for the college gave their word that they would not make that be a precedent upon which to base coming back to this Congress. They firmly promised that they would never again ask for funds from this Congress.

They have not been good to their word. They are back here asking for more. If we approve this, I predict it will not be the end. The college will not necessarily survive with these funds, and we may just see them back here again.

Mr. Chairman, I hope the amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I do not want to be repetitious. The gentleman from Illinois has accurately stated the situation. We would not be here today with this bill if it were not for the fact that we originally gave $5 million on the absolute promise that that would be the one and only time that they would ask for funds.

Mr. Chairman, I would like to ask the distinguished chairman of the committee if he would respond to a question. This year, when they came and asked for 10 million additional dollars, did they make any commitment that this would be the last request they would make?

Mr. PATMAN. Mr. Chairman, if the gentlewoman will yield, I will say that there is none, as far as I am concerned. This will be the last. That is my understanding with the sponsors of the bill.

I will say to the gentlewoman from Oregon that I will not support an amendment in the future, if we get this bill passed.

Mrs. GREEN of Oregon. But, Mr. Chairman, my question was, did the people who requested this $10 million make any commitment that they would not come back and ask for any additional funds?

Mr. PATMAN. It was generally understood that they would not.

Mrs. GREEN of Oregon. By what kind of a colloquy or statement? Is it in the record?

Mr. PATMAN. Well, I would not support it.

Mrs. GREEN of Oregon. Well, Mr. Chairman, it does not seem even as much of a commitment was made this year as we had 3 years ago. I would just again say to my colleagues that in my congressional district—and maybe it is the only one out of 435 in the country, I do not know—but in my congressional district there are private colleges that are going to close their doors because they do not have sufficient funds. It seems to me that any Member who is representing his own district would have a pretty difficult time voting another $10 million to another college in a far away State, and not voting any funds for the continuation of the colleges in his own congressional district.

If this bill is passed without the Wylie amendment we are, in effect, encouraging colleges that are facing a financial crisis to name that college after some great American hero, then it can come to the Federal Government and expect funds.

Mr. Chairman, I hope the amendment will be adopted.

Mr. BROWN of Ohio. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the question was asked about assurances. I gather we have the same assurances that they will not be back that we have on the Kennedy Center. Is that about right?

Mrs. GREEN of Oregon. I suspect it might be similar, but our experience should tell us that the assurances we have had do not last long because we have had some pretty firm commitments from the Eisenhower College people when they were here 3 years ago.

Mr. BROWN of Ohio. We had some pretty firm commitments on the Kennedy Center, also.

Mrs. GREEN of Oregon. I think we must hold these people to their word.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Ohio (Mr. WYLIE) which would strike section 2 in its entirety from this bill.

H.R. 16032 is the logical result of the precedent which was set when this House passed H.R. 15465 on July 2, 1974. That bill combined a provision for increased participation in the International Development Association, which had failed of passage on January 23, 1974, with a provision permitting private ownership of gold, which enjoyed broad public and congressional support.

Today the same technique is being employed, with the combination of a provision authorizing grants to Eisenhower College and Rayburn Library and a provision permitting a change in the composition of the penny. In this instance the change in penny composition is clearly essential and noncontroversial. The Eisenhower College and Rayburn Library grant provisions, on the other hand, represent a somewhat improved version of a highly controversial bill, S. 1264, the rule for which was defeated on August 3, 1973, by a vote of 183 to 230. The earlier bill provided for open-ended, backdoor financing. The Secretary of the Treasury would have been directed to pay $1 out of each $10 received from the sale of Eisenhower silver dollars to Eisenhower College. The college had entered into a contract with the Rayburn Library to permit the library to share in the Eisenhower College proceeds to the extent of 10 per cent of each dollar the college would receive from the sale of Eisenhower dollars. These infirmities have been corrected by providing a $10 million ceiling on the grant authorization and requiring the grants to be subject to the regular appropriation process.

Despite these improvements, which were made imperative by the failure of the rule on S. 1264 last year, I have two major procedural objections to H.R. 16032:

First. The "log rolling" aspect of S. 1264, which had included the Rayburn Library in order to make the grant to Eisenhower College more palatable, has been compounded by the addition of the penny provision. This is a terrible way to legislate because it confuses the issues by attempting to avoid separate consideration of these issues involved; and

Second. Authorization of grants to colleges and libraries is not, in my judgment, the proper province of the Committee on Banking and Currency. This point is borne out by the fact that the original authorization of assistance to Eisenhower College was provided in 1968 by the Committee on Education and Labor.

Concerning the merits of the grants, I would observe that the original authorization was approved upon the understanding that it would be a "one-time-only" commitment. During the debate on the rule for S. 1264 last year, the distinguished Congresswoman from Oregon, Mrs. EDITH GREEN, reminded us of an exchange she had with President Rosenkranz when the original authorization was being considered in 1968—Mrs. GREEN was then a member of the Education and Labor Committee:

> Mrs. GREEN. I am not talking about the eligibility of Eisenhower College to participate in all the other Federal programs for higher education but (Mr. Rosenkranz) do you see this $5 million as the only special contribution Congress would be called upon to make or do you see this as the first of many continuing contributions?
>
> Dr. ROSENKRANZ. No, I would see this as the only contribution that they would be asked to make. (August 3, 1973, page H7384, Congressional Record)

Nevertheless, we find Eisenhower College asking today for up to $10 million, $1 million of which would go to the Rayburn Library, over and above the original $5 million which the college had previously received. As for the Rayburn Library, to my knowledge it is not in desperate need of funds, and the Rayburn Building next door serves as a fitting and substantial memorial to the late Speaker.

Therefore, I strongly urge my colleagues to support the Wylie amendment, so that we can vote for the passage of needed penny composition legislation without the unnecessary and unwarranted encumbrance of the grants to

Eisenhower College and Rayburn Library.

The CHAIRMAN. The Chair recognizes the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I have no real interest in the Eisenhower College or the Rayburn Library, as such.

I am here in the well of the House to remind its Members that we have a commitment, a commitment which we made some time ago when we authorized the Eisenhower College as a living memorial to the 34th President of the United States.

When we authorized the minting of the silver dollars to be sold at $10 apiece, it was upon the suggestion of Eisenhower College people that we did so, on the understanding that a percentage of that money would be contributed to Eisenhower College. This .s what we are being asked to do, as I understand it. If I am wrong in my understanding, I wish someone would correct me.

Furthermore, if the money had to come from taxpayers, I would have second thoughts about this, but the $80 million in total which has already been collected in the Treasury of the United States was paid by coin collectors, like my son, not taxpayers. I urge the defeat of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I rise in support of the amendment, for I agree with the gentlewoman from Oregon (Mrs. GREEN), and the gentleman from California (Mr. ROUSSELOT) that this kind of financing of colleges and libraries would set a very bad precedent.

The gentleman from Hawaii (Mr. MATSUNAGA) says that a commitment was made. There was also a commitment to Congress in that the $5 million already given to the Eisenhower College would wash out any further obligation.

Yes, we had a commitment that the sports stadium in Washington would never cost the taxpayers a dollar, and they reneged on that, as well as the Kennedy Center. Now the Visitors Center, so-called, is in trouble.

When are those who make commitments to Members of Congress going to carry out those commitments?

This provision in the bill is motherhood, brotherhood, sisterhood, and Robin Hood, all rolled together. It is about time that we put a stop to this business of going to the Federal Treasury to finance projects of this kind.

If you want to finance projects of this kind, lay them right out on the table where we can see and smell them and appropriate directly from the U.S. Treasury, and let us stop this kind of log-rolling.

This is indirect financing and a precedent that will one day haunt those who vote for it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I wish to associate myself with the remarks which were made by the Speaker of the House, Mr. ALBERT. I also wish to associate myself with the remarks of the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 169, answered "present" 1, not voting 98, as follows:

[Roll No. 541]

AYES—166

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
Bauman
Beard
Bergland
Bevill
Bingham
Blackburn
Bowen
Brademas
Breckinridge
Brinkley
Brotzman
Brown, Ohio
Burlison, Mo.
Butler
Byron
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cochran
Collins, Ill.
Collins, Tex.
Conte
Crane
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Wis.
Dellenback
Dellums
Dennis
Derwinski
Devine
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Calif.
Erlenborn
Eshleman
Findley
Fish
Foley
Ford
Forsythe
Fountain
Frey
Fuqua
Ginn
Green, Oreg.
Gross
Haley
Hamilton
Hanrahan
Harsha
Hays
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Hogan
Howard
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Kastenmeier
Ketchum
Koch
Landgrebe
Landrum
Leggett
Lott
McClory
McCormack
Martin, Nebr.
Mathias, Calif.
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mollohan
Moorhead, Calif.
Moss
Murtha
Myers
Nedzi
Nichols
Obey
O'Hara
Parris
Patten
Perkins
Pike
Preyer
Pritchard
Rangel
Rees
Reuss
Robinson, Va.
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ryan
St Germain
Sarasin
Satterfield
Schneebeli
Schroeder
Seiberling
Shoup
Sikes
Smith, Iowa
Snyder
Staggers
Stanton, James V.
Steed
Steiger, Wis.
Stubblefield
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Whitehurst
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wylie
Young, Ill.
Zion

NOES—169

Addabbo
Anderson, Ill.
Annunzio
Arends
Baker
Barrett
Bennett
Biester
Boggs
Boland
Bolling
Bray
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Carter
Casey, Tex.
Cederberg
Chamberlain
Clark
Clausen, Don H.
Cohen
Collier
Conable
Conlan
Corman
Cotter
Coughlin
Davis, S.C.
de la Garza
Denholm
Dent
Dickinson
Edwards, Ala.
Evins, Tenn.
Fascell
Fisher
Flood
Flynt
Frelinghuysen
Frenzel
Froehlich
Fulton
Gaydos
Gettys
Gibbons
Gonzalez
Goodling
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Hammer-schmidt
Hanley
Hanna
Hansen, Idaho
Hastings
Heckler, Mass.
Heinz
Hillis
Holt
Horton
Hosmer
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
King
Kuykendall
Kyros
Latta
Lent
Litton
Long, La.
Long, Md.
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Mahon
Mann
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Metcalfe
Michel
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Natcher
Nelsen
O'Brien
O'Neill
Passman
Patman
Pepper
Peyser
Pickle
Poage
Price, Ill.
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Rogers
Roncallo, N.Y.
Rooney, Pa.
Roy
Ruth
Sarbanes
Scherle
Sebelius
Shipley
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Spence
Stark
Stratton
Stuckey
Symington
Thompson, N.J.
Thomson, Wis.
Thornton
Traxler
Vander Jagt
Vigorito
Walsh
Whalen
Widnall
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Sullivan

NOT VOTING—98

Abzug
Adams
Armstrong
Badillo
Bafalis
Bell
Biaggi
Blatnik
Brasco
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Camp
Carey, N.Y.
Carney, Ohio
Cleveland
Conyers
Cronin
Daniel, Robert W., Jr.
Davis, Ga.
Delaney
Diggs
Donohue
Dorn
Eckhardt
Eilberg
Esch
Evans, Colo.
Flowers
Fraser
Giaimo
Gilman
Goldwater
Grasso
Griffiths
Gunter
Hansen, Wash.
Harrington
Hawkins
Hébert
Helstoski
Holifield
Holtzman
Hudnut
Johnson, Colo.
Kazen
Kluczynski
Lagomarsino
Lehman
Lujan
Luken
McCloskey
McCollister
McKay
McSpadden
Madigan
Mailary
Maraziti
Milford
Mills
Minshall, Ohio
Montgomery
Nix
Owens
Pettis
Podell
Powell, Ohio
Price, Tex.
Rarick
Reid
Roe
Rooney, N.Y.
Roush
Ruppe
Sandman
Sisk
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Tiernan
Towell, Nev.
Wampler
Ware
White
Wolff
Wright
Wyman
Yates
Young, Alaska
Young, S.C.
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DANIELSON, Chairman of the Com-

mittee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the one-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y., pursuant to House Resolution 1312, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WYLIE. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill H.R. 16032 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Two hundred thirty-one Members are present, a quorum.

The question is on the passage of the bill.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 166, not voting 96, as follows:

[Roll No. 542]

YEAS—172

Addabbo
Alexander
Anderson, Ill.
Annunzio
Arends
Ashley
Baker
Barrett
Beard
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clark
Clausen, Don H.
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Daniels, Dominick V.
Davis, S.C.
de la Garza
Fascell
Flood
Flynt
Frelinghuysen
Frenzel
Fulton
Gettys
Gibbons
Gonzalez
Goodling
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hammer-schmidt
Hanley
Hanna
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Hillis
Hogan
Holt
Horton
Hosmer
Howard
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kemp
King
Kuykendall
Kyros
Lent
Litton
Long, La.
Long, Md.
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Mahon
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Metcalfe
Michel
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Nelsen
Nichols
O'Neill
Passman
Patman
Pepper
Perkins
Peyser
Pickle
Poage
Price, Ill.
Quillen
Railsback
Randall
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roncallo, N.Y.
Rooney, Pa.
Roy
Ruth
Sarbanes
Sebelius
Shipley
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Stark
Stratton
Stuckey
Studds
Symington
Teague
Thompson, N.J.
Thomson, Wis.
Thornton
Treen
Udall
Ullman
Vigorito
Waggonner
Walsh
Whalen
Widnall
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Young, Ga.
Young, Tex.
Zablocki

NAYS—166

Abdnor
Adams
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Bauman
Bennett
Bergland
Blackburn
Bowen
Brademas
Brinkley
Brotzman
Brown, Ohio
Burlison, Mo.
Butler
Byron
Chappell
Clancy
Clawson, Del
Clay
Cochran
Collier
Collins, Tex.
Conlan
Conyers
Crane
Culver
Daniel, Dan
Danielson
Davis, Wis.
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fish
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Froehlich
Fuqua
Gaydos
Ginn
Green, Oreg.
Gross
Hamilton
Hanrahan
Hansen, Idaho
Harsha
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Huber
Hungate
Hutchinson
Ichord
Jarman
Karth
Kastenmeier
Ketchum
Koch
Landgrebe
Landrum
Leggett
Lott
McClory
McCormack
Madigan
Martin, Nebr.
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Moorhead, Calif.
Moss
Murtha
Natcher
Nedzi
Obey
O'Brien
O'Hara
Parris
Patten
Pike
Preyer
Pritchard
Quie
Rangel
Rees
Reuss
Robinson, Va.
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ryan
St Germain
Sarasin
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shoup
Sikes
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Steed
Steiger, Wis.
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waldie
Whitehurst
Whitten
Wiggins
Wilson, Charles H., Calif.
Wylie
Yatron
Young, Fla.
Young, Ill.
Zion

NOT VOTING—96

Abzug
Armstrong
Badillo
Bafalis
Bell
Biaggi
Blatnik
Brasco
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Camp
Carey, N.Y.
Carney, Ohio
Cleveland
Cronin
Daniel, Robert W., Jr.
Davis, Ga.
Delaney
Diggs
Donohue
Dorn
Eckhardt
Eilberg
Esch
Evans, Colo.
Fisher
Flowers
Giaimo
Gilman
Goldwater
Grasso
Griffiths
Gunter
Hansen, Wash.
Harrington
Hawkins
Helstoski
Holifield
Holtzman
Hudnut
Johnson, Colo.
Kazen
Kluczynski
Lagomarsino
Latta
Lehman
Lujan
Luken
McCloskey
McCollister
McKay
McSpadden
Mallary
Maraziti
Milford
Mills
Minshall, Ohio
Montgomery
Nix
Owens
Pettis
Podell
Powell, Ohio
Price, Tex.
Rarick
Reid
Roe
Rooney, N.Y.
Roush
Ruppe
Sandman
Sisk
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Sullivan
Tiernan
Towell, Nev.
Wampler
Ware
White
Wolff
Wright
Wyman
Yates
Young, Alaska
Young, S.C.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Kazen for, with Mr. Yates against.

Mr. Donohue for, with Mr. Nix against.

Mr. Carney of Ohio for, with Mr. Badillo against.

Mr. Biaggi for, with Mr. Roe against.

Mr. Delaney for, with Mr. Stokes against.

Mr. Gilman for, with Mr. Pettis against.

Mr. Cronin for, with Mr. Buchanan against.

Mr. Rooney of New York for, with Mr. Bafalis against.

Mr. Steele for, with Mr. Burke of Florida against.

Mr. Wright for, with Mr. Minshall of Ohio against.

Until further notice:

Mr. Kluczynski with Mr. Fisher.

Mrs. Sullivan with Mrs. Grasso.

Mr. J. William Stanton with Mr. McSpadden.

Mr. Holifield with Mrs. Griffiths.

Mr. Helstoski with Mrs. Hansen of Washington.

Mr. Hawkins with Mr. Gunter.

Mr. Lehman with Mr. Podell.

Mr. Mills with Mr. Rarick.

Mr. Montgomery with Mr. Tiernan.

Mr. Phillip Burton with Mr. Blatnik.

Mr. Carey of New York with Mr. Dorn.

Mr. John L. Burton with Mr. Davis of Georgia.

Mr. Eckhardt with Mr. Broyhill of Virginia.

Mr. Eilberg with Mr. Esch.

Mr. Evans of Colorado with Mr. Burgener.

Mr. Flowers with Mr. Goldwater.

Mr. McKay with Mr. Camp.

Mr. Milford with Mr. Hudnut.

Mr. Giaimo with Mr. Cleveland.

Mr. Harrington with Mr. Lagomarsino.

Ms. Abzug with Mr. Reid.

Ms. Holtzman with Mr. Latta.

Mr. Owens with Mr. Robert W. Daniel, Jr.

Mr. Roush with Mr. Lujan.

Mr. Sisk with Mr. Diggs.

Mr. Stephens with Mr. Lukens.

Mr. Burleson of Texas with Mr. Mallary.

Mr. Maraziti with Mr. Young of South Carolina.

Mr. Wolff with Mr. McCloskey.

Mr. White with Mr. McCloskey.

Mr. Ruppe with Mr. Powell of Ohio.

Mr. Price of Texas with Mr. Sandman.

Mr. Steelman with Mr. Steiger of Arizona.

Mr. Towell of Nevada with Mr. Wampler.

Mr. Ware with Mr. Young of Alaska.

Mr. Wyman with Mr. Bell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO CONSIDER S. 2795

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the Senate bill, S. 2795, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

TO EXTEND TERMINATION DATE OF EXPORT-IMPORT BANK

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 244) to extend the termination date of the Export-Import Bank.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would ask the gentleman from Texas how long does the gentleman from Texas propose to extend this?

Mr. PATMAN. The Senate passed a 15-day extension. That is the reason for taking it up today, otherwise there would be a hiatus in the termination date.

Mr. GROSS. There would be what if we did not get the time?

Mr. PATMAN. A hiatus.

Mr. GROSS. A hiatus?

Mr. PATMAN. The word does not mean anything. In other words, the Export-Import Bank will expire. We are leaving here at this time, and it will expire. We will have to wait until we come back to get it extended, and that always causes trouble, as the gentleman knows.

Mr. GROSS. Where is the bill?

Mr. PATMAN. The bill is in conference right now, the Export-Import Bank bill, and while it is in conference, the Senate extended it for 15 days.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 244

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".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 16032.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL THURSDAY, SEPTEMBER 26, 1974, TO FILE REPORT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Thursday, September 26, 1974, to file a report on H.R. 5385.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL STATEMENT

Mr. DULSKI. Mr. Speaker, on September 23, 1974, I missed the two rollcall votes on the floor. I would like the RECORD to show that had I been present and voting I would have voted "Yea" on both roll No. 533 and roll No. 534.

JOBS FOR THE UNEMPLOYED

(Mr. MEEDS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MEEDS. Mr. Speaker, I am today introducing legislation to set up a public service jobs program for the unemployed who seem inevitably to be thrown out of work by the misguided tight money policies of the Ford-Nixon administrations.

Once again, as in 1970–71, my region, the Pacific Northwest, is being made the scapegoat of deliberate high interest rates. The region is dependent on forest products and aircraft manufacturing, industries highly sensitive to credit costs. Already, the depression in homebuilding is causing layoffs in lumbering, plywood manufacturing and construction. Soon, tight money will hit aircraft manufacturing.

I am frustrated and saddened at watching history repeat itself in less than 5 years, all because no one in the White House has learned anything about the ravages of using tight money as a substitute for a comprehensive economic policy. Unemployment in the Puget Sound area hit upwards of 15 percent the last time around and we are already started on a rerun.

The bill I am introducing would provide up to $4 billion in aid to local governments to hire the unemployed, depending on a sliding scale of unemployment from 4.5 percent to 6 percent nationally. Congress in 1971 approved an Emergency Employment Act to do much the same thing with a stopgap public service jobs program. But this program has since been cut down and crammed under the revenue-sharing tent—thus losing the impact it needs now.

Emergency employment aid can forestall the devastating loss of payrolls—and subsequent loss in tax revenues that comes from throwing people out of work and onto welfare rolls. As Members know, the huge budget deficits of 1971 and 1972 were caused not by Government spending but by revenue shortfalls brought about by a depressed economy.

I hope that President Ford's economic listening posts will bring back the message that tight money is not a comprehensive economic policy. I believe we must have fair wage and price controls as part of an overall economic package that will include greater availability of credit and restrictions on commodity exports.

THE 250TH ANNIVERSARY OF THE BIRTH OF COL. MICHAEL KOVATS

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from New Jersey (Mr. PATTEN) is recognized for 30 minutes.

Mr. PATTEN. Mr. Speaker, it is in the spirit of the coming Bicentennial that I rise with my distinguished colleagues to remember the 250th anniversary of the birth of the American Hungarian hero of the Revolutionary War, Col. Michael Kovats, who has contributed greatly and participated in the battles of our War of Independence.

Col. Michael Kovats was born in 1724 at Karcag, Hungary. At 20 years of age, he was already an ensign in one of Empress Maria Theresa's cavalry regiments and fought meritoriously in the First Silesian War. After the Peace of Dresden in 1745 his regiment was disbanded and he entered the service of the great Prussian King, Frederick II. The Prussians realized the importance of the Hungarian-type light cavalry and the Hungarian colonel, Michael Székely became commander of the Prussian Hussar regiment. Kovats served in this regiment distinguishing himself during the Seven Years War and rose to captain in the Prussian Army. He left the Prussian service in 1761 in protest of Frederick II's practices to exploit the population of occupied areas and to suppress them.

He visited Poland establishing contacts with nationalist circles, then returned to Hungary. In spite of the proclaimed amnesty, he was court-martialed; but, the highest Austrian Military Court and the Imperial Council acquitted him and Empress Maria Theresa pardoned him and gave him the rank of major of cavalry. He married a Hungarian noblewoman, but upon the death of their son, the couple separated. In 1773 he visited Saxony where he heard of the conflict between Britain and the American Colonies. Upon his return to Hungary, he applied for a passport and in 1776 left his country for France to embark for America.

He wrote to Benjamin Franklin in Paris for a letter of recommendation. The original of this classic letter may be found in the American Philosophical Society Library in Philadelphia. The letter follows:

Golden freedom cannot be purchased with yellow gold. I, who have the honor to present this letter to Your Excellency, am also following the call of the Fathers of the Land

as the pioneers of freedom always did. I am a free man and a Hungarian. I was trained in the Royal Prussian Army and raised from the lowest rank to the dignity of a captain of the Hussars, not so much by luck and the mercy of chance, than by most diligent self-discipline and the virtues of my arms. The dangers and the bloodshed of a great many campaigns taught me how to mould a soldier and, when made, how to arm him and let him defend the dearest of the lands with his ability under any conditions and developments of war.

I am here now of my own free will, having taken all the horrible hardships and bothers of this journey. I beg Your Excellency to grant me a passport and a letter of recommendation to the most benevolent Congress.

At last, waiting for your gracious answer, I have no wish greater than to leave soon, to be there where I am needed most, to serve and die in everlasting obedience. Faithful unto death (*Fidelissimus ad mortem*).

Michael Kovats did not receive the recommendation personally, although the recommendation was forwarded by Franklin to the Continental Congress, and Kovats left for the United States where he arrived in 1777.

It is more than just a matter of speculation as to what his plans were. He was a specialist in the training of light cavalry, the Hussars. He knew that General Washington had no cavalry in the professional sense. The four "mounted" regiments of Colonels Moylan, Bland, Baylor and Sheldon were little more than mounted infantry without the necessary training.

Kovats was aware that 15 of Frederick II's battles were won by his cavalry. Training was the secret of Frederick II's success and Kovats was trained by Frederick. Organization was Kovat's function in fighting for Frederick and he wanted to use these talents now to train the colonists.

He immediately became a recruiting officer of the Philadelphia German regiment, and soon met Count Casimir Pulaski who was known to him in Poland and Hungary. Pulaski offered his fortune and fiery zeal for the cause of the Colonies. By July 1777 he arrived in Boston and fought and distinguished himself at Brandywine. On September 15, 1777, Pulaski was appointed a brigadier general and commander-in-chief of Washington's cavalry. Kovats now joined Pulaski's headquarters and received the assignment of "master of exercises" even before official sanction arrived from General Washington on January 14, 1778. Both Pulaski and Kovats encountered a certain distrust of the British-trained General Washington toward any cavalry. In addition, the small numbers and inadequate equipment of the army at Valley Forge made Pulaski's and Kovats' plan appear unrealistic.

In March 1778 Pulaski resigned, but 8 days later the Continental Congress authorized the creation of what was later known as the Pulaski Legion, an independent cavalry corps. A week later Washington recommended Kovats for the colonelcy and Congress approved. Pulaski served as the overall chief with Kovats as the commanding colonel.

The legion enlisted 320 men, no small accomplishment at a time when the Army numbered around 4,000 men. Kovats trained his troops in New Jersey during the summer of 1778 with headquarters at Princeton. He participated in two battles against the British at Osborne Island and Egg Harbor. With the approach of the winter the legion was ordered from Trenton to Sussex Court House and on November 10 to Cole's Fort where it stayed until February 2, 1779. Then the legion was ordered to Charleston, S.C., to assist Gen. Benjamin Lincoln.

In little more than 3 months he fell in Charleston, S.C. But his life, struggle and death remain one of the fondest memories among revolutionary heroes. They came from the elites of many nations, just as Americans came from many lands during our 200-year history. Americans of Hungarian descent are justifiably proud of this fine soldier-hero of the 18th century who offered, because of his high ideals, his sword and finally his life for the cause of freedom in America and in doing so, for the freedom of all mankind.

We celebrate not only the valiant Hungarian Hussar fighting for American freedom but also the man who, amid the many battles and historical twists and turns of the 18th century, preserved in himself a devotion and commitment to the cause of freedom and human dignity.

The American Hungarian Federation, which devoted its time and energy to bring to the attention of the American people the memory of a brave fighter for American freedom, worked for a congressional resolution in 1955 declaring the anniversary of Kovats' death as Col. Michael deKovats Day.

The federation is led by the able chairman of the board, Rt. Rev. Zoltan Beky, D.D., who for 35 years served as pastor of the Free Hungarian Reformed Church in Trenton, N.J., and afterwards, 7 years as bishop of the same church. I also owe my appreciation to Dr. Elemer Bako and Dr. Z Michael Szaz who provided a wealth of information on the life of Colonel deKovats after great study.

Mr. HOWARD. Mr. Speaker, this is the 250th anniversary of the birth of the brave colonel of the Revolutionary War, the organizer of Washington's cavalry, Michael Kovats.

Kovats, the commanding colonel of the Pulaski Legion, a great collaborator of Count Casimir Pulaski, was Hungarian of birth. He served in the two best cavalries of Europe, the Austrian Army of Empress Maria Theresa and the Prussian Army of Frederick the Great.

At 52 years of age, he offered his services to the United Colonies and embarked for America from Bordeaux. His military career in the United States brought him in 1778 to New Jersey after having organized his independent cavalry unit consisting of four companies. At the end of the summer the Legion was ordered to Princeton, N.J. He fought the British on two occasions; on September 10 at Osborne Island, where his casualties were 22 men, and at Egg Harbor on the 14th of September. The latter was a defeat because of the treachery of an originally English officer who was not recruited by the Legion, but assigned to it by the Board of War. The Legion lost 30 men. In October of 1778, the Legion was sent to Trenton and then to Sussex Courthouse. On November 10 they moved to Cole's Fort. But in February 1779, they were ordered first to Virginia and then to South Carolina.

Many of the recruits of the Legion came from New Jersey, especially as the losses of the two battles had to be replaced by new recruits before departing to South Carolina to help General Lincoln.

Colonel Kovats was an officer well-trained in organizing light cavalry. His original Hungarian Hussar training taught him an elan and tactics which made the name Hussar world-famous in the 18th century. His long service and training in the Prussian army, however, also imbued him with the methodological training methods of the best drilled and most professional army of Europe and these dual qualities in him predestined him to become the founder of American cavalry. Unfortunately, his early death and the subsequent death of Count Casimir Pulaski, the overall commander of the Legion, at Savannah in 1779, ended the short-lived experiment for several decades.

We remember the valiant Hungarian officer whose motto in his American service was: "Faithful unto death!" as a hero of the emerging American Nation, and a man who lived and fought in New Jersey in 1778. He teaches us that the devotion to freedom and human dignity was eminently present in the sons of many European nations who offered their swords and their lives so that the American Nation may be born in freedom and retain its democratic traditions. Americans of Hungarian descent may be very proud of the man who blazed their trail in American history and the same commitment to freedom and democracy was the hallmark of American Hungarians in our history and society during the 198 years of our Republic.

Mr. MINSHALL of Ohio. Mr. Speaker, this year marks the 250th anniversary of the birth of Col. Michael Kovats, who came from Hungary in 1777 to fight for the cause of the colonists against the British.

Kovats' military career in Europe was distinguished. As a young officer he fought in the Empress Maria Theresa's Hussar regiment in the Second Silesian War. Later he became a captain of the Gersdorf Free Hussars of Frederick II under whom he had fought in the Seven Years' War. At the time he left Hungary to go to America he was a reserve major of the cavalry by appointment of the Empress.

Kovats offered his services to Benjamin Franklin in Paris in a letter in which he promised to be "faithful unto death" to the cause of the Colonies, a promise he was to keep. A copy of Franklin's letter of recommendation of Kovats, sent to the Continental Congress, is preserved in the National Archives.

Upon arriving in this country, he met Count Casimir Pulaski. After some difficulties in persuading General Washington to accept their ambitious plans for

cavalry training and regiments, General Washington and the Continental Congress established the independent cavalry, later known as the Pulaski Legion, with Pulaski as chief and Kovats as his commanding colonel.

Kovats wanted to bring the elan of the Hungarian Hussars and the meticulous, precise Prussian training of cavalry to the colonists' cause.

Despite the relative ignorance of the Colonies in regard to cavalry fighting and tactics, Kovats drew an enthusiastic response. He exceeded his recruitment quota by 62 men, adding close to 400 cavalrymen to the Army of the Continental Congress under General Washington. When winter weather and smallpox decimated his troops as did two battles in the fall of 1778 at Osborne Island and Egg Harbor, he found willing recruits to replace them.

The Legion under Kovats had to travel much as in the winter of 1778–79 General Washington sent it to help General Lincoln against the British general Provost who was trying to wrest the Southern States from the colonists. Kovats' legion traveled from Coie's Fort to Charleston, S.C., during the winter months and contemporary documents show that they did not commander their food and other necessities but paid for them in Maryland, Virginia, and North Carolina. At Salem the dreaded smallpox epidemics started, and by the time they arrived at Charleston, their effective strength fell to 120 men. But Kovats immediately attacked the British in order to cause a diversion and raise the morale of the people of the beleaguered port city. He succeeded in the attack, but fell in the battle on May 11, 1779 ending a life rich in independent spirit, love of freedom and soldierly virtues. American Hungarians can look with pride upon this soldier who had become the hero of two nations, the Hungarian and the American.

Mr. ADDABBO. Mr. Speaker, on this 250th anniversary of the American Hungarian hero of the War of Independence, Col. Michael Kovats, I am joining my colleagues in remembering his character and accomplishments during his short, but eventful stay in the United States between 1777 and 1779.

A distinguished cavalry officer of Empress Maria Theresa and King Frederick the Great of Prussia, this man offered his sword to the cause of American freedom in 1777. Despite the perils and inconveniences of the journey, he traveled on his own from Budapest to Bordeaux that year via Geneva and wrote to Benjamin Franklin asking him for a letter of recommendation which Franklin sent to the Continental Congress, but not before the impatient and enthusiastic Kovats already had embarked for America. He was stated in 1777–78 mostly in New Jersey, close to British occupied New York City. He recruited his men not only from New Jersey and Pennsylvania, but also from the unoccupied areas of New York State.

In April 1778 he was appointed as commanding colonel of the independent cavalary unit, known as the Pulaski Legion, as its overall commander was the Polish American hero, Count Casimir Pulaski. Aware that Frederick the Great won most of his battles by the use of cavalry, especially the Hungarian-type light cavalry, the Hussars, Kovats tried to train his troops as Hussar units. His greatest praise was given by the British major who lost the battle in which Kovats fell at Charleston. He reported that Kovats' cavalry was the best cavalry that "the Rebels ever had." More important for our times than the organizational and martial talents of Colonel Kovats were his character and ideals.

Here was a man who was battle-trained and battle-weary, and already 53 years old. He still had the idealism and enthusiasm to take up arms in a far away country for which he considered to be the cause of freedom. It is not money which drew him to the cause. In his letter to Franklin he stated this clearly:

> Golden freedom cannot be purchased with yellow gold.

He had wanted to train the troops in precise military manner so that they may "defend the dearest of the lands with their best ability under any conditions and developments of the war." And he ends with the memorable phrase: "Faithful unto death" which in the 20th century became the motto of the American Hungarian Federation as well.

Today we recall the memory of this man of spirit and talent who contributed with his sword and life to the independence of our country displaying the virtues which most of his fellow countrymen who followed him to America had exhibited during the last 198 years.

Mr. WILLIAMS. Mr. Speaker, today Americans of Hungarian descent are proudly commemorating the 250th anniversary of the birth of the American Hungarian hero of the Revolutionary War, Col. Michael Kovats.

We Pennsylvanians are particularly proud of Colonel Kovats because of his recruitment and other military activities in our State.

Early in the summer of 1777, two cavalry officers, Count Casimir Pulaski, of Poland, and Col. Michael Kovats, of Hungary, arrived in Philadelphia, and presented themselves offering their services. Pulaski had a formal agreement with Silas Deane, then Ambassador of the United States to France, guaranteeing for him a commission as Commander of the U.S. cavalry forces, with the rank of brigadier general. As he arrived. General Washington, although not too enthusiastically, honored the agreement made in faraway Paris, and wrote to Congress suggesting that Pulaski be given "the command of the horse." In the interim, Washington invited Pulaski to serve on his staff as a volunteer officer.

About the whereabouts of Colonel Kovats, the Hungarian, the news is less conclusive in the summer months. There is a source which mentions that he served as a recruiting officer for the Pennsylvania German battalion in the summer. The next time his name is mentioned is in the Moravian diary of Nazareth, Pa., in September that "the famous Prussian Hussar officer Colonel Kobatsch" visited there, referring also to the circumstance that he had lived, "quietly," in this country for some time already.

The commission of brigadier general in command of all the cavalry of the American Forces, given by Congress to Count Pulaski on September 5, was reinforced by the personal bravery and usefulness of Pulaski as demonstrated in the battle at Brandywine on September 11, when he virtually saved George Washington's life by detecting in time a British detachment near the position of Washington.

During the fall months Pulaski and Kovats, a veteran of 15 battles in the service of Frederick of Prussia, met and discussed the impending problems of cavalry organization and training in the new American republic. Pulaski, Kovats' junior by 24 years, readily admitted that Kovats was the only expert of light cavalry training in America, praising him on four different occasions in his letters, reports and proposals to General Washington.

Finally, on January 14, 1778, Pulaski received Washington's approval of the appointment of Kovats as "master of exercise" for a few monhts.

The records of the Continental Congress, the Board of War, and the dispatches of General Washington from his headquarters at Valley Forge are filled during the following months with references to increasing difficulties of Pulaski with various officers at Washington's headquarters or in the cavalry units. At that time there were only four, heavily undermanned cavalry regiments, under the command of Colonels Moylan, Bland, Baylor, and Sheldon, mostly of the type of infantry on horseback. The situation was solved by the resignation of Pulaski as commander of the cavalry and his assignment for the organization of an independent unit later called the Pulaski Legion. Soon after, on the 18th of April, Michael Kovats was commissioned by Congress as "colonel commandant" of the same unit.

After the British left Philadelphia in the spring of 1778, Pulaski and his officers, including Colonel Kovats, as well as the various cavalry and infantry units of his legion, became more and more conspicuous in Philadelphia. The citizens of Philadelphia, by then a symbol of American liberty and independence, learned to value these well-trained warriors whose martial appearance and precise troop movements were noted in the contemporary press. Their presence did much to enhance the preservation of the recently won independence of the United States.

We Pennsylvanians share the pride of the many Americans of Hungarian descent by pointing to the fine letter by Michael Kovats to Benjamin Franklin dated in Bordeaux, France, on January 13, 1777, in which he offered his life and sword for the cause of American independence. We treasure this beautiful document even among the wealth of the "Benjamin Franklin Papers" preserved at Philadelphia, and we regard it as a fine manifestation of the new American patriotism. "Most faithful unto death,"—wrote Michael Kovats in this letter, and less than 2½ years later sealed his promise by sacrificing his life in the defense of American freedom and

independence at faraway Charleston, S.C.

But prior to this ultimate sacrifice, he fought, according to his orders received from General Washington and other superior officers, both the British forces and the various Indian bands which tried to break through the line of defense above Philadelphia. Thus, he contributed, bravely and loyally, to the safety and freedom of that great city.

The city of Philadelphia is proud of having given him occasional shelter during these last years of his life. In Germantown, now a part of modern Philadelphia, Colonel Kovats, with reference to his "late expedition against the Indians," submitted his proposals to the Congress "concerning a durable future security against the Indians and other bad fellows." His letter, dated on the 19th of September, 1778, was read in the session of the 21st, and referred by Congress, along with his proposals, to the Board of War.

Now, and in the future, our academic institutions and collections will aid and enhance Hungarian research on the numerous topics related to the historical connections between so many generations of Americans and Hungarians. Certainly one of the most attractive connections is the impressive life story and the shining example of Col. Commandant Michael Kovats, the brave and faithful Hungarian Hussar officer.

GENERAL LEAVE

Mr. VANDER VEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order today of the gentleman from New Jersey (Mr. PATTEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BURN CARE PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ESCH) is recognized for 60 minutes.

Mr. ESCH. Mr. Speaker, few of us give much thought to the adequacy of burn care facilities in this country until tragedy strikes. We tend to assume that most hospitals have the personnel and equipment required for this very specialized treatment. Unfortunately, the statistics prove otherwise; and the National Institute of Burn Medicine in Ann Arbor, Mich., says the burn problem has long been one of this country's large, but hidden problems.

Indeed, the scope of the situation can be better understood by considering the following: each year burns kill and cripple more children in the United States than polio did at its peak. More than 12,000 people die of burns and the tragedy is that with better care, which is now possible, half of those who die could be saved.

It is because of the need for burn prevention education and improvements in burn medicine that the National Institute for Burn Medicine—under the direction of Dr. Irving Feller—has undertaken a 10-year, nationwide assault on the problem. Through the Institute's efforts, September has been proclaimed "State Burn Prevention—Burn Treatment Month" by the Michigan Legislature and thousands of volunteers are, this week, joining together to raise funds for the institute.

Certainly this is a very worthy cause when one considers that in Michigan alone, the people suffering burns each year would fill the University of Michigan football stadium. In short, there are about 100,000 burn victims in Michigan annually and almost half of the 400 who die as a result of burns are children. Moreover, the institute estimates that only five of the 200 hospitals in Michigan offer specialized burn treatment. Dr. Kathryn Richards, assistant director of the University of Michigan's burn center, reports that there are three to four people a week that ought to be treated by that facility on an urgent basis who must be turned away because of lack of space and qualified staff. In addition, Dr. Feller and his colleagues have found that only 41 of the 92 medical schools in the United States are presently affiliated with hospitals offering any specialized burn care and only nine of these have burn centers for teaching and research as well as patient care. They stated in an article published in Michigan Medical that:

> The net effect of today's shortage of medical skills and facilities for burn treatment is that approximately 90 percent of all burn patients do not receive the quality of care they need.

Dr. Feller's recommendations include not only a dramatic increase in the number of physicians skilled in burn treatment, but also an increase in the number of facilities offering specialized treatment to burn victims. He says that nationally there is a need for 160 burn units and 600 burn programs. Significant increases in facilities are also needed in Michigan with particular need to better distribute the facilities so that victims are not referred long distances from home and friends for what often is a lengthy treatment.

In view of the need for which the Institute has made such an outstanding argument, I would like at this point to thank Dr. Feller, the Institute and Board Chairman Merritt D. Hill for their efforts to awaken us to the hidden problems of burn treatment and prevention. I want also to note the substantial contribution being provided by the institute to the cause of improving burn medicine in the United States. For example, the institute plans over the next 10 years to train 750 surgeons in burn medicine. The institute also plans to build a 30-bed burn center in Michigan during the next 5 years which will serve as a model for burn injury care facilities throughout the country. The institute will of course continue to work on a number of research projects including new ways of controlling infection. Additionally, the Institute will continue through its National Burn Information Exchange to gather a great deal of data on what types of burn accidents are suffered by a given age group. This material will be used to create mass media programs to help people prevent burn injuries.

All of these efforts cost money and require the public support to assure success. Gov. William Milliken has proclaimed this week "Michigan Burns-Awareness Week" and many thousands of volunteers are joining together in an attempt to raise more than half a million dollars to help the National Institute for Burn Medicine fight burn injuries, deaths, disfigurements, and disabilities. I would like to point out to my colleagues that the groups embarked on this fundraising effort are Michigan's 14,000 Jaycees, 6,000 unionized firefighters, volunteer fire departments, the Jaycees' and Firefighters' auxiliaries, and Epsilon Sigma Alpha Sorority.

Indeed, fundraising is a top priority feature of the Jaycees' burn-awareness program and more than 240 of the Michigan Jaycees' 300 active chapters are participating in the burn-awareness drive. In many communities, firefighters and Jaycees are running joint projects. Both the State and national International Association of Fire Fighters—IAFF—have pledged their support to the program. As President Earl Berry of the Detroit Fire Fighters Association wrote in Detroit Fire Fighter magazine:

> I feel there is no project that Fire Fighters could undertake that could have more relevance to our own lives and to the lives of every person in the communities we serve than assisting the National Institute for Burn Medicine." In addition, Tom Ritter, president of the Michigan Jaycees and a recent appointee to the National Institute for Burn Medicine's Board of Governors, said, "there is no other public or community service project that Michigan Jaycees could undertake with more relevance to our tradition of community service.

Mr. Speaker, this effort in Michigan marks the beginning of the National Institute for Burn Medicine's 10-year, $125 million campaign aimed at resolving the burn problem in the United States. This is, of course, an ambitious goal. But with the leadership of Dr. Feller and his associates with the help of so many volunteers and supporters, I am confident of the outcome. As I have said on other occasions, our country's problems can best be solved at the local level in a cooperative effort between the the public and private sector, and by making the most of the talents and expertise of volunteer groups, community organizations and private business. This initiative is worthy of our support and I know that other members of Congress will lend support in any way they can.

CONGRESS AND SUPREME COURT SAY: STOP BUSING AND START EDUCATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRAY) is recognized for 15 minutes.

Mr. BRAY. Mr. Speaker, the month of July 1974, will go down as a landmark month in two respects for stopping the tide of busing pupils for so-called

racial balance. Both the Supreme Court and the Congress, for the first time, made part of the law of the land, the fact that there were definite limits to busing.

The action by the Supreme Court came on July 25. A 5–4 ruling all but barred the busing of children across school district lines to achieve integration, which, of course, was the situation facing Indianapolis under a Federal court order, as well as other communities.

Chief Justice Burger, writing for the majority of the Court, said:

> The notion that school district lines may be casually ignored or treated as a mere administrative convenience is contrary to the history of public education in our country.

This decision reversed a lower court order that had called for cross-country busing in Detroit and 53 surrounding communities. What the Court said, in essence, was that busing stops at the city limits. There is much similarity between the Detroit and Indianapolis cases.

Then, on July 31, the House passed the conference report on H.R. 69, Education Amendments of 1974. The Senate had passed it already on July 24.

For the first time in writing legislation on Capitol Hill, some very specific antibusing provisions were written into law, and passed. The final version of the bill was not as strong in its antibusing provisions as the stand taken by the House of Representatives, originally, but its provisions are significant.

The House, on three separate occasions, by 2–1 margins, had approved and ordered its conferees—who met with the Senate conferees—to insist on strong antibusing regulations when this bill was in conference. The Senate repeatedly refused to go along with the House. But, what did go into the final version of the bill was this:

First, busing beyond the next closest school is prohibited;

Second, assignment of students to their neighborhood schools does not violate the 14th amendment;

Third, population changes are not to serve as the basis for new desegregation lawsuits—which could conceivably lead to busing;

Fourth, racial balance is not required to achieve desegregation;

Fifth, there will be no busing unless and until all other alternatives have been explored and exhausted;

Sixth, any busing at all can start only at the beginning of the school year;

Seventh, there can be no busing at all until after a school district has been given reasonable time to formulate a voluntary plan to achieve desegregation, if so ordered to do so;

Eighth, court orders on busing may be reopened when the health of the child is impaired or the child's educational process is imperiled;

Ninth, court orders on busing are to be terminated if the school district is found to be in compliance with the 14th amendment; and

Tenth, no Federal funds may be used for busing.

A GOOD BEGINNING—BUT NOT THE END

Now, none of this means the fight against busing is over. The Supreme Court and Congress went a long way; both took a giant step in removing this questionable social experiment from American life and education. The present situation in Boston is a case in point. Opposition to forced busing to achieve racial integration has flared, violently and forcefully, in that city.

Probusing advocates—not, in this case, Federal judges, but others—have planned their campaign rather well.

They knew that if they tried to force this issue on the entire country at one time it would have meant violent reaction all over the United States similar to that in Boston. But they took one area at a time. Richmond, Va.—where, incidentally, the Federal judge who ordered very drastic busing sent his own children to a private school and made absolutely no apologies for it; Mecklenburg County, N.C.; Detroit; Indianapolis; and, of course Boston, to name some of the more prominent incidents.

Why did the entire country not react, as did the citizens of these areas? It seems to be a rule of human nature that, with very rare exceptions, there is no real mass reaction over an unpopular idea or movement. The reaction itself is generally confined to the area affected, and the community involved.

But who is next? Or, where? It is quite certain there will be more communities singled out for desegregation suits by probusing zealots, and busing will be very much in the minds of those who push the issue. It is equally certain the reaction in the community involved will duplicate that of the areas listed above.

BUSINESS LONG BANNED BY LAW

The stark truth of the matter—and why it has not gotten through some skulls to date is beyond me—is that busing is in no sense a legally sanctioned—meaning, here, by Congress—method for desegregation. In fact, it is just the opposite; consider this language in the Civil Rights Act of 1964:

> But desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance.

And an amendment adopted when the Civil Rights Act of 1966 was before the House of Representatives:

> Nothing in this title shall be construed to authorize action by any department or agency to require the assignment of students to public schools to overcome racial imbalance.

This language is crystal clear and anyone who has passed the sixth grade, at least, can be assumed to be capable of understanding it. All right, then, why the push for busing?

Zealots. Fanatics. These words are not too strong. A couple of comments on fanatics are in order here.

Finley Peter Dunne has his irrepressible fictional Irishman, Mr. Dooley, say:

> A fanatic is a man that does what he thinks th' Lord wud do if he knew the facts iv the case.

And the philosopher, George Santayana, in his *"The Life of Reason"*:

> Fanaticism consists of redoubling your efforts when you have forgotten your aim.

Just where, though, did all of this start? I detailed the genesis of the busing idea in a 1969 speech before the House of Representatives which was entitled "Education or Social Experimentation?" From the speech:

> The entire issue revolves around a very unfortunate sequence of events, practically all of which are attributable to some extremely radical proposals originating among the Health, Education and Welfare bureaucrats back in 1966. Now, Congress had been aware for a couple of years of what might eventually be cooked up in fertile but feverish minds. Equally aware of the potential for great damage to the nation's educational structure, congressional intent forbidding any such meddling had been made quite clear and plain."
>
> But there is always someone who does not get the word, and if they do, they choose to ignore it, setting themselves up as being better qualified to dictate to the American public what their educational structure should be. In this instance, "someone" was Harold Howe II, former Federal Education Commissioner, who took office in 1966 and almost at once made it quite clear that he was going to set the rules. A Wall Street Journal story of August 12, 1966, about Howe, was headlined as follows: "Integrating Classes—Federal Officials Now Favor End to Tradition of Neighborhood School—New Education Commissioner Calls for Busing, 'Plazas'; Suburbanites Are Alarmed—His Only Weapon: U.S. Cash."

In the same speech I also quoted an editorial from the Washington, D.C. Star of August 12, 1966; the editorial dealt with the 1966 amendment I cited earlier:

> The thrust of the amendment is in this sentence: "Nothing in this title shall be construed to authorize action by any department or agency to require the assignment of students to public schools to overcome racial imbalance."
>
> What he (Howe) intends to do, in brief, is to bus school children back and forth to achieve a racial mix satisfactory to himself, and if necessary to abolish the neighborhood schools in the process. This has never been required by the Supreme Court nor intended by Congress.

WHO WANTS BUSING?

Who is for busing? Parents? Certainly not. Every poll that has been taken in the country on the issue shows a heavy majority—black and white—of parents against busing. Pupils? They are overwhelmingly opposed. School superintendents? National School Magazine, in its May 1968 issue, reported results of a poll showing 74 percent were opposed. School boards? The same survey showed 88 percent opposed. Teachers? Today's Education, March 1969, carried a National Education Association research division survey showing 78 percent of the teachers opposed.

So who does favor it? This brings us right back to the zealots and fanatics who would, in the words of the title of a speech I made to the House of Representatives on October 7, 1970, on busing, use "Classroom for Chessboard: Pupils for Pawns."

Then, too, among the zealots and fanatics, you have those whose interest in controlling—absolutely controlling—the lives of their fellow men embraces the

busing concept and goes beyond even that, into other fields. They seek a utopia, really; the idea of utopia was once called "The Perennial Heresy," by the writer Thomas Molnar, who had some very harsh things to say about those who pursued it, to the detriment of their fellow men.

Not all probusing advocates fall into this extreme category. But many of the extremist type are definitely in the front ranks. What they lack in numbers, they make up in zeal—misguided zeal, I might add.

EDUCATION NOT THE GOAL IN BUSING

There has been considerable controversy over busing plans ordered for Pasadena, Calif. On Tuesday, September 24, the Christian Science Monitor, one of the most respected newspapers in the country, carried an Associated Press story headed "Test Scores Fuel Debate on Forced Busing in Pasadena." From the story; the words speak for themselves; the implication is grim indeed:

In the last four years, the school district has lost 6,671 of its white students—37.4 per cent—and if the trend continues, Mr. Marcheschi (President of the School Board) says, "We aren't going to have enough white students left to integrate."

The school board has been trying desperately to stop the white flight, fighting in vain to have the busing plan rescinded or modified and imposing a philosophy of fundamental education that appeals to conservative whites.

But the effort was hurt with the revelation that test scores of both whites and blacks have declined in reading and math during the busing period.

That is bad enough, and one would think a factor of sufficient weight to give pause to the probusing forces. But Mr. Ramon Cortines, superintendent of Pasadena Schools, does not seem to mind: he is all for busing. From the same story:

Mr. Cortines says the scores do not mean busing has failed, "*because the purpose was to integrate, not improve students' achievements.*" (Italics supplied)

Just what, may I ask, is a school for? To experiment with the lives and futures and careers of pupils? To be used as a lever to tear apart communities and contribute directly and forcefully to violence and civil discontent? Or to prepare a pupil for his future? According to Mr. Cortines—and I have never, in the voluminous files I have on busing—some material goes back 8 years—seen such an incredible admission of sheer zealous, fanatic devotion to the pursuit of the goal of busing—the role of the school as far as the pupil goes is to use the school system, and the pupil, in social experimentation.

"Education or Social Experimentation?" I asked in my House speech on July 30, 1969. Mr. Cortines makes it clear: social experimentation comes first. And, I would imagine, according to him, if the student somehow manages to get an education, that is a relatively insignificant byproduct of the whole ghastly process.

I began these remarks by noting, with considerable satisfaction, the actions of the Supreme Court and the Congress in recent months. But, from the conclusion—from the Pasadena experience—it is quite clear the fight is far from ended.

Win it? Yes, I do believe so; we are closer now than we were 5 months ago, and that in itself is a significant achievement. But those of us who want education for the youth of America; those of us who look upon students as what they really are: future leaders of this country; those of us who want our educational system returned to its first task—education—still have much to do.

We cannot let down; we cannot stop. We must continue. And I am positive we will prevail in the end.

ANY CONSIDERATION OF AN AMNESTY PROGRAM SHOULD BE CANCELED UNTIL AMERICA GETS A FULL ACCOUNTING OF ALL U.S. SERVICEMEN MISSING IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the question of general and blanket amnesty has been placed—once again—squarely before the Nation by the President's decision to grant an amnesty to Vietnam era draft evaders and deserters.

This question, in my opinion, was well on its way to being resolved through decisions of the courts with respect to specific cases and through the individual decisions of evaders and deserters on whether to return to the country or surface from the underground and in what circumstances. But, it has now been reopened. Unfortunately, its reopening has rekindled the animosities associated with it—on both sides of it.

I am opposed to blanket amnesty for two principal reasons: It shortcircuits the judicial process, and it places the administration's concern for draft dodgers and deserters above those of families of men still considered as missing in action in Southeast Asia.

THE JUDICIAL PROCESS SHOULD BE FOLLOWED

On September 12, I addressed this House on the importance of relying on the judicial process—in lieu of a blanket pardon and alternative public service program. In those remarks, I said:

There is a proper process for the resolution of the two questions of pardons now pending before the Nation—those relating to Watergate and those relating to Vietnam—and that process is judicial. These matters ought to be resolved in the courts of law, for that is the proper forum for their resolution. Only after the full judicial process has run its course as to each defendant—including appeals—ought a pardon to be in order. It is that way with respect to other cases involving violations of Federal statutes; no other standard should be used here.

A cornerstone of our Anglo-American system of law is that each and every defendant has an absolute right to prove his or her innocence. It must be only that one person, whose conduct must be examined against the requirements of a specific statute, who stands before judge and jury—before the public and history's judgment. Once in court, that person cannot be considered as part of an amorphous group of Watergate defendants or draft evaders, for the freedom and future of that particular individual defendant is what is at stake.

There are young men now living outside the United States, as a result of not serving or continuing to serve in the Armed Forces during the Vietnam war, who claim that there were mitigating circumstances which would lead either to acquittal or the dropping of charges against them. They ought not to be lumped together with those who have already acknowledged willful violations of criminal statutes without such particular, mitigating circumstances.

To grant pardons to some Watergate defendants or those already convicted or to grant blanket amnesty for draft evaders and deserters runs directly counter to the right of others to prove their innocence and to clear their names. Those rights must not be denied through the use of Presidential pardons or amnesty while the judicial processes are still running. As trials are concluded and precedents established, patterns may emerge which warrant a change in policy, but that is not now the case. Let the courts and prosecutors, not elected officials, determine that at the appropriate time.

I think the President would be well advised to let the constitutional and judicial processes run their courses fully before considering—at that time and in light of circumstances emerging thereafter—to decide what power under the Constitution he ought then to invoke, if any.

The program announced by the President on September 16 treats all evaders and deserters as members of that "amorphous group" to which I referred. This was in the face of a Washington Post news account of the same day about how effectively the courts had been working with this issue.

According to the Administrative Office of the U.S. Courts, 21,500 draft evasion cases have been concluded since 1964 with 8,400 ending in conviction—4,000 of those getting prison sentences and 4,400 of them being placed on probation; with 1,300 being acquitted; and, with 11,200 having the cases against them dismissed.

Whether one believes these men ought to be found guilty or innocent, the fact is that the courts were resolving this matter on an effective case-by-case basis.

The assumption in our system—that an accused individual has a right to prove his innocence before a court—is circumvented—it is actually denied—by the use of blanket pardons which leave no room to prove innocence and to clear one's name.

On the other side of the coin, the effectiveness of deterring evasion and desertion in future wars is undermined by allowing alternative public service or the acceptance of a dishonorable discharge to stand on the same plane as those who answered the call and fought.

NO DISCUSSION OF AMNESTY UNTIL AMERICAN SERVICEMEN MISSING IN ACTION IN SOUTHEAST ASIA ARE ACCOUNTED FOR

There ought to be, in my opinion, a precondition for the granting of amnesty—even if a general program is to be pursued—and it now appears that the program set into motion by the President is going forward.

It was interesting—and very disturbing—to me to see that in all the coverage of the amnesty program—for 15,500 draft evaders and 12,500 deserters who broke the law—there were no words

about those families who still await news, any word, concerning the plight of their loved ones still missing in action or unaccounted for in Southeast Asia.

The families—wives, mothers, children, and kin—of some 1,300 still missing were, in essence, told by this amnesty declaration that, as a matter of priorities, the concern for the families of our evaders and deserters was to be placed above theirs. In short, the Government is going to do something about the evaders and deserters but nothing about the missing in action.

In addition to these 1,300 MIA's, there are the families of an additional 1,200 who were killed in action but whose bodies have not been recovered from Communist-controlled zones, in order that they can be returned to the United States for proper burial.

To me, it is the most fundamental kind of human decency which requires us to give those Americans who might still be alive—held still as POW's—and their long-suffering families due consideration before any amnesty is granted to those who broke the law.

I can understand the President's emotions on this matter—to resolve the matter once and for all, to allow men to renew their lives and families to overcome uncertainty—but I cannot understand why that same emotion does not apply to our MIA's and their families.

SENSE OF THE HOUSE RESOLUTION INTRODUCED

That is why I am today introducing a resolution expressing the sense of the House that the amnesty program announced by the President should be put into abeyance—into limbo—until all U.S. servicemen still missing in Southeast Asia are accounted for—until all POW's are returned—and until the remains of all U.S. servicemen are brought home.

The distinguished Senator from North Carolina (Mr. HELMS) introduced a similar measure, S. 402, stating the sense of the Senate, on September 16. I am honored to offer this House companion to that measure, and I call upon the Committee on Armed Services to consider this measure as soon as possible, in that the amnesty program is now being launched.

The text of the House resolution follows:

H. RES. —

Resolution that it is the sense of the House of Representatives that there should be no continuance of the announced general program of amnesty for Vietnam era draft dodgers or deserters until a full accounting is made of American servicemen missing in Southeast Asia

Whereas more than two and one-half million United States servicemen served honorably during the conflict in Southeast Asia, and

Whereas fifty-five thousand servicemen lost their lives while performing their duty in service to their country in that conflict, and

Whereas nearly one thousand and three hundred American servicemen remain unaccounted for in Southeast Asia: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that no general program of amnesty, conditional or otherwise, be continued for any United States citizen who knowingly evaded the draft in order not to serve in the conflict in Southeast Asia, or who knowingly deserted from the armed services while serving our country, until such time as there is—

(a) the fullest possible accounting of all Americans still missing in action or otherwise unaccounted for in Southeast Asia; and

(b) a return of all prisoners of war; and

(c) the fullest possible accounting for and repatriation of the remains of those American servicemen who died in the conflict in Southeast Asia.

Mr. Speaker, surely, we can all see the need for such an expression. At a time in our Nation's history when the call goes out for a national reconciliation, the hopes of the loved ones of our missing in action ought to be given priority.

GENERAL LEAVE

Mr. GUYER. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the subject of the special order of the gentleman from New York (Mr. KEMP).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ECONOMIC SUMMIT CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. DU PONT) is recognized for 60 minutes.

Mr. DU PONT. Mr. Speaker, on Friday and Saturday of this week President Ford will convene an economic summit conference. The participants will begin to draw together the best economic thinking our Nation has to offer—and to focus that thinking on the most difficult problem facing America in the seventies.

I am not a participant in the conference, nor am I an economist; however, I believe that the burden is on us, the Members of Congress, to shape our own thinking about the economy and lay out a strategy for beating what we all recognize to be the major problem in this country today—inflation. Naturally, the executive branch has great resources and authority to deal with inflation, but we cannot forget that the Constitution gives the Congress the power of the purse and the legislative authority to enact major economic policy programs. It is my belief that the question of inflation ultimately rests on Congress. No matter what progress the President makes in his summit conferences, his efforts will be meaningless if he cannot work in partnership with a Congress that understands the dimensions of the inflation problem and a Congress that has dedicated itself to meeting the problem of inflation head on, and by meeting head on I don't mean choosing the politically expedient way fighting inflation—I mean talking straight to the American people and letting them know there is no popular, easy way to solve inflation and by taking actions that may be politically unpopular, but economically necessary.

INTRODUCTION

We have to begin facing the problem of inflation by first recognizing how people are affected in real terms, and realize that what we do here in Washington ultimately impacts the individual consumer's pocketbook.

The price of gasoline has gone from 39 cents per gallon to nearly 60 cents. The price of sugar has risen 65 percent in the last 3 months. Milk has gone from 60 cents to 80 cents per half gallon from 1972–74. Heating oil increased 67 percent in cost in the last year. Mortgage money is nearly unavailable and electric rates continue to go up and up.

Is it any wonder that across the Nation, as well as in Delaware, economic problems are considered the No. 1 problem for the American family? A recent comprehensive survey by the News-Journal papers in Delaware pointed out that over 50 percent of Delawareans believe that inflation is public enemy No. 1.

And what may be even worse than the problem itself, is the nagging worry most Delawareans, and I believe most Americans, that perhaps nothing can be done about the problem. People feel caught, and squeezed between the rising cost of living, and wages which do not keep pace. The News-Journal survey pointed out that the average Delawarean feels he is worse off economically than ever before. He feels he is struggling for survival, and losing the fight. He feels that elected officials do not understand his problems, and that Government is incapable of providing realistic solutions. Double digit inflation piled on top of endless scandals in Washington have proved a heavy load for the American spirit to bear; and confidence in Government has sunk to an all-time low.

So far the performance of the Federal Government, both the Congress and the executive branch has done little to engender any confidence in our ability to meet the challenge of inflation. There has been a lot of talk on the subject, a lot of accusations about who is responsible and unfortunately very little real understanding of the problem. Even the experts cannot arrive at a concensus on how to beat inflation. But before we begin the debate on solutions to the problem, we can make substantial progress if we level with the American people on three basic premises which I think most people can agree on: First, inflation will not be stopped overnight. It is a problem that has been gaining momentum for at least the last 10 years and is being pushed along by worldwide inflation. Second, inflation cannot be stopped without incurring costs. Third, if the Congress or anyone else tries to sell quick, painless cures to inflation we will simply be postponing the day when we do come to grips with the problem. A modest but necessary step in combatting inflation must therefore be a candid admission to the American people inflation can be cured—but it will take time and in some instances it will have to hurt. Inflation campaign rhetoric simply will not do. Curing inflation is politically popular but unfortunately the means will not be.

Because inflation is a pervasive problem that stems from multiple causes, we need to develop an integrated strategy. No single policy can be the answer—adjusting the money supply alone cannot stem inflation, nor will fiscal restraint alone solve the problem. Likewise stimulation alone may help one sector of the economy and hurt another.

We must also recognize that because curing inflation invariably incurs costs—in terms of unemployment in particular—we must adopt a policy of moderation. Obviously we are going to want to help those who take the brunt of the battle against inflation, and we are going to live up to our commitment to provide assistance to those on fixed incomes. The difficult job of the Congress will be to determine what mix of restraint and expenditures we need to both curb inflation and reduce the hardships of those most severely hit by inflation and anti-inflation policies. Congress has an opportunity to effect an anti-inflation policy along two fronts: the Government sector and the private sector, and it has responsibility in two other areas: assisting the victims of inflation and insuring economic equity throughout our system.

I. THE GOVERNMENT SECTOR

There are many causes of inflation but certainly no one cause has been more important than the enormous deficits that have been run up by the Federal Government in the last 10 years. Since 1965 the Federal Government has spent $102.9 billion more than it received in revenues, so we must begin our fight here in Washington.

The genesis of the current problem goes back to the war in Vietnam. We tried to fight the most expensive war in our history while continuing to provide expanded Federal programs and more consumer goods for more people than ever before. The American economy was called upon to make precious few economic sacrifices during the war; and our budget deficits exploded: $1.6 billion in 1965, $8.7 billion in 1967, and $25.7 billion by 1968. And when the peak activities of the war subsided, did the deficits come down? They did not. The 1972 deficit was $23.7, and the 1973 deficit was $14.3 billion. And as the deficits soared so did prices, to the point where the Consumer Price Index rose by an annualized rate of over 14 percent during the first quarter of 1974.

The plain truth is that inflation will never be cured—never—as long as the Federal Government continues to run budgetary deficits of this size. Some people have said that cutting the budget is not necessary—that such action is too simplistic to be worthwhile. They are wrong; budget restraint has been, and will continue to be, the key to curing this double-digit inflation. That is why I have said that the budget submitted by the administration for fiscal 1975 of $304.5 billion is too high and must be cut. And I believe it can be cut without doing serious damage to any one sector of our Government. I applaud President Ford for his recent announcement that he hopes to be able to reduce Federal obligations by $24 billion during this fiscal year. I am also pleased to see that he is using the machinery set up for him in the new Budget Reform Act of which I was a strong supporter.

Over the past 9 months I have initiated some action on my own in an attempt to trim the budget where I believe it is justified. To date, I have voted to cut more than $6 billion out of the budget to reduce it below $300 billion. With current projections for 1975 in the neighborhood of $296 billion, I am hopeful that sound, responsible actions by both the Executive and the Congress can dissolve what had been predicted to be an $11 billion deficit and provide us with a balanced budget.

Where can these cuts be made? The votes I have already cast put my views clearly on the RECORD. The defense budget—currently 30 percent of the entire budget—can be cut without weakening our national defense. That is why I joined as a cosponsor of the Aspin-du Pont amendment to limit research and development funds for the Defense Department; that is why I voted for the O'Neill amendment to reduce U.S. troops overseas by 100,000 men; and that is why I voted for the Addabbo amendment to cut $2.3 billion from the overall defense budget.

These actions produced results—the final fiscal year 1975 defense appropriation was $4.5 billion below budget.

Cuts can also be made in an over-sized foreign aid budget. For too long the U.S. foreign aid budget has operated on the assumption that political friendship can be bought with American dollars. I submit that you can not buy political allies with American arms. That is why I sponsored a series of amendments in the Foreign Affairs Committee to drastically cut military aid to countries like Vietnam, Cambodia, Jordan, and Turkey. To date we have been successful in committee in reducing the foreign aid bill by $900 million.

Budget cuts can also be made by eliminating some of the outrageous subsidies the American taxpayer is carrying on his already overburdened shoulders; third class mail subsidies, sugar subsidies, wheat export subsidies, just to name a few. All of these, I voted against or worked to end, and I will continue to oppose them in my own personal effort to bring the Federal budget into balance, and to stem the tide of inflation.

Reducing the size of the Federal budget and correspondingly reducing the size of the deficit, is, and will continue to be, the single most important action we can take to bring inflation under control.

Further, reducing the size of these deficits also can have a significant impact in our fight against high interest rates and the unavailability of credit—especially in the mortgage market. Recently, the Federal Government has been financing these enormous deficits—our average of over $30 billion per year—by borrowing; by increasing the national debt. And when the Federal Government goes into the market to borrow to finance the deficits, it sucks up loanable funds, and drives interest rates through the ceiling. If the Federal Government did not have to borrow $30 billion a year to finance the deficit, that would be $30 billion in credit and loanable funds that would be available to the private sector to provide more mortgage money, and more money for business expansion—and to provide more money at lower interest rates.

So controlling the Federal deficit not only can help stem the tide of inflation, but it can also take a great deal of the pressure off interest rates and the availability of credit across the country.

It is my belief, that as we begin to control the size of this year's budget a great deal of the pressure will be taken off the money markets and the high interest rate policy of the Federal Reserve System. If we in Congress can take our share of the responsibility, then I believe the Federal Reserve should begin to relax its hold on the money supply, free up the availability of funds, and begin to reduce the inacceptably high level of interest rates in the United States today. An increase of a few percentage points in the growth of the money supply would be appropriate—if, the Congress accepts its responsibility in conducting a balanced fiscal policy.

II. THE PRIVATE SECTOR

The Congress also has wide authority to deal with the problems of inflation in the private sector. Because we are experiencing inflation at the same time we are experiencing economic stagnation, the Congress must adopt as one of its strategies, a policy of stimulating production. An expanding industrial sector is central to the country's economic health.

1. STIMULATION OF ECONOMIC ACTIVITY

A. INDUSTRIAL EXPANSION

It has become painfully apparent during the recent inflationary surge with its skyrocketing interest rates, that capital shortages are just as severe as the shortages of some of our raw materials. The long-term implications of a scarcity of available capital causes me a great deal of concern. Continued economic growth is the key to providing this generation of Americans and future generations of Americans the jobs they need, and the standard of living they desire in the years ahead. Our economy doesn't have to grow at a dizzying pace; but it does have to grow if jobs are to be available for our expanding work force. If capital is not available to build homes, to expand plants, to pay for costly pollution control equipment, to build new plants, and to provide new equipment, then I fear that the jobs will not be available when our children need them, and that our ever-bettering standard of living will be stymied.

One of the primary sources of capital is the individual American. The money he saves today becomes the investment capital of tomorrow. That is why I believe we must find new incentives for the individual American to save an increasing percentage of his annual income. The best incentive, of course, is to get inflation under control so that he feels that money he is saving now will be worth something when he seeks to withdraw his savings. But, I believe it is time to look to additional incentives. Legislation has already been introduced in Congress to give the individual a tax deduction of $400 on his tax return—$800 on a joint return—for funds he invests in savings and loan institutions—the prime source of funds for home mortgages. I think this is a sound approach, and hope that the Congress will give its attention to this legislation. Perhaps a tax credit would be a fairer approach—but in any case, the time has come for the Congress

to reexamine the relationship between consumption and savings in America, and act to help assure that the enormous need and demand for capital to provide for jobs in the years ahead, will be met adequately.

I would also think that the time has come to reexamine some of the rules and laws which affect the availability of capital for businesses. For example, do rules that limit depreciation to $10,000 on a piece of equipment that will cost $15,000 to replace, really make sense? I believe the Congress should begin to examine this question and other questions which are related to the internal availability of capital for business and job expansion. Tying the basis for depreciation to the rate of inflation is one possible method of encouraging industrial expansion; we should consider others as well.

B. HOUSING

The housing industry is a critical component of our economy. Today it is in serious decline. Aside from trying to bring down the interest rates, the Government can play an important role in providing the funds to local governments for construction of low-income housing. This year we passed the Community Development Act which authorizes expenditures of $8.3 billion for housing over the next 3 years. This should help. In addition, the Federal Government through the Ginnie Mae program can act as a stimulant in encouraging more housing construction loans and by providing the lending institutions with liquidity in exchange for the purchase of mortgage portfolio. This is one of the most effective ways for the Congress to stimulate housing starts and we should continue to support appropriations for Ginnie Mae activities.

C. RAW MATERIALS

As demand for raw materials soar and the supplies diminish, the Congress must adopt policies which will both encourage conservation of the materials we already have and incentives for the increased availability of more raw materials to ease the demand. Energy resources require particular attention because they form the basis of the whole economic life of this country. Support of accelerated research and development is essential if we are to increase supplies. This year we increased the research and development expenditure by the Federal Government by 70 percent, with an appropriation of $2.3 billion. This support must continue if we are to increase our own domestic supplies and maintain independence from economic blackmail by the oil producing nations. We must also reform our tax laws so that we provide tax incentives for increased production, not simply tax breaks for oil companies. The oil depletion allowance has not been an effective tool in encouraging investment in production; it should be repealed. If our incentive beyond prices should become necessary, it should be a plow back provision that provides advantages only if the oil companies reinvest in production facilities.

D. FARMING

With the price of food continuing to plague American consumers, it is essential that the Federal Government get firmly behind a policy of full production. For years the American farmer was under restraints not to grow and not to produce. We no longer have the luxury of surpluses and must bring crop production to the most efficient levels that technology will permit. The Congress this year passed the Omnibus Farm bill which shifted us toward a full production agricultural sector—a hopeful step in the right direction.

III. ASSISTANCE TO THE VICTIMS OF INFLATION

While pursuing policies of restraint in Government spending, we must not lose sight of the need to continue support for the victims of inflation and the fight against inflation. While we need to cut the budget, we must set as a top priority the protection of the elderly, the unemployed and the poor—those who bear the heaviest consequences of inflation.

As we continue our efforts to control inflation, reduce interest rates, and foster an economic expansion which provides for new jobs and a better standard of living for all of us, I think we should be particularly careful to make sure we protect the victims of inflation too. Senior citizens who live on fixed incomes, the poor, those who have lost their jobs, and the middle-income American who continues to bear the cost of increasing taxes and an ever-increasing cost of living, are all very directly affected by double-digit inflation. The victims of inflation must be protected while we find the solutions to solve the problems.

Since I have come to the Congress, I have voted for social security benefit increases totaling 41 percent to help protect our senior citizens. I am proud that we have finally enacted legislation which I have advocated to tie social security benefits to the cost of living. This "escalator" will go into effect in January of 1975. In further recognition of the plight of many of our senior citizens, I have sponsored legislation to remove the earnings limitation from social security recipients, to include the costs of prescription medicine in medicare, to give a Federal tax deduction for property taxes paid, and to prevent veterans' pensions from going down when social security goes up. These are some of the steps we in Congress must take to protect perhaps our most vulnerable victims of inflation—our senior citizens.

For those on the lowest rung of the economic ladder—the poor—the cost of inflation is most severe. Food and fuel demand a huge percentage of his income—and in these areas the price increases have been the sharpest. The food stamp program is well established, and I am working on legislation to provide similar benefits—"energy stamps" for use in paying fuel and electric bills.

We are going to have to increase our assistance to the unemployed, too. I was a strong supporter of the recent amendments to the Labor-HEW appropriation bills to raise our Federal commitment for public service jobs from $250 million to $620 million. I think we can do no less. This increase will mean that Delaware, for example, will have its share of jobs for the chronically unemployed increased from about 200 to nearly 500.

Unemployment insurance benefits must be expanded too. I have introduced legislation to increase the maximum duration of benefits from the current base of 26 weeks to a more appropriate 39 weeks. Together with the "extended benefits" provisions, unemployment benefits then could be paid a maximum of 52 weeks. I would hope that Congress could act swiftly on this—or similar—legislation.

IV. ECONOMIC EQUITY

In the pursuit of these policies we must also insure that the Government is being evenhanded. Otherwise we will lose the support of the American people. Two major areas of economic policy need reform: Taxes and competition.

A. TAX REFORM

Assistance for the taxpaying, middle-income individual who is struggling to stay even, I believe, can also be provided by the Congress. I have sponsored, along with many of my colleagues in both the House of Representatives and the Senate, what is known as the Cost-of-Living Adjustment Act, to give the middle-income American some protection from the effects that inflation is having on him and his family. This act would amend the tax laws to provide for automatic cost-of-living adjustments in income tax rates, the amount of the standard deduction, the amount of the personal exemption, and the amount of the depreciation deduction for the taxpayer. It strikes me as being only fair that a taxpayer's taxes should not increase solely because of inflation. This act would recognize the effects of inflation on the taxpayer, and increase his personal exemption, his standard deduction, and adjust his tax brackets to allow for inflation each year. I think this is a good bill; it has broad support; and I hope that Congress will consider it in the very near future.

What about the costs of these various protections against inflation? How can we afford these programs and these tax adjustments during a time when balancing the budget must be our No. 1 concern? In my opinion, we can and we must, find additional sources of revenue and continue to reduce spending in other less important areas.

Tax reform, I believe, is as much of a key as reducing the budget. We must act to make sure every taxpayer pays his fair share of the tax load, and that tax loopholes which give undue benefits to a variety of special interests are closed. And tax reform will produce additional and new sources of revenue. I have sponsored legislation to require that all tax loopholes and preferences expire every 3 years to give Congress the opportunity to determine whether or not the preferences are still justified. I am on record in support of increasing the minimum tax on the wealthy so that indi-

viduals cannot pile one loophole on top of another and avoid paying their fair share of taxes, and I have also been in support of legislation to abolish oil depletion allowance and the foreign tax credit for oil companies. The cost savings associated with these changes approaches $5 billion; careful study of all the "loopholes" will unquestionably produce additional savings.

These are some of the issues to which I hope the House Ways and Means Committee will address itself in its effort to provide the full House with a meaningful piece of tax reform legislation this year.

B. FOSTERING COMPETITION

Another aspect of the economy in which corrective congressional action is needed is in the field of antitrust legislation. A special task force has been investigating this problem and I look forward to their specific findings and recommendations. However, there is no question in my mind that in some areas of our economy more stringent regulations and more forceful action by the Justice Department will be needed to offset the ability of monopolies, oligopolies, and other collusive combines to impose artificial price increases on the consumer who is presently without recourse from these pricing policies. The competitive situation in industries such as steel, oil, and automobiles demands careful investigation by the Justice Department and action to insure that a greater measure of competition is released to these marketplaces.

CONCLUSION

On the eve of the convening of the White House Conference on the Economy, these are just a few of the steps which I believe must be taken if we are to put a harness on public enemy No. 1—inflation. Reduced Federal spending and correspondingly reduced Federal deficits; easing of Federal monetary policy to help bring interest rates back down to reasonable levels; incentives to increase personal savings so that funds will be available for economic expansion and particularly additional funds for mortgages; protection for the victims of inflation by expanding and increasing our assistance for senior citizens and the unemployed; tax relief for middle American which is caught in the cost-of-living squeeze; and tax reform to insure that everyone pays his fair share of the burden.

I would hope that these, and other issues, could be discussed at the White House Conference, and I would hope that Congress would return to session after the election to deal with the problems of our national economy. We must take prompt action—the Congress cannot stand idle while the average American goes further and further in debt, and falls further and further behind in his effort to keep pace with this double digit inflation for which the Congress and the Federal Government are in part responsible.

FEDERAL FOOD RESERVE ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, each time the American consumer goes to the supermarket checkout counter, he or she finds that a larger portion of their monthly paycheck is required for food expenses. Nothing has hurt the American consumer more over recent years than wildfire food price inflation. It is estimated by the Department of Agriculture that food prices will have risen by 15 percent by the end of this year over food costs in 1973.

Earlier this summer overly optimistic projections for this year's crop harvest gave us reason to anticipate a bumper crop and a drop in food prices—especially meat and poultry. However, our hopes were shattered with the recent release of USDA's crop forecasts which revealed the disastrous effects of this summer's drought in the Midwestern States on the corn and soybean crops.

The disappointing projections for this year's crop yields mean that livestock and poultry producers will again be forced to pay high prices for the feedgrains essential to their industry and that in turn consumers will continue to pay high prices for meat and poultry products.

Until we adopt a national food policy to protect us in times of surplus and scarcity, there will be no relief from this vicious inflationary spiral for either the consumer or the producer.

Today I am introducing a bill which would lead us toward a national food policy by establishing and maintaining a Federal food reserve of certain agricultural commodities. This legislation, the Federal Food Reserve Act of 1974 would provide an adequate supply of food for domestic consumers and would prevent domestic shortages of designated commodities by creating a system of export controls. The provisions of this bill would also allow us to provide a continuing supply of commodities to foreign countries for humanitarian purposes.

The Federal Food Reserve Act is designed to prevent the wild price fluctuations that are harmful to consumers and producers by creating a national reserve system of wheat, feedgrains, and soybeans. My bill authorizes the Secretary of Agriculture to accumulate 300 million bushels of wheat, 25 million tons of feedgrains, and 100 million bushels of soybeans for inventories in a Federal food reserve in times of surplus production.

The Secretary would be authorized to dispose of commodities in circumstances of tight domestic supply and in times of national disasters and for the relief of famine and similar emergencies in other parts of the world.

The second major provision of my bill provides for the automatic imposition of export controls on wheat, feedgrains and soybeans whenever the Secretary of Agriculture determines that there is a domestic shortage of these commodities or at any time when the retail price of any wheat-based, feedgrain based, or soybean-based product, based on the Consumer Price Index, increases by 8 percent above retail prices in the preceding 12-month period.

By requiring exporters to obtain licenses for each commodity sale aboard, we are establishing a monitoring system on exports which would protect the U.S. consumer and producer against unexpected raids on U.S. supplies like the 1972 Russian grain deal which depleted our wheat stocks and fueled food price inflation.

At present we have neither a system of monitoring exports to foreign buyers or export controls for times of short supply. In view of a reduced feed grain crop predicted for this year, the Department of Agriculture has requested the Japanese and the EEC countries to scale down their purchase of U.S. feedgrains by 10 percent by voluntary agreement. I do not regard pledges from importing nations to reduce the amount of feedgrains they had planned to buy as a more desirable alternative to export controls.

Export controls would require foreign buyers to establish themselves in our marketplace on a stable and regular basis. While it is important for the United States to maintain its integrity as a reliable supplier of farm products in world markets, it is just as important that foreign buyers become equally reliable as regular purchasers in our market, rather than buying undetermined amounts of commodities on an erratic basis.

As an additional safeguard in periods of short supply and large foreign demand, foreign buyers would be prohibited from purchasing more than 100 percent of the amount of commodities they purchased in the preceding year.

Clearly, our present exporting system is devised to maximize our foreign exchange earnings without regard to inflation at home or famine in underdeveloped countries. By creating a national commodity reserve and export controls, we would be able to assure all Americans adequate supplies at reasonably stable prices, while making the United States a reliable supplier on the export market and enabling us to respond in cases of national and international emergencies.

"TRANSITION" MONEYS FOR PRESIDENT NIXON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROBISON), is recognized for 15 minutes.

Mr. ROBISON of New York. Mr. Speaker, early next week—perhaps even on Monday—the House will be considering the supplemental appropriations bill which, while the same will contain numerous important items involving a great deal more money and provocative, really, of what should be wider public interest, will also present to my col-

leagues a thorny issue involving how much money should be voted, in the way of "transition" assistance and staff allowances, et cetera, under the Former Presidents Act, for the use of former President Richard M. Nixon.

As the ranking Republican member on the Steed subcommittee that was called upon to consider these two controversial budget requests, I know full well that Members will want to inquire deeply into the justification for the same. I also know that there has been an unfortunate amount of misunderstanding—even perhaps some unintentional misrepresentation—on the part of the news media concerning these items.

I have, naturally enough, had a substantial number of letters on this subject and have replied to the same through use of a general response, composed following the subcommittee's tentative action. A copy of that response is now set forth in the hope that enough of my colleagues will read through it for background information as to the subcommittee's decision so as to make our debate over the same more informed and useful than it might otherwise be.

GENERAL RESPONSE LETTER

Your communication on the $850,000 request made of Congress by President Ford to provide "transition" moneys and, after next February 9th, staff aid and other benefits for the use of former President Nixon is noted. The volume of my mail on this subject is such that I must give you this rather general reply. If it is not fully responsive to some of the points you raised, I shall be glad to hear from you further.

The request was based-on two existing laws, the Former Presidents Act of 1958 (FPA), and the Presidential Transition Act of 1963 (PTA). All former Presidents starting with Herbert Hoover, as the eldest former President eligible, have received benefits under the FPA. Benefits available include the former President's pension (now $60,000 per annum); up to $96,000 per annum in office staff salaries (and such employees' related benefits as the government's share of their retirement and health programs); the privilege of "franked" mail (with reimbursement required of equivalent postage to the Postal Service), plus the provision of such office space and equipment, the cost of communications, and of travel and related expenses as Congress may allow.

The actual annual cost of benefits thus paid out has varied with the former President-beneficiaries. Comparisons are not altogether helpful, but former President Truman in 1972, while occupying rent-free space in the Truman Library, received $122,375, this being his last full year of such assistance. In the same year, which was also his last full year, former President Johnson received $206,599 in such benefits.

President Ford's request in behalf of Mr. Nixon was for $400,000, and included $55,000, representing 11/12ths of Mr. Nixon's pension in this Federal fiscal year; the full $96,000 for staff, plus another $8,000 for their related benefits; the cost of office equipment estimated at $50,000, and the cost of "communications" (most of which would be for postage) estimated at $35,000; printing costs estimated at $10,000; travel expenses for Mr. Nixon and two staff aides estimated at $10,000; $110,000 towards the cost of a proposed vault to be built in a Federal facility near San Clemente, California, to temporarily house some of the classified Nixon papers, and, finally, $26,000 in "miscellaneous" expenses.

The House Appropriations Subcommittee (on which I am the ranking Republican Member) handling the request, disallowed specifically the moneys requested for the proposed vault and recommended that all such Nixon papers and tapes should continue to be held by the Ford Administration and not removed to California until after Special Prosecutor Jaworski and the courts had concluded the still-pending Watergate inquiries. The subcommittee specifically allowed the $55,000 requested for Mr. Nixon's pension, but then reduced the overall request to a proposed total of $153,000—in effect leaving it to Mr. Nixon to allocate the remaining $98,000 as might best fit his needs as a former President between next February 9th and June 30th, the end of the present Federal fiscal year. The subcommittee action—obviously a compromise—is subject as this is written to such modification as may be made by the full Appropriations Committee, or the House and the Senate.

Transition moneys to help an outgoing President "wind up" his Presidential affairs are available only during the first six months after he has left office; thus to next February 9th, in Mr. Nixon's case. Under the PTA, they are limited to $900,000 to be shared between the outgoing President and an incoming President, and are intended to be used again for suitable temporary office space and equipment, staff salaries and benefits, the cost of postage, of travel, and the like. President Ford waived any such benefits, but requested the full $450,000 (one half of the authorized total) for Mr. Nixon's benefit, citing the outgoing President's need to reply to some 350,000 accumulated letters addressed to him, and his need to begin to sort and declassify the mass of personal and public papers left behind in Washington after his precipitate departure therefrom in August.

For obvious reasons, only outgoing President Johnson was eligible for aid under this Act. Comparisons again are not altogether helpful since Mr. Johnson had some nine months to get ready to leave office after announcing his decision not to stand for reelection. Nevertheless, he did receive $375,000 in such benefits under the PTA's authority, with another $75,000 worth of such benefits going to Hubert Humphrey, as outgoing Vice President.

Our subcommittee reduced the $450,000 Ford request to $245,000—in part in light of the fact that Mr. Ford has, up to now, detailed certain former Nixon White House personnel to Mr. Nixon's use at San Clemente, as the PTA permits him and other Federal departmental and agency heads to do on a non-reimbursable basis during that same six months period. Again, the subcommittee action is subject to full Committee, or House and Senate modification.

Thus, at this writing, the Ford total of $850,000 has been tentatively reduced to $398,000—including $55,000 for the Nixon pension to which he appears to be legally entitled whatever one's opinion of him.

I recognize full well that some critics think Mr. Nixon should receive nothing further in such Federal benefits—and Congress may eventually bow in that direction of public opinion. I have no personal enthusiasm for supporting the subcommittee's action. Nevertheless, it seems to me that Mr. Nixon does face a problem in dealing with his mail and his papers, and that, despite the nature of his leaving office, he should not be left high and dry, as it were, to solve the same on his own; not, that is, unless Congress now wishes to reconsider the intent and availability of the benefits so that "good" Presidents receive benefits in excess of those now authorized, "average" Presidents receive the currently authorized amounts, and "bad" Presidents receive nothing.

Kindest regards,

Sincerely yours,

HOWARD W. ROBISON,
Member of Congress.

SURVEILLANCE OF PRIVATE AMERICAN CITIZENS BY THEIR GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOSHER), is recognized for 15 minutes.

Mr. MOSHER. Mr. Speaker, I have requested this special order so that I may speak briefly about an extremely serious matter, surveillance of private American citizens by their Government.

Earlier this year, on April 2, I joined with many of my colleagues in another special order, on the subject of rights to privacy. At that time, I noted, "when Government agents are turned loose at the whim of bureaucrats and politicians to search our homes, seize our papers and tap our telephones without any prior judicial approval, the most important liberties of a free people are eroded."

To remedy what I believe is a very alarming trend in the executive branch toward increased Government surveillance without prior court orders, I joined with our former colleague, Senator Mac Mathias, to coauthor the Bill of Rights Procedures Act of 1974.

That bill, which was first introduced in the House on May 2 as H.R. 14564, requires that the Federal Government must obtain, in all cases, court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail and for the inspection or procurement of certain records.

Last month, the House Republican Task Force on Privacy, of which I am a member, issued its preliminary report—reprinted in the CONGRESSIONAL RECORD of September 13. In the report's section on surveillance, we unanimously stated:

> The Task Force on Privacy is deeply disturbed by the increasing incidence of unregulated, clandestine Government surveillance based solely on administrative or executive authority.

In summarizing its findings in the area of surveillance, the report says:

> The Task Force feels that surveillance is so repugnant to the right to individual privacy and due process that its use should be confined to exceptional circumstances. The Task Force further feels that no agent of federal, state, or local government should be permitted to conduct any form surveillance, including wire-tapping of U.S. citizens in national security cases, without having demonstrated probable cause and without having obtained the approval of a court of competent jurisdiction. The Task Force recommends enactment of new legislation to prohibit the unauthorized surveillance by any means, and further recommends that existing laws be clarified to the extent this may be necessary to ensure that no agent of the government shall have the authority to conduct any surveillance on any American citizen for any reason without first obtaining a court order.

The Task Force believes that this proposal would not lessen the capability of the government to protect and defend the American people, but would go a long way toward assuring the individual citizen that his constitutional rights will not be abridged by government without due process of law.

Mr. Speaker, I am very pleased to inform you that five of my colleagues on the Task Force on Privacy today joined me in reintroducing the Bill of Rights Procedures Act. The very able chairman of the task force, Mr. GOLDWATER, and my fellow members, Mr. CONLAN, Mrs. HECKLER, Mr. LAGOMARSINO, and Mr. THONE, are cosponsoring the bill I placed in the hopper today.

I am grateful for their support and involvement, and I look forward to the added support of many more Members. During the next few weeks, I will be actively seeking additional cosponsors for the Bill of Rights Procedures Act of 1974.

At this point, I would like to present a brief summary of the legislation I am advocating here today. It is my sincere hope that the Judiciary Committee will be able to act upon this proposal as expeditiously as possible.

SUMMARY OF BILL OF RIGHTS PROCEDURES ACT OF 1974

The key provision of the proposed Bill of Rights Procedures Act is that it would require any Federal government agent to obtain a court order before he or she may conduct any form of surveillance on a private citizen. Probable cause would have to be demonstrated before the court order could be issued, and the warrant must be specific in its particulars.

The term "surveillance" includes bugging, wiretapping, opening of mail, entering of dwellings, and the inspection or procurement of the records of telephone, bank, credit, medical or other private transactions. Court orders would be required in virtually every instance, thus clarifying the law and closing many loopholes in present statutes. The only exceptions made are in the cases of: the serving of an arrest warrant, the "hot pursuit" of a criminal, or when the consent of the subject individual has been obtained.

A penalty of up to $10,000 and/or a year imprisonment is provided for any government official, employee, or agent who willfully violates or causes the violation of this legislation.

The bill requires that within thirty days after application has been made for a court order the applicant must file a report with: the Administrative Office of the U.S. Courts and with the Committees on the Judiciary of the House and Senate. Follow-up reports on approved surveillance activities would also be required.

The Bill of Rights Procedures Act is intended primarily to reinforce the protections provided by the Fourth Amendment to the Constitution. That section assures "the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures." This legislation is also directly relevant to the First Amendment (freedom of speech, assembly, etc.) and the Fourteenth Amendment (equal protection).

Mr. GOLDWATER. Mr. Speaker, I am pleased to join Congressman CHARLES MOSHER in this special order marking the introduction of his legislation entitled a Bill of Rights Procedures Act of 1974. This legislation will definitively and conclusively spell out the circumstances and procedures under which the Federal Government can legally conduct surveillance for law enforcement purposes on citizens of the United States.

As the chairman of the House of Representatives Republican Task Force on Privacy, I believe this bill to be of special significance. The "Surveillance" section of that report reads as follows:

The Task Force feels that surveillance is so repugnant to the right to individual privacy and due process that its uses should be confined to exceptional circumstances. The Task Force further feels that no agent of federal, state, or local government should be permitted to conduct any form of surveillance, including wiretapping of U.S. citizens in national security cases, without having demonstrated probable cause and without having obtained the approval of a court of competent jurisdiction. The Task Force recommends enactment of new legislation to prohibit the unauthorized surveillance by any means, and further recommends that existing laws be clarified to the extent this may be necessary to ensure that no agent of the government, for any reason, shall have the authority to conduct any surveillance on any American citizen for any reason without first obtaining a court order.

Mr. MOSHER's legislation is fully consistent with the task force recommendations. It will go a long way toward eliminating the technical gray areas and traps that have ruined good law enforcement cases. It will eliminate that vague administrative prerogative that encourages abuse and misuse of the surveillance power. This legislation will enable the law enforcement officer to be certain of his authority while ensuring the protection of those basic, inalienable rights and liberties we Americans hold so dear.

I commend Congressman MOSHER's legislation to the considered attention of my congressional colleagues.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the subjects of the special order of the gentleman from Ohio (Mr. MOSHER).

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from Ohio?

There was no objection.

DELINQUENT FOREIGN DEBT OWED UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, this week the Economic Summit Conference will convene in Washington. In reviewing the agenda, I am surprised to discover the delinquent foreign debt owed to the United States, which exceeds $60 billion, is not included. In hopes that this important matter may be considered, I have forwarded the following letter to President Ford:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 23, 1974.

President GERALD FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This letter is written with the hope that you will give thoughtful consideration to adding a subject to the agenda of your Economic Summit Meeting this week. That subject is the $60 billion foreign debt owed to the United States.

Briefly, the situation is this. The Foreign Operations and Government Information Subcommittee of the House Committee on Government Operations, of which I am a Member, has been conducting detailed studies for five years of the problem of delinquent international debts and unpaid claims owed to the United States. Our findings show *more than 100 countries of the world are delinquent in paying their debts, including nations that are now prosperous. Some are now gouging us with high prices for their oil.*

The Departments of State, Defense and Treasury are pushing debt collection in some countries but failing miserably in several other key nations, such as France and Iran. The total foreign debt owed to the United States is still growing rather than decreasing. This tide must be reversed, I'm sure you will agree.

I respectfully urge that the Economic Summit address itself to the following courses of action:

1. The launching of a top-priority effort to collect delinquent debts and unpaid claims owed to the United States;

2. Asking now prosperous nations to accelerate their debt payments to help us in our time of need; and

3. Urging the oil-rich nations to pay the full amount of debts and claims owed to the United States.

4. Seeking new creative ways to make it possible for the less developed nations to meet their debt obligations to the United States, such as the bill, H.R. 6061, which you co-sponsored as a Member of the House of Representatives in the current session of Congress.

Mr. President, I am sure the American people and the Congress would applaud the inclusion of this subject on the agenda of the Economic Summit. In any event, I would greatly appreciate it if you would kindly include this letter in the record of your proceedings.

With kind regards,
Faithfully yours,

BILL ALEXANDER,
Member of Congress.

REMARKS OF CONGRESSMAN GONZALEZ IF HE COULD PARTICIPATE IN PRESIDENT'S CONFERENCE ON ECONOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the capital is awash with economic thinkers these days. Cabinet officers and economic advisers are up to their ears in advice—hearing impossibly oversimplified summations of things they mostly already know, chairing one or another meeting to hear nostrums and complaints—and occasionally bemoaning the fate of stockbrokers.

All this summitry more than faintly

resembles the one contribution of Hitler's finance minister, one Schmidt, who assembled a national meeting to discuss the economic ills of the Reich. This convention—the word "summit" had not been invented then—was known as the Supreme Chamber of German Economics. That august body met just one time. And I guess that our latter day supreme chamber will meet just one time, with our own Schmidt-like Greenspan at the helm.

This summit, like Schmidt's Supreme Chamber of German Economics, is faulty in two ways: first, it consists mostly of showmanship and gamesmanship. Not much useful work is going to be done in 1-day meetings of several hundred more or less knowledgeable heads apiece. Nobody has much time to say anything in such meetings, and those who ought to be listening are too busy checking their watches and trying to hold eyelids open. Second, these meetings project the impression that there is going to be some magic formula produced for the quick resolution of all our economic ills. But our problems are complex, and took a long time to mature. The answers to those problems are likely to be difficult, and require patience and dedication to solve. Convening a summit of all economists is likely to produce only noise, and once the noise has abated, I doubt that we will see another such summit, just as the Earth never witnessed more than one meeting of the Supreme Chamber of German Economics.

If I were to attend one of these meetings, I would very likely say pretty much the same thing I told my constituents last week. I will not be at the Hilton this weekend to participate in the President's conference—but if I were there, this is what I would say:

REMARKS OF HENRY B. GONZALEZ

Anybody who has been on the planet Earth for the last few years knows that the number one, pervasive concern that people have is about the economy. This is true not just for Americans, but for the people of virtually every country.

People are concerned because they do not really understand what is happening that could cause what we were all taught could never happen—and that is, having an increasing rate of inflation at the same time we are having a recession. The times are getting harder every day, but the prices in the stores and at the gas pump keep going higher.

People are concerned because they hear no understandable explanation for all this. No economist seems able to say what is wrong, or what can be done; no politician seems able to offer a program; and no leader of this or any other government seems capable of instilling confidence, or even lighting a spark of hope that this great economic puzzle can be deciphered. For a while, a few days in August, there was hope that with Richard Nixon gone, Washington could focus on the basic and compelling problems of the country. But most of that hope seems to have gone aglimmering as President Ford deals with other problems—a pardon for his predecessor, though Mr. Nixon had never been charged with a crime, and devising an amnesty for Viet Nam deserters and draft evaders. Mr. Ford has little to say about any economic program, and the fear grows daily that he either has not come to grips with the situation, or has no idea what might be done about it.

Meanwhile, the stock market alternates between irrational optimism and equally irrational gloom. There will be a rally based on the idea that the Federal Reserve might be loosening up the monetary purse; then there will be a slide based on rumor or plain old-fashioned fear. The sharp movements in the market, and the general slide downward indicate pretty much the level of confidence that people have: not much, and weakening every day.

And there is reason for all this concern. You know it, and your neighbors and customers know it.

Consumer prices in this country have advanced by 40 percent since 1969—and nine per cent since January. And there is no sign that things are getting any better. Wholesale prices increased 3.9 per cent in July, and it won't be long before that shows up on the grocery shelves and in the stores. Since 1969, wholesale prices have gone up 55 per cent.

During July the consumer price index shows a full one per cent increase in the cost of nonfood commodities—that is an inflation rate of 12 per cent a year.

These huge increases in wholesale and consumer prices took place despite the fact that the gross national product actually went down by almost one per cent during July, in real terms—and has declined by nearly seven billion dollars this year. There has not been any noticeable growth in the gross national product in nearly two years—and yet, during that time the rate of inflation has continued to increase.

When we learned economics, we were taught that if the rate of economic growth declined, inflation would also decline. But that is not the case today. This is a real puzzle. If the market mechanism really works, excess demand is supposed to create higher prices, and excess supply is supposed to depress prices. But in recent months, we have seen dramatic declines in the farm price of meat, while retail prices remained pretty much unchanged. Evidently something is not working. Farm income is down by six billion dollars since the last quarter in 1973, and that is a decline of something like 25 per cent. Yet food prices since January have increased by a full nine per cent. People wonder: if the price of food at the farm is down by 25 per cent, why does it cost nine per cent more in the store? This is only one example of the economic puzzle we confront—how is it possible to have inflation and recession at the same time.

The American people are worse off now than they were at the beginning of the year—you know it, and I know it. The numbers prove it—real per capita income in this country has declined by 4.5% since January. This is reflected in the rising number of personal bankruptcies, and in the inexorably growing number of credit delinquencies and collection problems. I have heard some reports that collection agencies have fifty per cent more business this year than last—but that their collection rate is down considerably. This is one more sign of plain old hard times.

The rate of unemployment is creeping up—evidence that the economy is not growing. Last month unemployment payments probably matched the July pace of $510 million—an increase of almost 100 per cent over the payment for June, 1973. A good part of this unemployment is probably in the housing industry, which is in a virtual depression. Housing starts declined 16 per cent in July alone, and now stand at the lowest rate since 1970.

Almost any way that you look at it, the numbers say that the rate of inflation ought to be down—but that is not the way it is.

People know that the realities of today's economic situation contradict all the supposedly foolproof theories. They know that economists are just as puzzled about the situation today as their forebears were about the Great Depression. They have seen time after time assurances that this year, things are going to get better—only to see them get worse. We have been told that tight money would help, and we've got the highest interest rates in this century today—but it has not slowed inflation. We have been told that cutting the government deficit would help. The deficit has been cut in half since 1972, but the rate of inflation has nearly doubled since then. Wage and price controls were supposed to help, but they did not—whether because the government was never really committed to the program, or it was unworkable anyway, we'll never know. During these last five years, there have been new economic programs embracing just about every standard prescription, and all have failed to improve the general economic picture.

There was the "game plan" of 1969, which proved a disaster. This was followed by the "freeze" of late 1971, which was supposed to be a kind of shock treatment. This was followed by Phase I, II, III and out—all of which failed. Today, we have economic summits.

There is no reason to wonder why people are disillusioned and afraid. They know perfectly well that neither this nor any other government in the industrial world is dealing successfully with inflation. We may be better off than some—but that is no reason for comfort when in real terms, the American people may be six per cent worse off by Christmas than they were on New Year's Day.

This is a time to look at some realities.

One is that there are not any easy or quick answers to our economic problems.

Second, at least part of the cause of inflation may be beyond the power of our government to cope with. We are confronting an international, worldwide problem. It may take worldwide action to solve.

I would like to comment about the worldwide nature of the inflation problem, because I think it is too little understood or appreciated.

Every time you pay your electric bill, every time you buy gasoline, every time you buy food, or even clothing, you contribute a little more to our economic ills, and feel a little pinch from the world's fantastic cost of oil.

This country imports nearly 40 per cent of its oil. That is something like nine million barrels of oil a day. The bill for that oil is enormous, and thanks to the oil producing countries' cartel, it grows regularly.

Our oil import bill in 1972 was six billion dollars. In 1973 it was eight and a half billion dollars. This year it will be twenty-four billion dollars. Remember that, and you won't have to wonder much about where a good part of inflation came from.

Forty per cent of your gasoline is imported, and that costs nearly four times what it did two years ago. There is no economic reason for this; it simply reflects the fact that there is an oil cartel that jacked up the prices beyond reason, and in my opinion, irresponsibly.

It costs a lot more for your electric utility to use oil for electricity generation than it would if it could use gas all the time. This is true for several reasons—but most of all it is true because for a given amount of gas, you get four times as much heat as for a comparable amount of oil. And to compound that, oil, thanks to the cartel, costs four times as much today as it did only a year or so ago. The price of oil on the market today is about 70 times its cost of production in the typical Middle Eastern country.

But the Middle East is not alone in taking as much as they can get out of the world for oil. We get a great deal of our oil from Venezuela—and they are members of OPEC, and believe me, we get no price breaks from them. The same goes for other producers like Nigeria and Indonesia.

No matter how healthy an industrial economy is, increasing the cost of energy by 400

per cent, as OPEC did, is bound to create huge problems.

Japan, which by all accounts is about the hardest working country on the globe, must import all its energy—and thanks to these increased energy costs, Japan today has one of the highest rates of inflation anywhere. Italy, which has a pretty unproductive labor force (labor costs there are higher than in the United States) is correspondingly worse off than Japan, and in fact is close to economic breakdown. Italy was bad off before the oil price increases, and now is close to catastrophe. Even Germany is having rough times with inflation, again, largely because of energy costs.

Oil shows up in about everything: plastics, nylon, anti-freeze, tires, asphalt, thousands of chemicals. And every one of these has gotten a price jolt because of the actions of the oil cartel—which now, ironically, regularly demands price increases to cover the costs of inflation. Just this month, the cartel met in Vienna, and raised taxes on oil enough to cause a one percent per gallon increase in our oil import bill. That agreement was not accepted by Saudi Arabia, and maybe it won't stick, since Saudi Arabia is the biggest oil producer of them all. But if it does, energy costs will go up again, costing us close to four million dollars a day.

In our country, energy consumption grows at a rate of five per cent or so a year. Every additional gallon of oil comes from abroad—so every day, we grow more dependent on oil imports. As I've said, already this dependence amounts to forty per cent of our consumption.

If we consume less, the OPEC cartel would probably respond by raising prices still more—if it operates in the classic monopoly fashion. However, it is possible that by a combination of less consumption and increased domestic production, we could at least stabilize the money we are paying out for oil. That would put us in a position of eliminating our balance of payments deficit, which is almost wholly due to oil costs. And that, in turn, should help us stabilize our economy.

The other possible solution to the oil problem is that OPEC will simply break up. I don't think that the Saudis want this to happen, despite their dissent from the last action of OPEC. Afer all, the cartel is an invention of the Saudis, and I believe that they still place enormous importance on keeping the cartel. It is a symbol of Arab unity, and as long as the cartel works, it maintains Saudi Arabia as the leader of the Arab world. It does not really matter to them what is best for the rest of the world; they aim to protect their own interests, political and economic, first.

So here, in my view, is perhaps the biggest villain behind inflation. It's oil, and the oil cartel. Our government does not control that cartel, and for that reason, a good part of the business of solving inflation may well be out of the hands of our government.

If our government cannot control the oil cartel, it should at least be about the business of making our country less vulnerable to it.

I think that the United States ought to set about creating an oil stockpile. We ought to have on hand a six-months' supply of oil.

There would be several advantages to this.

First, it would obviously make us less vulnerable to an embargo. Peace in the Middle East is by no means assured. If there is a new war there, which seems more likely than not, we would have a new embargo. We ought to recognize that, and be prepared accordingly.

Second, a stockpile good for six months would probably put a damper on new price increases. If we were not compelled to import so much oil, the cartel might feel a little more careful about imposing new price increases every three or four months.

A six month supply of oil would require an investment of about ten to twelve billion dollars. That's a lot of money. But I am beginning to wonder: could this country afford not to do it?

I believe that if we are going to solve the problem of inflation, we have to look beyond our own shores. A good part of our problem is imported—imported oil. Until we can lick that, no matter how much the economy is depressed, the cost of living is going to keep going up. Stabilize or reduce the cost of energy, and prices will start going down.

It is silly to think that by inducing recession we are going to end inflation. These last few months and years should have taught that lesson well. But still we are hearing calls for the "old time religion" in economic policy.

If recession would stop price increases, we would be seeing price declines by now—but instead, judging from the wholesale price index, inflation is only getting worse.

If cutting the government deficit would cure inflation, the fifty percent reduction in deficit we have had in the last 18 months would be showing results by now. But that is not happening.

If strangling the money market would stop inflation, we would have seen results long before now—but conditions are worse now than they were when the prime interest rate was half what it is today.

The time has come to face the truth: standard remedies against inflation simply are not working today, and there is no sign that they will.

Maybe what we have to do is look at the whole problem, worldwide, and from that perspective, have a new start.

My feeling is that if that is done, we will discover that the first effective step in controlling inflation will be to stabilize and reduce our expenditures for imported oil. Once oil inflation is stopped, its pervasive influence will also be stopped. From there, from stopping that powerful external force for inflation, maybe we can deal successfully with our internal economic problems. And maybe, just maybe, we will find that we really don't have much of a domestic problem.

One thing is certain: more of the same, or going back to things that did not work before, will not help. It is time to try something new, and in my book, that means going after the number one world inflation engine: the endless, senseless price increases imposed by the OPEC cartel.

THE BICENTENNIAL ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, today we mark the anniversary of an event that can be described as nothing less than the birth of the U.S. Congress. Two hundred years ago, 56 men answered the call of their colonial legislatures and gathered to consider a common course of action to be pursued by the North American colonies. They were not the flawless leaders that popular myth has made them out to be, but, rather, they were decent, ordinary individuals, remarkably similar, in fact, in their background and beliefs to the women and men of the 93d Congress. They came from diverse backgrounds and represented the full spectrum of colonial opinion, counting, among their number, planters, farmers, merchants, millers, lawyers, civil servants, a surveyor, and a carpenter. Their political views ranged from the radical republicanism of the great Sam Adams to the cautious and aristocratic conservatism of Philadelphia's Joseph Galloway.

Some of the Members of the First Continental Congress later were among the signers of the Declaration of Independence; others remained neutral; but, divergent as their opinions were, they all stood united on the burning issue of that day in 1774, sharing a passionate concern for the preservation and extension of the liberties they believed were derived from the British Constitution and natural law.

Although the Continental Congress did not start out as a revolutionary body, it became one in time, almost out of necessity. Faced with continued and growing British intransigence, the delegates found themselves moving toward the inevitable rupture of 1776. Few nations have been so fortunate in the leaders of their revolution. America, almost singularly, was blessed with stable, public-spirited men whose concern was not revenge or power or self-aggrandizement, but, rather, freedom, equality, stability, and justice. They were wedded to no dogma other than that of the dignity of man.

This anniversary of the First Continental Congress also denotes another landmark event in American history: It was there, at Carpenters' Hall, that the colonies were able, for the first time, aside from the short-lived Stamp Act Congress of 1765, to forget their ancient quarrels and their petty current differences, and work together for common benefit. Just 20 years earlier, they had been unable to resolve their differences and join in the plan of union proposed by Benjamin Franklin at the Albany Congress of 1754. But in Philadelphia that long-ago fall of 1774, they realized that the time for united action had arrived.

The session of the First Continental Congress adjourned in late October of 1774, to be followed by the Second Continental Congress in May of 1775; and, in 1789, by the Congress of the United States, of which great legislative assembly we here today are the 93d. The delegates of the First Continental Congress acted with courage and foresight in the teeth of crisis in 1774; the 93d Congress will have served the American people well in 1974 by having done the same.

PAVING THE WAY FOR NORMALIZATION FOR RELATIONS WITH CUBA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I am today introducing legislation that would pave the way for a normalization of relations with Cuba. In recent weeks there has been discussion by the administration of movement in this direction, but no firm decisions have yet been taken. At the same time, member nations of the Organization of American States which will be meeting in November to consider removal of collective sanctions against

Cuba have increasingly been expressing their anticipated approval of this step.

I am concerned that the United States should not be left in the rearguard of Western Hemisphere opinion on this matter. I believe it is important that Congress should indicate its willingness to clear the decks from diplomatic progress.

It is now more than 15 years since the Castro regime assumed power in Cuba, and 12 years since the legislative response of this country was formulated. That response was premised on the announced Castro goal of exporting the Cuban revolution by force of armed subversion to the other republics of Latin America. Against that threat the members of the OAS stood firm. It has long been clear, however, that the Cuban efforts have in practice been a total failure, and they have been abandoned.

The U.S. policy of isolating Cuba has itself been enforced with decreasing rigor over recent years. We have seen some of our closest friends, such as the United Kingdom, treat the economic blockade as a nullity. We have ourselves in past months lifted the ban on trading with Cuba from U.S. subsidiary companies in Canada and Argentina. In my judgment, it would be better to take whatever credit attaches to forthright dissolution of an outmoded policy than to allow that policy to fragment from disuse.

I therefore offer this legislation, and hope that it will be set down for early hearings, as a way of confronting both the Congress and the administration with the necessity of making concrete decisions in the near future.

Section 1 of the bill would amend the Foreign Assistance Act of 1961 in two respects. First, it would repeal the restrictions in section 301(b) of that act on U.S. contributions through the United Nations Development Program for economic or technical assistance to Cuba, "so long as Cuba is governed by the Castro regime." Multilateral aid decisions should be made multilaterally, and if the OAS votes as expected to end economic sanctions against Cuba the United States should not continue to interpose a unilateral restriction on the U.N. fund.

Section 620(a) of the Foreign Assistance Act would likewise be repealed by the bill. In practical effect, this would end the present ban on assistance to third countries which furnish aid to Cuba or whose ships or aircraft transport goods to or from Cuba, and it would also terminate the legislated embargo on all U.S. trade with Cuba.

Section 620(a) contains other provisions, but their repeal would carry no practical effect. There is a specific ban on assistance to Cuba, but this is again repeated in section 620(f), which would remain in force, where Cuba is listed among a number of Communist nations to whom assistance is prohibited. There is also a denial to Cuba of any sugar quota or of any other benefit under U.S. law until compensation is paid for expropriated U.S. property. The Sugar Act will expire at the end of this year, and the Foreign Assistance Act contains other applicable provisions conditioning any U.S. assistance to any nation upon settlement of compensation claims.

Section 2 of this bill would eliminate the specific references to Cuba in section 103(d) of Public Law 480, the Agricultural Trade and Development Act. It would remove the present prohibition on concessional sales of agricultural commodities to nations that allow their citizens to trade with Cuba. This amendment would allow such sales to third countries, but it would leave untouched the prohibition on sales to Cuba itself, as a country "dominated by a Communist government."

Finally, section 3 of the bill would repeal Public Law 87-733, the so-called Cuban resolution, which is couched in terms of the military and subversive threats perceived 12 years ago but which today stands as a naked expression of hostility. The resolution in any event commits the United States to "work with the Organization of American States," and if a majority of its members are now prepared to abandon their earlier fears this country should do no less.

Mr. Speaker, in my judgment the time is ripe for the Congress to reconsider the restrictive trade and economic policies it has kept in force for more than a decade against Cuba. Let me emphasize that we are not talking here about authorizing economic or military assistance to Cuba, but simply of dismantling the quarantine on normal commercial relations that have existed between our two countries.

There would still be much for the Executive to do before we could reestablish normal relations. There is in force a whole network of Executive decrees affecting passports, export licensing, and the disposition of Cuban assets in this country. On the other side of the coin, the U.S. claims for expropriated property in Cuba would have to be taken up and a timetable established for discussions with the Cuban Government.

What I am suggesting is that hearings on the bill I am introducing would serve as a suitable occasion for the administration to develop and present its position on these related, nonlegislative matters as well.

The first order of business is to prepare a well-considered U.S. position for the forthcoming OAS meeting on lifting the collective sanctions against Cuba. I believe our hemispheric responsibilities require us to lead, not follow, in the venture—and it is in that spirit that I have introduced this congressional initiative.

MILKING AND BILKING THE PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of our colleagues a heinous situation involving the milking and bilking of consumers by the Dairylea Cooperative in New York State. In this case, the consumers included many children and pregnant women.

While the offenders in this case must be indicted and prosecuted, we must also take steps to prevent recurrences of such practices. Presently the Food and Drug Administration audits the operation of State and local inspection facilities for milk processors. Supervision is limited to testing for bacteria, microbiotics, and other contamination in milk. I have written to the FDA to ask that the watering down of milk be included in its supervisory inspection of local dairy producers.

The following letters to Secretary of Agriculture Earl Butz, and Attorney General Saxbe describe the situation in detail. Similar letters have been sent to Representative W. R. POAGE, chairman of the House Agriculture Committee, and New York Attorney General Louis Lefkowitz.

The letters follow:

WASHINGTON, D.C.,
September 25, 1974.

Attorney General WILLIAM SAXBE,
The U.S. Justice Department,
Washington, D.C.

DEAR MR. SAXBE: I am enclosing a letter sent to Secretary of Agriculture Earl Butz with regard to the adulteration of thousands of gallons of milk by the Dairylea Cooperative of New York State. This is a deplorable situation that I believe requires the immediate attention of the Department of Justice.

I also want to bring to your attention a statement made by Bruce Snow, public relations manager of Dairylea. Mr. Snow described the adulteration as an act of true desperation "by an industry trying to remain solvent." In view of the tragic series of events to which our country has recently been subjected, I find that particular defense most appalling.

I urge that you initiate criminal proceedings forthwith against the individual directors of Dairylea responsible for this outrage.

Sincerely,

EDWARD I. KOCH.

WASHINGTON, D.C.,
September 25, 1974.

Hon. EARL BUTZ
Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: Ten months ago the Dairylea Cooperative in the State of New York admitted adulterating thousands of gallons of milk and falsifying records to cover it up. Since that admission, neither state nor federal law enforcement agencies have initiated criminal proceedings against the individuals responsible. According to an investigation of the situation by the *New York Times*, it appears that millions of quarts of mislabeled watered-down milk were sold over a five and one half year period. Reportedly, criminal proceedings against individuals responsible have not taken place because of confusion over jurisdiction and a lack of communication.

The Federal government, and the Department of Agriculture in particular, has a responsibility in that its Federal "market orders" protect milk producers by establishing minimum milk prices. The government also subsidizes other manufactured milk products. Indeed, even the Federal government has been the unwitting purchaser of some of the adulterated milk through its food purchasing programs.

You are continually talking of the farmer and how he must be assisted. I agree. But what of the bleeding consumer, fleeced by wolves in lambs' clothing? It was only yesterday that the President talked of dealing

with crime in the streets. How about crime in the corporation? What answer can we give to those who look at our system of justice in a jaundiced way and see it is not even handed. Is it not incumbent upon you and your department and the U.S. law enforcement agencies to immediately initiate criminal proceedings against those responsible for these consumer crimes? I am convinced that unless individuals who now hide behind the corporate veil are personally indicted for the crimes which they have executed in the name of the corporation that there will not be adeqaute redress. Put one of these directors in jail and see if that will not inhibit others who would conspire to defraud the consumer. Unless and until we equate the white collar crime with crime in the streets there will not be justice in this country.

I await your response, and hope that it will indicate that you will press the Department of Justice to commence criminal proceedings forthwith.

Sincerely,

EDWARD I. KOCH.

COMPLETING THE INVESTIGATION OF WATERGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, Richard Nixon's forced resignation and subsequent pardon have stymied an historic attempt to reassert the constitutional principles on which this Nation was founded and the concept of equal justice under the law which has been its hallmark. In the months ahead this Nation must decide whether or not it will accept this abrupt and incomplete ending or whether it will refuse to close the book on the most corrupt chapter in American history until the full story is known.

President Ford has chosen the former course, and in pardoning Richard Nixon of any and all crimes which he may have committed while in office he hopes to put Watergate behind us. For the sake of consistency the White House at one point indicated that pardons for other Watergate figures were also being considered, but the national uproar which followed that announcement led to its immediate cancellation. I believe now the President will not consider such additional pardons at least until the criminal justice system has disposed of the various Watergate cases presently before the courts. However, a formal expression of congressional opposition to further pardons might strengthen his resolve, and I have introduced House Concurrent Resolution 629 as one vehicle for such a statement.

The Nixon pardon and the possible pardons of his close associates have appalled the Nation for two reasons. They make a mockery of the principle of equal justice under the law for all citizens, regardless of rank or station, and they are premature, since they precede action by the courts. The nationwide outcry over the Nixon pardon has focused principally on the former because the favoritism and dual standard it implies do violence to our sense of fair play. But I submit that the second reason for opposition to the pardon is equally important.

The pardon of Nixon put the cart before the horse, by absolving the former President of the consequences of his wrongdoing even before he has been formally charged with any offenses. Millions of people are outraged by the pardon not simply because it seems to prevent Nixon from being summoned before a court to answer for his conduct, but because it might forever protect the full story of the Nixon administration's violations of the law and the Constitution from full disclosure.

This is no picayune matter, no petty vengeance against a fallen leader. The American people still do not have all the facts about the Nixon administration's misconduct, and without those facts we cannot know their true magnitude and significance. Each investigation of Nixon's administration has been limited or aborted. The Senate Watergate investigation focused principally on the Watergate affair, election campaign abuses and their coverup, and we now know that Presidential wrongdoing was not confined to these abuses. Further, the Senate Committee was denied access to the best evidence, Nixon's own tapes and documents.

The Special Prosecutor is not hampered by these limitations, but his prosecutions to date have not covered the full range of Nixon's offenses. The formal court actions initiated by the Special Prosecutor do not charge Richard Nixon himself with any offenses, and Nixon's role is obviously central to any inquiry.

As for the impeachment inquiry by the House Judiciary Committee, we cannot say that it was able to fill the gaps in the record left by the Special Prosecutor's office. In fact, the President's response to committee subpenas included nothing not also furnished to the Special Prosecutor. Although the committee concluded, from the evidence available to it, that the President ought to be impeached, its inquiry was continually frustrated by lack of evidence. Article III spoke directly to this point—the President's refusal to comply with subpenas properly issued by a committee of the Congress charged with the responsibility of determining whether or not the President had committed impeachable offenses.

The evidence which remains hidden is astounding. The committee issued eight separate subpenas between April 11 and June 24, 1974, for recordings and materials relating to 147 separate conversations, plus various other documents. The committee felt that the subpenaed materials were necessary in order to learn the full story of Watergate, the abuse of the IRS, domestic surveillance, the dairy case, and the ITT and the Kleindienst confirmation hearings. In response to its subpenas, the committee received some notes previously turned over to the Special Prosecutor, news summaries without the President's notations, and the edited transcript of 36 conversations. The committee received none of the lists of meetings and phone calls which had been subpenaed, and no tape recordings. Even the transcripts turned out to be of highly dubious accuracy.

The cumulative results of both Senate and House committees' and the Special Prosecutor's efforts will be an impressive but truncated review of Nixon administration offenses. There will be no final judgment by the Congress or the courts on that conduct, and the record will be incomplete and liberally sprinkled with gaps and unanswered questions. History and the American people may forever suffer an incomplete understanding of these traumatic events and the lessons they must teach. Corrective changes in our body of laws will be more difficult without a clearer understanding of the offenses which must be prohibited. Finally, Richard Nixon could some years hence resurrect his claims of innocence, relying heavily on the fact that he was never proved guilty of any violation of the Constitution nor formally charged with criminal conduct by any court.

These possibilities make imperative further investigation, analysis, and judgment of Richard Nixon and his administration. The question which the Congress must now answer is how should this be done. There are some who argue that the House should impeach Richard Nixon and send his case to the Senate for trial. This suggestion is not without merit, since it would at least insure a definitive constitutional judgment of Richard Nixon's responsibility for high crimes and misdemeanors. However, resumption of the impeachment process is not only unlikely, it would also provide a completed record of Nixon's misconduct in only those areas covered by the articles of impeachment, when in fact the areas of wrongdoing are far more extensive.

It would be most useful, however, for the House Judiciary Committee to insist that its outstanding subpenas be answered, and submit a supplementary report based on that evidence. As I have said since Richard Nixon resigned, this relatively simple step would produce answers to a number of open questions about corruption and other misdeeds in the Nixon administration and about Nixon's personal responsibility therefor.

A National Commission of Inquiry similar to the Warren Commission which investigated the assassination of President Kennedy has also been suggested as a means of completing the record of Watergate and related matters. I fear that such a Commission would mean long and unnecessary delays while its members and staff became familiar with all the details already revealed by prior investigations. Moreover, its findings might not achieve widespread acceptance. This, you will recall, was the fate of the Warren Commission report.

Most importantly, there are the Special Prosecutor and the Watergate grand jury with the capability of carrying through with a comprehensive review of Nixon's alleged offenses. Two weeks ago, a group of Senators led by Senator EDWARD KENNEDY urged the Special Prosecutor to include in the final report he must submit to Congress "a full and complete record detailing any involvement of the former President in matters under investigation

by you." The Special Prosecutor responded to this suggestion by citing "substantial legal and ethical questions as to the statutory authority for the issuance of a detailed report on the matters you suggest."

I have urged the House Judiciary Subcommittee on Criminal Justice to take immediate steps to grant the Special Prosecutor whatever authority he needs to present such a comprehensive report. However, any such action should not preclude the Watergate grand jury from issuing an indictment of Richard Nixon for any crimes he might have committed while holding the Office of President. I believe that the grand jury not only has the power to issue an indictment of the former President but also that it should issue such an indictment if the evidence justifies it, despite the pardon granted by President Ford.

Although the public seems generally unaware of this point, the Presidential pardon power is nothing more than "an act of grace which exempts the individual from the punishment the law inflicts for a crime he has committed" *U.S.* v. *Wilson*, 32 U.S. 150 (1833). In 1867, the Supreme Court ruled that a pardon, if granted before conviction, "prevents any of the penalties and disabilities consequent upon conviction, from attaching; if granted after conviction, it removes the penalties and disabilities." There is no legal precedent, to my knowledge, for a Presidential pardon precluding a properly constituted grand jury from issuing an indictment.

If the Watergate grand jury were to issue an indictment of Richard Nixon, as it reportedly wanted to do many months ago, he could then come into court and plead the pardon to block further court proceedings. This would allow a court test of the legality of the pardon, as was only yesterday suggested by a U.S. district court judge.

Grand jury action and the Special Prosecutor's report together could tie up all the loose ends left hanging by earlier truncated investigations. These steps would provide the opportunity for filing formal criminal charges against the former President and a comprehensive statement of the evidence which supports those charges. Parallel action by the Congress to ensure necessary access to the Presidential tapes and documents currently in the custody of the White House would also be desirable. These actions are the minimum required to bring the entire Watergate affair to a just and final conclusion.

CORPORATIONS' ILLEGAL CAMPAIGN CONTRIBUTION — THEY WIN BOTH WAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, the Watergate and related scandals have demonstrated the strengths of our system of government and laws, and have demonstrated the weaknesses as well. It is our responsibility to preserve those strengths, and strive to eliminate the weaknesses wherever we may find them.

One such weakness, which has been brought to light in recent court actions by the Special Prosecutor, involves those corporations which have made political contributions which are prohibited by law. Section 610 of title 18, United States Code, prohibits corporations and labor unions from making campaign contributions, and section 611 of that title forbids such contributions by Government contractors.

Up to the present time, 14 corporations have pleaded guilty to one or more counts of violating those Federal criminal laws against political contributions by corporations or Government contractors. A glaring anomaly is this: While the unlawful contributions of those 14 corporations totaled $1,116,900, the fines which have been imposed in those cases total only $128,000. Moreover, many, if not all, of those illegal corporate campaign contributions have been returned to the corporate donors by the donees, and the corporations which gave the illegal contributions, but got caught, are ahead by $988,900.

The smallness of those fines was not due to laxity on the part of the judges who imposed them. In all but one case, the fine imposed by the court for each violation was $5,000, the maximum fine permitted under the law.

The circumstances I have just outlined indicate that corporations which have made unlawful campaign contributions actually stand to benefit by being caught. They get their contribution back, and, instead, are fined an amount significantly less than the contribution.

For example, American Airlines pleaded guilty to making an unlawful contribution of $55,000 to the Committee To Re-Elect the President. If the crime had gone undetected, American Airlines would be out $55,000. Instead, they were caught. Their $55,000 was returned, and they were fined $5,000, resulting in a net gain of $50,000. In addition, American Airlines had the benefit of the good will which they sought and their contribution may have purchased during the time in which the Committee To Re-Elect the President retained possession of the $55,000.

Mr. Speaker, in order to remedy this situation, I have introduced legislation to amend sections 610 and 611 of title 18, United States Code, to provide that every corporation found guilty of making a political contribution prohibited by law would be fined in an amount equal to the unlawful contribution involved. If my proposed legislation had been law during the recent spate of unlawful corporate campaign contributions, American Airlines, for example, would have forfeited the $55,000 unlawful contribution to the court as a fine, in addition to the $5,000 fine already provided for by law, resulting in a net loss to the corporation, for its unlawful act, of $60,000. That procedure would put an effective damper on illegal campaign contributions by corporations.

In order to illustrate the problem in more detail, I wish to list the corporate donor, the amount, the fine imposed, and other relevant details of each of the 14 cases of unlawful campaign contributions by corporations which have been brought to a conclusion by the Special Prosecutor's Office. The table reads as follows:

Defendant	Court action	Amount of contribution	Amount of fine
American Airlines	Pleaded guilty on Oct. 17, 1973, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	$55,000	$5,000
Minnesota Mining & Manufacturing Co	do	30,000	3,000
Goodyear Tire & Rubber Co	do	40,000	5,000
Braniff Airways	Pleaded guilty on Nov. 12, 1973, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	40,000	5,000
Gulf Oil Corp	Pleaded guilty on Nov. 13, 1973, to an information charging a violation of 18 U.S.C 610, illegal campaign contribution.	125,000	5,000
Ashland Petroleum Gabon Inc	do	100,000	5,000
Phillips Petroleum Co	Pleaded guilty on Dec. 4, 1973, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	100,000	5,000
Carnation Co	Pleaded guilty on Dec. 19, 1973, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	8,900	5,000
Diamond International Corp	Pleaded guilty on Mar. 7, 1974, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	5,000	5,000
American Shipbuilding Co	Pleaded guilty to 1 count conspiracy (18 U.S.C. 371) and 1 count violation of 18 U.S.C. 610, illegal campaign contribution.	53,000	35,000
Northrop Corp	Pleaded guilty on May 1, 1974, to a charge of violation of 18 U.S.C. 611, illegal campaign contribution by Government contractor.	150,000	5,000
Lehigh Valley Cooperative Farmers	Pleaded guilty on May 6, 1974, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	50,000	5,000
Associated Milk Producers, Inc	Pleaded guilty on Aug. 2, 1974, to 1 count of conspiracy and 5 counts of making illegal and willful campaign contribution.	350,000	35,000
LBC & W	Pleaded guilty on Sept. 17, 1974, to an information charging a violation of 18 U.S.C. 611, illegal campaign contribution by a Government contractor.	10,000	5,000

PUBLIC LAND CONTROL BY CONGRESS TO BE STRENGTHENED NOT WEAKENED AS SIERRA CLUB CLAIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, a national news report drafted September 20 by the Sierra Club headquarters staff here in Washington dealing with the Public Land Policy and Management Act contains some inaccuracies that should be corrected.

H.R. 16800, seeks to establish public land policy for the Bureau of Land Management. In some instances, the U.S. forests west of the hundredth meridian are also covered with definitive policy on rights of way, western desert lands, recording of mining claims, inventory, land use planning, sales, exchanges, or withdrawals.

All of that is quite a chunk of legislation, but it is quite a chunk of public lands—over 600 million acres. The bill does not, as the Sierra Club misleadingly attributes to me—I repeat, the bill does not put the Forest Service and the Bureau of Land Management under a single basic law. The U.S. Forest Service has its own organic act and a host of Federal statutes enacted by Congress during the past 75 years which are left intact to continue to guide the actions of administering our forest lands.

We have allowed our public lands that are grazed by livestock to be treated as a stepchild. There has been little done for range improvements to increase capacity for both livestock and wildlife. The bill would remedy that by doubling the grazing fees, but requiring half of the fees to be used for range improvements. The Sierra Club fails to recognize the need for this and mistakingly claims that there would be "attempts to replace vegetation with exotics." This statement is in itself exotic, because in the year and a half of hearings and deliberations on these points no one has advocated or in any way indicated such a proposal. A word that rhymes with "exotic" is "idiotic" and aptly applies to such a conjecture.

Contrary to the Sierra Club's assessment, the bill actually encourages range improvements by the rancher who has the grazing privilege on public lands and directs both Agriculture and Interior Departments to work vigorously in cooperation with the ranchers for better grazing, improvement of wildlife habitat, and more recreational opportunities on public lands. But the bill clearly retains control of the public land and directs the Secretaries of both Agriculture and Interior to use their authority to protect the quality of the land and to use it under any circumstances for the benefit of the public. The bill does not give vested interests to the ranchers who have grazing leases or permits.

There are many other parts to the bill that the Sierra Club ignores such as the California desert protection title, fair market value for right-of-way permits, and standards of environmental protection on such rights of way.

And there is another significant point to be made in that the bill gives specific criteria for managing the public lands on these points and retains greater congressional control.

WHEN JUDGES OBSTRUCT JUSTICE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the public well remembers the Indian uprising at Wounded Knee. It involved armed insurrection against the United States and other crimes including kidnaping of hostages and destruction of property. At the trial an angry judge in St. Paul, Minn., dismissed the charges ignoring the obvious fact that crimes were committed. Instead of judging the case on its merits, he delivered a blistering attack against the FBI, the Department of Justice, and the chief U.S. prosecutor in the case, saying the trial was a misuse of power. Presumably, his honor has opened the door for the Indians to reoccupy Wounded Knee and to assert their independence of the United States if they so choose. This is another illustration of obstruction of justice by judges who may be incompetent or prejudiced.

The judge referred to the decision of another district judge who dismissed the Pentagon papers trial of Ellsberg and Russo. That should tell us quite a bit about the learned judge's philosophy. Ellsberg and Russo were coconspirators who stole secret Government papers and sold them to leftwing publications—and got off scot-free.

It is well to be reminded, also, that only a few years ago, another Federal judge threw out a case involving a murder charge in the East when a hung jury resulted from the trial. He said there was not any use to try the case again. Who gave him the wisdom to decide whether justice could be done, or the right to dismiss charges against a person who had been indicted by a grand jury for murder?

Judges owe it to the American people to provide an example of calm, intelligent reasoning and a guarantee that the processes of justice will be served for everyone. Decisions of this type cause universal disrespect for court procedures.

SECRETARY McLUCAS AND GENERAL JONES HONORED IN NORTHWEST FLORIDA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Florida's First and finest District was honored on September 10 by the visit of the Secretary of the Air Force, Dr. John McLucas, and the Chief of Staff of the Air Force, Gen. David Jones, to Fort Walton Beach and Panama City. I want to express my personal appreciation for the presence of these distinguished leaders. The meetings held for them by the local communities were outstanding in every respect. The Chambers of Commerce took the leading role in planning for their visits, and Clifford Long in Fort Walton Beach, and Gerry Clemons in Panama City, provided excellent leadership for the chambers. The civic clubs, the local leaders, and in fact, the entire communities gave fine support. It has been stated many times that the community support given to the Air Force and Air Force personnel by these communities is unsurpassed. The visits of Dr. McLucas and General Jones also provided excellent opportunity for them to become more familiar with the outstanding work being accomplished at Eglin Air Force Base and Tyndall Air Force Base.

I have been provided with copies of the speeches delivered by Secretary McLucas both at Fort Walton Beach and at Panama City. These I am pleased to submit for reprinting in the CONGRESSIONAL RECORD:

PROGRESS IN THE AIR FORCE

(By John L. McLucas)

I. INTRODUCTION

I am very glad to be here in northwest Florida and talk with people who so strongly support their country and the Air Force. It's really a wonderful feeling to be in a place which is proud to call itself the "Patriotic Center of America." And for some in the Air Force, visiting here is something which makes you feel comfortable and gives you the reassuring thought that you are with friends.

I understand that there are people here today from Crestview, the twin cities of Niceville-Valparaiso, DeFuniak Springs, and maybe even from Destin—if they're not all out fishing—as well as from the greater Fort Walton Beach area. It's good to see you all, and I know why Congressman Bob Sikes is so proud to represent this fine district.

II. TOWN AND BASE

We in the Air Force would like to thank you all for your wonderful support, especially for our activities at Eglin Air Force Base. Your sponsorship of such events as the commanders' get together at Brooks Camp, the commanders' and first sergeants' receptions and the planned Eglin Appreciation Day next spring are a great help for both our morale and our operations. These activities make us feel welcome and foster a spirit of cooperation which is invaluable in helping both the base and the surrounding communities get things done together. For our part, we're happy to help out in the area in any way we can, such as the oil spill removal last spring and the clean up and repair activities in Shalimar after last fall's tornado. I'm sure the folks in Laurel Hill remember the Air Force water truck which helped them out during their three day emergency in August of a year ago. Eglin people have also provided literally life-saving assistance to air and sea travelers in distress.

We also want to be good neighbors in normal situations as well as emergencies. For that reason we're glad that we can support such programs as Boy Scout camporees and the on-going scout reforestation project, which, by the way, benefits all of us as well as the scouts. We have also been proud of Eglin's role in hosting Florida's District I Special Olympics for mentally handicapped children. Finally, I would like to mention that the base has a very active program for preserving the beautiful natural environment of this area. In fact, Eglin was chosen as a co-runnerup for the 1973 Secretary of Defense Natural Resources Conservation Award.

However, as valuable as all these activities are, Eglin's reason for existence is its important role in our nation's defense posture. Eglin serves as one of the major testing centers in the country. Testing of all of our non-nuclear munitions takes place here. For example, guided bombs which performed so well in Southeast Asia and in the Mid East were tested here. We do a lot of our electronic countermeasure testing here also. As a matter of fact, the new F-15 air superiority fighter, which I'll talk more about later on, is currently undergoing that kind of testing. In addition to being the location of a major space watch facility, the base has a tactical fighter wing which, by the way, was once commanded by the Chief of Staff, General Jones. It also has a rescue and recovery wing and other important support and Reserve units. Finally, the Tactical Air Warfare Center here is the primary organization for tactical testing of fighter, reconnaissance, and tactical airlift aircraft.

The testing being done at Eglin takes space, and this area is an ideal place for it. Of course, we also realize there are other potential uses for this land and water. To the extent possible, we try to work out compatible use plans which will not degrade the vital testing and other military missions which are so necessary for national defense. For example, we were able to arrange for off-shore oil drilling in certain areas under our air weapons range. Another example is the Gulf Islands National Seashore plan on which Congressman Bob Sikes worked so hard. In this case these areas have now been reserved for public benefit when government use is no longer necessary. Here at Fort Walton, arrangements are being made to include the 19 acre city park at the eastern end of Santa Rosa Island in the Gulf Islands plan. Of course, the rest of the island will continue to be available for public recreation most of the time.

On the Gulf Islands project, as in so many others, Congressman Sikes has rendered a real public service to both the community and the country. Of course, we in the Department of Defense know Bob Sikes well for his support of the strong national security posture which is essential to the maintenance of peace and further progress toward international détente.

III. AIR FORCE PROGRESS

For the Air Force maintaining such a posture means that we must continue to attract and keep well qualified and highly dedicated people. It also means that we need programs which will give us good, modern equipment. Today I would like to take a few minutes to tell you where the Air Force stands in terms of these two factors of people and equipment. I'll start off by saying that I believe we are in pretty good shape now and that we have underway the necessary programs to insure our future strength.

A. People

In my years with the Air Force, I have had occasion to visit many units around the world. I have always been impressed with the job our people are doing. This continues to be true in the all-volunteer environment. We've been operating without the draft for over a year now and about 75,000 people entered the military ranks of the Air Force as we met or exceeded our monthly goals. The quality of our enlistees is also holding up. This is shown both in their scores on the various tests we give and in the percentage who are high school graduates. About 93% of our new enlistees are high school graduates or have the equivalent level of education and, of course, all our newly commissioned officers are college graduates.

As most of you know, there has been some speculation that without the draft incentive we would begin attracting people who would not represent the broad spectrum of our society and thus in time the military would become isolated and alienated from the rest of the American people. The Air Force experience to date does not support this contention. The people we are getting now come from the same kinds of backgrounds as they did prior to the all-volunteer force. Although we are not getting as many new enlisted people with college education, the overall social and economic backgrounds of our new people remain essentially unchanged. Our young people exhibit a commendable level of patriotism as well. So all of these factors mean that we are operating in the all-volunteer environment within projected costs and without compromising Air Force effectiveness or professional stands.

We know that we can't stop and rest on our laurels. We are therefore seeking new ways to keep the Air Force both a challenging and a rewarding career. One thing necessary to do this is to insure equal opportunity for all of our people. I think one of the reasons we have successfully attracted good people is because of our progress in this area, but we do still have further to go.

We in the Air Force are trying to increase the number of women in our Service. We doubled the number once between 1968 and 1971; doubled it again between '71 and '74; we now have 24,000 women in the Air Force and plan to double that figure again by 1978.

We are trying to give women meaningful jobs, and we are not limiting them to clerical fields. In fact, they can be in all career fields except those involving combat. We believe that this exception is consistent with what the American people want. I might mention that this is the reason we did not favor admitting women to the Air Force Academy since its fundamental purpose is to train combat leaders. However, if it is the will of the American people and Congress changes the law restricting women from combat, the Air Force will support that decision and permit women to attend the Academy. Perhaps at this point I should emphasize that although we do not want women in a combat role, we do want women in the Air Force, and as I said our goal is to double their number by 1978. ROTC is the primary avenue for women to obtain a commission. We currently have over 5,000 women enrolled in that program.

Another part of our equal opportunity program concerns racial and ethnic minorities. In our enlisted force the per cent of minorities is about the same as in the country at large, so that looks good. In the officer force we need to make more progress. We require every new officer to have a college degree and our goal is to have the same per cent of minority officers as there are minority college graduates in the country. We are actively pursuing this goal, but due to the competition for minority college graduates we do not expect to achieve it until 1980.

B. Equipment

In addition to good people, we must have modern equipment if we want to have effective forces. So I would like now to turn to the development of necessary new weapon systems, which is another area where we are making progress. Although we don't have the time for a detailed review of Air Force programs, I can highlight some of our major efforts.

Perhaps our most important new system is the B-1 bomber. Bombers form part of the strategic arsenal with intercontinental missiles and submarine-launched missiles. Together they provide assurance that no enemy could neutralize our nuclear deterrent by developing a way to attack effectively any single element of these strategic forces. Further, bombers can help provide highly selective, discriminate, and controlled responses. With the B-1 we will have a bomber that could penetrate even the improved Soviet air defenses that can be expected in the 1980s and beyond.

Although this has been a very complex project. I believe it is coming along quite well. The first B-1 aircraft is in final checkout now and we expect rollout in about six weeks or so with the first flight probably in December.

For our tactical forces we have several new aircraft either entering the inventory or under development. In addition, as a result of our experience in Southeast Asia and the lessons that we were able to draw from the Mid East conflict last fall, we are putting more emphasis on guided and standoff weapons to augment our tactical aircraft.

To be more than a match against the best air superiority aircraft the Soviets are expected to have in the late 1970s and 1980s, we developed and are producing the F-15. I imagine many of you have heard about it. I have flown in it and can tell you it's a fine airplane. It's the first one we have had with a thrust-to-weight ratio greater than one. This power gives it tremendous acceleration; as one example, it can go from the start of takeoff to 35,000 feet in less than 60 seconds. The F-15 has also been designed for great maneuverability and has a spectacular radar with a look-down capability to help position it favorably for a fight.

We have already flown 17 test aircraft about 2,500 flights. As I mentioned earlier, the F-15 is currently in testing here at Eglin. The first production aircraft, for the Tactical Air Command, is due in November.

In addition to the F-15, we also need a less expensive Air Combat Fighter that we can afford to buy in greater numbers. For this purpose we have developed what we call a Lightweight Fighter. To get the best technology and design we selected two contractors to build prototypes which we are now testing. Both of these versions—the YF-16 and the YF-17—have thrust-to-weight ratios greater than one and are designed for maneuverability like the F-15. They will have less range and payload, as well as less sophisticated avionics, but they will help us get the numbers we need. We plan to select one contractor in January and begin full scale development of the follow-on Air Combat Fighter early in 1975. Our NATO Allies are also interested in such an aircraft, and we hope that a common choice can be made. This would help NATO standardization and lower the cost for everyone.

Another important new system is the A-10 which has been designed for close air support of ground troops. It is our first aircraft designed especially for this mission since World War II. It is highly maneuverable and thus can operate very effectively under low clouds and over rough terrain. It is well armored and can loiter for a long time over a battle area. It also has a high payload—some eight tons of bombs and missiles as well as an extremely accurate 30-mm. cannon. Congress has recently authorized us to go ahead with procurement of 30 aircraft and certain long lead time items for others. Of course, there still remains the need for Congress to appropriate the necessary funds to carry out this authorization, but we are optimistic about that.

As my final system, let me mention the E-3A AWACS. It is essentially a 707 aircraft with a 27,000-pound radar and associated computers. We learned in SEA that with fast, relatively long-range jet aircraft, a commander needs airborne radar and control capabilities. This new kind of radar can see hundreds of airplanes, even fast low-flying ones over an area of thousands of square miles. With the use of radar beacons, it can also integrate the positions of our ground and naval forces in the overall battle situation. Thus we believe AWACS would give us a quantum jump in improving command and control of forces in an entire combat region. It would be especially useful in Europe where a battle would very likely involve a high density of aircraft and military units.

The AWACS is now undergoing flight testing as an integrated system. It has been demonstrated in Europe and, understandably, our allies are very interested. Congress has authorized production of the first six aircraft and long lead time equipment for another six.

IV. CONCLUSION

By way of closing, I would like to say again that I believe the Air Force is making good progress in modernizing our equipment and that we are continuing to attract the well qualified people we need. But we realize fully that maintaining an effective Air Force ultimately depends upon the American people. I assure you we are doing our best to deserve your continued backing, and truly appreciate the wonderful support that you here in northwest Florida and other parts of the country have given us in the past.

It's been a great pleasure to be here.

JUDICIOUS USE OF THE DEFENSE DOLLAR

(By John L. McLucas)

I. INTRODUCTION

It is a great pleasure for me to be in Panama City this evening to speak before such a distinguished audience. Congressman Bob Sikes has already informed me that Panama City is located in Florida's "First and finest district." I am sure he would find hearty agreement at Tyndall and among Tyndall alumni throughout the Air Force.

Actually, I am well acquainted with the delightful living West Florida has to offer. I made my first visit to this area back in the 1930s during a fishing trip to a little town called Panacea. I understand Panacea is still going strong—about 45 air miles from here. Believe me, I have found few "Panaceas" since that time—fishing or otherwise.

Tyndall, home of the Air Defense Weapons Center, has long been a vital link in our nation's air defense. I think a large measure of the credit for that success can be attributed to the close ties the base enjoys with the surrounding area. So, the theme you have selected for this evening on the civilian-Air Force relationship is a very appropriate one.

On behalf of the Air Force, I want you to know that we appreciate your efforts in support of our activities at Tyndall. Your military affairs committee is indeed a unique organization and the programs they organize and sponsor are seldom duplicated anywhere in the nation.

I understand that in June you completed another successful beach party for first-term airmen with more than 1,400 in attendance, including 500 airmen plus their wives and children.

I understand also that plans are already underway to honor participants in the William Tell Aerial Weapons Meet to be held at Tyndall next month.

There are other programs, which I will not take time to mention, but we do appreciate your support of the Tyndall mission and your concern for our people stationed here.

Let me say that I feel very much at home this evening—among personal friends and friends of the Air Force. Congressman Sikes has long been a supporter of a strong defensive posture. I am sure he reflects the viewpoint of his constituency.

So I think it would be appropriate to discuss with you some issues that are important to today's Air Force and our contribution to national defense. Specifically, the issues involve our people and weapons systems modernization and steps we are taking to manage both in a qualitative and cost conscious manner.

II. PEOPLE IN THE AIR FORCE

Since 1968, the peak period during our involvement in the Southeast Asian conflict, the Air Force has seen a decline in active duty military manpower from approximately 900,000 men and women to around 615,000 by the end of this fiscal year—the smallest since 1950.

We are emphasizing today in the Air Force a personnel program known as Total Force Management which seeks to blend effectively and efficiently active duty, Air National Guard, Reserve, and civilian employees into a qualitative team.

In keeping with that concept, we are placing increased emphasis on our Air National Guard and Reserve forces. Since 1968, the Reserve components have received the most modern weapon systems in our inventory—including RF-4s, F-4s, F-106s, A-7s, C-130s and associate units in the C-5 and C-141. And these same units have been assigned high-priority, early-response missions previously given only to active duty forces.

Another facet to Total Force Management is the commonality of manpower between active duty and Reserve components. Of course, that requires a common classification and training system, job standards, and a compatible career management program.

In essence, we are seeking to integrate, in as many ways as possible, our Reserve forces into the current Air Force mission. To be a credible aspect of our nation's defense, the Reserve forces must have the latest equipment and receive thorough training before a crisis starts. There simply will not be time afterwards.

Of course, the backbone of our personnel structure is—and will continue to be—our active duty force. However, reductions in manpower have placed greater emphasis on quality rather than quantity. And our current efforts are tied to attracting quality people in sufficient numbers and insuring that their time spent in the Air Force—whether four years or a full career—has contributed to mission accomplishment and their personal development.

A. Attracting/retaining capable men and women

First of all, the Air Force is operating very well under the all-volunteer policy. We are having some difficulty in attracting physicians and other people with very specialized skills. But we are meeting our other requirements both in quantity and quality.

For example, more than 97% of our enlisted people today have at least a high school education or equivalent and many of this same group have college degrees or are well on their way. Close to 25% of our officers have either a Masters or Ph. D.

In terms of quantity, we have consistently met our recruiting objectives each month since the end of the draft.

There are a number of reasons for this success. Two, I think, are particularly worthy of mention.

First of all, there is some evidence that the public attitude toward the military has become more favorable. The Institute of Social Research at the University of Michigan released in June the results of a survey which indicated that the public rates the military highest among major institutions in terms of how good a job the military is doing for the country.

I believe the second reason is that the Air Force is working very hard to make our program attractive to the volunteer and to sustain that attractiveness in terms of a rewarding career.

1. Educational programs

For example, I feel certain that the educational programs offered by the Defense Department are the largest in the free world. In FY 1974, the Air Force spent approximately 7% of its total budget—about $1.6 billion—on educational programs ranging from basic military training to doctorate studies.

The Community College of the Air Force (CCAF) is just one example. Our new enlistees are enrolled in this college when they enter the Air Force and basic and technical training courses are accredited and transcripted. Through agreement with a large number of colleges and universities throughout the country, credit is given for these courses toward a degree program. To date, more than 57,000 transcripts have been issued.

There are a number of other educational opportunities—Air Force Academy, ROTC programs on some 180 college compuses, Air Force Institute of Technology (AFIT), and others. But I think you see the thrust of our efforts.

2. Guaranteed Training Enlistee Program—GTEP

We are also striving to give our people a greater voice in deciding issues that directly affect their future.

And we're able to do this, to a great extent, through the use of computers. Now I am familiar with the charge that computers tend to "dehumanize" the individual. But in the Air Force, computers in many cases have enabled us to be more responsive to individual needs. We can fit personal preferences, with Air Force requirements and, in so doing, save time, effort, and money.

The Guaranteed Training Enlistee Program is one good example. Suppose a young man or woman here in Panama City desires training in electronics and talks to one of our recruiters. Through the use of computers, the recruiter can verify that a vacancy exists in the electronics area and reserve and guarantee classification, training, and a first assignment in the electronics specialty. In addition, the recruiter can schedule this person to enter active duty anytime from a few days to six months—depending on the individual desires and the availability date of the training requested.

And we can follow this procedure, not only in electronics, but in more than 140 Air Force specialties. If for some reason the young man or woman is later disqualified for training, through no fault of their own, they can select reclassification or an honorable discharge.

In the fiscal year just completed, approximately half of the 74,000 enlistees entered the Air Force through this option. For the first time, the military is able to match private industry in hiring people for a specific job.

3. Career Airman Reenlistment Reservation System

The use of computers is also evident in another area known as the Career Airman Reenlistment Reservation System or CAREERS.

Prior to the start of this fiscal year, our reenlistment program permitted all enlisted people—both male and female—recommended by their superiors to reenlist regardless of their specialty or career area. And this system resulted in shortages for some skills and overages for others.

But through computerization, we are able to maintain a job requirement file containing approximately 19,300 annual quotas for first-term reenlistment. For example, that same young man who requested and received training in electronics can eventually apply for reenlistment. We are quickly able to tell him whether a vacancy exists in his specialty. If none exists, he can elect to retrain into a specialty of his choice needed by the Air Force or separate at the end of his commitment.

4. Equal Opportunity

In conjunction with our efforts in education and in allowing the individual a greater voice in his future, we are making equal opportunity a way of life. For example, we now have approximately 24,000 women serving in the Air Force and plan to double that figure by 1978.

If you are looking for percentages, 3½% of the force today are women, increasing to 8% by 1978.

In regard to women, we're concerned not only with numbers but insuring that our women are assigned to meaningful and responsible positions. They can be given any job, except combat related duties that are prohibited by law and policy.

I think all of this indicates quite clearly that we do want women in the Air Force.

Minority participation is also a subject receiving close attention. Currently, the percentage of minorities in our enlisted ranks approximates the percentage in the country at large. However, we have some work to do in the officer corps. Since a college degree is required for commissioning, our goal for minority officers is to approximate the national percentage of minority college graduates. Today, approximately 3% of our officers are minority members. We expect to have about 6% by 1980.

As in the case of women, we are also working to provide meaningful jobs for our minority members—insuring that they receive equal education, training, and opportunity for advancement.

B. Improving work environment

All of the programs I have mentioned—and there are quite a few that I did not mention—are elements of an overall effort to improve the working environment of our people. I think the movement, very clearly, is toward a more open, visible, responsive system which provides the framework for our people to mature and progress to the limits of their abilities.

We have a young force. Forty-five percent of our officers and 70% of our enlisted are 30 years old or younger. If they choose military careers, they will find a more stable promotion system and greater predictability in career patterns and progression.

Times are changing in other respects, also. There is a trend away from total dependency on the system for basic needs. That means more freedom for the average serviceman to decide where he wants to live, eat, and spend his spare time.

By the way, I think this trend will support even more interaction with the civilian community and provide more opportunities for community service.

We will also see fewer reassignment moves. Whenever possible, we are encouraging Air Force people to extend their stay at their current locations.

In summary, we are working to create an atmosphere where people can mature, improve their skills and understanding, and accept more challenging jobs and greater responsibilities.

III. COST EFFECTIVE MODERNIZATION

Although attracting, training, and retaining quality people are extremely important to the Air Force, we also have some pressing requirements to modernize our equipment.

We have some weapon systems that have served us well for a number of years and continue to do so. But we must keep in mind that development of new weapon systems is a 5–10 year process. We must plan and prepare now for our national security in the 1980s. The B–52, for example, the backbone of our manned bomber force, was originally designed in 1946. The F–4, our mainstay in the tactical fighter area, was designed in 1957.

Although modernization is required, we must be sure that we get the best value for our dollar. Now, I am going to use some "buzz" words on you—at least that's what we call them in the Pentagon. But they do involve procedures that we are following to procure quality weapon systems at the lowest possible cost.

As business and professional people, I am sure you can appreciate the necessity for the most judicious use of the defense dollar or "maximizing" it, if you will.

A. Prototyping

The first of these so-called "buzz" words is known as prototyping. It has a relatively simple definition—making sure technologies will work before we commit large sums of money to development.

We build two, three, or four airframes which house the technology we wish to test. We then can evaluate innovative ideas and advanced technology before we commit ourselves. As you can appreciate, major changes during the later stages of development or in production are very costly.

Another advantage is that prototyping is one system that provides the contractor with the opportunity to work on his own ideas using his own initiative without having to comply with a long list of specifications. The contractor then can maximize his strengths and give us a better product.

After the process of prototyping has run its course, we have concrete demonstration of promising new technology. This provides quite a confidence factor when we face development decisions.

We're using prototyping in a number of areas. One good example involves our new Lightweight Fighter program. In this program, we have two versions—the YF–16 and YF–17. Both employ quite a bit of new technology which can best be tested and proven with actual prototypes.

The YF–16, produced by General Dynamics, was first flown this past February and has had over 160 flights since that time. The YF–17, produced by Northrop, has had over 60 flights since June. Flight testing will continue through December. The prototyping effort has been very effective—in fact, so effective that we plan to select one of the prototypes to enter development early next year as the new Air Combat Fighter.

B. High-low mix

The Lightweight Fighter concept, which involves relatively smaller and less costly prototypes, is in keeping with the idea behind the "high-low mix" principle, another of our buzz words. With today's high cost of modern weapon systems, we realize the need for capable, relatively low-cost aircraft that we can buy in greater numbers. Together with the more expensive and sophisticated, new F–15 air superiority fighter—which, by the way, is performing very well in flight tests—the lightweight fighter program will give us the high-low mix that we need for the future.

C. Design-to-cost

Another procedure we are using involves setting cost goals on various types of weapon systems and equipment. We call it design-to-cost and we tell the manufacturer in advance how much we plan to spend on a particular unit—whether a fighter, bomber, or whatever. The manufacturer then does the best he can to give us the product we want within the stated price range.

The new A-10 close air support fighter is a good example of this idea. In fact, the A–10 is the first aircraft we have built under this concept. We set a cost objective figure and we have done everything possible to see that it does not exceed that figure.

The close-air support A–10, by the way, fared very well in its flyoff with the A–7D, a tactical aircraft that we already have in the inventory. We are hopeful that the first production increment will begin in the near future.

Let me stress that design-to-cost will not solve all of our problems concerning the high cost of producing new weapons systems. But it does provide a means for helping to strike the optimum balance between performance and cost.

Trade-offs are possible for significantly improved performance or substantial savings. If resulting designs meet requirements, we buy the one that provides the best technical approach and is closest to the cost goal.

D. Life-cycle cost

One other area that I would like to discuss briefly is the idea of life-cycle cost, or the cost to maintain and operate a system over its total life. It makes no sense to buy something cheap if maintenance and operational costs later prove to be prohibitive.

So, we have life-cycle costs on our mind from the start of development. We attempt to insure that maintainability and reliability are designed-in. Our production goal then becomes the task of balancing acquisition cost, performance requirements, and life costs—all to get the best weapon system for the money.

IV. SUMMARY

Let me summarize this evening by saying that the Air Force is in good shape. In this age of rising prices, we are becoming increasingly "cost conscious" in the management of our people and the development of our weapon systems.

Even in this all-volunteer enivronment, we are getting quality people in sufficient numbers to carry out our responsibilities for national defense.

If your sons or daughters choose an Air Force career, they will find an open, responsive environment in which to satisfy their personal goals and contribute significantly to our nation's welfare.

In weapon systems development, we are striving to "maximize" the defense dollar—striking a prudent balance between production costs, performance, and operational costs.

V. CLOSURE

In closing, I want to again thank you for this opportunity to share some of the issues we are currently facing in the Air Force.

I also want to express my gratitude again to Congressman Sikes and to the people of Panama City and surrounding areas for consistently supporting the Air Force and our activities here at Tyndall.

It has been a pleasure to be with you this evening.

SUBCOMMITTEE PROPOSES CUTS FOR NDEA III

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, having advocated modernization and improvement in our education system, and having observed the increased use of audio-visual and other instructional equipment and materials in the classrooms and libraries, it was disappointing to learn that the House Subcommittee on Labor-HEW Appropriations is recommending that title III of the National Defense Education Act, NDEA III, be cut almost in half for fiscal year 1975.

Much to his credit President Ford this year recommended that NDEA III be budgeted at $28.5 million. This is the first time in 6 years that this program has been in the President's budget. I feel we should honor this request, for I am well aware of the many successes this program has resulted in in Washington State and around the country.

So that each Member can see exactly what the subcommittee's cuts will do in their State, I will insert a table in the RECORD at the close of my remarks. In the first column is the total received by each State for grants and administra-

tion in fiscal year 1974. In the second column is the amount each State would receive if the subcommittee's cut is agreed to by Congress and signed into law by the President. For example, last year Washington State received $438,114, whereas, under the subcommittee's recommendation we would receive only $230,597. It is my hope that every Member will examine these cuts below the budget in terms of the effect on their schools and I hope the Appropriations Committee will restore this cut before sending the supplemental appropriations bill to the House floor.

The table referred to follows:

EFFECT OF CUTS PROPOSED BY HOUSE LABOR-HEW APPROPRIATIONS SUBCOMMITTEE TO TITLE III, NATIONAL DEFENSE EDUCATION ACT (NDEA III) IN FISCAL YEAR 1975 SUPPLEMENTAL APPROPRIATIONS BILL

United States and outlying areas	Fiscal year 1974 appropriation[1]	Fiscal year 1975 appropriation after proposed cut[2]
Alabama	$633,878	$333,635
Alaska	59,426	31,278
Arizona	301,604	158,746
Arkansas	334,413	176,015
California	2,199,344	1,157,603
Colorado	329,572	173,467
Connecticut	300,445	158,136
Delaware	81,758	43,032
Florida	859,134	452,197
Georgia	762,881	401,535
Hawaii	113,906	59,953
Idaho	136,919	72,066
Illinois	1,271,415	669,196
Indiana	747,557	393,469
Iowa	409,932	215,764
Kansas	304,143	160,083
Kentucky	539,943	284,194
Louisiana	702,435	369,720
Maine	164,959	86,824
Maryland	515,647	271,406
Massachusetts	621,413	327,074
Michigan	1,260,289	663,340
Minnesota	592,217	311,707
Mississippi	436,664	229,834
Missouri	635,343	334,406
Montana	129,155	67,979
Nebraska	213,710	112,484
Nevada	67,768	35,669
New Hampshire	112,773	59,357
New Jersey	769,272	404,898
New Mexico	217,182	114,311
New York	1,641,552	864,014
North Carolina	833,409	438,656
North Dakota	122,043	64,236
Ohio	1,478,006	777,934
Oklahoma	374,935	197,343
Oregon	284,846	149,926
Pennsylvania	1,457,264	767,016
Rhode Island	112,327	59,122
South Carolina	492,807	259,384
South Dakota	126,542	66,604
Tennessee	636,950	335,252
Texas	1,798,103	946,413
Utah	212,773	111,991
Vermont	78,765	41,457
Virginia	687,513	361,866
Washington	438,114	230,597
West Virginia	282,417	148,647
Wisconsin	675,260	355,416
Wyoming	64,359	33,875
District of Columbia	66,918	35,222
Bureau of Indian Affairs	27,244	14,340
American Samoa	29,000	15,264
Guam	29,000	15,264
Puerto Rico	416,756	219,355
Virgin Islands	29,000	15,264
Trust Territory	29,000	15,264
Total	28,250,000	14,869,000

[1] The actual 1974 appropriation was $30,000,000. However the Administration exercised the authority to cut the appropriation by 5 percent, reducing it to $28,500,000. $250,000 was used for the NDEA III loan program which provides equipment loans to nonpublic schools. This $250,000 has been deducted from the $28,500,000, making the total available for acquisition and administration in 1974, $28,500,000.

[2] The House Labor-HEW Appropriation Subcommittee recommends $15,000,000 for fiscal year 1975 compared to President Ford's request of $28,500,000. Under the $15,000,000, approximately $131,000 would be available for NDEA III loans to nonpublic schools. Thus, the total available for acquisition and administration in fiscal year 1975 would be approximately $14,869,000.

THE ARSENAL OF DEMOCRACY IN AN AGE OF TRANSITION

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOLIFIELD. Mr. Speaker, recently, I was privileged to hear the Honorable James R. Schlesinger, Secretary of Defense, address the National Security Industrial Association. His subject was most timely and appropriate in the light of conditions throughout the world. He asked a question which should be central to our thinking during this and future Congresses:

By what magic formula is it believed that the United States can remain a military power second to none on an ever shrinking share of the national resources?

I recommend that Secretary Schlesinger's speech be carefully read by all of my colleagues and I include it in the RECORD at this point:

ADDRESS BY HON. JAMES R. SCHLESINGER

It is reported that when our original parents were driven out of Paradise, Adam remarked comfortingly to Eve: "Despair not, my dear; just recognize that we live in an age of transition."

Today we continue to live in such an age. Despite a nostalgia, as understandable as it is irrelevant, we too have been driven out of the Paradise of isolation and noninvolvement which characterized the 19th and early 20th centuries. And, as Thomas Wolfe vividly reminds us: We can't go home again. Isolation is a practical impossibility for the United States. We cannot be ignored. We are too large a weight in world politics; we are in too many ways strategically and economically vulnerable; we have too many national interests abroad, most notably the preservation of our type of free institutions.

We have been expelled from another, later, lesser Paradise. No longer can we act as a great reserve, partially detached from the continuing struggle to maintain a reasonable equilibrium of power in the world. No longer can we expect other nations to hold the front lines while we serve as the arsenal of democracy. No longer can we depend on the strength of our allies to buy us the time to expand the defense production base, to mobilize and deploy our forces, to learn the lessons of the conflict and change the tide of war. The luxury of time—and the old role that went with it—are gone, perhaps forever.

The new role thrust upon us is far more demanding. Though we remain the arsenal of democracy, we have a number of other roles to perform as well. It may not be quite fashionable to say so; still, it is the United States which must now, at least in spirit, stand guard along the frontiers of freedom. Our friends and allies can—and do—provide the bulk of the forward forces. But in a world in which two great powers remain militarily paramont, the United States must provide much of the leadership and some of the presence that sustain the cohesion of the Free World, however defined. We may not be the policeman of the world—a role to which we never aspired, but we certainly remain the principal contributor to an active system of collective security. The sole alternative would be to depend on the goodwill of others for the preservation of the social order to which we adhere. Six of his predecessors, and now President Ford, have rejected that alternative. I certainly will not advocate it here.

The new role obviously requires that the United States remain a first-class military power. More specifically, the new role imposes five major requirements on our defense establishment, our industry, and the country at large.

First, in a complicated world of nuclear and non-nuclear capabilities, we must define and articulate strategic objectives that are within our means and acceptable to the American people.

Second, if we are to honor our commitments and to deal with contingencies under conditions in which we have lost the luxury of time, we must have active forces that are combat-ready and judiciously distributed between overseas deployments and a continental reserve. At the same time, we must maintain the intercontinental mobility both to reinforce our deployed forces and to move rapidly into such theaters as the President may direct and the Congress approve.

Third, in a period of uncertainty about the nature and duration of potential conflict, not only do we need the production base to assure the timely modernization of our active and reserve forces, we also require a minimum industrial mobilization base to permit rapid expansion of defense production in an emergency.

Fourth, in an era marked by long-term competition and by closed societies, we must continue to stimulate our military technology and obtain those R&D hedges that are so necessary in the face of uncertainty about the programs and intentions of other powers.

Fifth, and finally, after nearly thirty years of carrying leadership's burdens, we must still shoulder those burdens and demonstrate the resolve to support our friends and deter our foes no matter how long it may take. If we should falter, there is no one else to take our place.

These are large requirements. And they impinge upon us at a time when there is much to do at home. How well are we meeting the requirements? How fares the arsenal of democracy under these new conditions? It has been said that in discussing matters of grave importance, style, not candor, is the vital thing. But even if a little candor is viewed in some quarters as a dangerous thing—and a great deal possibly fatal—let me give my unvarnished view on how we are progressing.

Most of us, I think, have a reasonably clear idea of what our security objectives should be. In an age of parity with the Soviet Union (if we really mean that we should be equal), it is hard to quarrel wtih essential equivalence as a continuing requirement for our strategic nuclear forces. Secretary Kissinger recently stated that policy: "We will maintain the nuclear balance by unilateral actions if we must and by negotiations if at all possible." It is equally vital to establish a balance of conventional forces between NATO and the Warsaw Pact, to keep our defense perimeters in the Western Pacific sufficiently strong to hold until reinforced, and to guard those sea lanes essential to the well being of the United States and its allies.

Those are quite modest and defensible objectives for a very great nation living in a world, not as yet altogether safe. Yet there are some who profess to see this quest for deterrence and equilibrium, not as the necessary basis for detente, but as the springboard for superiority and provocation. I find such attitudes puzzling at a minimum. By what species of logic are such conclusions reached? By what concrete measures should military power be judged? By what magic formula is it believed that the United States can remain a "military power second-to-none" on an ever-shrinking share of the national resources?

If there continues to be some debate about how best to achieve our objectives, there can be little question about the performance of

our Armed Forces. We have traversed as difficult a passage as any in our history during the past decade; we have thrown our four Services into a distant war, and then withdrawn them—undefeated and, to a regrettable extent, unappreciated. Through it all they have proved rocklike in their stability. All of us will recall, I trust, the example they have set for the country. All of us will appreciate, I trust, the professional way in which they have proceeded with the tasks of postwar deterrence—even as we have constrained their resources, converted them to All-Volunteer force, and shrunk their numbers during the last six years by nearly a million and a half men and women.

Though on this score we have fared well, the arsenal of democracy has performed less impressively in its more traditional role. Ready, modern forces—whether we are talking about our nuclear or non-nuclear capabilities—require a skilled, diversified, and flexible industrial base. It is not clear that those attributes characterize our industrial base at the present time.

It is worth recalling what this arsenal of democracy was able to do during World War II. On the average, we managed an annual production of more than 50,000 aircraft, 20,000 tanks, 500,000 trucks, 1.5 million rifles, and 80,000 artillery pieces. As late as 1963 we could still launch 13 POLARIS and 4 attack submarines in one year. Now, while the Soviets produce thousands of tanks a year, we are struggling to build to an annual rate of some 800. New aircraft are coming off the lines at a rate of about 600 a year, and helicopter production over the last decade has fallen by a factor of ten.

That record—it should be acknowledged—is hardly a tribute to the supposed power and skulduggery of the military-industrial complex. With a villain and a conspiracy like that, indeed the critics hardly need friends!

One major factor that accounts for this anemic record is, of course, the dramatic decline in defense procurement. But other national policies have also had an adverse impact. Our new maritime programs have caused a crowding of our shipyard capacity, driven up prices, and lessened the attractiveness of naval contract to shipyards. Environmental programs and higher standards of health for industrial workers have eliminated reserve capacity, increased prices, and slowed reaction times—problems reflected in such diverse products as forgings, castings, and propellants. In some instances, because defense demands are currently low, we find ourselves reduced to a single supplier of vital military goods—with considerable uncertainty as to whether we can generate enough orders to keep that one producer in production.

I do not wish to pretend that these factors are the only causes of the difficulties that we face. You are all familiar with the other problems we have identified—and such solutions we have proposed in the form of high-low mixes, milestones, and designs-to-cost. Consequently, I do not propose to expand on them further here. What I do want to do, however, is to emphasize four aspects of our defense procurement policy.

First, the Defense Department will continue to be interested in and support advanced technology developments particularly when they promise the same kinds of payoffs that precision guided munitions, for example, have provided.

Second, there remain many forms of combat where numbers count and where the best may become the enemy of the good; weapon systems required in those areas will necessitate incremental development rather than great leaps forward, relatively low costs, and long production runs.

Third, while we will encourage reasonable profits for capable firms, we do not propose to subsidize sluggishness and inefficiency.

Fourth, we will not let our inventories of weapon systems get out of balance with our ability to operate and maintain them; nor will we arbitrarily reduce our procurement of consumables in order to buy more hardware, no matter how pressed to do so.

Within these guidelines we would wish to make doing business with the Department of Defense much less of a chore. Hopefully, we can reduce the layering and proliferation of administrative control elements, which substantially inflate the cost of doing business with the Government in comparison with commercial business. That could potentially not only reduce costs, but make more readily available to the Department that margin of industrial capacity necessary to sustain the defense production base. Secretary Clements will be working on the problem of improving these operating procedures. To be sure, this is part of the more general goal of reducing nonproductive overhead so that an increased percentage of the procurement dollar can go into real output. We shall need your assistance, and, in principle, there is no reason that cost reduction efforts of this type cannot be reflected in incentive contracting.

I cannot leave the subject of industry's contribution and the contemporary role of the arsenal of democracy without taking special notice of the technology base. Increasingly it is this dimension, rather than simple production capacity, that so brilliantly serves the national purpose. I would suggest that we bend every effort to sustain the health and vigor of the scientific and technological base.

Our technological achievements have played a significant role in the achievement of arms limitation agreements. Despite the grosser advantages of the Soviet Union in missile numbers and throw-weight allowed by the May 1972 Interim Agreement, it is legitimately argued that American technology more than redressed the balance.

Ironically, some voices have been raised to suggest that technological advance be terminated. Having asserted that U.S. technology compensates for the asymmetries favoring the Soviet Union, some have subsequently suggested that we abandon the compensation—hardly consistent with maintaining essential equivalence. Indeed, I might sympathize with such suggestions, were Andrei Sakharov charged with the direction of military R&D in the Soviet Union. Unfortunately, as is only too obvious, he is not.

But the edge that technology provides is just as dramatically reflected in the general purpose forces—whose role is, if anything, more significant than strategic capabilities. If the quality of U.S. airpower serves as a great equalizer in terms of the overall balance, for example, this reflects the technological advantages of the United States—in ECM, in precision guided munitions, in avionics. Soviet avionics packages, for example, continue to rely heavily on vacuum tubes—while ours exploit large scale integrated circuits, as well as minicomputers. The weight differential of such packages is on the order of 4:1 to the advantage of the United States. Such differentials are reflected in the relative combat effectiveness of the two force structures.

We shall call upon industry to provide the United States with a continuing technological margin—but, once again, keeping in mind the other goals of affordability and reliability. Reliability is, after all, technology in its most practical form.

Let me turn now to what I earlier described as the fifth requirement: that of resolve. How are we performing on that score? Clearly this nation, in satisfying all the other conditions so necessary to deterrence and security, will fare well only to the extent that its citizens remain resolute in their purposes. It does no good simply to pile up weapon systems and force structures in a vacuum, however sophisticated and capable they may be. Foreign policy, to the extent that the military forces of this country and our allies buttress it, depends on the moral stamina of the societies concerned. And on that score we must acknowledge that of late, throughout the Western world, we have witnessed some disarray, as much overseas as in this country.

We have not in recent years suffered from an overabundance of naivete or simple straightforward enthusiasm. These existed in ample supply, I think, a decade or more ago when the Peace Corps volunteers went out to save the world and remake it. There is less of that belief and enthusiasm today, and that is a serious loss for all our societies. The problem we face now is a cynicism which can corrode and an irresolution that can undermine us all. Cynicism has been defined as knowing the price of everything and the value of nothing. Of irresolution it has been said that the wavering mind is but a base possession.

I believe there may be less cynicism today than there was two months ago. But there remain those among us who, in Churchill's words, are decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all powerful for impotence.

One of their victims has been the Republic of Vietnam. Our forces are now out of that tortured country, and the cost of the continuing conflict to the United States is currently about 3 percent of what it was at the peak. The South Vietnamese did not tell us: "Give us the tools and we will do the job." Instead, we simply informed them that we would provide them with the tools—and the munitions—and would expect them to do the job.

Since that time, three things have happened: The South Vietnamese have done the job; our assistance to Saigon has declined; and outside aid to Hanoi has increased. A small state, beholden to us, still struggles to survive, but we have neither the temerity to sever its lifeline nor the resolution to pay the relatively small but necessary price to assume its continued existence. Rather, we have chosen to put an ally on the military equivalent of starvation rations.

This is hardly an edifying spectacle. As a contrast, consider what occurred when conflict broke out in the Middle East last October. Members of Congress—not all of whom have sympathized with the munitions requirements of the South Vietnamese—persistently urged us to do whatever was necessary to ensure the survival of Israel. A supplemental request of $2.2 billion for military assistance to Israel was sent to the Hill, and the Congress quickly approved it.

Note that the hostilities in the Middle East lasted for 3 weeks. In a sense, the bill worked out to $700 million a week. Yet we now begrudge the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment. Exactly how that redounds to our credit or demonstrates our resolve is not easy to say.

So at this point, we may well inquire: How has the arsenal of democracy fared in this latest period of transition? The record has been mixed, but I hope you will agree that the prognosis remains hopeful.

President Ford has already emphasized that: "A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war. . . ."

Secretary Kissinger has echoed that policy in his declaration that: "For other nations to have confidence in our purposes and faith in our word, America must remain a military power second-to-none."

In closing, I might add some words spoken by Franklin D. Roosevelt more than 30 years ago: "I, too, pray for peace—that the ways of aggression and force may be banished from the earth—but I am determined to face the fact realistically that this nation requires a

toughness of moral and physical fibre. These qualities, I am convinced, the American people hold to a high degree."

Strength cannot come from physical capacity alone. It requires a tenacious will.

WVU'S HARRY ERNST IS NO RON ZIEGLER

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, one of the most highly respected newsmen in West Virginia, Harry Ernst, left his beloved profession 6 years ago to become director of West Virginia University relations. He has been equally successful in this field as pointed out in the following article from the Morgantown, W. Va., Sunday Dominion Post which was written by Barbara Rasmussen:

"DECEPTIVE PR TACTICS HAVE NO PLACE AT WVU"

(By Barbara Rasmussen)

As one of two "official spokesmen" for West Virginia University, University Relations Director Harry Ernst doesn't consider himself one of the 10 most powerful men at WVU.

Only he and President James G. Harlow speak for the University as a whole Ernst is, however, somewhat flattered by the rating ascribed to him by the campus press two years ago.

"Power is diffuse at the University," he says. "It's not a simple corporate model of responsibility. It's much more diffuse than for other institutions.

He demurs to intimations that he is a policy-maker for the University. He will admit to offering advice within his area of expertise and he does attend the President's Monday morning staff meetings.

He and his responsibilities came to the University with President James G. Harlow in 1968, in response to demands from the state news media that the University provide a readily accessible spokesman on issues that develop within the University.

He has a news reporter's backgrounds. He was Washington correspondent for The Charleston Gazette before assuming his WVU position.

In explaining his philosophy of public relations, Ernst says it isn't quite the same as managing the public relations of any large business.

Noting the University is a public institution, supported by public funds, he directs his office's energies to communication services.

These services help inform the people of West Virginia about what is going on at WVU, and provide a continuing education tool for adults, he said.

As an example, he points to the many science features written by William Aston, the University science writer.

"The people want substance, not a PR slick," Ernst says as he voices pride in continuing improvement in the West Virginia University Magazine which is published quarterly under his jurisdiction.

Commenting on "Zieglerism" in public relations, Ernst said one's boss shapes the dilemma such as those which constantly plagued former presidential press spokesman Ronald Ziegler, and finally cost him his credibility.

"Universities are committed to values that preclude dishonest or devious public relations practices," Ernst said. "That would betray the purpose of the university.

"I deal as openly as possible and still protect the individuals involved," he said.

Deceptive public relations tactics could destroy the institution, he said, explaining that "a public relations program is only as good as the institution" that it reflects.

"Zieglerism issues" just don't occur, Ernst said. "Even in the case of public relations, if it distorts or deceives, it will catch up with you, and your credibility is destroyed," he said.

"The University's public relations program has to begin with an assumption of integrity. I have never been asked to lie or distort facts."

Ernst says President Harlow is an "unqualified pleasure" to work for, and "he believes in honesty."

"The president sets the goals; the president is the key to the success of the program, and Dr. Harlow is very supportive," Ernst said.

Asked what he would do if he were ever told to misrepresent events, Ernst said, "I would hope I have as much courage as Jerry terHorst (President Gerald R. Ford's former press secretary who resigned after learning of plans to pardon former President Richard M. Nixon and that he had been lied to by other White House officials).

"That's an option open to all of us in life. But it's often hard to perceive a violation of conscience. It's easy to rationalize, and it's sometimes hard to find the courage to follow through with the dictates of conscience," Ernst said.

In his capacity as director of University relations, Ernst oversees the printing of all University publications and directs a small news staff.

He says his office works closely with the Appalachian Center, WWVU-TV, the athletic publicity office and the University Foundation to bring WVU and its activities closer to the people of West Virginia.

Ernst claims "maverick tactics" in his efforts to publicize WVU.

He says less emphasis is being placed on the number of news releases sent out by his office, and the emphasis now is on quality information. Again, he refers to the University magazine and Aston's work as examples.

Other efforts are aimed at gaining national news coverage for the University.

Ernst is careful about expressing personal opinions on many matters, citing his affiliation with the University. He says it's important his comments not be attributed to WVU unless they really are University policy.

For that same reason, he says, he curtails many activities he might otherwise pursue.

Ernst also carries the title of assistant to the president for communications.

The 43-year-old former journalist served four years in his capacity as a Washington correspondent. Before that, he was assigned to general reporting and sports for the Gazette.

He is the author of a political study, "The Primary That Made a President: West Virginia 1968," and is co-author, with Robert Sherill, of a book—"The Drugstore Liberal: Hubert H. Humphrey in Politics."

He is 43 years old and is the father of two sons, Eric, 15, and Steve, 7. His wife, Mary, is a former Gazette staffer also.

His hobbies include tennis, travel and reading.

His travels have taken him to East Africa to view the University's off-campus programs there, and through northern Europe to study new towns.

He says Kurt Vonnegut, Jr., and John Le Carre are among his favorite authors, and that "Catch-22" is the funniest book he ever read. He also enjoyed "Cancer Ward."

Although he says he spends a great deal of time reading non-fiction material, his preference is for a "good novel."

Ernst hesitates to say just what the University's communication program costs. "What would you include in that category? We even print the University catalogues, and that alone costs $40,000 per year," he said.

JOHN COLTRANE REMEMBERED: A CELEBRATION OF SPIRIT

Mr. CONYERS. Mr. Speaker, September 23 marked the 48th anniversary of the birth in Hamlet, N.C., of John William Coltrane, Jr.

Many will take this occasion to single out some quality or factor manifested in Coltrane's professional life as a touchstone in a memorial footnote that will satisfy some particular expectation. Such manifestations may be:

That he was black;

That he was a gifted musician, a true virtuoso;

That, as such, he was a devotee of modern sounds;

That he was an experimenter, innovator, and visionary; hence a jazz leader and pioneer;

That, by lumping together the last three observations, he solidified, improved, and advanced the idiom and expression of jazz.

Some elements of the mass of his personal history will be plucked off, like bits of clay, and engrafted as a contribution onto some notion of the state of the art. Peers will remember him in faithful, loving terms as simply a bad horn player, expressing the intensity of his devotion in every single piece he wrote, arranged, improvised, or blew. Technicians will marvel at his virtuosity, recalling the complexity and accomplishment of his sheets of sound, multiple tones, and concurrent notes and the depth of his inquiry into diverse instrumentalism. Ethnic historians will review his leadership in the preservation of the integrity of the Afro-American "Bebop" contemporary character of jazz; how his forays beyond traditional strictures of time, rhythm, and harmony defied the "imitators" and the bastardizing effects of pop. Those concerned about the survival of the primal purity of jazz expression will cite his genius at using the barest of conventions as bases for improvisation and experimentation. Chroniclers will wonder at the stamina of his short life, leaving a legacy of countless club and concert dates and 40 albums in print. Critics, who interpreted his new work as reactionary rather than actively creative because they could not pierce his complexity, will trouble over their incapacity to fit Coltrane into marketable categories.

I knew John Coltrane, but not intimately; I am an aficionado of his music, but my insight is not yet developed enough to do verbal justice to his product; I think I understand his place in the subculture of jazz, but am not presumptuous enough to try to categorize it. Rather, I must relate to him from a more general perspective—one that I feel is important, because it is the most common of perspectives.

Music is, I think, the most envied medium of communication because the musician deals only in truth; motives are immaterial, in that they are the afterthought of the listener more than the dissectable preconditions of the speaker. There are no falsehoods in his speech, only gradations of sincerity that are proportionate to its passion. The essence of Coltrane, evident everywhere in his music, is an exaltation of the human spirit—it is purposeful, undeniable, and unquantifiable in its dimensions. True, music was the center of his life; through it, however, he makes it clear that it is merely the veneer on a core of caring, like paper on a spool around which every other thread of existence is entwined. For many of us, it is the reverse; music is one of the threads that encircles but never penetrates that paper to touch the center of our beings. We marvel at its color, feel its texture, and analyze its composition but, in our preoccupation, never comprehend what it really is. It is a rare gift to be able to use musicianship as a means of merging the spirit of listener with performer and elevating them together. As listeners, we must conclude that Coltrane had such a gift and used it eloquently to help us comprehend the simple importance of feeling. As observers of Coltrane, simple facts—his relationships with his family, sidemen, and students, for example—reinforce this.

I insert into the RECORD at this point chapter 9 of Phyl Garland's "The Sound of Soul" for a more detailed discussion of an outstanding human being who spoke through his horn.

The excerpt follows:

REQUIEM FOR TRANE: ANOTHER KIND OF SOUL

The death of John Coltrane, the saxophonist and jazz experimentalist, in 1967, is said to have marked the end of an era, for he became in the final decade of his life a dominant musical force. His essential message was in his music, but there is another that he expressed with his total being—a belief in the universality of music and a concern for the human condition. He was, indeed, another kind of soul.

In the days, not so long ago, when he played, he stood before his audiences like an earnest black knight intent on blowing away evil spirits with an unrelenting sound that seared the consciousness of those who had come to listen. Horn in hand—most often tenor saxophone, but occasionally soprano sax—he gave freely of his complex musical "thing" to anyone willing to accept it. For those who did not understand his music, he tried ever a little harder, but even they could not dissuade him from his quest as he reached for the sonic stratosphere rising to fantastic peaks of intensity.

And, suddenly, the sound was no more.

John William Coltrane, known to friends and fans alike as "Trane," was dead at the age of forty, victim of a liver ailment that had steadily sapped his strength during the last months of life. A giant had been silenced.

In the general scheme of events where art, and particularly black art, must take a back seat to wars, rebellions and celebrity weddings, his death in a Huntington, Long Island, hospital on July 17, 1967, was briefly noted—if at all. But later it was said that a whole phase of jazz died with this man who reached out beyond the constricting barriers of time, rhythm and harmony. He led where others might follow and go further out on their own. After his death, those who realized his significance as a man and a musician entertained a shadow of belief that he might still be "cooking" away in some celestial combo.

As those who did appreciate his music paused in the void he left, many tried to evaluate what had been lost. Measured by any standards, the contribution of John Coltrane must be considered unusual. Conception for him was so interwoven with act that he became one of the most prolific and extensively recorded of modern artists, leaving behind forty albums in print, not to mention countless sessions on which he did not appear as leader. They contain a vast store of original compositions, the later ones in an experimental "free" form. But he produced this huge quantity without compromising his artistic standards, never bowing to the bids of commercialism. Though he disdained calling the music he played "jazz," objected to the term as being too confining, jazz was the foundation of the musical architecture he created, rooted in rhythm, sustained by inspired improvisation of the most daring sort. Discontented with the patterns into which this music had fallen before his arrival on the scene, he sought to expand its horizon, never willing to rest too long on any plateau of expression. He abandoned the song as a necessary point of departure and opened up the music, enabling it to move in all directions, filling the spaces with incredible flurries of notes not always related to any set pattern or form. As his voice called out for a new freedom, others were impelled to answer their inner voices, and he became the acknowledged spiritual father of the avant-garde in jazz. Like "Bird," the late Charlie Parker, he, too, soared, and left the scene a little different from how he found it.

Yet the importance of John Coltrane exceeds his prominence as a musician. He was known to be a gentle and deeply religious man who had succeeded in finding a path to personal truth while making his way through the dusky evening world. The aura that surrounded him was steeped not in drugs, drink and debauchery but in a sincere concern for the human condition. This, too, was unusual for a man who had to live the late-hour life, described by one musician as being a matter of "always hustling, living out of suitcases, paying two rents, trying to get the leeches off you and wondering where your next gig's coming from." Though a leading exponent of a music still unjustifiably linked with the early brothels where it was played, Coltrane apparently saw through the surface of things and went on to seek a higher meaning. *A Love Supreme,* an extended four-part jazz "prayer" without words that became one of his most famous recorded works, grew out of his nonsectarian spirituality and was dedicated to the God in which he believed. In his dedication of that album, he referred to a spiritual awakening he had experienced in 1957, which was followed by a period of irresolution and, later, reaffirmation of faith. In his words:

"I do perceive and have been duly re-informed of His omnipotence, and of our need for, and dependence on Him. At this time I would like to tell you that no matter what . . . it is with God. He is gracious and merciful. His way is in love, through which we all are. It is truly—a love supreme." [1]

It was not a "jive" thing. If it had been, those who knew him best would not so frequently speak of him as being a "sweet man, the one cat who never put anybody down." They would not so openly describe him as being "almost a saint."

[1] From impulse! Album A-77 A Love Supreme/John Coltrane (c) 1964 ABC-Paramount Records, Inc. All rights reserved. Used by permission.

Coltrane best stated his philosophy in the last extensive interview conducted with him, which appeared in *Jazz and Pop* magazine. He simply said: "I know that there are bad forces, forces put here that bring suffering to others and misery to the world, but I want to be the force which is truly for good." As a mature person, he arrived at this conclusion only after he had been through his "changes" and "paid his dues."

Born in Hamlet, North Carolina, on September 23, 1926, Coltrane was the son of a tailor who played several musical instruments as a hobby. The family later moved to Philadelphia, where his mother still lives. After young John's father died, when he was twelve, his relationship with his mother became exceptionally close, possibly because he was an only child. The spiritual strain that later was to become so apparent might have been linked to the fact that both his grandfathers were ministers. But while the traditional family mode of expression had been that of the spoken word, it was to be music for John, who studied E-flat alto horn, clarinet and saxophone in high school. However, music was not to become a dominant force in his life until he reached the age of eighteen. It was then that he undertook serious studies at Granoff Studios and the Ornstein School of Music. After fulfilling military duties with a U.S. Navy band in Hawaii, Coltrane returned to the mainland in 1947 to serve his musical apprenticeship as a sideman in the bands of Eddie "Cleanhead" Vinson and Dizzy Gillespie, working later in small groups led by Earl Bostic and Johnny Hodges.

The first major break in his career came in 1955, when the relatively obscure Coltrane joined the Miles Davis Quintet, a group that was destined to become one of the most outstanding of the post-bop era. Even in that early stage of his development, the style for which he was to become known was beginning to be evident; his way of playing blistering barrages of notes, even more startling when contrasted with the economical Davis approach. In those days, critic John S. Wilson wrote of Coltrane that "he often plays his tenor sax as if he were determined to blow it apart, but his desperate attacks almost invariably lead nowhere." Unlike the improvisation of Charles Parker, whose ingenious constructions were variations based on the chords underlying familiar melodies and variations on those variations, Coltrane's eruptions of 16th, 32nd and seemingly undefinable notes sometimes appeared to bear little or no relationship to anything else that was going on in the music, though this was just the beginning of where he was to go. Furthermore, his tone was not "sweet," in the terms of a tenor saxman such as the late Ike Quebec. Later, Coltrane himself admitted, "When they first heard me with Miles, they didn't like it." But eventually his surging passion and strange kind of lyricism began to reach those who had scoffed at this wild new man. A very few hailed him as an individualistic and influential musical personality.

In the latter part of 1957, Coltrane worked with Thelonious Monk at the old Five Spot in New York, rejoining Miles Davis the following year. The reputation he acquired by performing with that other giant of jazz provided the impetus that led to an initial acclaim when he branched out on his own and recorded works that have now become classics in their genre. He achieved a droning, hypnotic Indian sound when he turned to the neglected soprano saxophone for a singular interpretation of *My Favorite Things,* which is found on the Atlantic record of 1960 that first turned the public onto him. His lovely composition *Naima,* which was included in the album *Giant Steps* from that period, eventually found its way into the general jazz

repertoire. By this time, his method of imposing torrential explosions of notes on basic changes had been dubbed "sheets of sound." Coltrane was a force to be reckoned with.

The year 1961 marked the beginning of Coltrane's ascension to the position of the most influential jazz musician of his time. Settling down to a group composed of himself on tenor and soprano saxophones, McCoy Tyner on piano, Jimmy Garrison on bass and Elvin Jones on drums, he created some of the most remarkable music of the sixties. Occasionally a second bassist, another reedman, such as the late Eric Dolphy, or a big-band backing was added, but Tyner, Garrison and Jones were the three key men in the unit that was with Coltrane in 1965 when he made an unprecedented sweep of the annual *Downbeat* magazine readers' poll, being voted top tenor saxophonist and Jazzman of the Year, elected to the Hall of Fame and honored by having his *A Love Supreme* named Record of the Year.

The Coltrane quartet of that period, the most popular unit he ever led, has been most vividly described by Jimmy Garrison, who was associated with the leader longer than any other single musician, remaining even after 1965 when Trane's desire to experiment led to a shifting in personnel that resulted in McCoy Tyner's and Elvin Jones's going out on their own.

One night, within a month after Coltrane's death, I met Garrison in a small East Side Manhattan bistro where he was accompanying a nondescript cocktailish singer-pianist whose job was to provide an unobtrusive background for intimate discussions. With a touch of nostalgia, he recalled the way it had been. Garrison had joined the Coltrane group after working with Ornette Coleman, who had not then been recognized as the great innovator he is. "It was at a time when Trane was just coming into his own," said Garrison, "a time when he was searching for the right combination of people to produce a sound that only he could hear." In the group that finally was assembled, a rare sort of musical empathy flourished. "Things were just unbelievable. We'd get on the bandstand and everything would build to such an intensity that everything else would disappear and there would just be the music."

Amazingly, the group that played with such an uncommon unity never had an actual rehearsal. The music unfolded spontaneously, with each man building his own ideas on a general pattern set forth by the leader. "Many of the times when we went in for a record date, it was the first time we'd seen the music," Garrison explained. "Often there was *no* written music. He'd just announce what key we'd be playing in, or that we'd be playing in twelve tones and we'd take it from there. I remember one time when he announced a certain number and I said, 'Man, I've never heard *that* before.' He answered, 'well, you'll be hearing it now,' and we proceeded to play it. It was really a unique band, but he gave you confidence by giving you responsibility. He was a genius."

In live performances, the group also acquired a reputation for the length of some of its renditions. The habit of extending a single number, *My Favorite Things*, for example, to twenty-five minutes or more drew criticism from some, particularly those unaccustomed to atonal sounds interspersed with harsh bleats and shrieks. According to Garrison, this grew out of Coltrane's deep desire to communicate and to share. "He wanted people to like what he was doing. If they didn't, he wouldn't bust it over their heads, but just hoped that eventually they would understand. Sometimes he thought maybe he hadn't gotten his thing together enough to really put it across to them, but he felt that if he stayed up there on the bandstand long enough, he was at least giving to the people."

Like all great innovators, Coltrane was frequently misunderstood. The harshness of his sound, at times, the forcefulness and intensity he projected were misinterpreted as expressions of rage. Actually, the reverse was more likely true. As Garrison said, "There was a love that he emitted that is rare to find, a thing you recognized immediately on meeting him. He lived the way of the things he wrote or said. There was something sainted about him. This force he had became a part of the band. There was never any malice. We were like four brothers in the deepest sense of the world. We had respect for each other, a love for each other." When the end did come for that notable band, it was not due to inner strife, but because "Trane had started hearing other voices, other ways of doing things. He was the sort of man who was always learning, always practicing, even between sets. He was one big piece of music and he knew there had to be more roads to cover."

Coltrane's desire to cover new territory and to scale restraining barriers led him to assemble an eleven-piece unit in 1965 to record *Ascension*, a thirty-eight-minute free form improvisation that was hailed by one critic as "possibly the most powerful human sound ever recorded." Here all customary forms were set aside and all that went with them in order that all concentration might be applied to the music itself, springing from each of the eleven men as it was felt and thought, meshing into a tour de force of free sound. In his liner notes for that album, critic A. B. Spellman quoted tenor saxophonist Archie Shepp, who played on that set, thus:

"It achieves a certain kind of unity; it starts at a high level of intensity with the horns playing high and the other pieces playing low. This gets a quality of like male and female voices. It builds in intensity through all the solo passages, brass and reeds, until it gets to the final section where the rhythm section takes over and brings it back down to the level it started at." [2]

Spellman aptly adds, "By that time your nervous system has been dissected, overhauled and reassembled."

This drive toward the new also resulted in Coltrane's forming another quintet, markedly more avant-garde, featuring Pharoah Sanders as a second tenor saxophonist, Rashied Ali on drums, Garrison on bass and Trane's wife, the former Alice McLeod, of Detroit, on piano. Many of his fans from the earlier periods recoiled at the seeming chaos of his new sound, but he continued to forge ahead, for, as his associate later explained. "He felt every man must live his own life and find his own path to himself."

This searching nature was carried over from his music into his personal life. During his later years, he delved into Eastern religions, studying yoga, the Bhagavad Gita, sacred Hindu text and the Torah. He was known to be a health food advocate who drank "mostly a lot of carrot juice," ate meat only infrequently and found great pleasure in his family life, as was demonstrated in an eight millimeter home movie showing him romping in the grass of his back yard with his three small sons. Successful enough to be able to work as often as he liked, Coltrane would hurry home after he'd completed a night's work, tarrying in the clubs only when another master such as Sonny Rollins, the tenor sax colossus, was in town.

The sanctuary of John Coltrane was a large, comfortable modern house situated on three acres of land near Deer Park, Long Island, within driving distance of the mashing crowds of Manhattan. There it was that he spent the happy moments with his wife, three sons and one stepdaughter. Aside from music and spiritualism, he had few compelling interests, but he did personally furnish his favorite part of the house, a sprawling living room done in bright colors that seemed to echo his celebration of life. Even after his death, his touch remained in that room with the piano where he sketched his music. On it sat the tenor sax that was the musical nucleus of his life, an alto sax that he was exploring and an unstrung Indian sitar, reflecting his manifest affinity for music of the East. On a leather bench beneath the piano sat another tenor sax, as though awaiting his breath to give it animation. His musical catholicity was apparent in a set of drums, on which he was practicing not too long before his death, the flute he played on his last record date, a set of bagpipes, a small African horn.

"He was a humble man who didn't have the personality one would expect of a musician," reminisces his wife. "He was a healthy energetic man who liked to get out early in the morning and be in bed by ten or eleven o'clock." She points to his importance as a teacher, saying, "The best part was when I joined the band, after McCoy quit. We could travel together and we went to Japan and made a couple trips to California. He was very patient with me, because I hadn't played or even practiced in almost two years and I was blowin' some wrong chords. But he showed me how to build the sort of impact he wanted. He always made you feel you could do it yourself if you really tried. One point he made above all others, and that was 'Don't ever play *down* to anyone. Play just what you feel yourself.' He didn't believe in just playing what people might want to hear."

She describes him as "a man with a universal concept," for he liked to draw an analogy between his horn and mankind, explaining that one group might represent the upper register, another the mid-range and yet another the deeper notes, but that it took all to make the whole. Because of this desire for human unity and his exposure to a world in which things were more often bitter than sweet, he had a great concern for "the plight of his people." During the last months of his life he expressed a desire to go to Africa, "to check everything out." He was also concerned with the plight of musicians, the conditions under which they had to work and the way in which their music was received. "He was disturbed because the type of music he played was confined to nightclubs," says Mrs. Coltrane. "It was music for listening, not for drinking in all the places where there's so much buying and selling. Maybe the concert hall would have been the place for his music, but we had thought of setting up a center that would be like a church—we wouldn't call it a church, because it might frighten people away and they might wonder what kind of church it was, but it would be a church in that it would be a place for music and meditation, and maybe someone would feel like praying. It would bring others a kind of fellowship based on music, because he thought music was a single universal force and that there could be no dividing lines or categories. That's why he disliked the term 'jazz.' "

But the end came too quickly for John Coltrane to fulfill all his dreams of universalizing music. He never did set up his "church," and he never went to Africa. He spent his last days stretched out on a couch in his living room, listening to tapes of the new music he had created. Quiet, as always, he never let anyone know how ill he was.

"Maybe I didn't know how bad he felt because he wouldn't tell me," says his wife. "I used to leave him alone when I thought he wanted to be alone. I was busy with the kids and I didn't want to bother him, to get in his way or to bug him."

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[2] A. B. Spellman notes. From impulse! Album A-95 Ascension/John Coltrane C 1965 ABC-Paramount Records, Inc. All rights reserved. Used by permission.

Mrs. Coltrane readily contradicts any rumors that her husband died of the destructive forces that have cut down so many jazz musicians in their prime. He had been under medical treatment for at least two months before his death and seldom performed in public during the last six months of life. Sporadically, he had complained of feeling tired after playing, of being tired of working, of the nightclub life and all it entailed. Nobody knew exactly how tired he was. Nobody knows what dread disease he might have thought he had, but he rejected his physician's suggestion that he have an operation and refused to be hospitalized until his last day, when it had become impossible for him to take even soup.

"It was on a Sunday," his wife recalls, "and he was such a strong man that he walked out the door himself. He was walking slow, but he made it. And then he went down so fast. He was such a beautiful man and I guess those kind of people don't stay here too long. They come here and do their work and then they leave."

There are some indications that Coltrane had suspected his own imminent death: casual statements about "if I ever play again" and "if I have to leave you," a stealthy, abruptly concluded telephone call concerning insurance, the fact that he made seven record sessions during the last year while his usual output was two or three discs a year. For his wife there are only thoughts of "all my life I have to live without him, though I know it is his invisible hand that has brought me through."

But though the man Coltrane is dead, his valuable musical legacy lives on, not only in the recorded sounds he left behind, but in the marginal world of New York's East Village where the eager young exponents of free music lurch toward their own aesthetic horizons. Their music has been described by some, such as Nat Hentoff, as "black, angry and hard to understand." It, too, is marked by a stark breaking away from the old conceptions of melody, harmony and form with the inclusion of sounds other than those customarily produced on musical instruments. Where Coltrane led, others are reaching ever further out.

One of the front runners and an heir to the Coltrane mantle has been Archie Shepp, a tenor saxophonist who is also a highly articulate spokesman with an academic background in playwriting.

"He was a bridge," Shepp says of Coltrane, "the most accomplished and comprehensive of the so-called post-bebop musicians to make an extension into what is called the avantgarde. I met him at the time when I was still a student at Goddard College and he took the time to talk to me. It was time for that sort of thing, for the younger men to begin to have that sort of exchange with their elders. He was one of the few of the older men to demonstrate a sense of responsibility toward those coming behind him. He provided a positive image that was greatly needed and stood against the destructive forces that might have claimed so many. Having suffered and seen so much himself, he tried to see that others coming along wouldn't have to go through all that.

"Perhaps many didn't understand his music—the sort of thing he was doing in his last two years, not the earlier things for which he was known best—and they might not understand the music we are creating now, but it is truly a reflection of our times, as much as the spirituals were of their time, or Leadbelly. Trane's music exemplified his feeling for what *is* and he accomplished a great deal for the short time he was with us— much more than most do in a lifetime. He left the scene a little different and I believe John's death has drawn us, as musicians, closer together, has brought us closer to a kind of unity. This is the way we must assess a great man."

DEATH OF MRS. JOAN F. BUSHNELL, LEGISLATIVE AIDE AND DIRECTOR OF OFFICE OF HEALTH LIAISON, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extarneous matter.)

Mr. STAGGERS. Mr. Speaker, it is with deep regret and personal sadness that I report the death of Mrs. Joan F. Bushnell, a legislative aide and Director of the Office of Health Liaison in the Department of Health, Education, and Welfare. She died on Wednesday, September 18, 1974, at George Washington Hospital, of aplastic anemia.

Over the past several years, in which official relations between the Congress and the administration were strained, Mrs. Bushnell labored diligently in an informal way to keep the lines of communication open between our staffs here and the health staff at HEW so that constructive work toward development of new and necessary health programs could go forward. We shall forever be in her debt.

I want her family to know that Ms. Bushnell, working behind the scenes quietly and unobtrusively, has made a significant contribution toward improvement of health in America. We shall all miss her.

Mr. Speaker, I request that the obituary which appeared in the Washington Post of September 20, be inserted at this point in the RECORD.

HEW CHIEF OF HEALTH LIAISON

Joan F. Bushnell, 40, director of the Office of Health Liaison of the Department of Health, Education, and Welfare, died Wednesday of pneumonia at George Washington University Hospital. She had suffered from aplastic anemia for several months.

Mrs. Bushnell joined the HEW Office of General Counsel in 1965 as a lawyer specializing in administrative law and legislation.

Later she moved to the Public Health Service of HEW, where she was assistant administrator for legislation of the Health Services and Mental Health Administration before becoming health liaison director.

She was involved mainly in the development of legislation on health planning, health services for migrants, health maintenance organizations and health research programs.

Born in Altadena, Calif., Mrs. Bushnell received a bachelor's degree from Michigan State University, a master's degree from the University of Connecticut and a law degree from the University of Virginia.

She was associated with the Washington firm of Steptoe and Johnson from 1960 until 1965, specializing in administrative law, regulated industries and health and education legislation.

A member of the American and D.C. Bar associations and the Virginia State Bar, Mrs. Bushnell was the author of numerous legal articles.

She is survived by a son, Douglas Scott Bushnell, of the home, 6229 Utah Ave. NW; her mother, Maren W. Fulton, and a brother, John R. Fulton, both of Altadena, and four sisters, Dorothy Sterling, of Oxnard, Calif., Patricia McGinnis, of Houston, Marge Fulton, of Redondo Beach, Calif., and Sara Gulich, of Emporia, Kan.

The family suggests that expressions of sympathy be in the form of contributions to the Beacon-Hill Research Foundations at the University of Washington School of Medicine in Seattle.

EQUITY NOT SUBSIDY

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. STAGGERS. Mr. Speaker, I wish to express my concern about the serious situation which now confronts some of our air carriers, particularly Pan American World Airways and Trans World, Airlines. They constitute vital elements in the air transportation system of the United States. As chairman of the House Interstate and Foreign Commerce Committee, I am charged with the responsibility of our Nation's air carrier system as it was established in the Civil Aeronautics Act of 1938 and the Federal Aviation Act of 1958. The present law specifically states that there will be developed a sound "air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service and the national defense".

Currently, the President and the Civil Aeronautics Board will not approve subsidy for carriers not now on subsidy. However, the President has outlined a course of action which would correct many inequities in our international air carrier system and our committee has pending a bill, H.R. 14266, which is aimed at these inequities.

Specifically, Pan American and other U.S.-flag international carriers are being "shortchanged" by the U.S. Government in the carriage of international air mail. The Civil Aeronautics Board sets mail rates for U.S. air carriers at an average 33 cents a mile for international mail, while the Postmaster General through international treaty agrees to pay foreign air carriers $1.73-a-ton-mile for letter mail. The Civil Aeronautics Board and the U.S. Postal Service have been aware of this practice for years but have not seen fit to change the procedure. Our Government should not be subsidizing foreign flag carriers to the detriment of our own U.S. flag air carriers.

Also, U.S. airlines in many locales abroad pay grossly inflated landing fees while the local foreign carrier is often exempt or pays a much smaller fee for the same service. Many foreign governments require travel of their nationals on the national carrier if they are either in the direct service of their government, or a contractor to their government. If a similar "Fly U.S." policy were directed for travel and shipments by contractors to the U.S. Government, it would mean an improvement of millions of dollars to our U.S.-flag carriers.

To prevent the disappearance of the American flag on the airways—as the American flag has disappeared on the sea

lanes—it has become imperative that the U.S. flag system be provided with an equality of competitive opportunity.

Since our flag carriers are not subsidized by the Government, it is imperative that we at least provide them a maximum of equity in place of subsidy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. HANSEN of Washington (at the request of Mr. O'NEILL), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOLIFIELD to address the House under a special order for 30 minutes tomorrow, Thursday, September 26, 1974, and to include extraneous matter.

(The following Members (at the request of Mr. REGULA) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 30 minutes, today.

Mr. DU PONT, for 60 minutes, today.

Mrs. HECKLER of Massachusetts, for 10 minutes, today.

Mr. ROBISON of New York, for 15 minutes, today.

Mr. DON H. CLAUSEN, for 30 minutes, today.

Mr. SCHERLE, for 1 hour, October 8, 1974.

Mr. MOSHER, for 15 minutes, today.

(The following Members (at the request of Mr. VANDER VEEN) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. CORMAN, for 5 minutes, today.

Mr. CULVER, for 5 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

Mr. DANIELSON, for 10 minutes, today.

Mr. MELCHER, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, September 26, 1974.

Mr. WOLFF, for 15 minutes, October 8, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. HOLIFIELD, and to include extraneous matter.

Mr. CONYERS, to extend his remarks in the body of the RECORD, notwithstanding it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $695, to be printed permanently in the RECORD of September 23.

(The following Members (at the request of Mr. REGULA) and to include extraneous matter:)

Mr. FORSYTHE in two instances.

Mr. ROBISON of New York.

Mr. YOUNG of Florida in five instances.

Mr. WYMAN in two instances.

Mr. NELSEN in two instances.

Mr. PETTIS.

Mr. FRENZEL in three instances.

Mr. HOGAN.

Mr. GILMAN.

Mr. HUBER in two instances.

Mr. DERWINSKI in three instances.

Mr. GROVER.

Mr. DICKINSON.

Mr. HOSMER in three instances.

Mr. CHAMBERLAIN.

Mr. BROWN of Michigan.

(The following Members (at the request of Mr. VANDER VEEN) and to include extraneous material:)

Mr. ROY in two instances.

Mr. BYRON in 11 instances.

Mr. ANDERSON of California in two instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. HOWARD.

Mr. RONCALIO of Wyoming.

Mr. ROONEY of Pennsylvania.

Mr. FRASER.

Mr. KARTH.

Mr. HAMILTON in 10 instances.

Mr. TRAXLER.

Mr. ALEXANDER.

Mr. JONES of Tennessee in six instances.

Mr. EVINS of Tennessee in two instances.

Mr. ASPIN.

Ms. ABZUG in two instances.

Mr. WOLFF in five instances.

Mr. MOORHEAD of Pennsylvania in 10 instances.

Mr. GINN.

Mr. CONYERS.

Mr. THOMPSON of New Jersey in 10 instances.

Mr. FAUNTROY.

Mr. WON PAT.

Mr. BENNETT.

Mr. ICHORD in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred 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 professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities.

ADJOURNMENT

Mr. LUKENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Thursday, September 26, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2791. A letter from the Deputy Assistant Secretary of the Interior, transmitting copies of proposed amendments to concession contracts authorizing the operation of bathhouses in Hot Springs National Park for the 3 years ending December 31, 1977, pursuant to 67 Stat. 271 and 70 Stat. 343; to the Commitee on Interior and Insular Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

2792. A letter from the Comptroller General of the United States transmitting a report on progress and problems with numerically controlled industrial equipment in the Department of Defense; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 10510. A bill to amend section 131 of title 13, United States Code, to provide for the taking of censuses of manufacturers, of mineral industries, and of other businesses, for congressional approval of the content of questionnaires used in the taking of such censuses, and for other purposes; with amendment (Rept. No. 93-1372). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 13340. A bill to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes. (Rept. No. 93-1373). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1296. An act to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes; with amendment (Rept. No. 93-1374). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3362. An act to enable the Secretary of the Interior to provide for the operation, maintenance, and continued con-

struction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes. (Rept. No. 93-1375). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 2001. An act to redesignate the Alamagordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, respectively (Rept. No. 93-1376). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1395. Resolution providing for the consideration of H. Res. 988. Resolution to reform the structure, jurisdiction, and procedures of the committees of the House of Representatives by amending rules X and XI of the Rules of the House of Representatives (Rept. No. 93-1377). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. H.R. 16900. A bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1378). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN. Committee on Appropriations. H.R. 16901. A bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1379). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORHEAD of Pennsylvania: Committee of conference. Conference report on H.R. 12471 (Rept. No. 93-1380). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY of New York:

H.R. 16866. A bill to amend the Internal Revenue Code of 1954 to increase the amount of refund payable with respect to fuels by local transit systems for commuter service, and with respect to the definition of commuter fare revenue; to the Committee on Ways and Means.

H.R. 16867. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax parts and accessories used on local transit buses, and tires, inner tubes, and tread rubber used on such buses; to the Committee on Ways and Means.

By Mr. CULVER:

H.R. 16868. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. DANIELSON:

H.R. 16869. A bill to amend title 18, United States Code, to provide that certain Government contractors which make unlawful political contributions shall be fined in an amount equal to the amount of such contribution; to the Committee on House Administration.

By Mr. DANIELSON (for himself, Mr. BROWN of California, Mr. CONYERS, Mr. DELLUMS, Mr. DENT, Mr. EDWARDS of California, Mr. EILBERG, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Ms. HOLTZMAN, Mr. KOCH, Mr. LONG of Maryland, Mr. MCCORMACK, Mr. MITCHELL of Maryland, Mr. O'HARA, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SHIPLEY, Mr. STARK, and Mr. WALDIE):

H.R. 16870. A bill to amend the definition of "former President" under the act of August 25, 1958 (Public Law 85-745), and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 16871. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 16872. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes; to the Committee on Government Operations.

By Mr. GROVER (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. HASTINGS, Mr. PEYSER, Mr. REID, Mr. ROBISON of New York, Mr. RONCALLO of New York, Mr. WALSH, Mr. MCEWEN, and Mr. LENT):

H.R. 16873. A bill to amend section 206(e) of the Federal Water Pollution Control Act to increase the authorization for reimbursement; to the Committee on Public Works.

By Mrs. HECKLER of Massachusetts:

H.R. 16874. A bill to authorize the establishment and maintenance of a Federal food reserve of certain agricultural commodities in order to provide an adequate supply of food for domestic consumers; to provide a continuing supply of commodities to foreign countries for humanitarian purposes; to maintain and promote foreign trade; and to prevent domestic shortages of designated commodities by creating a system of export controls; to the Committee on Agriculture.

By Mr. HUBER (for himself and Mr. HUDNUT):

H.R. 16875. A bill to establish a Commission on Medical Malpractice Awards; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 16876. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. KETCHUM:

H.R. 16877. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. FRASER, Mr. LUKEN, Mr. MCCLOSKEY, and Mr. WOLFF):

H.R. 16878. A bill to provide for public access to all Watergate-related facts produced by any investigation conducted by any Federal executive office and to all Watergate-related documents which were produced from January 20, 1969, through August 9, 1974, and which were in the custody of the United States on August 9, 1974; to the Committee on the Judiciary.

By Mr. MADIGAN:

H.R. 16879. A bill to amend the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. MADIGAN (for himself and Mr. POAGE):

H.R. 16880. A bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize and direct the Secretary of Agriculture to contract the construction and operation of pilot facilities for use in the production of fertilizer for agricultural commodities; to the Committee on Agriculture.

By Mr. MEEDS:

H.R. 16881. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment; to the Committee on Education and Labor.

By Mr. MICHEL:

H.R. 16882. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 16883. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RINALDO:

H.R. 16884. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. YOUNG of Georgia:

H.R. 16885. A bill to increase the availability of reasonably priced mortgage credit for home purchases; to the Committee on Banking and Currency.

By Mr. YOUNG of Florida:

H.R. 16886. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 16887. A bill to amend the Civil Rights Act of 1964 to provide a limitation of 2 years on civil actions brought to prevent unlawful unemployment practices; to the Committee on Education and Labor.

By Mr. GUYER:

H.R. 16888. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. GILMAN, and Mr. COHEN):

H.R. 16889. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mrs. HECKLER of Massachusetts, Mr. LUKEN, Mr. MICHEL, Mr. MURTHA, Mr. NIX, Mr. O'BRIEN, Mr. OWENS, and Mr. PREYER):

H.R. 16890. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 16891. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. LANDGREBE:

H.R. 16892. A bill to amend the Internal Revenue Code of 1954 to increase the exception for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide and alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. MAHON:

H.R. 16893. A bill to rescind certain budget authority recommended in the message of the President of September 20, 1974 (H. Doc. 93-361), transmitted pursuant to section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. MAYNE:

H.R. 16894. A bill to direct the Comptroller General of the United States to conduct a study of the burden of reporting requirements of Federal regulatory programs on independent business establishments and for other purposes; to the Committee on Government Operations.

H.R. 16895. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. MOSHER (for himself, Mr. GOLDWATER, Mr. CONLAN, Mrs. HECKLER of Massachusetts, Mr. LAGOMARSINO, and Mr. THONE):

H.R. 16896. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. MURTHA (for himself, Mr. HECHLER of West Virginia, Mr. MORGAN, Mr. MCSPADDEN, Mr. CHARLES H. WILSON of California, Mr. CONYERS, Mr. MOAKLEY, Mr. HELSTOSKI, Mr. ROSENTHAL, Mr. RIEGLE, Mrs. COLLINS of Illinois, Mr. YOUNG of Georgia, Mr. BEVILL, Mr. PRICE of Illinois, Mr. ROYBAL, Mr. JOHNSON of Pennsylvania, Mr. HARRINGTON, and Ms. HOLTZMAN):

H.R. 16897. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. RONCALLO of New York:

H.R. 16898. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for higher education expenses; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 16899. A bill to amend chapters 2 and 21 of the Internal Revenue Code of 1954 to provide that individuals 65 years of age or over who are eligible for or receiving social security benefits (and employers, with respect to such individuals) shall be exempt from payment of social security taxes; to the Committee on Ways and Means.

By Mr. MAHON:

H.R. 16900. A bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. WHITTEN:

H.R. 16901 A bill making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. DERWINSKI:

H.J. Res. 1147. Joint resolution calling upon the President to reduce drastically the amount of bureaucratic redtape which currently exists in the executive branch of the Federal Government; to the Committee on Government Operations.

H. Con. Res. 650. Concurrent resolution to provide an opportunity for an orderly and cohesive policy toward reducing the rate of inflation; to the Committee on Government Operations.

By Mr. HARRINGTON (for himself, Mr. ASHLEY, Mr. BADILLO, Mr. BROWN of California, Mr. CLAY, Mr. DRINAN, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusetts, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. KOCH, Mr. LONG of Maryland, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. METCALFE, Mr. RANGEL, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SEIBERLING, Mr. STARK, and Mr. YOUNG of Georgia):

H. Res. 1393. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Intelligence Operations, and for other purposes; to the Committee on Rules.

By Mr. LITTON (for himself, Mr. SCHERLE, Mr. ROBISON of New York, Mr. ICHORD, Mr. SISK, Mr. HARRINGTON, and Mr. ROSE):

H. Res. 1394. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

519. By the SPEAKER. Petition of the City Council, Cleveland, Ohio, relative to food price control; to the Committee on Banking and Currency.

520. Also, petition of Kyriacos Mavroudhis, Amherst, Mass., and others, relative to Cyprus; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

FOREIGN AID AND HUMAN RIGHTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FRASER. Mr. Speaker, Friday, September 20, 1974, I delivered to the Secretary of State a letter signed by 104 Members of Congress. In our letter we stated that our support for foreign aid legislation in the future will be influenced by the extent to which U.S. foreign policy shows more concern for human rights in recipient countries.

Mr. Speaker, I want to place in today's RECORD the complete text of our letter, the list of those who agreed to send the letter, and a news release issued by my office about this matter.

SEPTEMBER 20, 1974.

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

DEAR MR. SECRETARY: The undersigned have supported legislation in recent years providing economic and military assistance to other nations. We are troubled, however, about continued American assistance to a number of foreign governments which are increasingly indifferent to internationally recognized human rights and deal with their own people in an increasingly oppressive manner.

We recognize that a large number of countries are ruled by governments which restrict the full observance of political rights as we know them, including one-party and authoritarian states. It may not be realistic to expect strict observance of political, civil and other human rights by these governments while their political systems are still evolving. Nevertheless, even within such countries, the observance of certain fundamental human rights is practicable, including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights.

In the absence of extraordinary circumstances, we do not believe that long-term U.S. foreign policy interests are served by maintaining supportive relationships with oppressive governments, especially in the military field, since military power is directly associated with the exercise of governmental control over the civilian population.

Unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors.

Sincerely,

James Abourezk of South Dakota, Bella S. Abzug of New York, Brock Adams of Washington, Joseph P. Addabbo of New York, Glenn M. Anderson of California, Thomas L. Ashley of Ohio, Les Aspin of Wisconsin, Herman Badillo of New York, William A. Barrett of Pensylvania, Alphonzo Bell of California, Bob Bergland of Minnesota, Edward G. Biester, Jr. of Pennsylvania, Jonathan B. Bingham of New York, John A. Blatnik of Minnesota, Edward P. Boland of Massachusetts, John Brademas of Indiana.

George E. Brown, Jr. of California, Yvonne Braithwaite Burke of California, John L. Burton of California, Phillip Burton of California, Charles J. Carney of Ohio, William S. Cohen of Maine, John Conyers, Jr. of Michigan, James C. Corman of California, Alan Cranston of California, John Dellenback of Oregon, Ronald V. Dellums of California, Charles C. Diggs, Jr. of Michigan, Robert F. Drinan of Massachusetts, Don Edwards of California, Joshua Eilberg of Pennsylvania, Dante B. Fascell of Florida, William D. Ford of Michigan.

Edwin B. Forsythe of New Jersey, Donald M. Fraser of Minnesota, Bill Frenzel of Minnesota, Sam Gibbons of Florida, Gilbert Gude of Maryland, Lee H. Hamilton of Indiana, Michael Harrington of Massachusetts, Philip A. Hart of Michigan, Augustus F. Hawkins of California, Margaret M. Heckler of Massachusetts, Henry Helstoski of New Jersey, Elizabeth Holtzman of New York, Frank Horton of New York, James J. Howard of New Jersey, Harold E. Hughes of Iowa, Robert W. Kastenmeier of Wisconsin, Edward M. Kennedy of Massachusetts, Edward I. Koch of New York, Robert L. Leggett of California, Mike McCormack of Washington, George McGovern of South Dakota, Stewart B. McKinney of Connecticut.

Richard W. Mallary of Vermont, Spark M. Matsunaga of Hawaii, Lloyd Meeds of Washington, Ralph H. Metcalfe of Illinois, Edward Mezvinsky of Iowa, Patsy T. Mink of Hawaii, Parren J. Mitchell of Maryland, Joe Moakley of Massachusetts, Walter F. Mondale of Minnesota, William S. Moorhead of Pennsylvania, Frank E. Moss of Utah, John E. Moss of California, Morgan F. Murphy of Illinois, Lucien N. Nedzi of Michigan, Robert N. C. Nix of Pennsylvania, David R. Obey of Wisconsin, James G. O'Hara of Michigan, Bertram L. Podell of New York, William Proxmire of Wisconsin, Charles B. Rangel of New York, Thomas M. Rees of California, Ogden R. Reid of New York.

Henry S. Reuss of Wisconsin, Donald W. Riegle, Jr. of Michigan, Howard W. Robison of New York, Peter W. Rodino, Jr. of New Jersey, Robert A. Roe of New Jersey, Benjamin S. Rosenthal of New York, Edward R. Roybal of California, Leo J. Ryan of California, Paul S. Sarbanes of Maryland, Patricia Schroeder of Colorado, B. F. Sisk of California, Fourtney H. (Pete) Stark of California, Louis Stokes of Ohio, Leonor K. (Mrs. John B.) Sullivan of Missouri.

Frank Thompson, Jr. of New Jersey, Robert O. Tiernan of Rhode Island, John V. Tunney of California, Morris K. Udall of Arizona, Charles A. Vanik of Ohio, Jerome R. Waldie of California, Charles W. Whalen, Jr. of

Ohio, Harrison A. Williams, Jr. of New Jersey, Charles Wilson of Texas, Charles H. Wilson of California, Lester L. Wolff of New York, Antonio Borja Won Pat of the Territory of Guam, Andrew Young of Georgia.

FRASER TIES HUMAN RIGHTS TO FOREIGN AID SUPPORT

Representative Donald M. Fraser, Democrat of Minnesota, and 104 other members of Congress have notified Secretary of State Henry Kissinger that their support for foreign aid legislation in the future will be influenced by the extent to which U.S. foreign policy shows more concern for human rights in recipient countries. The message was conveyed in a letter to Kissinger.

The signatories have been supporters of foreign aid legislation heretofore. The letter criticizes U.S. aid policies which have had the effect of "maintaining supportive relationships with oppressive governments," and points especially to military assistance to such governments because "military power is directly associated with the exercise of governmental control over the civilian population."

The letter implies a threat to reconsider support for future aid bills by saying, "unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors."

The message to Kissinger acknowledged that strict observance of traditional political, civil and other human rights might not be realistic to expect in certain developing countries whose political processes are still at an early stage of evolution. However, "even within such countries, the observance of certain fundamental human rights is practicable, including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights."

Specific examples of oppressive governments whose military aid he thought should be cut by the United States, Fraser said, are Chile under the military junta, and South Korea under President Park Chung Hee. He added:

"U.S. foreign policy interests are not served—and in fact are seriously damaged—by ignoring the cruel acts of repression which these governments commit against their own people. U.S. military assistance to these governments betrays both the American people and the people of those countries."

Fraser also noted that the Foreign Military Sales Act already contains a provision against supportive relations with repressive governments except in the most extraordinary circumstances involving U.S. national security. The Congressman said:

"Our government has not heeded the expressed will of Congress in this Act."

Fraser, chairman of the House Subcommittee on International Organizations and Movements, has held more than 20 hearings during the past year on human rights and U.S. foreign policy. His subcommittee published a report last March containing 29 recommendations for upgrading the human rights factor in U.S. foreign policy.

RIGHT FROM THE HORSE'S MOUTH

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUNT. Mr. Speaker, when was the last time any of us heard a convicted criminal criticize judges for being soft? It has been a long, long time, if ever. But here it is. The words of bank robber Raymond E. James, a man who has been in 58 correctional institutions since 1943, including five Federal penitentiaries.

Convict James admits that had he thought he would have received a longer and stiffer sentence he never would have robbed the bank. But he knew before the crime was even committed that he would receive a light sentence.

For the information and edification of my colleagues, I submit Mike Royko's column from the August 27 edition of the Philadelphia Bulletin for the RECORD:

BANK ROBBER SAYS JUDGES ARE TOO SOFT

(By Mike Royko)

Every convict I've ever listened to has said just about the same thing. They were railroaded or framed. If they weren't framed, society made them do whatever they did. And, in any case, the justice was too harsh and the prison system no good.

So I couldn't believe my eyes when I recently got a letter from Raymond E. James, who is a bank robber.

James isn't robbing banks at the moment because he was caught and now is doing a stretch in a federal prison in Washington State.

Being in prison several times has given him a lot of time to think. So he wrote to say that he eventually is going to write a book on our system of criminal justice.

It should make remarkable reading if he gets around to it, because James thinks the reason we have a high crime rate is that judges are too easy on people such as himself.

"I suppose," he wrote, "that I am the only federal prisoner who is a conservative, Republican bank robber. Needless to say, my views aren't held in too high esteem by my peers of the moment."

He offers his own sentence as an example of judicial softness.

"The judge stated in sentencing me that I was indeed 'a dangerous' offender, and that he expected me to rob another bank at the first opportunity.

"Then he sentenced me to eight years out of a possible 20 years and inserted immediate parole eligibility.

"This, although he knew I had previously been confined 15 of the past 20 years for 13 felonies and four misdemeanors."

What would James have considered to be a proper sentence for himself?

"Had I known that I would have received a mandatory 25-year sentence for bank robbery, without any opportunity to negotiate a plea, there would have been no power on earth strong enough to have forced me to rob the bank I robbed.

"I gambled and, really, I won. Please don't get me wrong. Only a fool would consider eight years in prison as a prize. But compared to 20, or possibly 30 (which I faced initially before entering plea bargaining), it is indeed a blessing—however mixed.

"I have been in 58 institutions since 1943, including five federal penitentiaries. I know many bank robbers and have learned something quite common about them. They, like myself, are failures. But many of them think along parallel lines with me."

James says that too many federal judges are political hacks, who get on the bench through clout.

"The courts are ruled by recipients of political patronage, instead of devoted men of integrity elected by and for the people."

(He can't be talking about the federal judges in Chicago—not about Judge Bill Lynch, Mayor Daley's former law partner, or Judge Abraham L. Marovitz, the Mayor's former Springfield crony.)

James also feels that society should stop wasting money keeping softies in prison—the white-collar criminals—and instead concentrate its spending on "treating and attempting to rehabilitate the violent 25 percent who do need incarceration, of whom I am one."

And he concludes with this cheerful message.

"Just remember, you and I have to face the unalterable fact that I will join you in 1978—rehabilitated or not . . . willing or not . . . ready or not.

"And that judge will have to adjust to the presence in his community of this man he deemed a 'dangerous' offender.

"By the way, how about sending me a subscription to your paper. Gratis."

AL KALINE—TRIBUTE TO A CHAMPION

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, September 25, 1974

Mr. GRIFFIN. Mr. President, Detroit is proud to be known nationally as a city of champions—and one of its greatest champions in the field of sports is Al Kaline of the Detroit Tigers.

As baseball fans around the Nation and the world are well aware, Al Kaline last night passed another spectacular milestone on his way to Cooperstown and baseball immortality—cracking his 3,000th major league hit.

It is a source of special satisfaction to Detroit and all of Michigan that every one of Al Kaline's hits were made in a Tiger uniform. At the same time, it is most appropriate that his accomplishment came at Memorial Stadium in his original hometown of Baltimore, before his parents, other members of his family, and friends.

In his 22 starring seasons with the Tigers, Al Kaline has been a champion both on and off the diamond. Always a fine gentleman and a great sportsman, he has been an inspiration to his teammates and an example to his admirers, young and old. He has been the mainstay of a team which has made so many important contributions to our spirit of community.

Sadly for Detroit, Al Kaline has announced that this is his last season as an active player. But we who have known him through the years have no doubt that he will remain an important part of our community and continue to contribute in the quiet but impressive manner that marks him as a true champion.

Mr. President, I ask unanimous consent that an article from this morning's Detroit Free Press, celebrating Al Kaline's 3,000th hit, be printed in the RECORD.

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

HE DID IT!—KALINE JOINS GREATS WITH 3,000TH HIT

(By Jim Hawkins)

BALTIMORE.—Al Kaline can retire in peace.

His all-out season-long quest for that elusive 3,000th hit is over.

It ended Tuesday evening, at 20 minutes past 8 o'clock, in the fourth inning of the 2,817th game of his brilliant 22-year career.

Kaline sliced Dave McNally's first pitch of the fourth inning down the rightfield line for a stand-up double, avoiding the white chalk foul line by less than two feet.

Al also singled during the course of the Tiger narrow 5–4 deficit at the hands of the pennant conscious Baltimore Orioles, lifting him past the late Roberto Clemente and into 11th place on baseball's all-time hit parade, with 3,000 to his credit.

And, as he sat in the clubhouse sipping half a glass of champagne afterward, Kaline had to admit his latest milestone meant even more to him than the batting title he won in 1955 at the unprecedented age of 20.

"This definitely ranks above the batting championship," said the beaming 39-year-old Tiger superstar. "Anytime you win a batting championship, there's a lot of luck that goes with it.

"But when you get 3,000 hits, I don't think anybody can say you were just lucky. You've had to withstand the pressure of all those seasons, and injuries and everything. To me, that really means something.

"But," he added, "nothing will surpass winning the World Series."

It was a fastball that McNally fed him for the first pitch in the fourth inning and when he first hit it, Kaline thought for sure the ball was going to curve foul.

"I almost forgot to run," he confessed with a sheepish grin. "The ball was really curving foul. It was plenty fair when I hit it but I didn't think it was going to make it.

"When I got to second base I said a little prayer of thanks for letting me play all these years and get all those hits," Kaline continued. "Once I got this close I knew I'd get the hit sometime, but I'm very glad to get it here. I knew I had a lot of friends and relatives in the stands and I would have hated to disappoint them.

"I'm proud to have been able to get my 3,000th hit off McNally, too. I know he says I've gotten a lot of hits off him, but he must remember more of them than I do. He's a real tough pitcher.

"I don't really remember much of anything at the time of the pitch. I know it was a fastball . . . it was up a little bit and falling off some . . . I'm just happy it's finally over. It semed like a big black cloud had been lifted from me as soon as I got it."

Kaline also indicated he will continue to play every game, so long as the Tigers are opposing teams in contention.

Kaline, who signed with the Tigers right out of high school and never spent a moment in the minor leagues, thus became the 12th man in the major leagues to accumulate as many as 3,000 hits.

And he is the first in the American League since Eddie Collins reached that mark on June 5, 1923, nearly half-a-century ago.

Roberto Clemente was the last player in the National League to join the so-called "club," collecting his 3,000th hit on Sept. 30, 1972, the final day of the season.

Clemente, of course, was killed in that tragic plane crash the following winter.

Kaline, who won 10 Gold Gloves and was generally regarded as one of the finest fielding rightfielders too ever play the game, was employed exclusively as the Tigers' designated hitter this season in what was admittedly an effort to get the 120 hits he needed to reach 3,000.

The retiring superstar will be honored with a special day at Tiger Stadium next Sunday. Each fan attending the game to pay tribute to No. 6 will receive a commemorative poster and Kaline himself will be given a gift by Tiger owner John Fetzer.

Kaline will retire at the end of the season and his plans for the future still aren't solidified. He can just about take his pick of positions with the Tigers, but doesn't know precisely what he wants to do and probably will partially detach himself from baseball for the first year.

The Tigers' first hit off McNally resulted in a run in the third when Ron LeFlore doubled up the right-centerfield gap, driving home Eddie Brinkman, who had walked.

The Orioles, who failed to score in the first inning despite three singles, got two unearned runs off rookie righthander Vern Ruble in the fifth when LeFlore let Paul Blair's routine inning-ending flyball drop at his feet with Mark Belanger and Rich Coggins on base.

The Tigers got one run back in the sixth—though it took them another double by LeFlore, plus singles by Gary Sutherland and Kaline, to do it.

But the Birds countered with one more of their own in the bottom half of the inning on basehits by Tommy Davis and Don Baylor, with Boog Powell's sacrifice bunt in between.

Brinkman put the Tigers back on top in the seventh when the skinny shortstop just did reach the leftfield seats with Auelio Rodriguez aboard.

Hiller was five outs away from a major league record 18th victory when Baylor doubled in the bottom of the eighth. Brooks Robinson also doubled, tying the score, then advancing to third on a wild pitch and crossed the plate on catcher Andy Etchebarren's suicide squeeze bunt.

So instead of his 18th victory Hiller had to settle for his 12th defeat.

IN SUPPORT OF H.R. 15301

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROY. Mr. Speaker, as a strong supporter of H.R. 15301, I was very pleased with the approval of the House of Representatives of the bill revising the Railroad Retirement Act of 1937. If this bill becomes law in its present form, the railroad retirement system will be put on a financially sound basis for the first time in many years. The enactment of this legislation will eliminate the threat to the solvency of the existing system which is operating at an actuarial deficit of approximately $530 million per year.

The House Interstate and Foreign Commerce Committee, on which I serve, spent a great deal of time deliberating over this legislation trying to find a way to ensure that railroad retirees and their families would not lose the benefits they have paid for over the course of the years while at the same time placing the system on a financially sound basis. Both labor and management assisted in the development of this legislation and support the committee bill. I think that H.R. 15301 effectively addresses the problems now facing the railroad retirement system and protects the existing benefit rights on the part of current beneficiaries and railroad employees.

Under the provisions of H.R. 15301, no one presently on the rolls would suffer any reduction in the level of benefits he is receiving. Current railroad employees would be provided a guarantee of their vested retirement annuities and social security benefits. Because these benefits require some means of funding, this measure authorizes annual appropriations of $285 million to meet these costs.

In the future, benefits would be computed on a two-tier basis with the first tier being computed under the Social Security law on the basis of combined earnings covered under the social security program and under railroad retirement and a second tier would be based on railroad employment alone. Other provisions of the bill include a reduction in the minimum retirement age from 65 to 60 for receiving the supplemental annuity based on 30 years of service. The spouse of an employee with 30 years of service may receive an unreduced annuity when both the spouse and employee reach age 60. The spouse of an employee with less than 30 years of service can receive either an unreduced annuity when the employee reaches age 62 and the spouse has reached age 65 or has a child of the employee in her care, or a reduced annuity when both the spouse and the employee reach the age of 62. Current law grants an unreduced annuity to the spouse only if the employee or spouse is at least 65 and allows a reduced annuity to a spouse 62 or older. Widows' benefits would be increased from 110 percent to 130 percent of the survivor benefits payable under social security. Last, the bill increases a lump sum refund or payments over railroad retirement for those retired employees who have had some social security employment prior to January 1, 1975, but do not qualify for benefits under the Social Security Act.

The House approved H.R. 15301 on September 12, 1974, by a vote of 343 to 10. I voted for this bill. I hope that the Senate will follow the same course of action very soon so that this bill can be signed into law.

MARYLAND BASEBALL TEAM IN LEGION WORLD SERIES

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HOGAN. Mr. Speaker, I would like to share with my colleagues a sense of admiration and appreciation for the outstanding work done by the American Legion, but in particular for the work they have done in sponsoring amateur baseball teams throughout the country.

Especially pleasing to me is the fact that the State of Maryland was represented in the American Legion World Series held this year in Roseburg, Oreg., by the Cheverly, Md., American Legion Post 108. More specifically, this was only the second time that an American Legion baseball team from Maryland had competed in the Legion World Series in 34 years.

I am pleased to commend Cheverly Post 108, its manager, coaches, and especially the players for their great showing in placing third during the tournament that took place from August 22 to 27.

This fine competitive American Legion baseball team, managed by Mr. William "Bumps" Vaughn, and coached by Mr. Ray Ruffing and Mr. Tom Lind, consisting of young men aged 16–19 from within Prince Georges County, with the preponderance from Bowie, Md., and surrounding areas, vied with other top teams from all over the State to earn the right to compete in the Legion World Series.

Following their great victories in Easton, Md., against other Maryland teams, Cheverly earned the title of Maryland State Champions and the honor of competing against American Legion teams from West Virginia, Virginia, Delaware, New Jersey, and New York in the Mid-Atlantic Eastern Regional Tournament held in Lyndhurst, N.J.

Their victory in the finals against a scrappy team from Verona, N. J., put them in the coveted World Series, where they competed against teams from Puerto Rico, Iowa, Indiana, Louisiana, California, Oregon, and Connecticut in the ultimate of amateur baseball tournaments, the American Legion World Series.

Although Cheverly Post 108 was finally defeated in the semifinals by a fine Oregon team, their determination, spirit and desire were amply demonstrated. To have reached the World Series, let alone the semifinals, was an honor in itself.

These fine young men, as they stood among over 4,000 people in attendance, even in losing, received a standing ovation for their excellent play and sportsmanlike conduct. They have distinguished themselves, the sport of baseball, the American Legion, and their Cheverly Post 108 which they represented in a manner worthy of true professionals. They and their parents are to be congratulated.

We in Maryland and particularly in Prince Georges County are proud of them. So that they will be appropriately recognized, I am listing their names for all to see and to congratulate for a job well done: Jeff Serra, catcher; Tom Emsweller, outfielder; Chuck Johnson, outfielder; Brett Terrill, infielder; Tom Sullivan, infielder; Steve Pasztor, infielder; Ken Johnson, outfielder; Don Houchen, outfielder; Steve Massengale, pitcher; David Terrill, pitcher; Dan Glover, pitcher; Tim Manley, pitcher; Gary Colten, infielder; Bill Foley, infielder; Ray Allebach, pitcher; Mike Darrell, infielder; Sam Mulhollen, infielder; Larry Colein, catcher.

U.S. PUBLIC FAVORS LIMITED CONTROL OF BIG BUSINESS

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HUBER. Mr. Speaker, in spite of the bitterness of the recent energy crisis, the Lou Harris poll recently found 83 percent of the American people were opposed to the Federal Government taking over the management of most big business. In my view, this is reassuring as I know a number of us received mail suggesting that the oil industry be nationalized. We only have to look across the Atlantic Ocean at the United Kingdom to see the results of excessive nationalization of industry in a democracy. I commend this article from the Detroit Free Press of September 9, 1974, to the attention of my colleagues:

U.S. PUBLIC FAVORS LIMITED CONTROL OF BIG BUSINESS

(By Louis Harris)

Although 82 percent of the public agree that big business, if left alone, would be greedy and selfish and would make profits at the expense of the public, there is virtually no demand from the American people for the federal government to take over and run most big business. An equally decisive 83 percent oppose any such form of socialism.

Fundamentally, the public opts for pretty much the status quo in government regulation of business. Americans seem to feel that the role of government is to make certain that big business operates in the public interest to an acceptable degree.

The issue of extending federal intervention in business operations has recently risen most sharply because of rising gasoline prices and the energy shortage.

Yet the idea of the federal government setting up model companies to compete with private companies as a kind of yardstick to measure the way big companies might be run is rejected by a 38 percent margin by the public. More specifically, the proposal for creating a government-owned oil corporation is opposed by a 48-26 percent majority.

Another crisis point in recent times has been whether the federal government should bail out key companies that might well go bankrupt without federal funds. Two companies that might have been aided this way are the Penn Central Railroad and the Lockheed Corp. in the aerospace industry.

By 50–39 percent, most Americans are against the federal government taking over big companies that have gone broke. By a narrow 46–43 percent margin, the public opposes the federal government's putting up money to save big companies that have gone broke but which are essential businesses.

When asked why they oppose a government takeover of companies such as the Penn Central, people substantially responded with the answer that as badly as the Penn Central has been run, it would be even worse run if the federal government took it over. The notion of federal operation of nearly any ongoing entity is generally regarded with widescale suspicion across the country.

ON THE BASIC FACTS OF COMMUNISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CRANE. Mr. Speaker, one important failing of the press in the United States and other Western nations has been their inability to explain the nature of communism and of life in Communist countries.

Too many Americans now believe that, somehow, communism has changed and that the era of "détente" about which we hear so much has, in reality, provided additional freedom and dignity to those who live under Communist governments.

The unfortunate fact is that the men and women who live under communism have none of the basic freedoms which we take for granted, such as freedom of speech, press, religion, and assembly. They do not, in addition, even have the right to leave their own countries. They are no more than pawns of the state establishment, not free individuals who determine for themselves the important decisions in their lives.

Part of what is wrong with the Western press was recently described by Soviet author Alexander Solzhenitsyn. He drew a contrast between reporters in Western Europe—"They pursued me everywhere"—and their counterparts in the Communist nations.

What is strange is when this Western press gets to Moscow or to Eastern Europe, or even to China, for example.

Solzhenitsyn said:

Here there's nothing sacred for them. They go at Presidents, military ministries and so forth, but there, if some miserable Bulgarian policeman tells them not to photograph a church, they stop. Or the Red Guards . . . if they hang up some kind of leaflet and a correspondent comes up to read it and some wretched little Red Guard tells him not to read it, the correspondent turns and walks away. If the press has such freedom in the West then it must carry the same kind of freedom when it gets into the East.

Commenting upon the conduct of American correspondents on the trip to Peking taken by President Nixon, Edwin A. Roberts, Jr., of the National Observer notes that:

I didn't understand then, I don't understand now, and I won't understand tomorrow why so many American correspondents returned from a brief visit to China in 1972 and reported their findings in the manner of high-school boys emerging from a sex education class.

Mr. Roberts declares that:

Even more troubling than their implicit approval of Chinese Communism was the giddy tone of their reports. Not only did these reports ring with respectfulness for Mao and Chou, they seemed to reflect an ingratiating attitude that is particularly sickening in a working journalist.

The only reason the Soviet Union and Communist China may be free of blood baths today, Mr. Roberts notes, is that "the controlling ideologies would not have had a chance of popular acceptance if blood baths had not occurred in the past. In this century events have shown that Communist ideology is so faulty a system of ideas that only terror can save it from abandonment. Because this is true, there is no need for any of us to behave deferentially toward communism."

I wish to share the important article, "On the Basic Fact of Communism," by Edwin A. Roberts, Jr., as it appeared in the National Observer of July 20, 1974, with my colleagues, and insert it into the RECORD at this time:

ON THE BASIC FACT OF COMMUNISM

(By Edwin A. Roberts, Jr.)

I didn't understand then, I don't understand now, and I won't understand tomorrow why so many American correspondents returned from a brief visit to China in 1972 and reported their findings in the manner of high-school boys emerging from a sex education class.

It struck me at the time that many of the newsmen who accompanied President Nixon to Peking were overcome by a kind of hysteria, the chief symptoms of which were open-mouthed credulousness and a bad case of the giggles. The praise these experienced reporters rained down upon Mao's totalitarian regime was startling. One might have thought they were just returned from a Gray Line tour of Eden.

But even more troubling than their implicit and explicit approval of Chinese communism was the giddy tone of their reports. Not only did those reports ring with respectfulness for Mao and Chou, they seemed to reflect an ingratiating attitude that is particularly sickening in a working journalist.

LAMBS BEHIND THE CURTAIN

Not all the reporters who went on that trip took leave of their critical powers. But to my mind many of them did. Something happens to some American newsmen when they venture into the lair of the Red overlords. The same individuals who stand ready to raise hell with a U.S. Secretary of State become strangely sheepish—almost little-girl shy—when they are examining the life and leadership of a Communist state.

I am not alone in this opinion. Aleksandr I. Solzhenitsyn, in his recently televised interview with Walter Cronkite, made exactly that point. The greatest Russian writer of the century said it perplexed him that Western newsmen could behave like a pack of wolves (I paraphrase him) when they were after a story from an exiled writer, and yet were as meek as lambs when on assignment behind the Iron Curtain.

In the first sentence of this column I confess ignorance of the reasons for the double standard. That is somewhat rhetorical. At least two explanations come to mind.

THE HOST PACKS A GUN

For one thing, a Western reporter in a Communist country tends to feel a little like a guest in the house of an eccentric. As a guest, one instinctively is reluctant to remind the host of his peculiarities. If on top of that the host has a long criminal record about which he is acutely sensitive, it is human nature not to remind the gentleman that his house was bought with the blood of his innocent victims. The guest's discretion is increased further when he considers that his host packs a gun.

And yet reporters are experienced in impertinence and risk. There must be something else, some other reason why many newsmen on short visits to Communist countries lose part of their critical sense. I think that other reason is bizarre wishful thinking.

In his review of Solzhenitsyn's *The Gulag Archipelago* in the New York Times Book Review for June 16, Stephen F. Cohen, a teacher at Princeton, takes interesting exception to Solzhenitsyn's thesis that the Kremlin's murder of tens of millions of Soviet citizens between 1918 and 1956 is attributable chiefly to Communist ideology.

Writes Cohen: "Despite the plain circumstances that capricious terrorizing of millions began and ended with Stalin's rule—the autocrat's presence as an animating force appears in asides throughout *The Gulag Archipelago*—Solzhenitsyn attributes no special significance to his role or personality."

Well, the "plain circumstances" is that Lenin and his fellow Bolsheviks understood from the beginning that the Russian peasantry could not simply be asked to become collective farmers. They had to be forced. That maximum force wasn't exerted until Stalin had consolidated his power is less a tribute to the humanity of Lenin than it is a reflection of the fact that Lenin was compelled by his multitude of problems to postpone certain "reforms."

It is true that Stalin's brand of terrorism was "capricious." But since the Bolsheviks first took control of Russia, terrorism has been state policy. A totalitarian regime cannot survive without terrorism. And a totalitarian Communist regime is particularly dependent on terrorism because it requires a hideous contortion of human nature.

PILLARS OF THE STATE

Russia and China may be free of huge blood baths today, but the controlling ideologies would not have had a chance of popular acceptance if blood baths had not occurred in the past—no matter what individual reigned at the time.

Nor is there any way for present Kremlin leaders to disavow Stalin's unspeakable cruelty. The slave camps, the torture, the millions of political murders—these are the pillars of the Soviet state. Stalin's temperament was responsible for the number of atrocities but not for their acceptability as official policy. Today dissidents risk imprisonment in mental hospitals and forced labor camps. They are in less danger of their lives. Does this mean that the Kremlin no longer rules by terror? Ask Solzhenitsyn.

When American reporters were finally admitted to China, they were struck by the cleanliness and orderliness of a country famous for filth and chaos. Many of them, I think, decided to believe the result was worth the cost.

That is an attitude unworthy of free men. In this century events have shown that Communist ideology is so faulty a system of ideas that only terror can save it from abandonment. Because this is true, there is no need for any of us to behave deferentially toward Communists or to doubt Solzhenitsyn when he tells us their problem is basic.

HEARINGS ON NIXON PARDON

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Ms. ABZUG. Mr. Speaker, yesterday I had the privilege of testifying before the Subcommittee on Criminal Justice of the House Committee on the Judiciary which is presently investigating President Ford's pardon of Richard Nixon. These hearings were stimulated by resolutions introduced by a number of the Members of the House, including my privileged resolution of inquiry, House Resolution 1367 with 13 cosponsors. As a result of President Ford's nonserious response to the questions contained in the resolution, it appears that these hearings will continue next week. I would like to insert in the RECORD my testimony at this hearing:

TESTIMONY OF REPRESENTATIVE BELLA S. ABZUG

H. RES. 1367: AN INQUIRY RELATING TO PRESIDENTIAL PARDON OF RICHARD NIXON

In behalf of myself and 13 co-sponsors, including members of the Judiciary Committee, I welcome this opportunity to appear before you to testify for our Resolution of Inquiry on the unconditional pardon of Richard M. Nixon.

Not since the storm of public reaction to the Saturday night massacre and the Nixon tape disclosure of August 5th that led to his forced resignation a few days later has there been such an overwhelmingly negative response by the American people to a White House action.

President Ford says the pardon was motivated, at least in part, by his desire to heal the wounds of Watergate. He clings to this rationale despite the clear evidence that this totally premature, confusing, and unprecedented pardon is opposed by a majority of Americans and is viewed as a further cover-up of Watergate.

The wounds have, in fact, been reopened, leaving to fester suspicions of White House deals, deception, abuse of Presidential power, and perhaps further blanket pardons of the Watergate culprits. Most wounding of all is what Mr. Ford's action has done to our concept of equal justice for all and the belief that the President is accountable for his actions and not above the law. This is the very concept that was supposed to have been reaffirmed by this committee in its impeachment proceedings and vindicated in Mr. Nixon's forced resignation.

It would be a disservice to that concept to leave unchallenged the many contradictory and self-serving statements that have been issued by the principals, their subordinates and others in this affair. Further, I believe the legality of both the pardon itself and the arrangement under which the tapes are to be returned to Mr. Nixon should be challenged.

The Congress and the Committee on the Judiciary have a primary responsibility to act in behalf of the American people on all aspects of these issues. I am aware that a number of resolutions dealing with these matters are before the committee. I will address myself here primarily to my Resolution of Inquiry, which is privileged and can be called up on the floor of the House within seven legislative days after introduction, and to some observations on the legality of the pardon.

I believe approval of the Resolution of Inquiry is a necessary step in an investigation this committee should conduct to determine all the facts in the events leading up to the issuance of the pardon. The American people have a right to know these facts. They have a right to get answers to their questions in an appropriate forum from witnesses under oath, instead of in speculative news stories and columns, television interviews and other publicized unsupported and contradictory comments by a host of people who have been

involved in the pardon controversy in one way or another.

The response of the President to the questions propounded in the Resolution of Inquiry which was sent to him by the Chairman of this subcommittee reveals a nonserious and trifling attitude that demeans the authority and dignity of this committee and this parliamentary procedure. It is totally inadequate for Mr. Ford to respond by sending a batch of White House press releases and an accompanying letter.

I have in the past introduced a number of Resolutions of Inquiry which have been addressed either to the President or to members of his cabinet. This is the first time in my experience that there has not been a point by point specific response to specific questions even though in some cases I have not felt the answers to be satisfactory.

It should also be noted that this Committee is still operating under House Resolution 803, adopted on Feb. 6, 1974, which authorized and directed the Judiciary Committee "to investigate fully and completely whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon."

The committee has not been discharged of this duty. The articles of impeachment voted out by the full committee were never debated or voted upon by the full House, despite its vote to accept the committee report. Incidentally, I said at the time that the House should vote on approving the articles of impeachment, instead of evading this issue, and I believe that events since then have shown it was a mistake not to do so. I would also note in passing that the House can still vote on impeachment, and if there is no other way to enter on the record books the political crimes for which Richard Nixon was forced to resign, then I believe the House should proceed to a vote.

Under Resolution 803, this committee is fully empowered to determine whether there is any new evidence relevant to the conduct in office of the former President.

My resolution requires the President to answer specific questions about the circumstances leading up to the pardon proclamation.

There are, of course, many other questions that can and should be asked of the President and others involved in this affair, and I have submitted to the chairman a list of those who I believe should be called before this committee, including: President Gerald Ford, Attorney General William Saxbe, Special Prosecutor Leon Jaworski, Alexander Haig, Benton Becker, Philip Buchen, Herbert J. Miller, Ron Zeigler, Dr. Walter Tkach, Dr. John C. Lundgren, Julie Nixon Eisenhower, and Richard M. Nixon.

But as a preliminary, it is vital that we get answers to the following questions from Gerald Ford:

1. Did you or your representatives have specific knowledge of any formal criminal charges pending against Richard Nixon prior to issuance of the pardon? If so, what were these charges?

2. Did Alexander Haig refer to or discuss a pardon for Richard M. Nixon with Richard M. Nixon or representatives of Mr. Nixon at any time during the week of August 4, 1974 or at any subsequent time? If so, what promises were made or conditions set for a pardon, if any? If so, were tapes or transcriptions of any kind made of these conversations or were any notes taken? If so, please provide such tapes, transcriptions or notes.

3. When was a pardon for Richard M. Nixon first referred to or discussed with Richard M. Nixon, or representatives of Mr. Nixon, by you or your representatives or aides, including the period when you were a Member of Congress or Vice President?

4. Who participated in these and subsequent discussions or negotiations with Richard M. Nixon or his representatives regarding a pardon, and at what specific times and locations?

5. Did you consult with Attorney General William Saxbe or Special Prosecutor Leon Jaworski before making the decision to pardon Richard M. Nixon and, if so, what facts and legal authorities did they give to you?

6. Did you consult with the Vice Presidential nominee, Nelson Rockefeller, before making the decision to pardon Richard M. Nixon, and if so, what facts and legal authorities did he give to you?

7. Did you consult with any other attorneys or professors of law before making the decision to pardon Richard M. Nixon, and, if so, what facts or legal authorities did they give to you?

8. Did you or your representatives ask Richard M. Nixon to make a confession or statement of criminal guilt, and, if so, what language was suggested or requested by you, your representatives, Mr. Nixon, or his representatives? Was any statement of any kind requested from Mr. Nixon in exchange for the pardon and, if so, please provide the suggested or requested language.

9. Was the statement issued by Richard M. Nixon immediately subsequent to announcement of the pardon made known to you or your representatives prior to its announcement, and was it approved by you or your representatives?

10. Did you receive any report from a psychiatrist or other physician stating Richard M. Nixon was in other than good health? If so, please provide such reports.

We need direct answers to these direct questions, answers that the committee can corroborate in the course of an inquiry and hearings. There are suspicions that Richard Nixon may have made a deal on the pardon with Gerald Ford before nominating him to the Vice Presidency. If Richard Nixon made Ford's elevation to Vice President conditional upon the promise of a pardon or even if Nixon conditioned his own resignation on a promise of receiving a pardon, then conceivably Mr. Ford could be charged with accepting a bribe, which is an impeachable offense. Grim as this possibility may be, it is nonetheless the duty of this committee to investigate the facts and make a determination.

There are suspicions that General Haig, who reportedly was instrumental in convincing Mr. Nixon to resign, may have held out to him the promise of a pardon. There are suspicions arising from the belief that in the negotiations for the pardon, the roles appear to have been switched, with Mr. Ford acting as supplicant and Mr. Nixon dictating the terms of the pardon, the socalled statement of contrition, and the agreement on the tapes. There are grave questions as to whether, in issuing a pardon before Nixon was indicted, tried or signed a statement of guilt, Mr. Ford abused his pardon powers. And, of course, there are a multitude of questions about whether Mr. Nixon's physical or mental condition justified such an unprecedented pardon.

I make no judgment here as to whether these suspicions are justified. It is a fact, however, that they are widespread and only a full investigation by the Committee can either confirm some or any of them, or lay them to rest.

For more than two years the American people suffered the consequences of having a President who lied and misled them at every opportunity throughout the course of the Watergate investigations. The stability of our nation requires that the citizens be able to believe that their President is telling them the truth, at least most of the time. In the wake of the pardon, Gerald Ford has created an enormous credibility problem for himself and the Presidency. He is in a particularly vulnerable position because he is the first non-elected President in the history of our nation and because he was named to the Vice Presidency by a discredited and impeachable President. The Committee on the Judiciary which recommended confirmation and the Congress which confirmed his nomination also have a responsibility to the American people to investigate and report to them on the conduct of President Ford in connection with the pardon and the agreement on the tapes.

President Ford's own actions and many conflicting statements have added to his credibility problem. On August 28, 1974, in his first news conference as President, he advised the American public that he was not going to make any comment on a pardon "during the process of whatever charges were made." He further stated that it would be "unwise and untimely" for him to pardon Nixon before any charges had been brought against him. Yet, just two days later, on August 30, he asked Philip Buchen formally to study the presidential power of pardon. Furthermore, according to a report in the September 22 Washington Post, as early as Friday September 6 Ford had revealed to his staff his intention to pardon the ex-President. Thus it presumably took the White House less than a week to make a study of and reach a decision on this highly controversial and explosive issue.

The question naturally arises as to whether the President consulted fully on this question with Attorney General Saxbe and Special Prosecutor Jaworski to find out whether they considered legally valid a pardon, issued before indictment or trial, a pardon that the President himself described as unprecedented, and that did not specify the offenses for which the pardon was issued. The question also arises as to whether the President asked Saxbe or Jaworski what efffect the pardon would have on the pending Watergate trial and other possible investigations, indictments and trials, or did he already have in mind what he later hinted at—a wholesale pardon for the entire Watergate gang.

In his pardon proclamation, President Ford made the prior judgment that Richard Nixon would be unable to obtain a fair trial, implicitly an attack on our judicial system, and also expressed his belief that "ugly passions would again be aroused" during the long period of delay before Mr. Nixon could be brought to trial. As we know, Mr. Ford has accomplished the reverse of what he said he intended to do.

Finally, President Ford inserted in his statement a sentence which said that "serious allegations and accusations . . . hang like a sword over our former President's head and threaten his health as he tries to reshape his life . . ." It is this factor that has become the subject of the widest speculation and conflicting reports. Did President Ford receive any new evidence in the interval between August 28 and August 30 indicating a change in Nixon's health—physical or mental?

I regret, of course, that Mr. Nixon is ill and has had to be hospitalized. The gravity of his present illness can no doubt be determined by court appointed physicians, as may be requested by Special Prosecutor Jaworski. Certainly, no one wishes Mr. Nixon ill health or physical punishment, and clearly he is suffering over his fall from enormous power. How could he feel anything but regret and anguish? But it is a mark of the man and his reputation for trickery and deceit that even now, people are questioning whether he is seriously ill or whether he has taken refuge in a hospital to escape testifying at the Watergate defendants trial, or to develop sympathy as a rationale for the pardon.

Most of the facts respecting Nixon's health

were released following the pardon. They appeared to be a well-orchestrated after-the-fact attempt to protect the vitality of the pardon by promoting the notion that Nixon was grievously ill. We are familiar with the alarming statements issued by Dr. Tkach, Mr. Nixon's personal physician. According to Dr. Tkach, the former President was a ravaged man who had lost his will to fight. However, after Dr. Tkach left San Clemente, communications director Kenneth Clausen spent three hours with the former President and said he seemed animated and in no visible pain.

Did Mr. Nixon's condition suddenly worsen after the pardon? Or did Mr. Ford receive new information about Mr. Nixon's health after his first news conference? The American people have a right to know. Certainly their deep sense of compassion and fair play should not be played upon, if the facts do not warrant it.

Finally, beyond the questions raised in my Resolution of Inquiry, I believe the Judiciary Committee should support efforts to obtain a legal test of the validity of the pardon. I have already called upon Attorney General Saxbe and Mr. Jaworski to make such a test possibly by proceeding with an indictment of Mr. Nixon, if the evidence so warrants, and I would like to state my reasons.

I disagree with those who claim the pardon was a constitutional exercise of presidential power and cannot be overturned. President Ford himself asserted in his statement announcing the pardon that "there are no historic or legal precedents to which I can turn in this matter," and there is already serious debate within the legal community as to the constitutionality of Ford's granting a pardon before formal charges were filed and without a formal admission of guilt from Mr. Nixon.

Defenders of the pardon are on weak ground in citing as authority for it an 1867 case—Ex Parte Garland 71 U.S. 33—a 5-to-4 U.S. Supreme Court decision in which the written opinion explaining the ruling said:

"That a President's discretion to pardon is unlimited and extends to every offense known to the law, and may be exercised at any time after . . . commission (of the crime) either before legal proceedings are taken, or during their pendency or after conviction and judgment."

This language is dictum, was not crucial to the decision in the case, and does not constitute a precedent.

Moreover, the impact of the Garland case has been eroded for a number of reasons, principal among them being that Garland received a grant of amnesty rather than a pardon. As you will recall, Garland, who had been a Senator in the Confederate Government during the Civil War, was granted a blanket Presidential amnesty, which applied to all crimes that may have been committed during the war.

The courts have come to draw a distinction, not drawn by the Garland court, between amnesty and pardon, and this is a significant distinction as it relates to individual admission of guilt.

The phrase "reprieves and pardons" as used in article II, section 2 of the Constitution has been interpreted as a phrase of art including within its purview reprieves, commutations, pardons, both conditional and unconditional, and amnesties (Lupo vs. Zerbst, 92 F2d 362, 365 (CA 5th 1937).

The Supreme Court has recognized that "amnesty and pardon" are distinct and different. In an 8-to-0 ruling in *Burdick vs. United States*, 236 U.S. 79, 94–95, it stated that they "are of different character and have different purposes. The one—amnesty—overlooks offense; the other—pardon—remits punishment.

The first is usually addressed to crimes against the sovereignty of the State, to political offenses, forgiveness being deemed more expedient for the public welfare than prosecution and punishment. The second condones infraction of the peace of the State. Amnesty is usually general, addressed to classes or even communities, a legislative act . . . the act of the supreme magistrate."

When the Burdick case went to the Supreme Court, the justices were asked to rule on whether the President had the authority to pardon Burdick before he had been indicted. The court, however, ruled on another issue, whether Burdick could decline the pardon. Stating that a grant and acceptance of a pardon "carries an imputation of guilt; acceptance a confession of it," the court held that an individual does not have to accept a pardon.

The need for either a confession or judgment in a pardon case is evident from the language of the Constitution itself: the power to grant pardons only goes to "offenses." Without either a confession or at the very least an indictment, there is no offense. Richard Nixon has made no confession or admission of guilt and there has been no indictment. Instead, in collaboration with President Ford, he has made a statement of "contrition" which is a religious rather than a legal concept.

The first case examining the power of the President to pardon was *United States v. Wilson*, 32 U.S. 150 (1833). The question involved there was whether it was necessary for an individual to accept the pardon in order for it to become effective. The court held that it was, and that a pardon was without effect if the person refused it. Under this decision, it was also held that a court cannot take judicial notice of a pardon unless it is pleaded in court.

It would appear from this ruling that the Watergate grand jury is free to proceed with an indictment of Richard Nixon, as it had indicated earlier that it wished to do. The court does not have to take notice of President Ford's pardon of Richard Nixon unless Mr. Nixon pleads it in court. If he should plead that he has been pardoned, he would have to state for which offenses he has been pardoned.

Special Prosecutor Jaworski has stated that the Presidential pardon of Mr. Nixon preempts any Federal legal action against him for the period covered by the pardon. However, as demonstrated in my testimony, not only is the legality of the pardon open to serious doubt, but also the pardon itself neither precludes nor preempts grand jury action. Consequently, I would strongly urge that the grand jury proceed with an indictment, if the facts warrant it, and that Special Prosecutor Jaworski or Attorney General Saxbe sign it, so that the American people may be assured that the system of equal justice prevails and so that the groundwork may be laid for a court test of the constitutionality of President Ford's action.

If it is shown that the pardon was intended to prevent an indictment or a trial, contrary to the President's stated reasons for the pardon, and if it is shown that the agreement on the tapes was intended to prevent further information from becoming public, then these actions might well be construed to be an abuse of power by President Ford and/or an obstruction of justice.

In view of the President's unresponsive reply it seems to me that the subcommittee has no alternative but to act favorably in reporting this Resolution of Inquiry to the full committee with the recommendation that the full committee likewise report it out favorably to the floor.

I would also hope that the full committee would support and initiate efforts to investigate the validity of the agreement concerning the tapes and take appropriate steps to preserve this valuable evidence in whatever way it deems possible.

The committee should also support the resolution which suggests that the House go on record favoring the grand jury going forward with the indictment and Mr. Jaworski signing it.

The committee should also consider lending its support to a legal challenge as to the validity of the pardon.

I want to thank this committee for its consideration of this matter and for agreeing to have me come to testify before it.

ARTIST ERNIE BARNES: EMPHASIS ON THE POSITIVE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CONYERS. Mr. Speaker, the impression most Americans have of the ghetto is one of an environment breeding only crime, destitution, and hopelessness. While these are indeed realities of ghetto existence, they should be distinguished from the positive human qualities possessed by many of the individuals living there. One man with such a viewpoint is California artist Ernie Barnes, whose 35-painting exhibit entitled, "The Beauty of the Ghetto," will be shown at the Museum of African Art, 316 A Street NE., from Thursday, September 26th to Thursday, October 10th, thanks to the tireless efforts of Ms. Claudette Johnson who also assisted Mr. Barnes with his previous Washington Exhibit in 1970. The excellent and unique quality of the present exhibit already has earned him special honors for his humanitarian work from Georgia Gov. Jimmy Carter, Atlanta Mayor Maynard Jackson, and State Legislator Julian Bond.

Through his art, Ernie Barnes expresses his belief that the ghetto must not be viewed simply as decaying buildings and city streets. He seems to me to be saying it is also a place where people live; a place he says, that is filled with love, wit, faith, compassion, and strength. It is a place where there is happiness in daily life and where the best qualities in each human being enable most black people to fight the good fight against an environment that could easily overwhelm them. It is a life of good friendships and dreams of better days, depicted in some of his paintings by a young boy playing basketball on a dirt court, or by a man enjoying himself shooting some pool, or by others just standing around "rapping."

I invite my colleagues to join with me in evaluation of Ernie Barnes' work, the work of a man who emerged from the ghetto through excellence in athletics, and now, having achieved distinction in the arts, unselfishly devotes himself to sharing his philosophy of black pride with the youth of our cities so that their futures may be as productive as his own.

A 120-DAY NOTICE OF GROUNDING ORDER FOR ENLISTED FLYERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ASPIN. Mr. Speaker, on the 16th of August the Army answered my letter of July 23 asking how the Congress 120-day notice of grounding order for enlisted flyers would be implemented. Secretary Callaway provided me with his April 1974 message to all units which directed notice to enlisted crew members "to the extent practicable." This qualified obedience to Congress' directive has subsequently been found unsatisfactory by the Military Compensation Subcommittee of the Armed Services Committee. As a result, the Army as well as the other services have been once again directed to notify enlisted men 120 days prior to removal from flight pay and to do this without qualifications or vague exceptions.

My letter, Secretary Callaway's answer, and the Army's directives follow:

JULY 23, 1974.

Hon. HOWARD CALLAWAY,
Secretary of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: Subcommittee #4 of the Armed Services Committee has recently questioned General Benade and the Air Force's Deputy Chief of Staff, Personnel, General Roberts, about Congress' requirement that enlisted crew members cannot be removed from flying status without 120 days' notice. General Benade has said he needs legislative authority to accomplish this, but General Roberts has found the administrative measures available to him sufficiently flexible to allow his service to observe the order of Congress. The Air Force has now centralized grounding actions that cannot be accommodated at lower command levels and will allow temporary overmanning authority so that 120 days' notice of grounding can always be given.

The Subcommittee was asked to grant some exceptions to the 120 day requirement. These were crew members grounded for cause or because of medical disqualification for flying duty. The third exception was for enlisted noncrew members who are assigned flight duties for a period or for a task specified in orders. Since these categories are the same for officers and enlisted men and because they seem fully justified exceptions, the Subcommittee did not object to them.

General Roberts has suggested one other exception that could, in rare cases, be required. When aircraft are not available, the legal requirement of "frequent and regular aerial flight" might not be met. Since "frequent and regular" are defined by executive order, granting exceptions might be a way of avoiding the perhaps complex procedure to change executive orders. In any event, this one area of exception does not appear to require a legislative solution.

Nevertheless, Chairman Stratton has suggested legislation might be the best way to insure enlisted crew member save-pay for 120 days or some other period. If you think the matter should be considered by Congress, I would like you to tell me what features you wish to see in an enlisted flight pay protection bill.

In addition to your legislative suggestions would you also comment on the Air Force's interpretations of the 120 day notice requirement? Please send me copies of whatever instructions or directives on this subject you have sent to your bases and units.

I am sending a letter similar to this one to General Benade and to the Secretary of the Navy.

Thank you for your assistance.

Sincerely,

LES ASPIN,
Member of Congress.

AUGUST 16, 1974.

Hon. LES ASPIN,
House of Representatives, Washington, D.C.

DEAR MR. ASPIN: This is in reply to your letter of 23 July 1974, concerning the advance notification of removal of enlisted personnel from flight duty.

Lieutenant General Benade's letter dated 8 August 1974 concerning the views of the Department of Defense on this subject is, I believe, fully responsive to your questions. The Army has, of course, been working in full cooperation with the Department of Defense, and we will continue wholeheartedly to do so.

As you have requested, I am attaching a copy of our April message to Army commanders establishing the policy that all enlisted personnel would be provided 120 days advance notification prior to involuntary removal from flight duty. Additionally, the policy that General Benade implemented in his 26 July 1974 memorandum on this subject has been disseminated to Army commanders by message as of 5 August 1974; a copy of that message is also attached. I understand that you were provided a copy of this 26 July memorandum with the Department of Defense reply.

We will continue to work with General Benade to protect our members' entitlements and privileges, and to ensure that our management system is responsive to individual needs. Your concern for equitable treatment of our members is appreciated.

Sincerely,

HOWARD H. CALLAWAY.

MESSAGE FROM DEPARTMENT OF ARMY, APRIL 5, 1974

ATCOM: For Army, USDAO, MAAG, MILGP, and MSN receiving direct.

Subj.: Advance notification of removal of enlisted personnel from flying pay.

1. Reference AR 600-106, aeronautical designations and flying status for Army personnel.

2. To prevent hardships caused by the sudden loss of flying pay for enlisted personnel as may occur under the provisions of paragraph 14B, cited reference, the following policy is effective upon receipt of this message.

"A 120 day advance notification will be provided, to the extent practicable, to all enlisted personnel on crewmember or noncrewmember flying status prior to involuntary removal from flight duty."

3. This policy does not constitute authority for entitlement to flying pay not already provided for in the applicable regulations. Rather, the intent of the policy is to insure that maximum consideration and advanced planning prevail in those situations that may result in enlisted personnel losing their entitlement to flying pay. It is recognized that the ability to provide the above advance notification is influenced and dependent on numerous factors, some of them being beyond your control. Nevertheless, to minimize inequities and provide enlisted personnel receiving flying pay the advance notification necessary to make adjustments, it is essential that the above procedure be adhered to whenever possible.

4. Alternative solutions are considered which will minimize the administrative workload and at the same time be equitable from the individual point of view.

Request this message receive widest dissemination. Message should be retransmitted to subordinate elements within 96 hours.

MESSAGE FROM DEPARTMENT OF THE ARMY, AUGUST 5, 1974

Subj: Advance notification of removal of enlisted personnel from flight duty

A. AR 600-106, aeronautical designations and flying status for Army personnel

B. DA MSG, DAPC-PM, DTG 051732Z Apr. 74, Subj: Advance notification of removal of enlisted personnel from flying pay

C. DA MSG DAPC-PM, DTG 171230Z Jul 74, Subj: Removal of enlisted personnel from flying duty (notal)

1. Reference B established the policy that all enlisted personnel on flying status would be provided a 120 days advance notification prior to involuntary removal from flight duty.

2. Reference C required a one time report from major commands of all enlisted personnel who were involuntarily removed or placed on orders which would remove them from flight duty without 120 days advance notification to include reasons.

3. The purpose of this message is to provide further policy guidance in this area. House report No. 93-799 directed that regulations be promulgated to insure that at least 120 days advance notice be provided to enlisted crewmembers prior to their involuntary removal from flight status. In view of strong concern expressed by Congress over compliance with this requirement it has been deemed imperative that the policy measures outlined below be implemented as expeditiously as possible pending the processing and issuance of changes to appropriate regulations.

4. Policy guidance:

A. Definitions.

(1) Enlisted crewmember. An enlisted member on competent orders which require the performance of hazardous duty involving frequent and regular participation in aerial flight.

(2) Proper advance notification.

(A) Receipt of orders by enlisted crewmembers indicating reassignment to ground duty, or

(B) Notification to enlisted crewmember in writing by competent authority of impending removal from flying status or verbal notice of same, providing an appropriate memorandum for the record is made, or

(C) Written notification to enlisted crewmember of medical disqualification.

B. Policy.

(1) That enlisted crewmembers be accorded at least 120 days advance notification prior to being involuntarily removed from flying status through no fault or action of their own.

(2) Assignments of enlisted crewmembers will be intensively managed in order to achieve the required advance notification prior to removal from flying status and the loss of flight pay.

(3) Exceptions to the 120 day advance notification policy may be authorized under circumstances in which removal from flight status is individually generated by an enlisted crewmember as a result of his voluntary actions or inactions.

(4) Additional exceptions will be made on a case-by-case basis and approved only by this headquarters (DAPC-PMP-I).

C. Reporting. A system which will provide for semiannual reporting of the number and type of exceptions granted will be established by forthcoming DOD instructions.

5. Notwithstanding. This message does not constitute authority to continue flying pay to enlisted crewmembers who have been removed from flight status. In carrying out this policy, applicable provisions of law, Executive Order 11157, the DOD pay and allowances entitlements manual, DOD issuances and service regulations, as appropriate, will be complied with.

PUBLIC ENEMY NO. 1

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. YOUNG of Georgia. Mr. Speaker, I would like at this point to share with my colleagues a couple of pertinent items regarding what President Ford has appropriately called public enemy No. 1—inflation.

A recent issue of Business Week magazine carried an excellent article, entitled "Points That Got Lost in the Shuffle," by Prof. Emeritus Roy Blough of Columbia University. Dr. Blough identifies several crucial areas which deserve exploration, but which were ignored or overlooked during the recent "minisummit" conference on inflation at the White House.

Another article from Business Week provides a cogent overview of our inflationary problems in the context of world markets and monetary policies; and an editorial commentary by Atlanta's WSB radio, delivered on September 8 by Mr. Elmo Ellis, WSB's vice president and general manager, offers a sober but correct appraisal of what will be required of Americans in the months ahead.

I insert these three articles in the hope that ideas and analysis are not only beneficial, but necessary if we are to meet the complex problems of inflation and public policy realistically. The days for superficial thinking and simplistic orthodoxies are over. We are confronted with a genuine crisis, the dimensions of which will only grow to smother us unless we move beyond political rhetoric and the kind of conventional wisdom that is more conventional than wise.

The articles follow:

POINTS THAT GOT LOST IN THE SHUFFLE

(By Roy Blough)

The "minisummit" of 28 economists held in the White House on Sept. 5 brought out some excellent points. It distinguished the different sources of inflation. It clearly indicated the importance of suddenly erupting shortages of food, raw materials, and oil—combined with the astronomical increases in prices by the oil cartel—in propelling the U.S. to two-digit levels of inflation. It identified and condemned the many government measures that act as protectionist devices, enabling specific economic groups to raise their prices above free market levels. It recognized the basic necessity of monetary and fiscal restraints. It emphasized the need to stimulate supply and productivity along with restriction of demand. This had been missing in many earlier discussions.

But in stressing a few points by each economist, a number of other points that I think are important were either not made or were made by so few among the 28 as to seem unimportant in the session as a whole. It seems to me that among the points that received inadequate attention, if any at all, are the following:

Taxation as an instrument to fight inflation. That basic element of fiscal policy, taxation, seems virtually to have disappeared as an anti-inflationary instrument from the minds of even the public finance specialists. There seemed to be more interest in using tax measures to correct distributional distortions than for the primary purpose of modern taxation, which is to achieve a non-inflationary shift of resources from private to public control. Year after year it may be noted in passing, some of our leading economists have been telling Congressional committees and the public that fiscal pressures were "about right," despite the persistence of large budget deficits, high rates of inflation, and very tight money. Such a situation calls for prompt moves toward a budget surplus. Higher taxes combined with tax reform are a more realistic way to achieve such a surplus than reduced expenditures.

The dangers of the inflationary spiral. Once an inflation has been started, whether by deficit spending by government, an excessive rate of private investment, decreased supply and increased cost of key materials, or international economic imbalances, the continuing danger is from the inflationary spiral: wage-price-wage-price, etc., up and up. Some strong references were made to the danger from the spiral, but the majority appeared to be ignoring it as a force in itself once inflation is started. Moreover, very little was said about the fact that the U.S. policy for many years has been that of an inflation pump. The market result of pushing wages and prices up in the absence of excessive demand is normally a fall in sales and a rise in unemployment. But with the U.S. "full employment" policy, when this occurs, there is immediate alarm; the money supply is increased or permitted to rise, and expansionary fiscal measures are used. With such an inflation pump in operation, demand is created confirming the inflation, and it is hard to see the end of any inflation. Moreover, a complete indexation of incomes would strongly stimulate the spiral, especially in the absence of substantial increases in productivity.

The "revolution of rising expectations." Rather lost in the general shuffle was the fact that when there is a decrease in supply resulting in higher prices, there are only two remedies. The first is to reduce the use of the commodity, even if this means lowering the standard of living. The other is somehow to increase the supply. The "catch-up" policy, that is, the effort to gain back what was lost in decreased supply by increasing money income, must fail in the absence of supply increases, which may be very slow in coming. A "revolution of falling expectations" would be a wholesome development in this situation. Underlying most inflation in prices are inflated expectations of what the economy is likely to produce.

The allocation of credit and thereby of resources. With very few exceptions, the economists who wanted to relax monetary tightness gave no indication as to how to direct money and credit, and therefore resources, among economic sectors so that shortages in supply and capacity might be overcome and excessive demand avoided. High interest rates do indeed enter into costs and are inflationary. Their justification is that they make it unnecessary to use other methods of allocating resources. But it ought to be clear that in the persent situation the ability to pay high interest and to exert economic pressure on bankers to secure credit bear no necessary relationship to where the credit ought to be going to increase supply, relieve shortages, and expand needed capacity. An alternative to easing monetary restraint would be the allocation of credit through various possible methods to high priority uses and away from the expansion of inflationary demand.

Inability to achieve full employment through increasing demand. Very little recognition was given to the difficulty if not impossibility of achieving full employment by increasing demand. It can be done in a situation such as all-out war, when no one cares about the cost since the life of the nation is at stake. At other times, the lack of "fit" between the abilities and location of workers and the demand for labor services, and the lack of balance in the capacity of different industries relative to demand, make it too costly to go beyond some point substantially below full employment. This should be recognized, and the effort to expand employment through increased demand should be more fully coordinated with improved employment services, training, and public service employment. The last approach received a full measure of discussion from the economists but it was not linked to this rationale.

Overestimation of "full employment income." There was no recognition of the responsibility that economists must share for the persistent tendency to overstate the level that national income would reach at full employment. The overstatement resulted from a failure to recognize that the capacity of the economy cannot be measured by adding up the capacities of the various sectors of plant and adding up the total labor force. As full employment of plant is approached, sectoral bottlenecks and shortages develop, and there is no longer a supply of all kinds of labor skills where they are needed. The total capacity of the economy is thus less than the sum of the parts, and the amount of discount to be applied is not readily apparent until the shortages develop. Overstatement of full employment income results in overstatement of "fiscal drag" and of the level of a full employment balanced budget.

Effectiveness of wage-price guidelines. Vigorous arguments were raised against wage-price guidelines on the ground that the very hint of controls would bring on a wave of increases to beat the controls—a clear recognition that the market is not acting like a competitive market. However, while the expectation of future controls might have this effect, and may even now be having it, the argument scarcely applies to a board having the power of subpoena, publicity, and rollback in extreme cases.

Such a board, if properly staffed, should be able to expose to the public unjustified increases in prices and wages before they have had a chance to enter into the permanent inflationary spiral. In a society with a defective market system such as ours, the emphasis placed on promoting competition is justified. But in the meantime, the market power of labor and business to increase their incomes in money exists even in the presence of declining demand, with the assurance that public opinion will insist that money supply and fiscal stimulation be increased to create demand. It is not enough to rely on fiscal and monetary restraints. The use of wage-price guidelines with authority to impose rollbacks is one of the few defenses the public has in breaking the inflationary spiral based on wage-push and price-push. Granted, they are no substitute for fiscal and monetary restraint and will not work in a demand-pull economy.

Some of the items that I have discussed above are rejected by many economists. My regret is that they did not get, in my opinion, the kind of exploration that they deserve.

THE BUILT-IN BIAS THAT CONTROLS CANNOT STOP

The U.S. began the 1970s with a recession, deliberately induced by the Nixon Administration to turn off inflation. It comes up to the midpoint of the decade teetering on the edge of another recession, with the Consumer Price Index 35% above its 1969 level and still roaring ahead at the rate of 12% a year.

The five years between those two dates were humiliating for economic policymakers and economic theorists alike. For at one time or another, the Administration tried every trick the economists could suggest to stop inflation—and all of them failed. The original "game plan" for slowing down the economy by fiscal and monetary restraints cut production and incomes without stopping the cost-push inflation of outsize wage demands. The strict wage-price controls of Phase I and Phase II worked well at first,

but the Administration failed to take advantage of this respite and flooded the system with federal deficits and easy money before the 1972 elections. The loose controls of Phase III were a disaster. And return to toughness in Phase IV was washed out by food and feed shortages. Since the fall of 1973, the only real anti-inflation policy in force has been the monetary squeeze enforced by the Federal Reserve. It has brought the nation very close to another recession, or perhaps something worse, but it has not checked the upward rush of prices.

In the 1960s, economists talked confidently of "fine tuning" the economy. Today, they cannot even agree what music the band should be playing.

The faults. Looking back on the dreary record, however, economists are beginning to see where they went wrong. And while they offer little hope of getting the U.S. back to a 2% or 3% annual inflation rate, they do see the possibility of winding down from the predicted 10% in 1974 to 5% or 6% a year in the second half of the 1970s.

In retrospect, it appears that there were two great faults in the economic theories of the late 1960s and in the policies based upon them:

They failed to allow for the built-in inflationary bias that has developed in all the industrialized economies of the world since the end of the Depression.

They failed to appreciate the interdependence of the industrial nations and the extent to which the U.S. is part of a worldwide market.

These two omissions led President Nixon's original team of advisers to think that the traditional medicine of monetary restraint and a little trimming of the federal budget would stop inflation. And the same blind spots made another group confident that direct wage-price controls could withstand the combined pressures of heavy deficit spending at home and ravenous demand abroad.

The U.S. has never thought of itself as an inflation-prone country. That sort of thing was for banana republics. But the 40-year-old commitment to use the full powers of the federal government to promote maximum employment, production, and incomes has gradually given the economy an increasingly inflationary tilt. Like every other industrial nation, the U.S. has used frequent infusions of fiscal and monetary stimulation to keep the system going full blast. The very success of this policy in the past has weakened the effectiveness of the marketplace in setting wages and prices. "The fear of unemployment and excess capacity in substantial amounts for long periods of time has disappeared," observes Robert M. Solow, an economist at the Massachusetts Institute of Technology. "People have less inclination to hold back on price-and-wage demands in the fear that goods or workers can be priced out of the market."

THE CYCLE

With strong unions in key industries, labor is in a position to push its wage demands regardless of the trends of production and employment. The union response to an increase in prices is to ask for higher wage increases to keep real income rising. This in turn generates cost increases that producers with market power pass through to consumers in the form of price increases.

Thus, the inflation process has assumed a two-stage form that classical economists could not have imagined. In the first step, a little excess in government monetary and fiscal stimulation generates demand-pull inflation. This is translated into cost-push inflation in the second phase, and so prices keep rising even if the economy has started to slow down.

Economists are beginning to recognize this process as a pyramiding of competing income claims. The various sectors of the economy—labor and management, for instance—are constantly pushing for a larger share of total income. Their demands keep adding up to more than 100% of gross national product no matter how fast it grows. Government tries to make it all come out even by increasing federal spending or cutting taxes. This increases the dollar amount of GNP, but if the economy is already running close to capacity, it does not increase production. The extra stimulus is translated into higher prices, and the rise in the price level generates yet higher demands for wages. Once the inflation cycle gets momentum, it will keep running even though the government policies move from stimulation to restraint.

With cost-of-living escalator clauses built into an increasing number of union wage contracts—as well as into the U.S. Social Security pensions—the response of the economy to any sort of inflationary push has become automatic.

OUTSIDE PRESSURE

In the first half of the 1970s, strong inflationary pushes began coming not just from within the U.S. economy but from the world outside. In their continuing efforts to expand international trade and investment, the industrial nations have almost inadvertently created a world economy that is bigger and more powerful than any of the individual national economies that belong to it. Lower trade barriers, convertible currencies, relaxed restrictions on investment, and more efficient transportation and communication have created true international markets in a wide variety of commodities and manufactured goods. As a result, nations acting individually have lost the power to control their economies.

"The factors which have given rise to closer economic interdependence are beneficial," says Richard N. Cooper, an international economist at Yale, "but unless our policy responses are geared to deal with a more interdependent world, it may be a mixed blessing."

The double devaluation of the dollar and the system of floating exchange rates that has succeeded the old Bretton Woods apparatus for international payments has driven this point home to the U.S. With the dollar exchanging for other currencies at a less favorable rate, the cost of imports to the U.S. has increased. At the same time, demand for exports has climbed in response to a price cut on anything carrying a dollar price tag.

The combination of a devalued dollar and a bad crop year in most of the world brought an enormous surge of foreign demand into U.S. food and feed markets in the second half of 1973. Later that same year, the Arabs embargoed oil shipments, and the Organization of Petroleum Exporting Countries rammed through a fourfold increase in crude oil prices. For the first time in history, the U.S. found itself dealing with an inflation that was neither demand-pull nor cost-push: an inflation generated by a worldwide shortage of crucial commodities.

NEW POLICIES

When a group of 28 leading economists met last week as a prelude to President Ford's summit conference on inflation, it was at once obvious that none of them could see an easy way out of the dilemma that now faces U.S. policymakers. Essentially, the U.S. is suffering from the penalties of the answered prayer. It has tried for three decades to avoid serious economic contractions and to promote rapid growth in world trade. It has succeeded in both, and it now does not know how to deal with the consequences.

But looking ahead to the second half of the Seventies, economists think they can see the outlines of a solution. At a minimum, it would contain these elements:

STRICTER DISCIPLINE IN FISCAL POLICY

The inflationary bias of the economy makes it peculiarly sensitive to federal deficits. Instead of pouring deficit spending casually into the system, the government will have to stick to a budget that would be balanced at an acceptable level of unemployment and would run a surplus in boom times. The old dream of 4% unemployment as a long-term goal is probably not practical. Policymakers will have to think in terms of 5% and make provision for dealing with the problems of the least employable—the blacks, the untrained young, and the rural poor.

CONTINUING PROGRAMS TO RAISE PRODUCTIVITY

The only real answer to the problem of competing income claims is to keep total output rising. This can be done by providing incentives for capital investment and by enlisting union help in eliminating restrictive work rules.

SOLVING STRUCTURAL PROBLEMS

A maze of government regulations and special interest legislation obstructs the efficient working of the marketplace. At last week's White House Conference, Hendrik Houthakker of Harvard listed some 45 of these "sacred cows" in transportation, agriculture, banking, and energy. These programs must be reviewed and revised.

Conservation of scarce resources. World demand will keep pressure on supplies of key materials and fuels. All industrial countries will have to begin thinking of more efficient use, recycling, and development of less extravagant life styles.

International cooperation. In a world of scarcities, user nations will need some sort of agreement on the allocation of short supplies. They must also find a way to make the oil-producing countries realize that the present prices on crude are intolerable.

If all these approaches are tried, and if policymakers and theorists think in terms of an international economic system rather than national ones, the U.S. and the world may slowly work back toward stability.

WSB RADIO COMMENTARY, SEPTEMBER 8, 1974

The American economy has been called the 8th wonder of the world. It is based on an idea that was initially startling and revolutionary; namely, that a society can prosper and grow on the basis of free economic choices by individuals.

The market place, in effect, regulates the economy. The desire for private gain and self-fulfillment is the motivating force. It is a system that does not seek or welcome government planning, decrees or coercion.

And it has worked remarkably well in providing the American people the highest standard of living anywhere on earth.

In fact, the American way of life has become the standard for untold millions of people in other countries to set as their goal.

And in increasing numbers, all over the globe, they have begun to accumulate and treasure the creature comforts, the mouth-watering foods and the modern conveniences that are basic necessities to millions of people in this country.

This is one of the major factors multiplying the economic uncertainties that presently confront us. Unlike recessions and depressions of the year, this is a period in which a large number of Americans are not without money. What they are lacking is the confidence to invest it, or the easy availability of the products and services that they want. To further complicate matters, in many cases, the supplementary funds required to finance major undertakings are just not available at reasonable rates.

Up to now we've heard little if any agreement about how to rectify this situation and to halt the spiraling cost of living.

Economics professors seem to specialize in disagreeing about the proper steps to take.

This was obvious a few days ago when the President called a covey of economic wizards to the White House. If they reached any consensus, we have yet to hear about it.

It was former Secretary of Commerce Luther Hodges who noted that "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics."

It is an area of ignorance that cries for attention at this time. And the sooner we put our minds to comprehending and dealing forcefully with the unique conditions that confront us—the sooner will we see a turn-around in the battles against inflation, shortages, and unemployment.

One thing seems for sure, we must be prepared to bite the bullet. Worldwide demand for foodstuffs, oil, manufactured products, and services will continue to exert tremendous inflationary pressures, as well as a constant drain on available supplies of essentials and non-essentials.

The future will doubtlessly require that we learn to live with limitations that we have not known in the past, and to cooperate on a global basis to a degree far surpassing anything we have yet done.

MODIFICATIONS TO AND EXTENSION OF PRICE-ANDERSON LEGISLATION

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, when the Joint Committee first reported out the legislation revising and amending the Price-Anderson indemnity provisions of the Atomic Energy Act, on June 18, 1974, I presented a separate view in the report stating in substance that I felt that additional time was needed to assimilate the findings of the AEC's report—the Rasmussen study—on the probabilities and consequences of large accidents at nuclear power plants. When the House considered the legislation on the floor, there was an amendment adopted which provided that the Joint Committee on Atomic Energy report to the Congress its evaluation of the Rasmussen study. I should point out that on August 20, the Commission made available to the public a draft of the final report in order that interested persons might have an opportunity to provide comments. I understand that the Commission expects to consider the comments when received and publish a final version of the report early next year.

The Senate amended the House version pertaining to this aspect of the bill to provide that in addition to the Joint Committee reporting its evaluation of the Rasmussen study, there was added a provision enabling Congress to prevent the effectuation of the act which would extend Price-Anderson indemnity by a concurrent resolution passed within 30 days after submission of the Joint Committee's report.

In view of the amendments which have been made to this bill and the agreements which have been reached in the conference, I supported the legislation in its present form and voted in favor of adoption of the conference report.

DR. JOHN A. HANNAH

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CHAMBERLAIN. Mr. Speaker, ordinarily a university magazine article lauding one of its alumni would be of limited interest to others. But many Members of the Congress came to know Dr. John A. Hannah, former president of Michigan State University, during his years as Assistant Secretary of Defense for Manpower, as the first Chairman of the Civil Rights Commission, and until recently, as head of AID, will find special interest in the accompanying article from the September 1974 issue of MSU, the Michigan State University alumni magazine. Others may read this account for special insight into Dr. Hannah's present undertaking, one of momentous importance to everyone on Earth; alleviating a world food shortage.

It is stimulating and heartening to learn from the article that Dr. Hannah, now 72 years old, is throwing his great and vigorous abilities into an attack on one of mankind's oldest and now most desperate plights: hunger and starvation.

All of us wish him well in this great and humane undertaking. All of us can be cheered by the personal example he continues to set. Michigan State University may properly be proud of his achievements, past, present, and future.

The article follows:

HANNAH 5 YEARS LATER: STILL IN PERPETUAL MOTION

(By Robert Bao)

"I spent a lifetime getting ready to retire," muses the white-haired man at his Dansville farm. He is wearing khakis, slippers, and a weary look. Suddenly a twinkle of merriment appears in his blue eyes. "But when the moment came," he continues, his lips forming some semblance of a smile, "it turned out I needed more preparation."

Now the smile elongates to a full crescent, and for a few seconds, stays that way. It is a sight that friends of John Alfred Hannah might well treasure. These days, the often solemn President Emeritus of Michigan State seems more troubled than ever, sparing litite time for rest, much less for laughter.

At 72, and retired from the helm of the Agency for International Development, Hannah has accepted a mission with the United Nations that might eventually overshadow his already long, accomplished career. Named deputy secretary general, Hannah is the American who has been charged with organizing the World Food Conference to be held in Rome this November. His responsibility is awesome. The outcome of the conference will, *literally*, spell life or death for some 500 million people, the victims of a creeping famine that has girdled the globe in recent months.

A vicious drought, the worst in centuries, has cut a 1,000-mile-wide swath of devastation along the earth's tropical circumference, stretching from Africa's Senegal to Ethiopia, over the Red Sea to Yemen, across Asia's underbelly, India and Bangla Desh, through the Pacific to Bolivia. The famine envelopes one-third of 51 million inhabitants in the sub-Sahara Sahel alone. "Many of them may die," notes Hannah. Already thousands have died; hundreds of thousands more lie emaciated, moribund, the victims of hunger, cholera, diphtheria. Even camels have dropped dead. "The main purpose of the Rome conference," says Hannah, somewhat chagrined that the media has not already made it clear, "is to get all the countries to agree that this is indeed the number one problem in the world.

This specter of mass starvation has even quickened the pace of Hannah's normally untempo life. It now borders on the cardiac. Every Monday he rises at 5 a.m., drives to Detroit with his strong, supportive wife Sarah, flies to the U.N. office in New York, and sometimes to foreign cities, works indefatigably around the clock till Thursday, then flies back to Detroit, drives either to Canada or to his 1,200-acre cattle farm in the Upper Peninsula, where he oversees the operations. It isn't until the seventh day that he gets to relax at his 570-acre farm in Dansville, 20 miles from campus. But the "R&R" comes sandwiched between a five-hour drive from the north and occasional interviews with persistent newshounds, not to mention the early schedule the next morning. "The problems of the world," understates Hannah, "have made my life a little bit complicated."

Complicated, yes. Complaints, no. Hyperkinetic by nature, Hannah is more than used to such perpetual motion itineraries. As president of MSU from 1941 to 1969, Hannah worked non-stop. "He kept you hopping all the time," recounts James Denison, a Hannah associate for 22 years. In his four years and seven months at AID, in pursuit of "shirtsleeve diplomacy," Hannah traveled to every single related country, whether to confer with chieftains or merely to pat cheetahs.

If his stamina seems handy for his new job, so do numerous other experiences, instincts and lessons he has collected in his lifetime. His arrival at the Secretariat Building, actually, seems as foreordained as a geometric proof unfolding toward the QED. The humanitarian aspect of his U.N. efforts, for example, logically culminates a career that spanned five presidential appointments to public service posts, a career marked by emphasis on helping people—"especially poor people," as Hannah likes to interject.

Hannah himself, in contrast to the Biblical Lot, recoils at prolonged looks backwards into history. "The future is what is important," he stresses, often in vain. A close look at Hannah's history, however, reveals just how tailor-made he is for the food effort.

Organizing the conference, which involves a number of mutually hostile nations, calls for the internationalism of an ambassador, the administrative skills of a business tycoon, the vision of an educator and the expertise of an agriculturist. To get the nations to agree on priorities requires far more: The persuasive power of a promoter and the flexibility of compromise that successful legislators acquire. All of these qualities inhere in Hannah's past, particularly his MSU years.

Hannah's agricultural background actually roots back to his teenage days, when at age 16 he became a Michigan poultry expert. Later, in 1923, he graduated from MSU with a bachelor's in poultry science. But it wasn't until he became MSU president that he applied it with international impact. For one thing, Hannah pioneered the use of academic resources at land grant colleges—particularly MSU—to help raise food production in the poor nations.

Early in the 1940's, he prepared, with 20/20 vision, what was then Michigan State College, for a new world order that was emerging after World War II; he established the International Studies Institutes and hired as director the eminent Hawaiian educator and Chinese scholar, Shao Chang Lee. In 1949, as president of the Association of Land Grant Colleges and State Universities, Hannah responded enthusiastically to President Truman's inaugural address challenge to rally American resources for international development. MSU soon became the first American university with direct federal over-

seas programs; by 1969 MSU had administered ten AID projects including the development of an MSU-style university in Nigeria.

In 1969, Hannah resigned the presidency and accepted his appointment by President Nixon as administrator of the $1.5 billion a year, 18,000-man Agency for International Development. The move confirms Hannah's knack for being the right man for the right job at the right time—and exactly the right time. The timing of his departure from MSU could not have been more opportune; likewise for his arrival at AID.

Hannah's master plan for MSU had largely been completed. A sleepy cow college of 6,390 students had become a 5,000-acre megaversity with an enrollment of 42,541, an annual budget of more than $100 million, 85 departments offering 20 different degrees, and in Hannah's last year, more Merit Scholars than any other campus (684 vs. 503 for Harvard). All it lacked then, and still does, was a law school.

Possibly Hannah was becoming somewhat weary after 28 years in the MSU presidency. "This can be a pretty unpleasant job, although it didn't used to be," he admitted.

Although the Board of Trustees had exempted him from normal university retirement regulations (he was 66 in 1969), some members had begun to question his maverick style and his longevity in office which evoked this comment from Hannah: "The president serves at the pleasure of the Board of Trustees . . . if the board decides it's time to change, I'll be gone . . . tomorrow, next month, next year."

During his heyday, Hannah used a shotgun approach to running MSU, and got away with it. "He would announce to the press that we're going to build then he would expect me to go down and get it through the Legislature," recalls MSU's Executive Vice President Jack Breslin.

In 1969, the student mood, sombered by the Vietnam War, was a far cry from the Joe College attitude of the previous decade. The Ramparts-CIA controversy had exploded three years earlier and only months before Hannah's own resignation, his vice president for business since 1947, Philip J. May, had retired following a lengthy conflict-of-interest controversy.

But in commenting on Hannah's decision to leave MSU for AID, his long-time friend and fellow member of the U.S. Civil Rights Commission, the Rev. Theodore Hesburgh, president of Notre Dame, said: "This is a clear case of where the job sought the man, not where the man sought the job."

And in evaluating his tenure at MSU, *Time* magazine concluded admiringly that "whatever cloistered scholars think of him, Hannah is obviously the kind of populist educator who yearns to make U.S. expertise serve those who need it."

Indeed. Such yearnings made Hannah a natural for the AID post. "I found that the underdeveloped world had not changed much since my first exposure to the Marshall Plan and Point IV (of Truman's 1949 inaugural address) 20 years ago," he observed shortly after moving into the high-ceilinged, paneled office in the State Department. He proceeded, however, to impose drastic changes in American foreign aid practices and policies. More significantly, he managed, in the nick of time, to save the agency from prospective demise; he succeeded in his rescue mission because his experience at MSU taught him how to communicate with politicians.

In his five-year term, he supervised a major revision in aid, from heavy technical assistance to developmental aid focused on food production, family planning, education, health care, and increases in specialized programs, rather than on general purpose assistance. He encouraged increased private participation in foreign development. He divorced the AID from its clandestine liaison with the CIA. Less successfully, he tried to pry loose foreign aid from short run military and political objectives. "You don't move the mountain," he rationalizes now. "All you can do is make progress."

He was more successful, ironically, at streamlining the agency by halving the number of employees, from 18,000 to a little more than 9,000. Firing, he discovered, was quite a different ball game than all the hiring he did for MSU. "The problem was, how do you re-tread tenured people," he explains. Another problem confronting the nation's former and first chairman of the Commission on Civil Rights was minority hiring: "It was very difficult to change the percentages when you're reducing staff." Because of his inability to do so, Hannah's entire minority advisory board at AID resigned in protest.

But Hannah's main victory at AID still remains the very survival of AID itself. The weary, withering American involvement in Vietnam had made the people, and Congress, suspicious of and opposed to foreign aid. These undercurrents, somewhat like a storm that develops into a tornado, reached their vortex on October 29, 1971—"Black Friday," as AID-men called it—when the Senate voted 41-27 to kill the foreign aid program.

The future careers of some 13,000 AID employees were in jeopardy. Hannah rose to the occasion. He mustered all the persuasive powers he had honed for years at the Michigan Capitol, pleading funds for MSU, and used them on "key members of the Senate Foreign Relations Committee—Fulbright, Church, Aiken, Humphrey."

Meanwhile, he told a jammed auditorium at AID headquarters: "You do your job—and let me worry about where the money is coming from. . . ."

His remarks were cabled to every AID mission in the world, and rumor has it that the message itself helped prevent 1,000 potential ulcer cases. Within weeks, probably 1,000 *actual* ulcer cases were cured. The Senate reversed itself and voted to keep the AID in business. (In fact, by the time Hannah departed the agency, even the downward trend of foreign aid expenditures was reversed, from $1.3 billion in 1969 to $1.6 billion in 1973).

How did Hannah do it? Louisiana Rep. Otto Passman, a longtime foe of foreign aid and the influential chairman of the Subcommittee on Foreign Operations and Related Agencies, cryptically told Hannah after the AID victory: "We move on the basis of flattery. Of course, you have done a pretty good job flattering me and some of it has rubbed off." Hannah merely adds, "Basically you have to sell yourself, be honest and forthright."

When pressed for more details, Hannah adds: "Say over and over again that the United States has no alternative but to be a part of the world, and that a succession of U.S. Presidents have made the commitment to involve the U.S. in the world, and you don't say suddenly, 'We won't play the game any more.' When they began thinking about it, they began coming around."

Now he shrugs his shoulders, refusing to go on because "I don't like blowing my own horn." Too bad. Finally, that twinkle brightens his eyes once more. "I'll tell you one thing," he says sheepishly. "It took a lot of ingenuity to keep it from going under."

The trick in Congress, technically, was to reduce the hardcore opposition to about three or four key legislators. But for the long run, the public must be convinced of the rightness of foreign aid. Hannah constantly tries to sell this point of view. Whenever asked about it, he brims with evangelistic energy, and delivers yet another of his staccato monologues:

"There are two ways you can persuade people. First, you can say, 'We're interested in poor people because that's the basic, decent, human, Judeo-Christian thing to do.' Or you can put it the other way in the most selfish, narrow-gauge form you can imagine: 'We're living in a shrinking world, and what happens here can trigger something else there.'

"The real concern," he rambles on past the speed limit for normal thought, "for our children and our grandchildren is what kind of lives are they going to lead? You can't answer that unless you have some idea of what the world is like 50 years from now.

"Now, it's my recognition that economic systems, political systems, social systems—they all change. But the basic objective has to be putting more emphasis on giving meaningful lives to more and more people. That doesn't change. What it all boils down to is this. People are important, especially poor people.

"And that," concludes Hannah in the manner of Walter Cronkite concluding a newscast, "is what it's all about."

Hannah's tunnel vision on "people, especially poor people," is exceeded, if at all, only by his disdain for red tape. He ran MSU pretty much like a father his home, establishing personal channels of communications rather than a system of memos, computer cards and regulations. "He didn't like written reports," recalls Breslin. "He wanted to know all the time what was going on—and believe me, he did."

Alas, Washington, D.C., with its massive, crustaceous bureaucracies, was a far cry from Hannah's version of paradise. Trying to change anything there, Hannah once mused, "is like putting your hand in a pail of water. When you take out your hand, the water is still there."

While at AID, however, Hannah ruefully kicked that proverbial bucket over, and lots of bureaucrats were Deep Sixed. Once, for instance, after leaving a Defense Department press conference he reached into his briefcase, pulled out a statement, and handed it to a reporter.

"I can't use this," protested the newsman. "This is classified."

Hannah took the paper and tore off the part with the TOP SECRET stamp and gave it back to the reporter, saying,

"There. Now you can use it."

More significantly, Hannah rolled up his sleeves and took off his tie, and roamed into the field missions of AID around the globe. "On his first trip to Africa," recounts Maurice Williams, deputy administrator of AID under Hannah, "we sent a young assistant along with Dr. Hannah. They took a little Jeep down all these very rough back trails and were gone all day. Well, the assistant returned all worn out but Hannah just came back all the more exhilarated.

"The man was widely respected for what he stood for in the country and the universities," Williams notes. "He reached people and he made a difference. He touched something in the American conscience that made sense of foreign aid and at a time when it wasn't easy for people to make sense."

Hannah's technique for making sense is easy. He seldom talks of theories about international power politics nor does he offer loads of macro-economic statistics. To dispel the myth that foreign aid hemorrhages the U.S. Treasury, he simply points out:

"Did you know that only three-tenths of a penny per tax dollar goes to foreign assistance? It's peanuts! Unless people apply it for chewing gun, it's totally unimportant."

When the topic shifts to foreign countries, however, Hannah becomes more diplomatic. The most he will criticize another nation is, "Countries like India have an irritating way of making themselves seem ungrateful."

These days, however, Hannah reserves his testiness for reporters only. "Next question," he hurries along ritualistically, prodding, ever impatient with the demands of time, hoping that others will see the light that he sees all too clearly.

That light, in fact, is the stark fact that

500 million human beings are in the process of starving. "Now 500 million people is a lot of people," Hannah reminds the listener. "That's two and a half times the number of people in the United States."

Despite the urgency of the matter, Hannah seldom gets gory to make his points. The facts are many, and they are grim. The sights and smell are revolting. But Hannah stops short of bringing home the full horror of famine. Instead, he tries, like impeachment lawyers, to coldly sketch the facts.

It is ironic, he explains, that the present famine comes only years after the widely hailed "Green Revolution," in which the use of fertilizers greatly increased food production per unit land. Because most "miracle" fertilizers are made from petrochemicals, however, the energy shortage has drastically cut their supply and upped their prices. Meanwhile, the world's population escalates by 200,000 a day. Feeding his Malthusian gap with relief foodstuffs remains, at best, of temporary benefit. Last year the U.N. delivered 500 million tons of grain to the Sahel, but since there are 1.4 million more mouths to feed on earth every week, such efforts are tantamount to running on a treadmill.

"For 40 years," Hannah notes "North American food reserves have been a hedge against starvation anywhere in the world. But in the last year and a half those reserves have disappeared." Hannah believes that the situation in many countries is "hopeless," and that, alarmingly, it is not much better in this country. "Americans," he warns, "have been lulled into a great sense of security because in the last 10 years we've had no serious droughts. But it could happen, and there are some signs that it is happening in some parts." (Indeed: Michigan, as of late July, was experiencing a drought that wiped out much of its corn crops.)

For the moment, however, the most critical problem areas are in Africa—Senegal, Mauritania, Mali, Chad, Upper Volta, and Niger, some 2,500 miles of sub-Saharan lifelessness. This region will undoubtedly receive high priority from the Rome conferees. Although the issue of priorities remains for governments and their agents (for the U.S., Henry Kissinger) to resolve, Hannah, itchy to get things going, never hesitates to list his own.

"Problem number one," he speeds along, "is increased food production. The fertilizer shortage, right now, is the main problem. One possible solution is to get Arabs to channel burnt gas into the manufacture of nitrous fertilizers. But the important thing is that solutions must be based on facts." He goes on and on, staccato-like, intoning the other priorities—population control, education, etc. Not only has he done his homework; he enjoys every minute of his evangelical work.

And so it has been for John Hannah throughout his life. Working, speeding along, talking, helping people, especially poor people, going from one right job to another, rescuing a university from mediocrity, salvaging a multi-million-dollar agency from oblivion, now making perhaps the most momentous impact in his career. Ever since Hannah, in his youth, traversed the U.S. via every trancontinental road, the peripatetic unfolding of his life seems to have been established like a gravitational law.

Looking over the total spectrum of Hannah's 72 years, one finds, most notably, a beautiful pattern of simplicity, something as consistent as the palindromatic precision of his surname. Yes, as Hannah has claimed, he is at heart a farmer. At MSU, his field was the MSU campus, and what he sowed were seeds of learning. At AID, he was truly able to expand the horizons of his farm in line with his famous boast, "The world is our campus." Today, Hannah's farm is really the surface of the earth. The mission—the feeding of people—cannot be more basic for this singular, American Gothic.

He is now in his Dansville farm, his hair combed straight back, with, as usual, the slight ruffles above the temples. The creases on his face, like trenches, are well-dug, reflecting his 72 embattled years.

"I hope," he intones, "that when we get through this conference that I'll get retired."

Hannah pauses for about two seconds, but for him, that seems like two hours.

"I probably won't," he finally concludes. "There is so much more to do."

PATRONAGE IN FEDERAL CIVIL SERVICE

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HENDERSON. Mr. Speaker, I am inserting in the RECORD a copy of a joint statement released today by Congressman THADDEUS DULSKI and myself. We wish to share with our colleagues the information in this statement:

JOINT STATEMENT BY THADDEUS J. DULSKI, CHAIRMAN DAVID N. HENDERSON, VICE CHAIRMAN, HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, SEPTEMBER 25, 1974

PATRONAGE IN FEDERAL CIVIL SERVICE

We are reassured by the action taken by President Ford, as shown by his memorandum of September 20, 1974, directing the heads of departments and agencies to support the Federal Civil Service Merit System and to keep the System free from partisan politics. It is sobering to know that conditions now or in the immediate past were such as to require the highest public official in our country to take such action—an action that should have been taken immediately when the preliminary results of investigations of allegations to this effect were known in early 1973.

Allegations of "Special Referral Unit" in General Services Administration and supporting documentary evidence has been under study and investigation by our Committee since the summer of 1973. The Executive Director of the United States Civil Service Commission has fully cooperated with the Committee and Subcommittee staffs in providing information as requested.

In early August 1974, at the request of Chairman David N. Henderson of the Subcommittee on Manpower and Civil Service, the Executive Director, Civil Service Commission, was asked to furnish to the House Post Office and Civil Service Committee the full results of the Civil Service Commission's investigation, report of findings, responses and corrective actions by General Services Administration, and the names of those individuals within GSA charged with improper actions. The Executive Director promptly responded and cooperated with our Committee in this matter. Copies of the correspondence exchanged between the Civil Service Commission and our Committee to obtain this material will be made available.

At that time our views were strongly represented regarding the inordinate delays being encountered in finalizing proposed disciplinary actions. It was pointed out in August 1974 that over one year had elapsed since initiation of the investigation began as a result of a detailed affidavit provided by a high level GSA career official to the Civil Service Commission investigators.

We hope that the President's memorandum will lead to "a cease and desist" condition by the Administrator of the General Services Administration and other GSA officials, who have delayed, for more than nine months, disciplinary actions on the eight officials charged in connection with political influence matters.

The Investigations Subcommittee under Chairman Dulski and the Manpower and Civil Service Subcommittee under Chairman Henderson have been and are conducting investigations of alleged violations of the merit principles in career Civil Service, both in Washington and the field activities of GSA and other agencies. Chairman Dulski has directed the Manpower and Civil Service Subcommittee, under Mr. Henderson, to continue to pursue additional leads in order to finalize the investigations.

There has been continuing coordination and exchange of information between the House Post Office and Civil Service Committee, House Judiciary Committe, and Senate Select Committee on Presidential Campaign Activities. Senator Ervin has turned over all material developed as a result of the investigations by his Committee with regard to political influence or other improper actions taken to thwart the Merit System in the career Civil Service.

We believe that at this time a continuation of our investigations on current matters and other matters affecting the career Civil Service, as may be requested from other committees of the Congress or individual Members, is warranted. Upon completion of these studies, the Manpower and Civil Service Subcommittee will hold hearings and recommend such Committee action as may be indicated to change laws or administrative practices to insure that the Federal Civil Service Merit System is maintained in a proper manner as intended by the law.

It is our intent to review the results of all investigations of allegations regarding improper actions to assure the Congress of the adequacy and the degree of compliance with corrective and disciplinary actions recommended as a result of such investigations. Furthermore, we think this is the time to examine institutions, executive practices, and administrative procedures in an effort to prevent similar abuses from occurring in the future. Included in this much broader review are such items as:

a) Authority for and number of noncareer positions. Rules for converting positions from career to noncareer and vice versa.

b) Qualifications for noncareer executives and relationship to career Civil Service.

c) Review policies and procedures governing referrals of "name request" by agencies to Civil Service Commission for certification to career positions in agencies.

d) Civil Service Commission's role in noncareer personnel actions.

e) Roles and mission of the Civil Service Commission.

f) Consider pros and cons of separating the appellate functions from operating and policy functions of the Civil Service Commission.

g) Personnel policy role of the Office of Management and Budget vs. Civil Service Commission.

In such a review, we intend to utilize fully the study by and findings of the panel of the National Academy of Public Administration made at the request of the Senate Select Committee on Presidential Campaign Activities. This panel was chaired by Frederick C. Mosher, Professor of Government and Foreign Affairs at the University of Virginia, who was well known for his outstanding work in the Federal Government at the University of California and Syracuse University. The panel consisted of twelve citizens who had made outstanding contributions either in Government, private industry, or academic fields. Mr. Bertrand Harding, former field official, who served with Veterans Administration and Atomic Energy Commission, as Personnel Director for Federal Aviation Administration, and as Deputy Commissioner of the Internal Revenue Service, was the Staff Director for the panel.

HEW ATTITUDES

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. GINN. Mr. Speaker, citizens throughout the Nation were shocked recently when Mr. Caspar W. Weinberger, Secretary of Health, Education, and Welfare, commented on HEW attitudes regarding school desegregation in northern cities. Mr. Weinberger said, in effect, that the rigid, shortsighted and destructive Federal desegregation tactics that are being used in southern school systems today will not be used in the North.

I do not wish to see the North subjected to the tyrannical whims of HEW that have been used in the South. But I believe the Congress should demand to know why this tyranny continues in operation in the South today and yet will not be put into use in the North. Public education in the South has been torn apart by social planners in HEW who play the numbers game with schoolchildren in order to achieve racial balance.

I joined recently with my colleague from Georgia (Mr. MATHIS) in sponsoring a resolution declaring it to be the sense of the House that HEW efforts to desegregate public schools "should be applied with the same intensity, standards, and sanctions in every region of the United States." I would hope this will underscore the hypocrisy of HEW standards and bring about an end to the HEW policy of abandonment of the neighborhood school.

The Honorable Jack P. Nix, State superintendent of schools in Georgia, recently provided me with a copy of a letter he has sent to Secretary Weinberger. It gives some excellent illustrations of the problems I have mentioned, and I insert it in the RECORD at this point:

ATLANTA, GA.,
September 17, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary, U.S. Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: The news media has reported quotations made by you relative to the implementation of federal statutes concerning desegregation in northern states. I am really appalled that a "double standard" is acceptable to federal officials—one standard for the South and another standard for the North. If, in reality, you, as a federal official, implement such a procedure, it seems to me that you would be in violation of the federal statutes relating to equal and nondiscriminatory action.

It has been my privilege to serve as State Superintendent of Schools in Georgia since January 1, 1966. During this period, untold hours of my time, time of the State Board of Education, local system administrators, local boards of education, and the State Attorney General's staff have been devoted to complying with rules and regulations developed by federal officials to bring about desegregation of all school systems. The people of Georgia, and throughout the South, have worked diligently at the expense of improving instructional programs to implement the Civil Rights law. It is true that people are sensitive to change, and particularly to this tremendous social change, but the sensitivity is not limited to northern people—southern people are sensitive too.

The Associated Press article, appearing in the September 7, 1974 issue of the Atlanta Constitution, identifies statements made by you relative to applying the Civil Rights Act to northern school districts. Your position, as reflected by the news media, including newspapers, television and radio, was discussed at some length with the Georgia State Board of Education at its regular monthly meeting on September 11 and 12. The Georgia State Board of Education unanimously agreed that there should be no discrimination in administration of a federal act according to geographical area. The position that you have apparently taken in dealing with the northern school districts is creating considerable unrest in our State, and in discussing your statements with my counterparts in seven other southeastern states, anxieties are being expressed in those states as well.

To bring our concerns more forcefully to you, I would like to quote from correspondence written by federal officials to local school systems in the State of Georgia:

LAURENS COUNTY SCHOOL SYSTEM

"The review team reviewed the disciplinary record book at N. W. Laurens Elementary School located at Dudley and Millville and the N. W. Laurens Junior High. It was noted that black students were subjected to a higher degree of corporal punishment than white students for major and minor infractions of school rules and regulations. According to the records, from the beginning of the school term until the time of the review, approximately 480 students were disciplined at Primary Center, N. W. Laurens Elementary School. Two hundred and thirty-five of these were white students, only ten received "licks", all others were "talked to" or "warned". Of the 145 black students sent to the principal, only two were "talked to", these on August 30 and 31. Every other black student sent to the principal received "licks". In addition, on several occasions, such as on September 23 and October 5, several students were referred for the same reason; in each case, the white students were "talked to" and black students received "licks".

"In order for you to be in compliance with this assurance, it will be necessary for you to take immediate action to correct this discriminatory administration of discipline."

GLYNN COUNTY SCHOOL SYSTEM

"1. A narrative description of your district's disciplinary practices, policies and procedures including: expulsions, suspensions, corporal or other punishment; statement of general rules of conduct; who determines violations; how are the violations determined; what standards are used; how are the standards established, communicated, implemented; who metes out the punishment; how; what options are available?

"2. Provide a discipline report for the current school year for each school in your district. This report should include the number of students suspended and the number of students expelled during the current school year and the total number of suspension days by race."

COOK COUNTY SCHOOL SYSTEM

"Please have the following information prepared for the team when it arrives on April 11, 1972. (This is the same information Mr. Gill requested over the telephone.)

"1. Class schedules of each teacher showing the teacher's name and race and the numbers of black and white students in each class.

"2. The district's full policy with regard to discipline.

"3. Names and race of all teachers dismissed or contracts not renewed for the school years 1969–70 and 1970–71.

"4. Those students suspended or expelled for the last three school years (including the current year) giving name, race, reason for action, grade and school. If possible, also state the name of the teacher who initiated the action and the principal who administered it.

"5. A complete staff directory (including administrative, cafeteria and other nonprofessional as well as professional staff), noting the race of each person.

"6. Teachers newly hired to serve for the current (1971–72) school year by schools, giving: name, race, years of experience, certification, and subject or grade taught.

"7. The district's policy on inter-district and intra-district transfer.

"8. The district's policy on student assignment to class by ability or other factors.

"9. A list by schools showing numbers and race of students participating in extracurricular activities."

ELBERT COUNTY SCHOOL SYSTEM

"In discussions with district personnel, the Office for Civil Rights staff members stated that in order for the district to correct its ineligibility under Section 185.43 (b)(1) and (3), the district would have to offer Mr. Brownlee the next vacant principalship and to pay him the difference between what he would have earned as a principal and what he now earns as an assistant principal (an amount equaling approximately $3,000). The superintendent of the Elbert County School District informed the Office for Civil Rights that this was not possible, and the Office for Civil Rights in turn informed Mr. Atkinson that the district was ineligible for funding under the Emergency School Aid Act (ESAA)."

EVANS COUNTY SCHOOL SYSTEM

"It is not the policy of this Office to accept any plan which might delay the complete elimination of the dual school system past the beginning of the 1970 school year. Therefore, in the unlikely event your new building is not ready for occupancy at that time, we must require that you implement an alternate desegregation plan utilizing existing facilities. Please indicate in your amended plan what contingency measure in the way of reorganization to eliminate your dual system you might undertake in September 1970, should the building not be ready for occupancy."

GWINNETT COUNTY SCHOOL SYSTEM

"We also request information from you concerning the seating arrangements on your school buses. It has been reported to us that on at least one bus, black children are asked to sit in the rear. Could you clarify this issue for us? As you know, such a practice would be in violation of Title VI of the Civil Rights Act of 1964."

MUSCOGEE COUNTY SCHOOL SYSTEM

"If you wish to justify ability grouping practices at Blanchard Elementary, South Columbus Elementary, and Daniel Junior High, you must provide the following:

"1. In view of the time requirements which we face, achievement test scores for three consecutive years for those students assigned to the fifth or sixth grades at Blanchard Elementary will suffice.

"2. In order that we may obtain testing data for three consecutive years, please provide testing data for the fifth or sixth grade at South Columbus Elementary. Testing data is being requested for the fifth or sixth grade, because the assignment practices which are utilized in the third grade, most likely are utilized in the higher grades also.

"3. Achievement test scores for three consecutive years for all sections of English and math in grade eight at Daniel Junior High."

Secretary Weinberger, the State Board of Education and I wish to call to your attention that if, in reality, you administer the Civil Rights law differently in the North and fail to demand these same "nit-picking" requirements of the northern districts that you are requiring of the southern districts, you will be in violation of the Civil Rights Act. It is not our desire to ask that northern districts be required to meet all the specific requirements that southern districts have had to meet. We simply demand that south-

ern districts be treated in exactly the same manner as you treat northern districts.

The demands by federal staff, in most instances, are made without regard for the instructional programs. In addition, the tremendous time devoted to assembling such irrelevant educational statistics, consuming the time of administrators, supervisors, and teachers, causes a further deterioration of educational opportunities. Mr. Secretary, it takes a great deal more than just having two people of opposite races sitting beside one another to have a good school program.

I will be most happy to devote a portion of my time and that of my staff in assisting you or your top aides in structuring procedures that will permit us to return to planning and implementing good instructional programs for children as our first priority for operating public schools.

With kindest regards, I am,

Sincerely,

JACK P. NIX,
State Superintendent of Schools.

THE FORD-NIXON FIX: AN ANALYSIS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Ms. ABZUG. Mr. Speaker, the current issue of the New York Review of Books contains a brilliant and perseptive article by I. F. Stone. Mr. Stone has again gone right to the heart of the tapes deals and reveals for the first time that the memorandum from the Attorney General that President Ford cited in his authority to make the tapes deal was not prepared for the purposes for which it was used. This is another example of the questionable nature of the events surrounding the pardon of the former President, the administration request for funding for the former President and the tapes arrangement itself. As Mr. Stone says, the destruction of the tapes may lead to "poisonous untruths about his—Nixon's—forced resignation which may someday prove injurious to the political health of our country."

I commend the I. F. Stone article to the attention of my colleagues and include it in the RECORD:

THE FIX

(By I. F. Stone)

WASHINGTON.—The latest chapter of Watergate, the chapter being written by Ford, involves two interrelated matters. One is the pardon for Nixon and perhaps later for his aides. The other involves the disposition of the Nixon tapes and related materials. The full dimensions of this continuing cover-up have yet to be fully appreciated.

The net effect intended may easily be summed up. It is to let the culprits go free and send the full truth to the gas chambers. For the Ford-Nixon agreement on the tapes allows Nixon to control access to them during his lifetime and to destroy any of them he chooses after five years. After ten years, or upon his death should that come sooner, all the remaining tapes are to be destroyed. Destruction of these tapes is the essential first step to any Nixon comeback as a political influence.

Whatever secrets on those tapes Nixon has fought so hard and successfully to hide all these months will remain forever unknown. Nixon will be able to write his own story of his administration without being embarrassed by them, except for those disclosed in the tapes already obtained by Jaworski. The way is thus opened to poisonous untruths about his forced resignation which may some day prove injurious to the political health of our country.

There are two immediate steps Congress could take to preserve these tapes from destruction and to prevent the agreement from taking effect. One is for the judiciary committees of either or both houses to subpoena the tapes as part of an investigation into their disposal.

The second is to summon the attorney general and ask him to explain in plain language the tortured meaning of his convoluted legal memorandum which was released with the announcement of the tricky deal between the Ford White House and Nixon on the tapes.

The legal opinion was released as if it supported the tapes agreement. But a closer reading leads to other conclusions. The legal memorandum does say, in a curiously negative way, that these tapes can be considered Nixon's property. But it concludes by advising the White House that none of the tapes or other materials "can be moved or otherwise disposed of" without court permission where subpoenas or other judicial orders are outstanding. This is so, the legal opinion says, because in both civil and criminal cases subpoenas may be issued "directing a person to produce documents or other objects which are within his possession but belong to another person." The tapes and other materials covered by the agreement were left behind in the White House or deposited previously with the General Services Administration.

The agreement provides that all this material be removed from the District of Columbia, where the cover-up cases are being prosecuted, and "deposited temporarily," so the letter of agreement by Nixon provides, "in an existing facility belonging to the United States, located within the State of California near my present residence." The facility referred to is the so-called Laguna Miguel pyramid near San Clemente.

When Ford's lawyer Philip Buchen was asked at his September 8 briefing when the tapes and other materials would be moved to California, he said, "As soon as we can get rid of, or modification of, the existing orders that require they be retained here."

He admitted there were at least three sets of judicial orders requiring that some at least of the tapes be kept available here. But none of these cases covers or protects all the tapes whose subpoena by the House Judiciary Committee was disregarded by Nixon or all the tapes and other materials which may prove necessary in current or future investigations by Special Prosecutor Jaworski. It is important that the judiciary committees and Jaworski be forced by public opinion to go into court and assert *their* rights to block the transfer agreement and save the tapes for posterity.

The first judicial order requiring the White House to maintain custody of tapes despite the Ford-Nixon agreement was issued by federal judge John H. Pratt on September 11 in connection with Watergate-related suits brought by R. Spencer Oliver, head of the Association of State Democratic Chairmen, and by James W. McCord, Jr.[1] Judge Pratt's order covers four months of Watergate tape recordings.

In these cases the Ford administration has already begun to try to use its agreement with Nixon as a means of escaping judicial involvement in Watergate cases. Buchen, ordered to give a deposition in these cases September 12, filed an affidavit saying that while the tapes were still in the White House, they were now the property of Nixon under the new agreement and any subpoenas should be taken up with the ex-president.

We can now begin to see that Ford and Nixon have a common interest in extending the pardon as soon as possible to other Watergrate defendants who have yet to be tried. For Ford it may prove hard to avoid the ticklish problem of tape subpoenas as long as prosecutions are under way. Nixon for his part would not want to have to appear as a witness in the trials. In addition, as long as they are in prospect he must contend with subpoenas and possible contempt citations even if he can get the tapes into his possession. There is for him always the danger that some tapes may have to be produced with more damage to his reputation. No doubt he will plead executive privilege to resist subpoenas as Truman once did when called to testify after leaving office. Only general pardons can protect both Ford and Nixon from all these unpleasant possibilities.

The Ford administration is trying, by a private agreement with Nixon, to evade its responsibility to produce tapes still in its physical possession. That is what the attorney general's opinion says the Ford administration cannot do. But that is exactly the obligation the agreement with Nixon tries to evade. For the terms laid down by Nixon and countersigned for the Ford administration by Arthur F. Sampson, head of the General Services Administration (as if it were some routine custodial matter), are that in the event of any subpoena or other judicial order for tapes or papers Nixon alone is to decide whether to obey or contest the order.

Nixon will respond "as the owner and custodian of the Materials [as the tapes and other documents are termed in the letter of agreement], with sole right and power of access thereto and, if appropriate, assert any privilege or defense I may have."

Should Nixon agree to produce the requested material, the government could then *and only then*, step in—but only to raise additional objections! Nixon wrote, "Prior to any such production, I shall inform the United States so it may inspect the subpoenaed materials and determine whether to object to its production on grounds of national security or any other privilege."

This is very different from the situation which existed before this questionably legal agreement was secretly signed on September 6, two days before the Nixon pardon was announced. In the event of a subpoena for documents Nixon left behind in the White House or with the GSA, it was the Ford administration that had to decide whether to obey the subpoena and if not on what basis to disobey the order for the tapes or other materials.

In other words, Ford had to decide whether to act just like Nixon or to take a fresh look at the public policy involved and adopt a more open, a more forthright—and to echo a word the new president himself picked for the hallmark of his administration—a more candid policy.

The choice was especially embarassing because of the pledges made by Ford *not* to invoke executive privilege against court orders when questioned by Senator Byrd at the Senate Rules Committee hearing on his nomination as vice president the same hearing in which Ford said, "The public wouldn't stand for it" if he pardoned Nixon.

Byrd confronted Ford with a speech Ford made in 1963 in the House of Representa-

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[1] These suits and a similar action by E. Howard Hunt involving the tapes are in addition to the three cases cited by Buchen at his September 8 briefing. These are the Wounded Knee trial in Minnesota, the suit brought by the TV networks which gave money to the Nixon 1972 campaign on the implied assurance that this would protect them from anti-trust prosecution, and thirdly, a civil suit brought by persons barred from a Billy Graham Day celebration in North Carolina. It is significant that Buchen "forgot" to mention the three pending Watergate cases though he himself is under court order in them.

tives condemning the invocation of "executive privilege" in Teapot Dome, Truman's tax scandals, and the Bay of Pigs affairs. He said the doctrine was usually a cover for "dishonesty, stupidity and failure of all kinds." Byrd said, "The shoe is on the other foot now," but Ford replied he still felt the same way. Byrd led him through a stiff interrogation [2] which now has a fresh and immediate relevancy.

BYRD. Is it your opinion that withholding of information which may go to the commission of serious crimes is justified under any circumstances when ordered by a president?

FORD. At this time I have not foreseen it, but that is a pretty broad statement. At the moment, I cannot foresee any.

BYRD. Would you, Mr. Ford, at the high mantle of presidential authority, if it were ever bestowed upon you, invoke presidential privilege to prevent the courts from seeing documents the courts ordered you to hand over to the courts?

FORD. . . . if I had to weigh those two, the political public impact on the one hand, and the legal and constitutional issues on the other, I think my judgment would be to make them available. . . .

This answer seems to reflect an instinctive opportunism: constitutional considerations should prevail over political impact. But now that the time has come to fulfill this implied promise, Ford's answer is to enter into a surprise agreement by which the government hands over the tapes and other documents to Nixon's sole authority, transporting them to California and housing them near him at public expense. Nixon in return makes the government a "gift" of the documents, but this is to take effect only five years hence and is subject to the provision that Nixon can destroy all the tapes he wishes after five years and the rest must be destroyed after ten years or on his death. Thus Ford evades his moral and political responsibility and carries on the cover-up.

This is of a piece with his conduct on the pardon. He gave the Senate committee and the country the clear impression, without saying so directly, in that disingenuous style of the Nixon and Lyndon Johnson eras, that he would not issue a pardon to Nixon. "I do not think the public would stand for it" has proven to be his most accurate prediction.

Ford made another implied pledge at the same hearing which also deserves more notice than it has received. "The attorney general," he said, "in my opinion, with the help and support of the American people, would be the controlling factor." This implies that the attorney general would be consulted in advance of a decision on pardon—otherwise how could his views possibly be "controlling" and how could public opinion help him block a pardon? But the attorney general said the day the Nixon pardon was announced and has repeated several times since that he was never consulted on the Nixon pardon.

If this is true, and Saxbe's press aides keep repeating it, then the attorney general was as much taken by surprise as Congress and the country. The surprise was all the stronger because at Ford's press conference of August 28 he over and over again gave the impression that he would take no action on a Nixon pardon until legal process had run its course. Yet we now learn that only two days later he disclosed to a few intimates that he had decided to pardon his predecessor. Duplicity is the only word for that sequence.

The same secretiveness appears in the case of the tapes agreement. Despite the historic importance and legal complexity, there was no consultation with the attorney general in advance—so Saxbe's press officers insist. They say he did not hear of it until it was announced, that the legal opinion he furnished—which the White House released with the agreement—was written before he knew about it. These are all matters which should be explored with the attorney general in a public congressional hearing preparatory to a legal challenge of the deal itself.

There is some reason to suspect that the attorney general, like the rest of the Ford entourage, is being a little tricky. His legal opinion, fourteen opaque pages, is a masterly job of scholarly obfuscation, skillfully designed both to give the White House just what it needed and yet to protect the attorney generals' flank from criticism.

The draftsman was the head of his office of legal counsel—the intricate footwork is beyond the capacity of Saxbe himself—but for all the research the memo could only cite two cases for the proposition that the tapes and all other presidential documents *are* the private property of Nixon.

Even to find two cases the memo had to scrape the bottom of the legal-historical barrel. Only one case has to do wtih presidential papers. In the other, the memo culls some dubious dicta about oil leases on public lands (*U.S.* v. *Midwest Oil Co.* 236 US 459 in 1915) which say that rights may be established by congressional acquiescence.

The case bearing on presidential papers, a decision on Circuit by the famous constitutional commentator Mr. Justice Story (*Folsom* v. *Marsh* 9 F. Cas. 342 in 1841), dealt with a copyright problem in publishing the works of Washington. As a precedent this is skewed because here we are confronted with the opposite problem—Nixon's burning desire to keep his tapes *out* of the Works of Richard Nixon and forever unpublished.

Anyway this decision by Mr. Justice Story could be used to uphold a proposition directly contrary to that sought and applied by Ford and Nixon. Mr. Justice Story said at one point that the courts had to distinguish, in dealing with presidential papers, between the private and the official papers. The latter were affected with a public interest and the government had a right to decide on the one hand whether they could be published at all and on the other—

"From the nature of the public service, or the character of the documents, embracing historical, military or diplomatic information, it may be the right, and even the duty, of the government, to give them publicity, *even against the will of the writer.*"

The added italics nicely fit the case of the Watergate tapes. But Saxbe's memorandum interprets this very narrowly as applying only to the censoring of national security information, an interpretation which perfectly fits Nixon's penchant for seeing national security information almost anywhere.

The Saxbe memorandum also selects one sentence from the report on Nixon's tax returns made last April 3 by the staff of the Congressional Joint Committee on Internal Revenue Taxation. This 780-page report limited its discussion of the question "Who Owns Presidential Papers?" to two half pages (28–29), perhaps because quite a few congressmen have also been in on the racket of "bequeathing" their papers for tax advantages.

Saxbe's memo quotes from this one page the assertion that "the historical precedents taken together with the provision set forth in the Presidential Libraries Act *suggest* [our italics, not a very strong word] that the papers of President Nixon are *considered* [again our italics] his personal property rather than public property."

The report on Nixon's taxes says that in passing the Presidential Libraries Act Congress "suggested" that it agreed with this view by authorizing the GSA to accept for deposit "the *personal* papers and other *personal* [again our italics] historical documentary materials of the present President of the United States [Truman]."

But are the Watergate tapes Nixon's "personal" property? Has he the right to destroy records of the criminal conspiracy, which sent so many of his associates to jail and drove him from the presidency? The Saxbe memo did not quote the report's prescient observation that allowing absolute ownership may tempt some public officials "to destroy certain sensitive papers" or its softly spoken but cogent suggestion that "in view of these diverse considerations, it may be that the whole question of the ownership of papers of public officials is a matter which the appropriate congressional committees might want to consider." There couldn't be a better time than now.

Article IV, Section 3, Paragraph 2 gives Congress alone the power to dispose of government property. The Congress has never used this power to regulate the disposal of public papers. "A President's papers," the Joint Committee report said, "may contain much that is essential in conducting the national business in subsequent administrations." This certainly holds true of the investigations and trials still underway in connection with Watergate.

The report on Nixon's tapes also touched on the danger that presidents "may make future historical work more difficult" by how they handle their papers. The Ford-Nixon agreement would certainly do so by arranging for the destruction of the tapes and allowing Nixon in the meantime to control all access to them.

The Ford administration is fully aware of all this, and quite cynical about it. The cynicism was all too evident in the press briefing September 8 by Ford's friend and lawyer, Buchen. When asked why the tapes "were going to be destroyed after five years," Buchen first adopted a civil liberties posture to defend this, calling himself "an old spokesman for the right of privacy." Thereupon this gem of an exchange—

Q. Mr. Buchen, was any consideration given to the right of history?

Mr. Buchen: I am sure the historians will protest, but I think historians cannot complain if evidence for history is not perpetuated which shouldn't have been created in the first place.

This was Nixonism, pure and undefiled.

An honorable man in Ford's shoes before entering into his tapes agreement with Nixon would have consulted the attorney general, the special prosecutor, and the judges who have cases involving Watergate or the tapes. He would have sought the advice of Chairman Ervin of the Senate Watergate investigation committee [3] and Chairman Rodino of the House Judiciary Committee, both of which still have outstanding subpoenas for tapes which Nixon refused to honor.

At his confirmation hearing Ford over and over again expressed disagreement with the withholding of these tapes by Nixon. That he has now acted so differently, and so covertly and so swiftly, speaks for itself about the true character of Gerald Ford. Tricky Dicky has been replaced by Foxy Ford. All this will deepen the suspicion that the pardon was part of a prenomination deal. If not, Ford could have plainly said so before the Senate committee last November instead of evading the issue with his disingenuous remark that "the public wouldn't stand for it." Was he then telling the truth, the whole truth and nothing but the truth—so help him the God he evokes as effusively and frequently as did Nixon before him?

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[2] See pages 39–42 of Senate Rules Committee hearings on the Ford nomination.

[3] Senator Mondale has already written Senator Ervin in the latter's capacity as chairman of the Senate Government Operations Committee asking him to subpoena "all relevant presidential materials [on Watergate] in order to establish the right of access to such materials and to guarantee their preservation." He also suggested an Ervin committee investigation as the best way "to accomplish full disclosure and to probe the propriety of the GSA agreement" between Ford and Nixon.

THE 100TH ANNIVERSARY OF ST. STANISLAUS PARISH

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. TRAXLER. Mr. Speaker, this year the parish of St. Stanislaus Church in Bay City, Mich., is celebrating its 100th year of service to the people and community of Bay City. One of the 10 oldest Polish parishes in the United States, St. Stanislaus should be proud of a century of serving the spiritual needs of its people, providing them the opportunity to worship and offering guidance and counseling. Throughout its entire history, the parish has always attached great importance to the education of its youth. In this centennial year, the parish of St. Stanislaus deserves special tribute for its contributions to the growth and greatness of Bay City. I would like to share with my colleagues in the House of Representatives the story of this parish, as typical of the stories of thousands of hearty immigrants migrating to the new land for a better life, establishing their roots, and building our Nation:

THE 100TH ANNIVERSARY OF ST. STANISLAUS PARISH

Around the year 1865, economic and political conditions in Poland were unstable and difficult. As a result of this, Poles as well as other Europeans, began to immigrate to other countries. Many Poles found their way to America. By the early 1870's they settled in Bay County and by 1873, approximately 200 families resided in the southeastern part of Bay City, east of South Madison and Michigan avenues. They knew nothing of the English language and the people here knew no Polish. One of their countrymen, Ludwig Danielewski, a taylor by trade, had arrived here about 1867. He was so attentive to the wants and needs of the newly-arrived that he was looked upon as their chief advisor, guardian and protector.

On February 8, 1874 this group organized the St. Stanislaus Kostka Society. The settlers had originally attended church services at St. James Church and St. Joseph Church. Under the leadership of Mr. Danielewski, this group made plans to build a church to fill the needs of the Polish-speaking community. The enthusiasm of the Poles was hampered by their lack of funds; however, donations from prominent residents of Bay City aided their cause. William D. Fitzhugh gave the site for the church which was one square block, eight lots on the corner of South Grant and 22nd. Streets. Lumberman Nathan B. Bradley donated $500, and as much in building supplies. Work pushed forward and the building was finished by December at a cost of $4,000. On December 13, 1874, the parishioners of Bay City's newest church rejoiced in seeing Bishop Casper Borgess, of Detroit, solemnly dedicated the church, which was the fulfillment of their hopes through many troubled months.

The church was dedicated to St. Stanislaus Kostka who was one of the patron saints of Poland. St. Stanislaus was born in 1550 in Poland. At an early age, he left home seeking further education, and found his way to Vienna. Desiring to enter the Society of Jesus (Jesuits) he contined on to Rome where, he was received into the Society at the age of 17. He died shortly after. He was canonized in 1726 and had always been revered as one of the patrons of Poland. So it was that the church built in 1874 was dedicated in his honor.

Due to a scarcity of Polish speaking priests, Father Joseph Dabrowski, of Detroit, and Father Xavier Szulak, S.J., of Chicago, ministered to the spiritual needs of the people in the interim until a resident pastor could be supplied.

Lay people who served in various capacities in the organizational days of the parish were: Ludwig Danielewski, Joseph Madajaki, Felix Tafalski, Simon Nowakowski, Albert Pawlanty, Andrew Betcher, Anthony Prybylinski, John Bajerski, Vincent Kazyak, and John Breski.

The parish continued to grow and expand. On October 28, 1877 Bishop Borgess confirmed 111 children. By 1886 membership grew to 700 families and there was need and a fervent desire for a larger church. The cornerstone of the present edifice was blessed June 24, 1890 and the building completed in 1892. The Bay City Times Press on July 14, 1892 described the structure as follows:

"The new church edifice is the finest in the city and one of the finest in the state. It is of brick, with stone foundation and in pure Gothic style of architecture. It is surmounted on each corner in front with two large towers, each 175 feet high. There is a gallery in each of the transepts and vestibule. The interior of the edifice is simply grand."

The church was designed by Pratt and Koeppe and completed at a cost of $60,000. St. Stanislaus, celebrating it's centennial, holds the distinction of being one of the 10 oldest Polish parishes in the United States.

The first school was a rented store building on 19th and Farragut Streets, the present site of the Kloha-Delta Agency. In 1876 Father Augustine Sklarzyk wrote to Mother Monica, Provincial Superior of the Felician Sisters. She personally appointed three Sisters to staff the school, and accompanied them to their destination in the "wilderness of Michigan", coming here from Polonia, Wisconsin. The Felician Sisters later moved their Motherhouse from Wisconsin to Michigan. St. Stanislaus school is the oldest school staffed by the Felician Sisters of the Livonia Province. On January 19, 1879 a frame two-story school was built at the corner of 21st and South Grant Streets. It had three classrooms downstairs and Sisters' living quarters and a Chapel upstairs. Prior to the Sisters' arrival, 20 students were taught by Wladyslaw Pociecha who also served as parish organist. Sister Mary Cajetan, superior, and Sister Mary Hyacinth and Sister Mary Joseph were the first Sisters to serve the parish. In 1909 the first eighth graders received their diplomas.

Eleven classrooms housed 800 pupils, which prompted the pastor, Father Edward Kozlowski, to begin the construction of a larger school building. In November of 1913, in recognition of his outstanding achievements Father Kozlowski was appointed Bishop to serve as an auxiliary in Milwaukee. He left the parish on January 26, 1914 and Father Ladislaus P. Krakowski became the new pastor. His first task was the completion of the present grade school building in March of 1914. Further development of the parish included the construction of the present rectory in 1921 and the present convent in 1927.

In 1925 there were 1,250 families in the parish and 1,100 children in the grade school. This provided motivation to establish the first St. Stanislaus High School. By 1932 there had been four graduating classes with a total of 37 graduates.

Due to the lack of funds, the high school was discontinued in 1932, to be reopened in 1950, with 3 graduating in the Class of 1950. The year 1952 saw the completion of the new high school building, presently housing the South Campus of All Saints Central High School. In the parish's 99 year history, it's primary role has been to serve the spiritual needs of its people and the community, providing them the opportunity to worship and offering guidance and counseling. Above all, throughout its entire history, the parish has always attached great importance to the education of its youth. Continuing in the effort the parish publications include a weekly Sunday Bulletin, this Education Board Newsletter, and the Athletic Club Annual covering current year's events. Plans are currently under way to publish a Centennial History of the Parish.

In 1874, the Parish primarily served its members in their mother language. Through the years, however, because of intermarriage and expansion, this is no longer true. The old traditions are maintained to a degree, and Polish liturgies are scheduled occasionally. Weekly Lenten services are held in Polish. The custom of blessing Easter Baskets takes place on Holy Saturday (Swienconka). Many families still follow the centuries-old custom of sharing the Wafer (Oplatek) on Christmas Eve. In addition to the annual singing of Polish Christmas Carols (Kolendy) the parish also maintains the custom of blessing of chalk and incense for use in private homes at Epiphany time. For almost a half-century the Men's Choir has led the congregation during the 9:30 A.M. Sunday Liturgy. Their hymns usually include a selection of traditional Polish hymns.

During 1974 the Parish will commemorate its Century of Service with planned spiritual and social events, between February and December.

An extensive renovation of the building which has served the parish since 1890 is about to get under way, with the approval of Most Reverend Francis F. Reh, Bishop of Saginaw, and the Diocesan Building Committee. Renovation plans call for new pews, carpeting, interior decorating and renovation of the Sanctuary, to be completed by late fall. Mr. Rex Rittenbach, of Saginaw, is the architect. As plans for the Observance of its 100th Anniversary are formulated, St. Stanislaus Parish numbers approximately 1,600 families. Father Richard E. Jozwisk serves as Pastor with Father Chester V. Tomaszewski and Father Robert J. Deland as Associate Pastors. Elected representatives of the parishioners who currently form the Administrative Church Committee are: Stanley Borkowski, Leo Plucinski, Gerald Jantzi, Joseph Madziar, and George Majohrzak. Miss Angeline Gasta is the Organist. The Centennial Committee is composed of the following: Ernest Holka, Stanley Jamrog, Mrs. Harry (Leona Wisniewski) Michalak, Mrs. Veronica (Nowak) Campbell, and Henry Linkowski (Historian).

THE NATIONAL INSTITUTE FOR BURN MEDICINE

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BROWN of Michigan. Mr. Speaker, I am pleased to have this opportunity today to join with several of my colleagues from Michigan in praise of the National Institute for Burn Medicine located in Ann Arbor, Mich.

This unique institution is engaged in an almost single-handed effort to reduce the suffering and death caused by burns. The organization's founder, Dr. Irving Feller, who has been engaged in burn treatment for most of his professional career, has launched a 10-year program to achieve a 50-percent reduction in burn deaths and 20-percent reduction in hospital admissions due to burns.

To accomplish this, Dr. Feller and the National Institute are moving in two directions—burn prevention education and improved burn treatment techniques.

At the present time, there are distressingly few hospitals in this country which can provide specialized burn care and even fewer which offer training to physicians in burn medicine.

Dr. Feller's immediate goals are to train 750 physicians in the art of burn treatment and to make available to hospitals desiring to establish burn care facilities the technical, financial, and managerial assistance they will need.

Both of these programs will, however, cost a great deal of money. In this regard, I am extremely proud of the citizens of Michigan and several constituent organizations. First, the Michigan Legislature responded to the call by declaring the month of September "Burn Prevention—Burn Treatment Month" to help focus attention on this disturbing problem. The Michigan Jaycees—14,000 strong—Michigan's 6,000 unionized fire fighters, Michigan's volunteer fire departments, the Jaycees and fire fighters' auxiliaries, and Epsilon Sigma Alpha sorority have jointly initiated a fund raising effort to raise more than $500,000 for the National Institute for Burn Medicine. Let me say at this point that I am extremely proud of these organizations for displaying the initiative they have in this worthy effort.

Of course, more money will be needed. Burn injuries are everyone's problem, not Michigan's alone and improved burn treatment and burn prevention should be everyone's goal. I am hopeful that through the efforts of Dr. Feller and his National Institute for Burn Medicine and because of the support shown by the Michigan Jaycees, the Michigan Fire Fighters, both paid and volunteer, their auxiliaries, and Epsilon Sigma Alpha sorority, awareness of the problem, recognition of the work of the national institute, and assistance in this fund-raising effort will be forthcoming from other parts of the country. Thank you, Mr. Speaker.

SOS FOR YEAR-ROUND DAYLIGHT SAVING TIME

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BINGHAM. Mr. Speaker, when the House voted to repeal daylight saving time during the months of November, December, January, and February, I argued against such hasty action because I felt it would tend to aggravate the country's energy situation.

I, therefore, noted with particular interest a recent newspaper editorial urging the Senate to reject this ill-timed amendment to the Emergency Daylight Saving Time Act of 1973, for precisely the same reasons.

I include herewith the editorial which appeared in the September 20 edition of the New York Times:

SOS FOR DST

Almost as if by stealth, Congress is in the process of repealing around-the-year Daylight Saving Time. When the plan was adopted last fall, the principal argument was that it would save electricity—and therefore fuel. The same reasoning prompted its wartime introduction in this country and in Western Europe, where several countries made it a permanent arrangement. That reasoning is not refuted by the simple fact that one can now get gasoline without waiting in line.

A slack-jawed desire to forget the energy shortage does no credit to Congressmen who only a year ago vied with each other for ways to demonstrate their deep concern. Yet an amendment to the Emergency Daylight Saving Time Act of 1973 that would exclude the four months from November to the end of February slipped through the House of Representatives a few weeks ago and is now up for consideration by the Senate.

The case for year-round Daylight Saving Time is shored up by other considerations as well—particularly the reduction in auto accidents yielded by an additional hour of daylight for weary home-bound motorists in the evening traffic rush. But essentially it rests on the saving of energy. If D.S.T. reduces the peak-hour load by 5 per cent, as Consolidated Edison has testified, that should be no small consideration for those who talk of Project Independence.

The energy crisis is intensifying, not receding. A scheme that helps even by 1 per cent should not be lightly sacrificed to the slight convenience of a small percentage of the population. Parents of young children are understandably concerned with their having to leave for school when it is still dark, but for those very few weeks the schools could surely move their schedules up an hour.

The Senate can save much more than its own time and the country's daylight by promptly rejecting this year's amendment with last year's arguments.

SPEAKING OUT BY E. GRANT TAYLOR

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FORSYTHE. Mr. Speaker, recently Mr. E. Grant Taylor, past commander of the Disabled American Veterans, sent me a copy of his newspaper column "Speaking Out." Mr. Taylor's most recent column entitled "Amnesty versus Compassion" is a moving statement of how many Americans feel about President Ford's amnesty proposal.

Although I do not completely share Mr. Taylor's viewpoint, I would like to take this opportunity to read his thoughts into the RECORD for the benefit of my colleagues:

SPEAKING OUT—A VETERAN'S VIEWPOINT . . .

(By E. Grant Taylor)

AMNESTY VERSUS COMPASSION

President Gerald R. Ford reversed his position on amnesty in favor of compassion and not revenge. Veterans deplore his choice of words because it implies draft dodgers and deserters deserve more consideration as quitters than those loyal to our country. In fact, it implies we quit them instead of the reverse. The question is not whether the Vietnam conflict was right or wrong. All wars are morally wrong. In this case, three presidents were involved and if, my memory serves me correctly the Tonkin-resolution was passed almost unanimously by Congress. Not to declare war outright was in my opinion hypocrisy. The buck passed to our presidents. This issue is based solely on loyalty and disloyalty. To defect to other nations rather than serve is inexcusable. Those who stayed as conscientious objectors to serve in other areas we must respect and admire because they are sincere.

After listening and viewing defectors in Toronto harshly criticized President Ford after his announcement to the V.F.W. National Convention, he had reversed his stand on amnesty: it is evident he put the shoe of revenge on the wrong foot. As for compassion, that is reserved for people who cannot help themselves. Not quitters!

Like those gallant boys returned to us disabled who occupy our VA hospitals. Like their orphaned children and widows and aged parent who are left distraught by their loss of an only son and/or sons. We owe quitters nothing and never will! We seek no revenge on anyone but we have no intention of pampering quitters. They made their choice to disown our country and as time will come to truly appreciate those immortal words: "Breathes there a man with soul so dead who, to himself hath said 'This is my own, my native land'!"

Watergate tore our nation apart and President Ford needs all the help he can get to bring us together and bind up the wound. Vietnam remains an open wound, too. It was healing with time and we hope it will not be reopened with ill-advised false compassion.

On the subject of compassion, if my memory serves me again, I believe the Vietnamese people asked us for our help and our presidents were not found wanting of compassion. Our quitters did not know the meaning of compassion. Unfortunately, we did not declare war and end it pronto . . . that to me was our greatest mistake. Because to commit our youth to battle lines and call it by any other name than war is outrageous. When are we going to learn double standards are destroying us? Why must we support this double standard on the question of amnesty? Our president now implies we are seeking revenge and we resent its implication. Revenge for what? We should be thankful Vietnam separated the men from the boys! We should be thankful Vietnam has taught Congress a bitter lesson of never again to shirk their responsibility about war. Vietnam as an undeclared war drained our economy and caused inflation to run away. Now, we need mandatory controls. Price, profit and wage controls are needed. We do not like them but what are the alternatives? Another double standard is not the answer.

Cut the defense budget now echoes in the ivory halls of Washington and other cuts in areas of compassion to save the economy. Keep profits, prices and wages booming . . . do not impede free enteprise. This too in my book is quitting on America for the affluent sector. Throughout our early history we never flinched from tightening our belts when the need arose. Are we too great now? Our presidents all use the same cliche, "To serve all the people". No one can serve all the people and its time we stopped kidding ourselves. We can strive to serve as many as possible. We can serve more firsts by cutting out serving seconds and thirds to the select ones among us. This means to control the servings. How long it will last will depend on all of us doing their fair share.

Look what controls did for our nation during WW II. Controls never have to be permanent. In a crisis such as we face with runaway inflation, I see no other choice except national bankruptcy. With controls we can stabilize the economy and rebuild our cities which will take care of full employment. Who the hell was out of work during WW II? Instead of our fighting a war let's fight our blighted cities. Let's show the world we are not all quitters. Let's war on crime, disease and ignorance. They are our real enemies today. Some of course will renege but hell that is to be expected. Most

of us will serve our nation with honor, pride and dignity. All we require is the chance to do so. Think about it! In the meantime let me hear from you.

Speaking Out, P.O. Box 513, Jackson, N.J. 08527

PITY THE POOR BROKER

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Washington Star-News in a recent editorial takes the President's top economic adviser, Alan Greenspan, to task for his incredible statement that "Wall Street brokers" are being hurt most by the current inflation and economic slump.

Mr. Greenspan stated that—

If you want to examine who is hurting the most in terms of percentage of lost income, it's Wall Street brokers who are hurt the most.

The twisted economic perspective of Republican economic advisers has been evident for some time—their orientation is to Big Business, corporate wealth, and the special interests.

It is difficult for them to see and understand the desperate plight of those who work for a living and whose incomes have been 100 percent diminished because they are out of work because of the high interest, tight-money policies of this administration. Greenspan's statement is a classic that will be repeated and remembered as a blunder.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial from the Star-News in the RECORD herewith.

The editorial follows:

[From the Washington Star-News, Sept. 24, 1974]

PITY THE POOR BROKER

Talk about a faux pas. That was a beaut pulled by President Ford's top economic adviser, Alan Greenspan, at one of those mini-summits on the economy being held by the administration.

Speaking to representatives of union, consumer and minority groups who were trying to help the administration find a way to keep inflation from picking America's pockets, Greenspan, chairman of the President's Council of Economic Advisers, said: "If you want to examine who is hurting the most in terms of percentage of lost income, it's Wall Street brokers who are hurt the most."

The reaction was predictable: boos and angry retorts. Which undoubtedly were matched by equally loud groans of dismay from the White House and Republican candidates battling to hold their own in the fall election.

The Republican party has been trying for years to get the public to put aside the notion that the GOP is tied to big business. It achieves some height of political folly for a Republican administration spokesman to tell a group of unionists, consumers and minority representatives to pity the poor Wall Street broker.

Ironically, at about the same time, another Ford economic adviser, Paul McCracken, was saying the administration ought to humanize its anti-inflation policies. Talking about tough policies "without regard for the problem areas and the casualties," said McCracken, "sounds to people a little like the government is telling them to eat cake."

Mr. Greenspan, meet Mr. McCracken.

DISCRIMINATION AGAINST U.S. AIR CARRIERS

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. WYMAN. Mr. Speaker, I am distressed by the fact that foreign airports are charging our carriers discriminatory sums when the carriers land there. This is outrageous. It is demonstrably unreasonable.

The difficulty is that the American taxpayer is again forced to carry the burden and this must be remedied.

I hope and trust that the agencies who are entrusted with the responsibilities of protecting American interests in this regard will see that these inequities are ended. If they do not, I believe it is a continuing responsibility of the Congress not to fund subsidies for this, but instead to deny the availability of service in terms of route certification to foreign carriers until the discrimination stops.

I intend to bring this matter to the attention of both the FAA and the CAB at the earliest opportunity and urge the reading by persons who might not be familiar with the inequities of the situation, a recent article from Airline Pilot of August 1974 showing how U.S. airlines are taken.

HOW U.S. AIRLINES ARE TAKEN

(By Danna K. Henderson)

The Australian government charges Pan American World Airways $4,200 to land a Boeing 747 at Sydney Airport. At San Francisco, Australia's Qantas Airways pays $271 for a 747 landing.

In Rome, Trans World Airlines is billed about $600 for each 747 landing (plus a 50% surcharge if the landing is at night). The Italian national carrier, Alitalia, pays nothing.

When U.S. airlines want to add airplanes to their fleets, they borrow money from commercial banks at interest rates currently in the 11%–12% neighborhood. When a foreign airline wants to buy a U.S.-built airplane, it finances the purchase at 7% through the Export-Import Bank. As a result, the U.S. airline pays about $7 million more for a wide-body jet than does the foreign airline that competes with it on its routes..

If an Italian industrialist needs to come to the U.S. on business, the Italian government requires him to fly on Alitalia. When an American businessman goes to Italy, the U.S. government places no restraints on his mode of travel. (If his destination is somewhere other than Rome, however, he may find that connecting space on Alitalia is "not available" if he crosses the Atlantic on a U.S. carrier. But the space will magically become available if he changes his transatlantic reservations to Alitalia.)

These startling facts are just a sampling of the discriminations with which U.S. flag airlines must contend as they compete for business in the world transportation marketplace. When the burdens of discrimination are coupled with traditional enormous wage disparities and the recent extraordinary escalation in fuel costs around the world, it is little wonder that the future viability of U.S. flag carriers is currently in serious question.

The gist of the problem facing the U.S. international airlines, says the Air Transport Association, is that they must vie as free enterprises against competitors that are controlled and financed by governments, and must do so in a market in which both prices and the costs of doing business are also a matter of government edict. What's more, foreign airlines have virtually unrestricted access to the U.S. passenger market, while U.S. carriers are hampered at every turn in their efforts to do business abroad.

That this nation's airlines aren't faring very well in the competitive arena is evidenced by the statistics.

In 1973, U.S. airlines exported an estimated $1 billion in air transport services to foreign countries, but the U.S. imported $1.7 billion worth of services from foreign carriers. The U.S. provided 68% of the passengers that crossed the North Atlantic, but 58% of the total passengers flew on foreign airlines. There are 57 foreign carriers providing service to and from the U.S.; only four U.S. carriers (Pan Am, TWA, Braniff and Northwest) are engaged in scheduled international service in a major way.

It is against this background that the U.S. flag carriers are currently seeking redress in Congress against the unfair and unequal competitive treatment visited upon them from two sources: foreign governments and their own government. "We have now reached the point where America's international airlines can no longer accept such unequal treatment and continue to be viable competitors carrying the United States flag around the world," says ATA.

LANDING CHARGES[1] AT SELECTED UNITED STATES AND FOREIGN AIRPORTS—BOEING 747B (200 PASSENGERS)

[In dollars]

	Landing fee	Per A/C charge	Per Pax charge	Total Pax charge	Total charges
UNITED STATES					
New York (J.F.K.)[2]	291	48.86	5.82	1,164	1,503.86
Chicago (O'Hare)	328		.40	80	408.00
Miami	118				118.00
Los Angeles	178				178.00
San Francisco	237		.17	34	271.00
Seattle	902				902.00
Honolulu	494				494.00
FOREIGN					
Amsterdam	1,036		3.27	654	1,690.00
Frankfurt[3]	1,395	177.25	1.96	392	1,964.25
London[4]	840	296.10	1.90	380	1,516.10
Paris[5]	1,180	94.94	3.54	708	1,982.94
Sydney[3]	4,200				4,200.00
Tokyo	1,215				1,215.00

[1] Landing charge defined as any charge related to movement of aircraft, passengers or cargo into or out of an airport paid by an airline.

[2] Charges estimated for processing passengers through the International Arrivals Buildings.

[3] To be increased.

[4] Plus $150 peak-movement charge.

[5] Night surcharge: $12.50.

The discriminations that disturb the carriers the most are those practiced by the U.S. government. For example:

(1) Foreign airlines spend less for the airplanes they fly than do American carriers because they are able to finance the purchase of U.S.-built aircraft through the Export-Import Bank at interest levels far below the U.S. prime rate. Over the past 17 years, Eximbank has loaned $4.2 billion to nearly 100 airlines for the purchase of 1,009 commercial jets, giving these airlines a significant cost advantage over their American competitors.

Congress is now considering legislation that would extend the Eximbank charter for another four years and increase its lending

authorization to $30 billion. The U.S. airline industry is seeking to attach to this legislation an amendment that would give U.S. carriers access to Eximbank financing for the purchase of U.S.-manufactured airplanes used primarily in international service. ATA cities as precedent for its request the maritime industry policy of providing a construction cost differential for ships built in the U.S.

"More favorable financing of foreign carrier aircraft purchases has become too much of a burden for the privately owned and financed U.S. carriers to bear," ATA told the Senate Banking Committee. "We believe that this major cost of doing business must be equalized for the U.S. flag airlines operating in competition with foreign carriers."

(2) The U.S. Postal Service pays much higher rates to foreign carriers than to U.S. airlines for the transportation of international air mail. The present rate paid to U.S. carriers is 31 cents per ton-mile, but the U.S. government, as a member of the Universal Postal Union, pays as much as $1.73 per ton-mile to foreign airlines to transport U.S. mail.

In an effort to rectify this and similar inequalities, the airline industry has rallied behind H.R. 14266, a bill "to deal with discriminatory and unfair competitive practices in international air transportation." One section of the bill would require the payment to U.S. airlines of mail rates no lower than those the Postal Service pays to foreign airlines for the transportation of the same mail.

(3) There is no legislative mandate requiring that U.S.-financed travel be accomplished on U.S. flag carriers. Most other nations, by contrast, require that their national carriers be used not only for official government travel, but for transportation required by businesses and organizations financed in whole or in part by the government. In many countries, most corporations have some measure of government control; thus, such policies mean that U.S. airlines are denied access to a large proportion of the world's business travel market.

H.R. 14266, if passed, would help this situation by requiring that U.S. government-financed movements of both people and cargo be accomplished on U.S. airlines wherever possible.

U.S. ROUTE CARRIERS ENGAGED IN FOREIGN OPERATIONS AND FOREIGN POINTS SERVED AS OF JUNE 30, 1973

Area	Countries	Points
Europe	21	39
Africa	14	14
Asia	17	22
Oceania	5	6
Western Hemisphere	32	58
Total	89	136

(4) Foreign governments spend a considerable amount of money to entice U.S. citizens to fly on foreign airlines, but U.S. airlines do not receive equal promotional assistance from the U.S. Travel Service. To remedy this problem, H.R. 14266 would require USTS to "encourage to the maximum extent feasible travel to and from the U.S. on U.S. carriers."

The second source of the discriminations suffered by U.S. flag carriers are the actions through which foreign governments extend preferential treatment to their national airlines.

The problems faced by U.S. carriers in this area are well recognized by the U.S. government. They were documented in country-by-country detail by CAB in a two-volume study published by 1973, and they are currently under study by an inter-agency task force that is engaged in a major effort to improve the financial situation of U.S. international airlines.

As ATA put it in testimony prepared for congressional hearings on H.R. 14266 and its Senate equivalent, S. 3481: "(We)" emphasize most strongly the shocking difference between the competitive conditions U.S. airlines find in many foreign countries and the complete freedom and equality of opportunity found by foreign airlines in their operations here in the United States."

CAB was even more blunt: "(Foreign) government aviation policy is designed to protect the government interest and the carrier at all costs, or without regard for cost, as the case may be."

As described by CAB and ATA, here are some of the practices with which U.S. carriers must cope abroad:

(1) Because the government-owned national carrier frequently controls both domestic and international services, it is able to deny connecting domestic space to passengers who do not enter the country via the national airline. On occasion a rebate of the domestic portion of the transportation is also granted in return for booking the international portion on the national carrier.

(2) Discriminatory taxes and fees are often imposed on U.S. airlines. For example, a country may tax the gross sales of a U.S. carrier but collect taxes only on the net income of the national airline. Or it may exempt its own carrier from customs charges. Or it may charge duty on support equipment imported by U.S. carriers but not on equipment brought in by its own airline. In some instances, countries have reduced the duties charged on imported goods if the goods are transported by the national airline.

(3) Contrary to the policy that prevails in the U.S., many countries allow their airlines to own or control such travel subsidiaries as travel agencies, tour operators and freight forwarders. Since more than half of the total business of international airlines is produced by travel agencies and similar organizations, control of the retail marketing system in a foreign country by the national carrier severely curtails the marketing opportunities of U.S. carriers. By contrast, the vast U.S. travel retailing system is available on an equal basis to U.S. and foreign airlines.

(4) Currency restrictions create financial problems for U.S. carriers in many countries. Often a U.S. airline is not allowed to accept local currency in payment for air transportation. Some countries require elaborate authorization procedures of citizens who wish to use local currency to pay U.S. airlines, but impose no such restrictions on payments to the national airline. U.S. airlines experience long bureaucratic delays in seeking to convert and remit funds they hold in the national currency.

(5) The national carrier often is given preference in air traffic control handling, assignment of terminal and gate space, baggage handling, schedule slotting and similar matters. In some countries, the national airline is provided with free services by other elements of the government.

CAB characterizes the practices indulged in by other countries as "questionable or unethical" at best and "obviously discriminatory" at worst. Where the restrictions severely curtail the competitive freedom of U.S. carriers, says CAB, efforts to counteract them should receive "high priority" in bilateral negotiations. The prime objective of the United States, adds CAB, should be "equality of opportunity for U.S. carriers to compete for the national traffic on an equal footing with the national carriers."

Although governmental policies aimed at giving national carriers an edge in the market are looked upon with disfavor by U.S. airlines and the government, they are not nearly as objectionable as are the blatantly discriminatory user charges that are found in many countries.

The airlines emphasize that they are not in any way opposed to paying a fair price for services they receive in the form of communications and navigation networks, air traffic control, and airports at which to land. What they object to is footing the bill for things they don't use, or paying excessive charges that are not related to the cost of the services rendered.

The "for instances" occupy a full volume of the CAB study of restrictive practices.

In some countries, like Italy and Greece, U.S. carriers pay healthy landing fees while the national carriers pay none. For example, U.S. airlines spent some $2 million for landing fees at Rome in 1973; Alitalia spent nothing.

To the argument that the payment of fees by a government-owned airline to a government-owned airport authority amounts merely to a transfer of funds from one pocket to another, the airlines reply that payment of such fees is carried as an expense in an airline's books and thus forms a part of the cost base for ratemaking purposes. Moreover, says ATA, "it must be assumed that the landing fee charged to the U.S. carrier is sufficient to compensate for the exemption to the national carrier." In other words, all of the airport's costs are being paid by outside users.

In other countries, like England and Australia, a different practice prevails. Here the airport authority has two mandates from the government: to operate a network of airports and to return a profit. It fulfills its obligation by establishing for its principal airport a landing fee structure high enough to balance the losses incurred at secondary landing fields.

It is for this reason that U.S. airlines pay $4,200 to land a 747 at Sydney Airport, and $1,965 for a 707 landing at Qantas, the government-owned carrier, pays the same charges to the government airport authority. Through these fees, the carriers are paying not only for the facilities and services they receive at Sydney, but for maintaining airports they do not use in places like Perth and Brisbane.

The situation is similar in Great Britain. There, the fees paid by airlines using London's Heathrow Airport are used not only to subsidize four other airports, but to provide a 14% return on investment for the British Airport Authority. This rate of return incidentally, is somewhat above the 12% rate established by CAB as desirable for U.S. airlines, and seldom if ever achieved by them.

The startling disparity in landing fees that results from such policies becomes evident in a comparison between Heathrow and New York's JFK International. At JFK, where it has its own terminal, British Airways pays $291 to land a 747, plus about $100 in aircraft-related charges such as ramp fees, for a total of $391. At Heathrow, Pan Am and TWA pay an $840 landing fee for the 747s, plus a $282 terminal air navigation facility charge, $14.10 for the use of loading bridges, and $380 in passenger service charges for 200 passengers—along with an additional $150 surcharge if the airplane arrives during peak hours. The total bill comes to $1,675.

Says CAB: "The United States basically has no quarrel with levels of landing charges set to recover costs. But it is another question when the rates are designed to subsidize other airports—not used by U.S. carriers—or to meet unrealistic rates of return on assets. It is equally a problem to us when foreign air carriers are exempt . . . from the payment of landing fees which U.S. air carriers must pay."

CAB is also alarmed at the sharply rising levels of airways and enroute charges being levied around the world in a growing move to recover the costs of these services from the people who use them. "There is nothing inherently wrong with this objective if the increases are introduced in an orderly manner and the cost recovery objective remains centered," says CAB. "The real crux of the

problem is whether the entire cost of recovery can be passed on to the carriers and users without doing harm in a wide economic context."

In an effort to combat the problem of excessive and unfairly levied user charges, the airline-backed unfair competitive practices bill proposes to give the U.S. government the authority to impose offsetting charges on foreign carriers. The amounts collected would accrue into a special account from which payments would be made to U.S. carriers "to compensate (them) for excessive or discriminatory charges paid by them to the foreign countries involved."

The airlines regard the offset charge authority primarily as an "ultimate weapon" to strengthen the U.S. position in bilateral negotiations, rather than as a revenue-producing venture. Pointing out that efforts to moderate excessive fees have not met with notable success to date, ATA contends that the authority to retaliate will give the government the clout it needs to force a more reasonable approach to user charges.

The airlines are hopeful that their efforts to improve their competitive position in the world will bear fruit this year, and that Congress will act on the unfair practices bill before it becomes embroiled in the impeachment proceedings this fall.

ATA summarizes the position of the U.S. flag carriers succinctly:

"We firmly believe it is time for the American government to be aware of these problems and to understand the necessity for equalizing the competitive balance that for years has rested in favor of the foreign competition. Our international airlines ask no more than an equal opportunity to compete."

APPEAL TO GO FORWARD WITH THE WISDOM AND DETERMINATION OF TWO CENTURIES AGO, COMBINED WITH THE KNOWLEDGE OF TODAY

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. PETTIS. Mr. Speaker, it is a privilege to be a Member of Congress during its 200th anniversary celebration. At this observance, let us hope we understand somewhat more completely today our responsibilities as a Congress, and as a Nation, than could be understood 200 years ago. Today, in contrast to 200 years back, we have an established place in international affairs, and respect throughout the free world as a pillar of democracy. Let us guard these assets closely, and use them for the benefit of mankind, and not for the benefit of a select few.

Today is an anniversary. But it is more than that—it is a reaffirmation of the beliefs so eloquently stated, by deed as well as word, two centuries past, regarding the purpose of this Nation, and the type of government it would be—of the people. Let us therefore go forward with a resolution to carry out the beliefs, needs, and wishes of today's people. Let us not be deterred by recent traumatic events in the Nation's Capital. This country was borne out of trauma, and has proven its strength and determination in the face of trauma time and again. I am confident our country will do so once more. If there is one attitude I pray has survived these two centuries of growing, it is the faith in America, by Americans, to survive and to do what is right; and the will to make America as great as this belief tells us she is.

DELTA AIRLINES TOP PILOTS TO RECEIVE $100,000—WHY SHOULD THE TAXPAYERS SUBSIDIZE AIRLINES?

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HUBER. Mr. Speaker, I was amazed to recently learn that Delta Air Lines had negotiated a settlement with its pilots enabling some of the more senior ones to earn an income of $100,000 a year. This pay is for about 12½ flying hours a week. The tragic part of all this is that the taxpayers are continually being asked to subsidize the airlines and at the same time that these Delta negotiations were going on, other lines were in Washington asking Uncle Sam to bail them out. Delta is a very profitable airline, but certainly now all the other airline pilots will want similar settlements and the money can only come from one place—you and I. In my view, the Congress should eliminate subsidies for the airlines until they show a modicum of responsibility in these days of rampant inflation. I commend the article from the Wall Street Journal of September 18, 1974 to the attention of my colleagues:

FLYING HIGH: NEW PILOT-PAY PACT AT DELTA AIR LINES HAS THE INDUSTRY AGOG

(By Todd E. Fandell)

When it comes to airline pilot salaries, many a traveler would take this position: 'Those guys should be paid anything they want: when I'm flying my life is in their hands and I want them perfectly happy."

Listening to executives of other airlines in recent weeks, one would assume that passengers subscribing to that theory and flying on Delta Air Lines should feel completely safe these days. That's because Delta and the Air Line Pilots Association, representing the line's 3,200 pilots, quietly negotiated earlier this summer a 30-month agreement that boosted annual pay rates 31%, including a 15% jump this year. Details of that pact have come to light only in recent weeks and have not been published previously.

It looks to us now like Delta gave them all the money they wanted," declares a top executive of one of the biggest U.S. airlines. "This pact has created traumatic shock waves throughout the industry, and its inflationary impact probably will spread far. Delta can afford it, but it's a big problem for all the rest of us. Every union in the industry will want similar increases and we'll be whipsawed."

The agreement not only puts wages of Delta's pilots well ahead of cockpit crew members at other airlines but also is believed to provide for the richest salaries ever negotiated by any labor union. "We consider it as having put our senior pilots in the over $100,000 income class," an ALPA spokesman says. The union obtains that figure by adding the $82,000 base salary the typical Delta Boeing 747 captain will reach under the agreement and company-paid pension and insurance benefits that average about 25% of a pilot's base salary. Delta currently has 29 pilots assigned to 747 duty.

NEW UNREST SEEN

The Delta pact has become a hot issue at nearly every other domestic airline. "We consider its terms to be superinflationary," says a spokesman for Braniff Airways, which is facing an imminent strike threat from its pilots. Interviews with numerous officials at other carriers reveal similar sentiments. With few exceptions, they predict it will lead to a new period of labor unrest in the 300,000-man industry, possible strikes, accelerated cost problems for managements and still stronger pressures for further passenger-fare hikes.

It has dropped Delta's popularity among executives at sister carriers to a new low and, in some cases, stirred feelings of anger. "I don't have any friends at Delta," one top industry executive snaps when asked if he has gotten an explanation of certain terms of the agreement from Delta. "Some of us even are suspicious of Delta's motives," says another, hinting that executives of the financially-strong carrier may be relishing the prospect of watching less-prosperous airlines wrestle with the problem of matching its pay scales.

Delta, while declining to discuss details of the agreement "because it has become a rather sensitive matter," firmly denies all the charges. "We feel it's a good, sound contract for Delta and we do not feel it's inflationary," asserts David C. Garrett, Jr., Delta president. The ALPA also defends the terms: "We don't consider the pay increases at all excessive under the circumstances," a spokesman says.

Braniff is providing the first big test for the pattern-setting potential of the Delta agreement. The complex procedures of the Railway Labor Act that govern airline negotiations have been exhausted and the airline's 1,300 pilots will be legally free to strike this Saturday. Braniff officially says it has made its pilots "an excellent offer" and "it's inconceivable to us that they would strike."

But many industry sources think a strike is likely because Braniff has taken a hard line against ALPA demands that it match the Delta pay scales. "They're far apart, and somebody's going to have to bend a lot," claims one source.

A $42,000 BASE

The Delta agreement was retroactive to last Jan. 31 and extends to July 31, 1976. It contained pay increases effective as of Jan. 31 (5.5%) and May 1 (9.5%) this year, next Jan. 1 (10.2%) and Feb. 1, 1976 (3.4%). According to the ALPA, the two boosts this year have raised the current base pay of Delta pilots—including copilots—to an average of close to $42,000 and the figure will approach an estimated $48,000 before the agreement runs out. (A Delta official calls these estimates "too high," but the carrier, like most airlines, declines to give its own figures on the ground that pilot pay computations are so complex it would be very difficult to calculate an "average" figure.)

By comparison, the ALPA says the average annual salary of all pilots it represents at 36 airlines is now $35,000. Braniff, which is being pressed to match the Delta scales, says it has been paying its pilots about $30,600 on average.

For veteran Delta pilots, the basic pay scale jumps are even more impressive: Its 747 captains, for example, now average over $71,000, up from under $62,000 last year. Their salaries will jump to nearly $79,000 in January, and by early 1976 will be close to $20,000 ahead of their pay rates at the start of this year. Captains of Delta's next largest planes—wide-bodied Lockheed L1011s and McDonnell Douglas DC10s—are now getting base pay of $60,700 and will reach $69,200 while captains of the smallest plane in its fleet, the twin-engined McDonnell Douglas DC9, are now at $47,900 and will reach $54,-

500. First and second officers (known at some airlines as copilots and flight engineers) make less, of course.

For its part, Delta says it obtained certain manning and "duty rigs" changes that will increase its pilot productivity and offset the apparent high cost of the pilot agreement. (Duty rigs are the complicated regulations under which pilots receive pay and flight-time credits toward their monthly maximum hours of work for the time spent on duty when they've not actually flying a plane.) After calculating such offsets, and taking into account the staggered application of the pay increases, the agreement will increase the airline's total pilot costs by 10% this year, 9% next year and 3% in the first seven months of 1976, says Robert Oppenlander, Delta's senior vice president for finance.

But other airline executives claim they have carefully analyzed the Delta agreement and, in the words of one, "we just can't find any of these alleged offsets." Still other concede that there may be productivity gains hidden within the contract that will help Delta but that the changes involved wouldn't be of any material value to their own systems. A Delta source says this confusion isn't surprising because it's impossible for one airline to figure how another's contract would work since every carrier has its own unique crew scheduling requirements. Also, he says, others may be overlooking a reduction of about 150 pilots that Delta expects to achieve through the new agreement in its manning requirements.

Whether or not Delta derived significant productivity benefits, there's full agreement that Delta's duty rigs already were more favorable to the company than those in other airline contracts. Delta gets about 50 actual flying hours per month from its pilots, the highest among the major airlines and significantly above the 43 hours, for example, that United Airlines, the largest U.S. carrier, is averaging.

Further, there's little question that Delta is in better position to afford the settlement than any other carrier. It earned $90.6 million in the fiscal year ended June 30, an airline industry record even though it ranks only sixth in size among the U.S. carriers. As measured by the Civil Aeronautics Board, Delta's rate of return on investment for the year was 17.5%, easily the best in the industry and well above the 7.1% average for all 11 major U.S. airlines. Delta's profitability also is far above the 12% rate of return the CAB has set as the maximum target for average industry profits.

"With those kind of profits, Delta easily can afford those salaries but we simply can't," says the personnel vice president of a major airline. "If we could approach Delta in getting rid of some of the 'make work' duty rigs we're stuck with, maybe we could afford similar pay scales. Unfortunately, our pilots have had their expectations raised by the Delta pay but won't listen to any counterproposals to match Delta's productivity rules," he claims.

Many airline officials express concern that Delta's contract will cause them problems not only with their own pilots, but with other employee groups, too. "We've always followed a policy of not treating other employees like second class citizens and have given them relatively comparable 'catch-up' wage increases in the wake of pattern-breaking agreements with the flight crews," says one executive. "I don't think we'd be in position to continue that policy now if we have to pay our pilots at the Delta rates."

Other tests of the Delta pay scales will be coming up soon after the Braniff dispute. New contract negotiations involving 12,000 pilots are underway or due to begin shortly at United, National Airlines, Northwest Airlines and Eastern Airlines. The Delta pact is expected to be the big issue in all of those talks.

Subsequent to the Delta agreement, which was reached without any strike deadline pressure (a most unusual situation for airline labor talks), negotiations have been concluded at Pan American World Airways and Trans World Airlines with the ALPA agreeing to pay increases somewhat below those it obtained at Delta. But industry sources say the Delta contract wasn't a major problem in those bases, partly because of the shaky financial situation of those two international lines and partly because details of the Delta agreement weren't yet widely known in the industry.

MICHIGAN BURNS-AWARENESS WEEK

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BROOMFIELD. Mr. Speaker, I am pleased to join my colleagues from Michigan in recognizing September as our State's Burn Prevention-Burn Treatment Month." Governor Milliken has proclaimed this week as "Michigan Burns-Awareness Week," and thousands of volunteers from civic groups will be joining together to raise more than $500,000 to help the National Institute for Burn Medicine in Ann Arbor, Mich., fight burn injuries and deaths.

Burn Prevention-Burn Treatment Month marks the beginning of a nationwide attack on the problems of burn treatment. Long one of our country's largest, but least publicized, health problems, burns injure more than 2 million Americans every year, 75,000 of them severely enough to require hospitalization. Burns kill and cripple more children in a year than polio did at its peak in 1954.

Burn treatment costs the Nation over $300 million every year in hospital and medicine costs alone. The sad part is that, according to NIBM founder, Dr. Irving Feller, few burn victims receive adequate medical attention for their burns. Fewer than 100 of the 6,000 general hospitals in the United States provide specialized burn care. In addition, only 41 of the 91 medical schools are affiliated with hospitals offering specialized burn care.

The goal of NIBM is to alleviate this dramatic shortage of burn facilities by providing technical, financial, and managerial assistance to hospitals planning burn-care units.

A program of this scope will require adequate funding, and that is why Burn Prevention-Burn Treatment Month in Michigan is so important. Over 20,000 volunteers from the Jaycees, firefighters, volunteer fire departments, the Jaycees' and firefighters' auxiliaries, and Epsilon Sigma Alpha Sorority are joining together in an effort to raise more than half a million dollars to help the Institute toward its goal. Plans call for a 10-year, $125 million campaign to resolve the serious burn problem in the United States.

I am proud that the great State of Michigan is the birthplace of this national assault on our Nation's burn problems, and I join my colleagues in paying tribute to the thousands of volunteers and workers who are trying so hard to give burn victims a fighting chance.

IN SUPPORT OF THE VETERANS' EDUCATION BILL

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROY. Mr. Speaker, I had hoped that by this time, the veterans' education bill would be signed into law and that Vietnam veterans would be receiving the benefits they rightfully deserve. Unfortunately this is not the case. Rather, the veterans' education bill is the victim of executive/legislative haggling.

There is no doubt that the World War II GI bill was one of the most important and effective pieces of social legislation Congress has ever enacted. It profoundly affected the fortunes of veterans and the post war society. It transformed the Nation's system of higher education. But these images from the past should not cloud our vision of the present. When it comes to educational benefits, Vietnam-era veterans do not fare as well as their Korean or World War II counterparts. A 1973 educational testing service study indicated that the " 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books, and supplies."

It was my hope that the veterans' education bill now before Congress would equalize the benefits offered to the veterans of past wars and to the veterans of Vietnam. I believe that the bill reported by the Conference Committee was designed toward this end. It included a 23-percent increase in educational benefits, an extension of the entitlement to benefits period of 9 months and the establishment of a new cash loan program. I supported this legislation and was disappointed that we, in the House, did not have an opportunity to cast our votes on this compromise bill. The bill we passed in its stead was less comprehensive in its provisions. This legislation did not contain the 9-month extension of benefits nor the cash loan program. I was disappointed to learn that President Ford supports an 18.2-percent increase in benefits as opposed to the 23-percent increase contained in both the conference report and the substitute bill approved by the House.

It is my hope that we will soon overcome the legislative impasse on this bill. We must act swiftly to approve a bill which provides Vietnam veterans with the benefits they deserve so that they may achieve their educational goals.

THE AMERICAN LEGION SUPPORTS HOUSE COMMITTEE ON INTERNAL SECURITY

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ICHORD. Mr. Speaker, the American Legion, which is our country's largest veterans' organization, has always been known for its dedication to the American ideal. There is no group more solicitous of the security, strength, and welfare of our Nation than the members of the American Legion.

At a time when opponents of the House Committee on Internal Security, which I chair, are endeavoring to abolish it by transferral of its jurisdiction, a resolution was adopted at the Legion's 56th Annual National Convention strongly recommending that the Committee on Internal Security be maintained as a standing committee of the House of Representatives and opposing the transfer of its function to any other committee.

It is indeed a privilege and a source of continuing encouragement to receive the valuable support of the prestigious American Legion. I am pleased to offer the Legion's resolution for inclusion in the RECORD, and I commend it to the consideration of all of my colleagues:

RESOLUTION NO. 113: AMERICAN LEGION SUPPORT OF THE HOUSE COMMITTEE ON INTERNAL SECURITY

Whereas, For many years, The American Legion has supported and commended the House Committee on Internal Security, formerly known as the House Committee on Un-American Activities, and requested that Congress appropriate sufficient funds for it to continue and expand its work in the important function of guarding the internal security of the United States; and

Whereas, While the Federal Bureau of Investigation does a splendid job, its work must be performed in a confidential manner and it does not possess a legislative mandate to provide recommendations to the Congress for legislation to strengthen law enforcement, engender respect for the law and prescribe penalties for those guilty of vicious and infamous crimes designed to destroy American lives and emasculate the Government of the United States; and

Whereas, This obligation rests solely with the Congress of the United States and is vested in the House Committee on Internal Security; and

Whereas, There is presently an effort under way in the Congress of the United States to transfer the functions of the House Committee on Internal Security to another Standing Committee of the House, which would, in effect, mean the demise of the Internal Security Committee and the important services it presently renders for the internal security of the Nation; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that The American Legion urge that the House Committee on Internal Security be maintained a Standing Committee of the House of Representatives and oppose a transfer of its functions to any other Standing Committee of the House.

RESOLUTIONS OF THE RETIRED ENLISTED ASSOCIATION, INC.

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BENNETT. Mr. Speaker, I include in the RECORD at this point, resolutions of the National Convention of Retired Enlisted Association, Inc., held at Jacksonville, Fla., in June of this year. The association has done a great deal in helping all military retired personnel in the problems which beset them. I join all of my colleagues in the hope that remedies can be found to the perplexing problems which still are with them and with us here in Congress to solve these problems. Their resolutions are very helpful in this regard.

The resolutions follow:

RESOLUTION—AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT

Whereas, The Federal Employees' Compensation Act (5 U.S.C. 8101 et seq.) provides compensation benefits to civilian employees of the United States for disability due to personal injury sustained while in the performance of duty or to employment related disease, and

Whereas, Said Act does not apply if one is receiving retired pay from the Armed Services except with forfeiture of such retired pay; yet allows persons receiving retired pay from sources other than the Armed Services to receive such benefits of the Act without forfeiture of their retired pay, and

Whereas, We consider such action discriminatory against dedicated personnel who have remained loyal members of the Armed Services until retirement requirements were fulfilled. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to act forthwith to amend said Act to provide full benefits of the Federal Employees Act for retired military personnel.

RESOLUTION—OUR MISSING IN ACTION SERVICEMEN

Whereas, An agreement was entered into by this nation and North Vietnam in January 1973 so that a determination could be made as to the whereabouts of the remains of our missing in action military and civilian personnel and/or any further information concerning those still considered missing in action, and

Whereas, no action or accounting has yet been taken to finally settle this matter and ease the mental anguish of the families left behind. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled in Jacksonville, Florida, June 22, 1974, that we request the President of the United States and the Congress of the United States to take the necessary action to insure compliance with the aforesaid agreement.

RESOLUTION—VETERANS DAY

Whereas, By Presidential decree Federal Government has set the fourth Monday of October as Veterans' Day and discontinued November 11 as Armistice Day, and

Whereas, Numerous States of these United States have changed the fourth Monday of October called Veterans' Day back to November 11 and renamed it Armistice Day, and

Whereas, By not honoring the true date of an event, the meaning for the holiday has vanished and history has lost its impact. We ask if Congressional action can change historical dates, then how can true history be written? Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we whole-heartedly endorse the changing and renaming of Veterans' Day from the fourth Monday of October to Armistice Day, November 11, and be it further

Resolved, that we request the Congress of the United States of America to act forthwith to make November 11 once again Armistice Day.

RESOLUTION—MEMORIAL DAY

Whereas, By Presidential decree Federal Government has set the last Monday of May as Memorial Day and discontinued the original date of May 30 as Memorial Day, and

Whereas, By having this day be a part of a long weekend the meaning for the holiday has been weakened and has lost its impact. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we request the Congress of the United States of America to act forthwith to make May 30 once again Memorial Day so that this day will indeed be a day set apart to honor our dead comrades.

RESOLUTION—AMEND THE DUAL COMPENSATION ACT OF 1964

Whereas, By Public Law 448, 88th Congress, effective December 1, 1964, drastic changes were made in the various laws previously on the federal statute books regulating the employment of retired military personnel in government jobs, and

Whereas, For a person to spend twenty or more years on active military service, part of which was during war time, to be told one cannot be considered a veteran at the time of a reduction-in-force in Federal Civil Service is an appalling affront to one's personal pride and loyalty to one's country. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States of America to act forthwith to amend that portion of Public Law 88-448 to reinstate veterans' retention rights during reduction-in-force in Federal Civil Service.

RESOLUTION—RECOMPUTATION OF MILITARY RETIRED PAY

Whereas, Prior to 1958 a positive system of computing military retired pay was in effect, and

Whereas, The Cost Price Index for adjusting the retiree's pay has not been equitable, and we are not asking for retroactive recomputation, but rather to adjust our retired pay to cope with today's cost of living, and

Whereas, Congress has a moral obligation to restore the system of recomputing retired pay for those dedicated retirees who entered service prior to June 1, 1958. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to pass legislation to correct the present method of computing retired military pay.

RESOLUTION—AMEND THE HATCH ACT

Whereas, One of the most sacred rights of a citizen in a democracy is that of the right to vote and, for this right to be effective, there should be the opportunity to actively support the party and/or candidate who most nearly represents the causes in which one believes, and, if one desires, to be a candidate for office, and

Whereas, There are approximately 11 million citizens who cannot contribute to the party or candidate of their choice, cannot volunteer to work in a political campaign, cannot run for public office, and

Whereas, It is ironic that the very group of citizens who execute our country's laws and administer its programs are discouraged by law from helping to choose its leadership. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to act forthwith to amend the Hatch Act to open up the political process to Federal employees.

RESOLUTION—RETAIN MEDICAL CARE IN SERVICE FACILITIES FOR RETIRED MILITARY PERSONNEL AND THEIR DEPENDENTS

Whereas, The assumption of continued medical care for the retiree and his dependents was a factor for personnel to remain on active duty until retirement, and

Whereas, Personnel were told they would have this benefit by recruiters and are still being told this fact, and

Whereas, Many retired personnel planned for their retirement years expecting to retain this benefit and to lose medical care would create a hardship. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States of America, the Secretary of Defense, and the Armed Services to act forthwith to assure continued medical care for the military retired personnel and their dependents.

100TH ANNIVERSARY OF THE FOREST AND STREAM CLUB

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BYRON. Mr. Speaker, last Saturday I was proud to attend the 100th Anniversary of the Forest and Stream Club, Inc., Westminster, Md. This club has been an institution in Carroll County, fostering a love of nature among its members by encouraging participation and fraternity in outdoor sports and activities.

Since 1874, the club has aided in the preservation of our environment through propagation and care of the wildlife in area forests and streams. Their credo has always been to protect our fragile ecology "in order that the coming generation may pursue those forms of outdoor relaxation and diversion which are the heritage of their race." To this end they have succeeded admirably, and I know you join me in wishing the Forest and Stream Club continued success in the next 100 years.

AID ADMINISTRATOR APPROVES POLICY DETERMINATION ON INTEGRATION OF WOMEN INTO NATIONAL ECONOMIES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRASER. Mr. Speaker, on September 16 the Administrator of the Agency for International Development, AID, Daniel Parker, approved the policy determination on integration of women into national economies, which appears below.

Section 113 of the Foreign Assistance Act of 1973—known as the Percy amendment—provides that—

U.S. foreign aid programs should be administered to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

The AID policy statement outlines the principles which underlie the policy and the methods by which the policy is to be implemented.

Administrator Parker and his staff should be congratulated on the forthright manner in which they have sought to implement the Percy amendment. I fully support AID's policy statement and hope that it will soon become an integral part of the Agency's program.

The statement follows:

POLICY DETERMINATION ON INTEGRATION OF WOMEN INTO NATIONAL ECONOMIES

LEGISLATIVE MANDATE

Section 113 of the Foreign Assistance Act of 1973, known as the "Percy Amendment", requires that the U.S. bilateral development assistance programs authorized in "Sections 103 to 107 of the Act, be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

The Amendment gives Congressional endorsement to the increasing concern of the development assistance community and developing countries that women participate fully in the tasks and benefits of economic growth. Sections 103 to 107 of the Act, to which the Amendment refers, calls for concentrating AID resources on critical development problems, including food and nutrition; population planning and health; education and human resource development; selected economic and social development problems; and support of the general economy of selected recipient countries and international organizations.

PRINCIPLES

1. It is AID policy to implement fully the Percy Amendment through the inclusion of a role for women in all of the Agency's programs and projects.

2. Development of programs and activities pursuant to the Percy Amendment, and in accord with the basic policy concepts stated above, will be a responsibility resting with field missions and with all offices and bureaus in AID/W. The primary emphasis will be on the integration of women as both agents and beneficiaries in the mainstream of the Agency's programming.

3. This policy rests on the following tenets:

a. Inclusion of women in development must be a conscious concern. Equity and equal opportunity are basic to the developmental process of any country.

b. Under the Percy Amendment, AID has the mandate to design programs which integrate women in the development process. This mandate affects, in varying degree, all sectors and activities within those sectors.

c. Women are a vital human resource in the improvement of the quality of life in the developing world. In the home and community and as producers of goods and services, they contribute directly to national social and economic progress. As potential child-bearers, they determine the pace of national population growth. As mothers and child-raisers, they have a direct influence upon children in their formative years and, thereby, influence the building of essential human resources for national and international development. AID's implementation of the Percy Amendment, therefore, will provide a new dimenstion to the resolution of critical problems in development. AID's approach to this implementation will:

Reveal the actual role and status of women and their contributions to development; provide the information and services that will enable women to control their fertility; assist women and girls in self-improvement programs, stressing increased attention to their practical education in order to permit choices in their contribution to and benefit from development programs; and provide for review of AID and other donor programs which affect women and seek means of helping increase the understanding of and assistance for women in all development areas.

d. The central responsibility for integrating women into national economies rests with LDC governments. While AID can play an important catalytic role in both the international arena and in countries where it has assistance programs, real progress requires host country commitment. Developing countries often have very different social, cultural, and family relationships from those of the U.S. Any intrusion into these relationships is a most delicate matter—only to be attempted with adequate knowledge and understanding of the existing manners and mores of the people. Accordingly, the role of AID should, as in other areas, conform to the collaborative style.

IMPLEMENTATION

1. The Administrator hereby directs PPC and other central and regional bureaus and field missions to institutionalize the conscious concern for women in development throughout the Agency's programing processes from concept and design through review, implementation, and final evaluation. All development assistance plans, sector analyses and assessments, preliminary and final project papers and field submissions shall contain a clear statement of how women in the developing countries will be involved in the development processes being analyzed and how the plan or proposal will use the capacities of women in the host country or benefit them. In the approval of plans and projects, strong preference (other things being equal) will be given to those which provide for effective utilization of women.

2. Bureaus and field missions will encourage international development institutions and other donors and private voluntary organizations and foundations to give specific attention to the role of women in development. Grantors, contractors, and other intermediary groups will be required to consider the role of women.

3. Bureaus and field missions will take steps to collect information which may be

used to illuminate the role, status, and contributions of women in developing countries. This involves three distinct responsibilities. First, substantial improvement is required in the collection of basic national data on the role and status of women in developing countries. Although encouraging and assisting developing countries in this major undertaking is primarily the responsibility of international organizations, AID should stress the need for improvement of such data through the international channels.

Second, better data on women are required for designing and evaluating AID projects. Where this is not available from national or international efforts, AID central or region-supported studies and data gathering may be required. For example, specific information on the activities of women in rural areas may be needed to assist in the design and implementation of a rural development strategy. Third, reasonable reporting requirements must be designed to keep AID/W informed about effective projects and general progress of integrating women in the development process by improving the utilization of and equality of opportunity for women in LDCs. This information will be shared within AID and with Congress and other organizations outside AID concerned with the implementation of the Percy Amendment.

4. On request of the LDCs, the bureaus and field missions will assist in the establishment or development of women's commissions, bureaus, and non-governmental organizations in the host countries and encourage their work as it relates to legal, economic, and social development activities which promote the integration of women in development. In furtherance of this objective, bureaus and field missions may co-sponsor conferences and working seminars and provide consultative services and leadership training.

FROM NORTH COLLINS, N.Y., A SONG ABOUT THE REAL SPIRIT OF AMERICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. KEMP. Mr. Speaker, as the time draws nearer for the observance of our Nation's Bicentennial, there is a growing awareness and appreciation among Americans of the values, visions and great strengths of our forefathers and founders.

It is being said more frequently and with a sense of deep conviction that the spirit in which we face today's challenges and opportunities "is 1776 all over again."

I personally believe the people of our country are imbued with such spirit. I believe the problems we are confronting and work to help solve are opportunities.

My conviction in this regard has been reinforced by one of my constituents, Mr. Ronald C. Myers of North Collins, N.Y., who has sent me a taped recording of high school boys and girls singing a song entitled "Bring Us Together."

The music and lyrics of this inspiring song, written by the talented Mr. Myers, have a meaning which transcends American history. They are contemporary as well as reflective of our country's past.

Mr. Myers, who is 40, is a former public schoolteacher who taught in my hometown of Hamburg and North Collins and still provides private tutoring while pursuing a career involving composing and guiding young musical groups, such as the nationally popular teenage "Osmonds" in Hollywood and the DiFranko Family whose first record has been an international success.

Sung by a choir of freshmen and sophomores of North Collins High School in my 38th Congressional District, "Bring Us Together" has been sent in tape form by Mr. Myers to President Ford at the White House.

With your permission, Mr. Speaker, I should like to share the lyrics of this composition with my distinguished colleagues in the Congress:

BRING US TOGETHER

Let our love bring us together
In the days that lie ahead,
Let our differences disappear
And let's walk hand in hand instead.

Let us learn to live together
Without bitterness and strife
That we may build a better life.

Forgetting every thing that would divide us,
Forgetting all the wrongs that have been done,
With our humanity to guide us,
Let our many peoples now be one.
Let our prayer bring us together
That God himself might lead the way
To a better, better day.

NATIONAL BUSINESSWOMEN'S WEEK—OCTOBER 13–19

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to take this opportunity, as the Nation prepares to celebrate National Businesswomen's Week, to pay tribute to the working and professional women of the United States, in particular those who live in the Fourth Congressional District of New Jersey.

In my home city of Trenton, a series of community activities will take place under the auspices of the Trenton Business and Professional Women's Club, the city of Trenton and various businesses saluting the achievements and contributions of working women. The Trenton Business and Professional Women's Club, under the leadership of its president, Ms. Eileen P. Thornton of Hamilton Township, was instrumental in organizing this observance. A leading force in New Jersey for equal pay and job opportunities for women, the Trenton Business and Professional Women's Club has been active in the drive to establish a Women's Bureau in the New Jersey Department of Labor.

As a sponsor of the Equal Pay for Equal Work Act, the equal rights amendment, and the Equal Credit Opportunity Act, I fully share the aspirations of Ms. Thornton and the Trenton Business and Professional Women's Club in trying to promote equal opportunities for women. The importance of such groups working in local communities should not be underestimated. As a legislator, I fully recognize that without their support we would not be able to pass much of the legislation which is providing the foundation for equal rights. Therefore, I believe we should recognize people like Eileen Thornton who give of themselves in worthy causes and I commend the city of Trenton for undertaking this celebration of National Businesswomen's Week.

SALUTE TO FELIX GRANT

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FAUNTROY. Mr. Speaker, Felix Grant is one of Washington's cultural assets. For the past 20 years, he has dominated evening radio in the Nation's Capital with his "Album Sound," broadcast over WMAL radio from 7:30 to midnight, Monday through Friday.

Felix is recognized by those in and out of the business as an expert on the complete spectrum of blues and jazz music which he popularized on the "Album Sound." His dedication to this "sound" and his admiration of its creators has kept this music alive all these years. He successfully weathered Elvis, the Beatles, Elton John and the Jackson Five—and won.

The format of the "Album Sound" never changes. It is blues and jazz from the traditional to the innovative. Felix's audience is vast. They love the music—and him. He even receives fan mail from loyal and ardent admirers, ages 5 to 7. These kids will grow up with Felix—and blues and jazz.

Felix Grant has received national and international honors during his long and sustained reign on radio. He was the first radio personality to be the subject if a feature story in the USIA Russian language publication Amerika.

In 1964, Felix was awarded the Order of the Southern Cross, Brazil's highest civilian award, for his role in introducing and promoting the cultural affairs of Brazil, principally its music, in the United States.

Felix led a U.S. State Department mission in 1966 to establish a cultural liaison between our capital and Brasilia. In May 1972, Felix Grant was asked by the Brazilian American Cultural Institute to conduct a lecture tour in Brazilian museums and universities on "100 Years of American Music" with an emphasis on jazz. In 1973, the American Association of University Women presented Felix with a MAM Award for his outstanding service to the community.

Felix Grant was born in New York and attended LaSalle Academy and Cathedral College there. He served 4

years in the U.S. Coast Guard and was decorated by the Navy for bravery during World War II.

Following his discharge from the service in 1945, and for the next 7½ years, Felix worked as an announcer for WWDC Radio in Washington, D.C. In 1953, he joined the staff of WMAL-AM-FM-TV as a weekend announcer. Felix inaugurated "The Album Sound" in September 1954 and has been heard in that nighttime spot ever since. For many years, the program was broadcast throughout the world via the Armed Forces Radio Network. Felix produced and narrated, for 8 years, a series of programs entitled "Jazz on the Potomac" for the U.S. Marine Corps in connection with their recruitment program. Currently, he is hosting a 1-hour monthly syndicated jazz show heard exclusively on some 50 classical music stations.

Felix is a member of the Partners of the Americas and is also active in many social and cultural endeavors in Washington, D.C. He loves to swim, is skilled in linguistics and has strong interests in Latin American affairs.

Married to the former June Deeds of Enid, Okla., Felix and his wife reside in Washington, D.C.

PRETRIAL DISPOSITION IN THE TWIN CITIES

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRENZEL. Mr. Speaker, in the last several years something new in the criminal justice system has emerged in the twin cities of Minneapolis and St. Paul. Project's DeNovo and Remand are part of a nationwide pioneering effort to establish a system of pretrial diversion. In this system individuals charged with various types of crimes are diverted from the traditional courtroom scene and offered program rehabilitation and counseling. If they successfully complete the program, they are released with a new future devoid of the criminal stain they might ordinarily have carried.

The fine record which our local agencies have been compiling is described in the September issue of the American Bar Association Journal. I recommend it to the Members' attention:

PRETRIAL DISPOSITION IN THE TWIN CITIES

(By James F. Chatfield)

In February, 1970, Chief Justice Warren E. Burger delivered his "No Man Is an Island" address at an American Bar Foundation dinner in Atlanta (56 A.B.A.J. 325). In that address, the relatively new chief justice implored the legal profession to tackle "the neglected element of criminal justice"—corrections. He urged lawyers to begin by getting the facts and visiting prisons.

Chief Justice Burger pointed out that prison inmates vary as human beings, just like law-abiding citizens on the outside. Many inmates are seriously maladjusted, he said, and "those who are not when they go in are likely to be so when they go out."

Any hope of correcting, reforming, or rehabilitating prison inmates, the chief justice continued, will call for a wide variety of educational and vocational training programs, plus intensive psychiatric therapy. Meeting these needs only in the nation's "fortress" prisons cannot be done. "There must be one kind of institution for the first offenders, another for the very young—and this is an enormous proportion—and still other institutions for yet other categories; and all of them must be staffed by trained personnel."

The chief justice's call for reform began to bear fruit in at least one metropolitan area—months later when Project DeNovo was launched in Minneapolis and two years later its twin, Project Remand, got under way in Saint Paul.

As Roland Faricy, a forty-year-old municipal judge in Saint Paul has said, "We have reached the stage in this community and throughout the nation where community involvement has to be the answer to war on crime. We have to try to lighten the load of the courts to some extent, but we must call upon the community to help make the necessary court and corrections reforms urged upon us by the chief justice."

Judge Faricy is vice chairman of the new community-action group that started Project Remand. The chairman is a thirty-four-year-old lawyer, John Wylde, and the other members of the board of directors of the project include twenty representatives from Saint Paul's police department, the Ramsey County sheriff's office, the public defender, city and county prosecutors, local corrections and political officials, church leaders, the county bar association, and the American Bar Association's Commission on Correctional Facilities and Services.

Through its board's efforts, $189,000 was obtained last September from federal, state, and local criminal justice agencies to fund a formal pretrial diversion program for the Saint Paul area.

The deferred prosecution calls for the screening of those arrested for criminal offenses within twenty-four hours to determine their eligibility for pretrial release. Initially, the project's staff will concentrate its efforts on those accused of misdemeanors—accused felons may be helped later, perhaps within six months after the wheels of the program have begun to turn.

The primary difference between the planners of Project Remand and their distinguished fellow Minnesotan, Chief Justice Burger, is that they are training, teaching, and rehabilitating the accused on the outside, drawing on the resources of 204 community service agencies, rather than on the limited, often poorly funded and equipped facilities inside jails or prisons.

AN "ALTERNATIVE TO CONVENTIONAL PROSECUTION"

"We hope that Project Remand develops as a viable alternative to conventional prosecution in certain situations," Mr. Wylde explained. "We start out on a limited scale and develop as we go. But we are not going to hesitate to take accused felons or deal with people who might be branded as incorrigibles."

He was touching on one of the most controversial aspects of formal pretrial diversion programs now operating in an estimated thirty major American cities. He added that Project Remand would pass up pretrial diversion candidates accused of narcotics offenses or crimes of violence.

The goal set for Project Remand's first year of operation will be to secure pretrial diversion services for 240 accused criminals. They will represent 100 per cent of program capacity, with each counselor's caseload amounting to twenty-one or twenty-two individuals. With prosecution deferred, diverted clients will participate for a ninety-day maximum, subject to any extension that may be agreed to by the project, defense and prosecuting attorneys, and the judge.

Agreement among these persons is the key that unlocks—or locks—the door to pretrial diversion. The answers obtained by a pretrial diversion program screener within hours of an arrest begin the progress.

As Raymond Nimmer recently wrote in an exhaustive study of the subject for the American Bar Foundation, "Diversion involves the disposition of criminal charges without a conviction. The disposition does not imply a finding of not guilty; rather it often assumes guilt. It is conditioned on the defendant's performance of specified obligations."

These obligations, according to Mr. Nimmer, can range from making good on a forged check to entering and completing a treatment program. In efforts like Project Remand, the accused returns to court after ninety days, and if project officials report favorably on their client's use of the prescribed social services and the public defender and prosecutor agree, a recommendation is made to the court that the charges be dropped.

Chairman Wylde justifies these efforts in human terms. "I would hope that, in our still-civilized society, there is an objective to striving to help people on the street, to keep them functioning, living and socially active," he says. "The alternative is putting him in prison. Is that 'functioning'?"

ECONOMY IS NOT THE ONLY BENEFIT

Pretrial diversion program advocates note that the cost of keeping an unmarried man in prison for a year ranges from four to ten thousand dollars. The average successful male participating in a pretrial diversion program costs the taxpayer between five hundred and one thousand dollars. Economy is not the only benefit: even more important are the humanitarian and public safety aspects.

In the twin cities one of the most vocal advocates of pretrial diversion is George M. Scott, who after eighteen years as Hennepin County attorney, was recently named a justice of the Minnesota Supreme Court. "I'm sold forever on pretrial diversion," he said on the day after the governor appointed him to the bench.

OPERATION DENOVO MEANS A NEW START

Justice Scott talks with obvious pride of his service as a member of the governing board of the Hennepin County Pretrial Diversion Project, popularly known as Operation DeNovo—meaning a new start.

The desire for a new start was felt by leaders of the Minneapolis business community after the rioting, burning, and looting that took place in the city's north side ghetto in 1967. Two years later a task force of the Urban Coalition of Minneapolis decided to develop a program to help the city's racial minorities, most of them poor, in their confrontations with the courts. They studied the then unique Manhattan Court Employment Project in New York City and the similar Project Crossroads in Washington, D.C. Both programs offered accelerated rehabilitation services in misdemeanor cases.

Using funds from the United States Department of Labor, these two programs ran as experiments for more than three years. Today they are full-fledged components of the court system. Additional demonstration grants under the Labor Manpower Development and Training Act were made to create similar programs in eight second round cities, one of which was Minneapolis.

The Minneapolis Urban Coalition task force moved quickly to obtain funding and line up local support from civic, political, and judicial leaders.

The coalition task force received a $474,000, eighteen-month contract late in 1970 and hired a project director in January, 1971. Project DeNovo's first diverted client came through its doors four months later. Since that time, almost a thousand individuals have been diverted to Operation DeNovo.

According to former project director William B. Henschel, the largest number of

clients are charged with petty theft—from stolen property to writing bad checks.

Since employment is a primary objective of DeNovo, signed written agreements are drawn up early in the diversion experience to provide the client with an incentive to make restitution.

The second largest category of diverted offenses is disorderly conduct. Men predominate in this category, while women offenders are most often accused of petty theft and shoplifting.

What Mr. Henschel and his screeners look for in either sex are the individuals they can help the most. These people are often unemployed, unskilled, and unschooled.

The majority are young. Their alleged offenses, Mr. Henschel believes, are the result of these deficiencies which make it impossible for them to function in a modern urban society.

Many of his clients come to Operation DeNovo completely devoid of motivation. "Their attitude of failure comes from having experienced it a good deal. A kind of unwillingness to take risks—like trying for a job—results."

Where DeNovo succeeds, according to Mr. Henschel, is in a careful matching of client and counselor. Counselors include former offenders, blacks, and what he calls "street types."

Close friendships often develop between client and counselor. If a client tries to snow his ex-convict counselor, he's soon set straight. The same can be said for the so-called street-smart types; their street-smart counselors stay smarter with constant contact in the community, often in the process of seeking job openings for their clients.

The prevailing atmosphere at DeNovo is "we're all in this together," and the mutual goal is to avoid the client's becoming enmeshed in the criminal justice system.

The courts that divert cases from the criminal justice system in Minneapolis are only two blocks away from the project's headquarters. Its offices are on the second floor above a machine shop that also houses an artist with a loft studio.

DeNovo is a busy place. All five telephone lines are constantly busy. The visitor usually can't tell the clients from the office workers, the counselors, or the court screeners.

Mr. Henschel—lawyer, social worker, and former probation and parole supervisor—says DeNovo clients are the first to recognize the importance of staying out of jail or prison. "Defendants are more aware than corrections people that the further they get into the system the more deviant they become."

About half the people that DeNovo screeners interview in court are turned down, either by the screener or by the prosecutor's staff. Most of those accepted are young, charged with their first offense, and in need of a job or job training. Two out of three clients meet their program goals successfully, and initial arrest charges are dismissed.

The fact that Operation DeNovo has lowered the conviction record of the Hennepin county attorney's office has never bothered Justice Scott. "I really don't think the responsible prosecutor even thinks of that," he said.

Justice Scott, who serves on DeNovo's governing board, says the nation's prosecutors are trying to spread the promising news about pretrial diversion through the National District Attorneys Association.

As Justice Scott sees it, pretrial diversion candidates are not "rought characters," but rather "poor slobs in trouble." The proper thing for the police, prosecutors, and judges to do, he says, is to "divert these people immediately, hold something [imprisonment] over their heads, and give them a chance of not having a record. I think it has worked well at Operation DeNovo."

He predicted that pretrial diversion "will spread like wildfire throughout this country and will be accepted everywhere." At present, he added, the concept is controversial because of the lack of public knowledge on precisely how diversion programs work.

According to Arnold J. Hopkins, assistant director of the American Bar Association's Commission on Correctional Facilities and Services, pretrial diversion is "a practice in search of a theory." The twenty or so programs now known to the commission vary widely in what they attempt to accomplish.

Some authorities herald pretrial diversion as *the* primary alternative to imprisonment. Influential groups and their leaders line up solidly behind the practice, Mr. Hopkins reports.

In Washington federal officials are moving ahead with a so-called "third round" of ten to fifteen new cities to be funded for pretrial diversion projects. This is exactly what Labor Department officials had in mind when funding the American Bar Association Corrections Commission's pretrial intervention service center. These will not be demonstration programs, according to Mr. Hopkins, but full-fledged correctional service efforts to keep people out of jail and prison and to help them function as useful, productive citizens.

COMMUNITY PARTICIPATION IS A MUST

One thing about pretrial diversion is sure: the programs will work only where there is community participation, which includes the efforts, support, and skills contributed by members of the legal profession.

What is the alternative to pretrial diversion, to corrections reform and innovation? The chief justice said it eloquently in his 1970 address:

"When a sheriff or a marshal takes a man from a courthouse in a prison van and transport him to confinement for two or three or ten years, this is our act. We have tolled the bell for him. And whether we like it or not, we have made him our collective responsibility. We are free to do something about him; he is not."

RELIEF FOR HURRICANE VICTIMS IN HONDURAS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. JONES of Tennessee. Mr. Speaker, the fine people of the twin cities of Fulton, Ky., and South Fulton, Tenn., are presently engaged in a drive to raise funds for the victims of the recent hurricane in Honduras.

Fulton-South Fulton, a rail center through which a major portion of the Nation's supply of bananas passes every year, is the site of the annual International Banana Festival. As a result of this festival, the community has developed over the years a close working relationship with many of the Central American countries, including Honduras. This relationship has included educational, cultural, and commercial exchange programs and is a model of international cooperation.

Mrs. R. Ward Bushart, president of the International Banana Festival Association, and Mr. Gary Williamson, president of the Fulton-South Fulton Chamber of Commerce, are leading the drive for funds to provide relief to the hurricane victims of Honduras. The drive will end Sunday, September 29, with a special offering at all of the churches in the community.

Mr. Speaker, my colleague Mr. STUBBLEFIELD and I feel that this gesture exemplifies the spirit of international cooperation which the world sorely needs and that the people of Fulton, Ky., and South Fulton, Tenn., are to be commended for their efforts and concern.

HUMAN RIGHTS AT THE U.N.: THE DOUBLE STANDARD

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BINGHAM. Mr. Speaker, I would like to include in the RECORD an article by our colleague Congressman DONALD M. FRASER of Minnesota, which recently appeared in the Nation magazine.

Congressman FRASER discusses one of the most difficult challenges facing the United Nations—how to prevent gross violations of human rights. Mr. FRASER draws upon his experience as an adviser to the U.S. delegation to the recent session of the U.N. Commission on Human Rights, as well as the hearings on the Commission's session which were held by the Subcommittee on International Organizations and Movements.

The article indicates that the United Nations has the authority to act upon gross violations of human rights, and that the Commission on Human Rights has the machinery necessary to implement this authority. Member states, regrettably, are often reluctant to apply these powers against other governments. The United States, which played a significant role in incorporating the human rights provisions into the U.N. Charter, should also strongly support the United Nations in its efforts to prevent human rights violations.

The article follows:

HUMAN RIGHTS AT THE U.N.

(By Representative DONALD M. FRASER)

WASHINGTON.—The United Nations Charter declares that promotion of human rights is one of the basic purposes of the world organization. But despite the noble words of the Charter, U.N. members have been notably reluctant to authorize the world body to review alleged cases of torture, massacre and acts of political repression in specific countries. Many have argued that such investigations would violate Article II of the Charter which prohibits the organization from intervening in the affairs of member states.

During its first twenty years, however, the United Nations never hesitated to speak out against violations of human rights when a majority of member states favored action. The international organization consistently opposed colonialism and apartheid in Southern Africa, as it still does today. In the early days, when the United States had a voting majority, the practice of forced labor and other rights violations in the Soviet-bloc states were frequent targets of the world body.

The U.N.'s credibility was undermined by the obvious use of political criteria to determine which violations of human rights deserved the organization's attention. Recognizing this major flaw in the United Nations' method of operation, the United States and

other delegations urged that the U.N.'s Commission on Human Rights be given the authority to investigate complaints from individuals and private groups who considered themselves victims of repression.

In 1967, the Economic and Social Council (ECOSOC) authorized the Commission on Human Rights and its Subcommission on Prevention of Discrimination and Protection of Minorities to examine complaints received from individuals and nongovernmental groups. Three years later, the council adopted detail procedures for the review of such complaints. The subcommission was authorized to receive communications dealing with alleged human rights violations and to determine which, if any, revealed a "consistent pattern of gross and reliably attested violations," requiring attention by the full commission. The Commission, in turn, would determine whether an investigation should be made and a report filed with ECOSOC. The commission, however, was not free to act unilaterally under the 1970 procedures. Any on-site investigations of alleged rights violations required the consent of the country involved.

Last year full use was made of these elaborate referral procedures for the first time. The Subcommission on Prevention of Discrimination referred eight cases of rights violations to its parent body, the Commission on Human Rights. The eight cases involved Great Britain (for allegations of torture in Northern Ireland), Brazil, Indonesia, Portugal, Iran, Tanzania, Guyana and Burundi. But the full commission, unwilling to deal with the recommendations made by its subcommission, postponed decisions on all eight cases until 1975. The governments cited were asked to reply to the charges made against them by December 7 of this year.

Under the terms of the 1967 ECOSOC policy, the full commission does not have to wait for its subcommission to lay the groundwork. It can act on its own, as it did this spring with regard to Chile. Here, the Communist states, led by the Soviet Union, were the principal initiators of the complaints against the new military government in Santiago. The Eastern-bloc countries were not alone, however. In all, twenty-nine U.N. members expressed concerns about recent events in Chile. Many nongovernmental organizations spoke on the issue, including the International Association of Democratic Lawyers, whose spokeswoman was Mrs. Salvadore Allende, widow of the late Chilean President.

Despite efforts by the government of Chile to prevent the commission from taking action, the U.N. agency agreed to send a telegram to Chilean leaders noting "with deep concern numerous reports from a wide variety of sources relating to gross and massive violations of human rights" in that country. The commission called on the Chilean regime to cease "immediately any kind of violations of human rights." And finally, the commission asked the Chilean Government to report back "as a matter of urgency about the measures taken in pursuance of this telegram."

In its reply to the commission, Chile denied any wrongdoing, acknowledging only that certain restrictions had been placed on the right to individual liberty while the country remained in a state of siege.

Recognizing that the situation in Chile has not improved, the U.N. Economic and Social Council, meeting last May, adopted a resolution endorsing the concern expressed by the Human Rights Commission and calling on the government of Chile "to take all necessary steps to restore and safeguard basic human rights and fundamental freedoms in Chile, particularly those involving a threat to human life and liberty."

The House Subcommittee on International Organizations and Movements, which I chair, has taken a special interest in the United States' role in these U.N. deliberations. Earlier this year, our subcommittee completed a series of hearings on international human rights issues. These hearings, I think, gave us a fuller understanding of how this country views the United Nations' authority to deal with human rights violations.

First of all, it is clear that neither the United States, nor most other governments, for that matter, is particularly eager to press for full use of the U.N.'s recently acquired authority in the field of international human rights. In large part, it is a matter of whose ox is being gored. Member states are quite willing to push for an investigation of those governments with which they have unfriendly relations, but everyone starts getting a little edgy when the investigation gets too close to home.

William Buffum, Assistant Secretary of State for International Organization Affairs, was candid about this point when he appeared before our subcommittee saying: "It is obviously much easier for us to attach special weight to an adverse finding of an international body when that finding relates to a country with which we do not have a particularly close relation."

When a friend and ally is involved, however, the United States shrinks from action. Northern Ireland is a case in point. Mrs. Rita Hauser, a former U.S. representative to the Human Rights Commission, told our subcommittee how she tried to persuade the State Department to speak out on rights violations in Northern Ireland by the British Government. She was told in no uncertain terms by a department policy maker that, "This involved a friendly country and we do not wish to get entangled in any way, shape or form in what is happening there. . . . We just want to stay away from it, because it would offend a long-standing ally."

Prof. Frank Newman, from the University of California Law School at Berkeley, who has represented many individual and organizational complaints before the U.N., told us that the United States has a good record in pushing for adoption of procedures aimed at strengthening human rights. But, Newman went on, when it comes to specific charges of rights violations in specific countries, "the United States is terribly sorry about all [these] cases and wishes they could have just been from Eastern Europe and that would have been much nicer."

Thus, the United States was on the spot when charges were brought against Chile, a new-found ally. In that case, the United States did not press for an investigation—an action favored by several other delegations. In response to an inquiry from our subcommittee about this country's rationale for its position on the Chilean case, the State Department told us that few delegations favored the investigation and that, in any case, the Chilean representative had made clear that his government would not accept the presence of a formal investigatory group in Chile.

During the full ESOSOC session, a proposal was put forward that the Subcommission on the Prevention of Discrimination prepare a report on the Chilean situation. Here, the United States objected, saying (in response to an inquiry from our subcommittee) that the subcommission, being an expert body, should not be used as an agency for carrying out a study with strong political overtones.

I considered this a rather weak excuse for inaction. The Chilean situation may, indeed, have strong political overtones, but that does not reduce the seriousness of the events that are occurring in that country. It seemed evident to us that the United States wanted the U.N. to deal with the Chilean case as quickly and superficially as possible.

The United States found that it had little company when the mildly worded Economic and Social Council resolution was considered by the council's subordinate body, the Social Committee. The resolution calling on Chile to "restore and safeguard basic human rights" was adopted by a vote of 41 to 0, with two abstentions, Chile and the United States were the two abstainers.

Any effectiveness the U.N. might have in these situations, however, results from the application of persistent pressure on the government concerned. Secretary Buffum acknowledged as much before our subcommittee: "Any government which is at all responsive to world opinion is obviously going to be more sensitive about its record in the human rights field, if its performance will come under continuing review.

"In many ways, I think it is fair to say that the [Human Rights] Commission's final action is still hanging over these governments as a sword of Damocles, so to speak, and this has as much or even more influence than an ill-conceived and hastily adopted resolution which the government concerned can claim was merely politically motivated."

Despite Secretary Buffum's support for the concept of U.N. oversight in the field of human rights, there is still little tangible evidence of sustained U.S. effort when we move from the abstract to the specific. The State Department has not shown that it is pressing the Human Rights Commission for a full investigation of the eight cases brought before it by the Subcommission on the Prevention of Discrimination. The United States does not appear to favor action by the commission without the consent of the government concerned. The Human Rights Commission needs to make a good-faith effort to get this consent, but when it cannot, it can still proceed with an investigation under policies laid down by the ECOSOC.

Despite these criticisms of U.S. policies at the U.N., I believe there is still hope that the priority of human rights will be raised in determining U.S. foreign policy. There is some indication, in fact, that the State Department is beginning to gear up to deal with human rights issues more effectively. The International Organizations Bureau is strengthening its staff in this area and the regional bureaus are appointing human rights officers.

The United States may be no worse than most countries when it comes to the priority it gives to human rights. In fact, it is probably better than most. But the obvious clichés about the dominance of power politics notwithstanding, I think we have a right to expect more from our government. If Congress and the American people persist, I am hopeful that this Administration will come to recognize that a foreign policy founded on human rights principles is not only morally right but practically sound.

As former Atty. Gen. Ramsey Clark said at our hearings last fall, "Human rights . . . will be the way we learn to live together on this planet at peace."

SENATORS JACKSON, JAVITS, MUSKIE, AND BAYH ANSWER GREEK STAR LETTER ON CYPRUS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the answers to five questions on Cyprus given by Senators JACKSON, JAVITS, MUSKIE, and BAYH in response to an inquiry by the Greek Star of Chicago.

The response to which I refer follows:

[From the Greek Star, Sept. 19, 1974]

JACKSON, JAVITS, MUSKIE, BAYH, ANSWER GREEK STAR LETTER ON CYPRUS

Answering a five-point questionnaire on Cyprus, addressed to them by The Greek Star recently, many U.S. Senators, Con-

gressmen and State Governors made very clear their opposition to the Turkish aggression of the Independent Republic of Cyprus.

The five questions were:

(1) Do you support the UN Resolution 353 demanding the withdrawal of all foreign troops from Cyprus?

(2) Do you support the return of all Cyprus refugees to their homes?

(3) Are you opposed to any attempt by Turkey to settle the "occupied" area of Cyprus with Turks from the mainland?

(4) Do you support a large scale program of relief for all Cypriots?

(5) Do you believe the United States should take the lead in negotiating a peaceful resolution of the Cyprus crisis which guarantees the independence and sovereignty of Cyprus, with full adherence to the UN charter, including guarantees of the minority rights?

SENATOR JACKSON

DEAR EDITOR:

Thank you very much for your recent letter and for the related material on the situation in Cyprus. I share your concern over the grave consequences of the Turkish invasion of the island. In my view, we cannot allow the future of Cyprus to be dictated by naked military force.

As you know, I have urged the Administration to stand firm in support of an independent Cyprus whose political arrangements reflect the views of the Cypriots themselves. I am enclosing two items about this important question which I hope will be of interest to you.

With good wishes,

Sincerely yours,

HENRY M. JACKSON,
U.S. Senator, (Wash.).

SENATOR MUSKIE

DEAR EDITOR:

Thank you for taking the time to contact me about your deep sense of concern over the tragic events which have occurred in Cyprus in recent weeks, and about the direction of U.S. policy during the crisis. I appreciated hearing from you.

I agree with you that our government should urge the immediate withdrawal of all foreign troops from Cyprus. The unhappy state of U.S.-Greek relations has continued to deteriorate because of the continued silence of our government on the Turkish invasion of Cyprus.

Despite the breakdown of peace negotiations in Geneva, I hope that the intervention of Secretary General Waldheim of the United Nations will help bring the disputing parties together to negotiate a lasting peace settlement.

Let me assure you that I will do what I can to encourage a more enlightened American policy on the issue, and that I will keep your our views in mind.

With best wishes, I am

Sincerely,

EDMUND S. MUSKIE,
U.S. Senator, Maine.

SENATOR JAVITS

DEAR EDITOR:

Thank you for your letter concerning the dangerous and heart-rending crisis on Cyprus. You may be sure that I understand and appreciate the profound concern that prompted you to write.

The true dimensions of the Cyprus crisis may not as yet be appreciated fully by the American people, except by the Greek-American community, which has watched fellow Greeks being killed, maimed and subjugated by naked military force while the whole world seemed to stand by immobilized.

On September 5, I introduced S. Con. Res. 115 in the Senate which condemns in clear and unmistakable terms the irresponsible and dangerously short sighted actions of Turkey on Cyprus. Turkey's efforts to impose its will be force cannot be acquiesced in by the United States or by the world community. Such actions have dangerously exacerbated tensions on Cyprus and in the Mediterranean, are completely counterproductive to any lasting settlement of the crisis and are totally out of date in these times.

The resolution I have introduced also focuses on two critical elements of a settlement of the crisis; the continued provision of emergency relief for all Cypriot refugees coupled with a comprehensive program of ecnomic assistance to rehabilitate the crippled Cypriot nation and economy; and removal of all foreign troops from Cyprus with the exception of United Nations peacekeeping forces.

To provide you with a detailed understanding of my position on the tragic crisis on Cyprus, I enclose the text of S. Con. Res. 115 and my introductory remarks.

Thank you for taking the time to write and to give me your views.

With best wishes,

Sincerely,

JACOB K. JAVITS,
Senator, New York.

SENATOR BAYH

DEAR FRIENDS:

Because you have expressed your concern about the recent events on Cyprus, I would like to take this opportunity to bring you up to date on the steps I have taken to bring about a change in the direction of American policy in this matter.

As you may know, I have joined with those calling for the withdrawal of all foreign troops from Cyprus in order to permit the Cypriot people to reach an agreement on the future of their country and personally written to Secretary of State Kissinger on this matter. I have enclosed a copy of my letter to the Secretary for your review.

Most recently, I have joined with Senators Abourezk and McGovern in offering an amendment to the Foreign Assistance Act which will suspend all aid to Turkey until an agreement is reached which is acceptable to Cyprus, Greece and Turkey. I have also co-sponsored S. Res. 397 which calls upon the President to implement the provisions of the Foreign Assistance Act and the Foreign Military Sales Act and end all military aid to Turkey. These Acts prohibit the use of American supplied defense articles for offense actions, such as the Turkish invasion of Cyprus.

By these actions I hope we will be able to display to the Turkish government our commitment to the continued existence of the independent Cypriot state, and to present to the Greek government an evenhanded policy which seeks to uphold the North Atlantic Charter principle of self-determination for all people. Only by implementing such a policy will be able to expedite a return to stability in the eastern Mediterranean and a revitalization of the NATO alliance.

You can be sure that I will be following developments in this situation very carefully in the days ahead. I appreciate your sharing your views on this difficult problem with me.

Sincerely,

BIRCH BAYH,
U.S. Senator, Indiana.

HELP FOR SIMAS KUDIRKA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HOWARD. Mr. Speaker, nearly 4 years ago now, a Soviet citizen endeavored to defect to this country by seeking asylum on a Coast Guard cutter near Boston, only to be returned to his Soviet ship and thence to exile in the Soviet Union.

Much has happened since that most unfortunate occurrence, including the declaration of Simas Kudirka's mother as an American citizen, thus conferring the same citizenship on her son. Simas Kudirka has now been released from prison in Siberia, and continues his efforts to obtain permission to leave the Soviet Union for the United States.

I am proud to say that among the greatest supporters of Simas Kudirka and his family have been Dr. and Mrs. Roland D. Paegle of Middletown Township, N.J., in the Third Congressional District.

Recently, the Asbury Park, N.J., Press ran an article about the Paegle's efforts, and their joy over the progress which has been made. Without objection, I would like to insert this article and commend it to my colleagues as a fine example of American determination and concern for those who are less fortunate in their freedoms than we. Additionally, I would like to insert a further article from the Christian Science Monitor regarding other Soviet citizens who are suffering from conditions of bondage, but who have not been so fortunate as the seaman, Simas Kudirka.

[From the Asbury Park (N.J.) Sunday Press, Sept. 15, 1974]

REJECTED SOVIET DEFECTOR MAY WIN FREEDOM SOON—COUPLE IN AREA HELPING

(By Ed Reiter)

MIDDLETOWN TOWNSHIP.—A gold-plated telephone is helping a local couple punch a hole in the Iron Curtain.

Grazina Paegle, 112 Hawthorne Rd., Locust, spends hours on that special phone each week speaking—pleading—with senators, congressmen, and State Department officials in Washington. Her message is always the same: "Help us win freedom for Simas Kudirka."

Simas Kudirka? Few people remember the name. Many, however, recall the story behind it. Kudirka is the young Lithuanian who sought asylum on a U.S. Coast Guard cutter in November 1970—only to be returned to his Soviet ship.

Much has happened to Kudirka since then, and Mrs. Paegle and her physician husband, Dr. Roland D. Paegle, have had a big hand in writing the happier chapters. Best of all, they feel sure the dramatic story will soon have a happy ending.

"We're confident the Russians will soon permit not only Simas, but also his family, to come to the United States," says Dr. Paegle a pathologist at Perth Amboy General Hospital and research consultant at Jersey City Medical Center.

As it is, Kudirka recently was granted a pardon by the Supreme Soviet and allowed to return to his mother's home in Griskabudis, Lithuania, after nearly four years imprisonment. And both he and his mother have been declared U.S. citizens.

These developments can be credited, in large measure, to the countless calls Mrs. Paegle has made on her special telephone. And the success of those calls is responsible for the telephone's gold plating.

"Back in December," Dr. Paegle recalls, "Things looked very black. Federal officials told us, 'We will not let a case like this interfere with detente.' So just to cheer up my wife, I told her 'If we ever get Kudirka's U.S. citizenship recognized, I'll buy you a gold phone.' "

Kudirka got his citizenship this summer—and Mrs. Paegle got her gold phone.

The Paegles have been working for Kudirka's freedom from the minute they learned

of his plight. They were instrumental in publicizing the story in the first place—helping to organize a protest demonstration which made it front page news after first reports went almost unnoticed.

Subsequently they fought, successfully, for new legislation protecting defectors under similar circumstances; U.S. personnel are not allowed to return defectors now and must notify the State Department immediately in all such cases.

They also helped form an organization called the Seamen's Education Federation, which, among other things, has placed spot announcements on coastal radio stations and dropped leaflets on Soviet fishing ships, assuring other political Kudirkas that such a mistake couldn't happen again. Dr. Paegle is chairman of the federation, Mrs. Paegle executive secretary.

They sought to help Kudirka directly, too, by sending parcels of food and clothing to him and his mother. His never reached him; his mother did get hers—though usually after considerable delay.

Above all, they kept applying pressure to U.S. officials who might, in turn, put pressure on the Russians—and enlisted the aid of valuable allies in Congress. They number New Jersey's two U.S. senators, Harrison Williams Jr. and Clifford Case, and Rep. James J. Howard, D-N.J., among their most helpful friends.

Their efforts—and those of other American sympathizers—began to pay off a year ago when a Paegle family friend, Dara Kezys of Queens, N.Y., located a baptismal certificate at a Catholic church in New York City, verifying that Kudirka's mother, Marija Sulskis, had been born in Brooklyn.

She hadn't lived there long; her family had moved back to its native Lithuania when she was only 6. Lithuania permitted dual citizenship, however, while the U.S. recognized only its own. And so, the sympathizers reasoned, Mrs. Sulskis must still be a U.S. citizen.

On May 17 of this year, after a barrage of letters and phone calls—many of them made by Mrs. Paegle, the State Department formally recognized Mrs. Sulskis' U.S. citizenship. On July 17, after further intense pressure, the ultimate irony was acknowledged; because of his mother's status, Kudirka himself was declared a citizen of this, the country which had turned him away.

All this is more than Kudirka and his American friends dared to hope for back in 1970, in the dark days following his aborted defection. He himself was convinced he would be executed, the Paegles report.

As it was, his captors kept him in solitary confinement for six months before bringing him to trial. When he did come to trial—for "betrayal of the motherland"—he steadfastly refused to denounce the United States, even though it was hinted this would gain him a lighter sentence. Upon his inevitable conviction, he was sentenced to 10 years imprisonment in a Siberian labor camp.

Even while in prison, he continued to speak out. In 1971, he signed a petition to the International Red Cross protesting conditions in Soviet detention camps. In 1973, he cosigned a letter supporting dissident physicist Andrei Sakharov in his fight for human rights.

At the end, he staged a hunger strike—and may, in the process have hastened his release.

"He seems to have helped force the hand of Soviet authorities to release him sooner," Mrs. Paegle says. "They didn't want a sick or dead man on their hands while delicate trade negotiations were in progress."

Kudirka was released Aug. 23 and arrived at his mother's home three days later. On Sept. 1, before U.S. officials had even confirmed his release, he spoke with Mrs. Paegle—who was using her gold-plated phone, as she frequently does, for a trans-Atlantic call to his mother.

"His tone of voice during the first part of the conversation suggested that he was reading a prepared statement," Mrs. Paegle reports.

The Paegles tape-recorded the conversation, and a transcript shows that prison failed to dampen Kudirka's fiery spirit.

"I am now as though in a dream," he told Mrs. Paegle. "Although I live in so-called freedom, I am still under a curtain. I am waiting for the hour when the curtain will finally be completely opened and we can leave."

If Kudirka and his family—his mother, wife, 14-year-old daughter, and 8-year-old son—do gain visas from the Soviet Union, they'll come to live with the Paegles.

"They'll be living here for as long as they want," Dr. Paegle says. "We're going to start reconstructing the attack this week to get ready for them."

The doctor and his wife also have two children, both sons; Tadas, 7, and Edward, 5.

The Paegles aren't related to Kudirka—nor were they acquainted before the ordeal began.

They do share common roots: Dr. Paegle was born in Latvia, his wife in Lithuania, and both came to the U.S. at early ages. Their involvement with Kudirka is based on more than that, though.

We have tremendous admiration for him," Mrs. Paegle declares, "and we've come to have great admiration for his mother, too."

"As we read about him, and as we worked in his behalf, we felt he was a most courageous and persistent man."

"At one point we called him 'The Most Unforgettable Man We Never Met.' In light of more recent events, though, another title seems more fitting: 'The American Who Never Gave Up.'"

[From the Christian Science Monitor, Aug. 22, 1974]

EX-SOVIET CITIZEN CONTRADICTS PROPAGANDA—BRUVERS TELLS OF HIS BROTHERS' CONFINEMENT BY SECRET POLICE

BOSTON.—The Soviet authorities are not amused when they hear ex-Soviet citizens like Daniels Bruvers talking to the Western press.

What he has to say squarely contradicts official Soviet propaganda about religious freedom and the social, educational, and economic equality of all peoples within the Soviet Union.

Last year Mr. Bruvers married a young woman from West Germany while she was visiting Latvia. She left for home when her tourist visa expired. Four visa applications, one 30-day hunger strike, and eight months later, Mr. Bruvers, who like the rest of his family is a devoted Baptist, was allowed to leave and join his wife in West Germany.

He told this newspaper in an interview, "My brothers are being held in solitary confinement by the KGB (Soviet secret police) for circulating a seemingly innocuous questionnaire in Riga, the capital of Soviet Latvia, about radio programming, vacation preferences, and the state of the nation."

After the brothers, Olafs and Pavils, turned in the over 100 anonymously completed questionnaires to local newspapers, they were called by the KBG and asked to reveal the identities of the respondents. They refused.

Since then, their parents have been interrogated and charged with bringing up their children in "bourgeois nationalistic and Christian ways."

Last week Mr. Bruver's brother-in-law, who is a Baptist preacher in Ayzpute, 90 miles from Riga, was summoned by the local KGB, relieved of his parish, and deprived of his license to preach.

CHURCHGOERS HARASSED

It is a crackdown on the whole family, says Mr. Bruvers. He believes his brothers may be sent to Siberia on charges of "slandering" the Soviet Union.

Latvians who, like the Bruvers family, attend church openly find life difficult, KGB officials wait outside church to jot down the names of those entering. At Christmas and Easter "it almost looks like the cheering section at a football game"—everyone from school principals and teachers to police and work foremen turn out to identify the churchgoers, Mr. Bruvers says.

For attending church regularly, a Latvian can be denied an apartment or his job. But despite these threats most Latvians remain religious, Mr. Bruvers claims.

"The old yeast still remains," he says. "And it keeps on working."

After Latvia was annexed by the Soviet Union, the Russians tried to "Sovietize" the Latvians. The Latvians call it bluntly "Russification."

It took many forms. In 1944–1945 great numbers of Latvians were deported to Siberia. Today Latvians are lured from their homes to the Far East by wage bonuses and other incentives. Siberian minorities and Russians all the while are being urged to go to Latvia to live and work.

SIGNS SCRAWLED

What do Latvians think of the Russians? Mr. Bruver's face turned a bit sterner as he answered: "Quite honestly, the Latvians despise the Russians."

Latvian children scrawl anti-Russian signs on town walls. "When I was in school," he said, "if you were really mad at a Russian schoolmate, you'd call him an 'occupant.' Of course he'd immediately shout back 'fascist!'"

Last summer's gala gathering outside Riga for the 100th-anniversary Latvian Song Festival illustrated the Latvians' supppressed contempt for anything Soviet-Russian and a corresponding love for "their homeland."

The concert began with a few Latvian choral folk melodies. Stillness hung over the 75,000 in the audience. All listened silently, reverently.

LISTENERS FIDGETY

But as soon as the chorus announced the next series of songs—Soviet ditties—the audience grew fidgety; chairs squeaked, candy wrappers crackled. A typical present-day Latvian protest.

Each person who leaves the Soviet Union has his own opinion of the Soviet regime's future. "If the present trend toward liberalization continues,"' says Mr. Bruvers, "the regime will fall from within." He doubts this will happen without some attempts to return to the days of Stalin. "But it's not possible to go all the way back now," he adds.

"If a light beams into darkness, it destroys the darkness."

Daniels Bruvers has been in the United States visiting American Latvian and Baptist organizations appealing for support for his family.

PRIVATE PENSION PLANS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. COLLINS of Texas. Mr. Speaker, recently Congress passed a pension bill with only two of us in opposition. I ask you all to be openminded and watch future developments to review this.

When I was in Texas this past weekend, I found four small companies who are already considering termination of their pension plans.

Here is a good editorial on this pension

subject that was in the September 4 issue of the Wall Street Journal.

The costs [of the law] are not so clear. There's no way of knowing the extent of the aggregate unfunded liability of all pension plans. Many of the plans that are technically fully funded may not be, owing to the state of the equity markets; assets are reported at purchase, not market value. Robert T. Knowles, vice president of Crompton & Knowles Corporation, thinks that "as a direct result of this legislation, American business will be saddled with additional debt ranging from $30 billion immediately to at least $100 billion within the next decade." The U.S. Chamber of Commerce reckons the law could increase over-all plan expenses by $3 billion to $7 billion a year.

Considering the desirability of the benefits, these are not staggering economic costs. But for a while, they may produce painful distortions in the market. . . .

There's no way of knowing, though, what effect the law will have on the financial markets. Salomon Brothers observes that five years ago pension funds had unrealized stock market gains of $18.4 billion, or 43% of the $43.1 billion cost of their equity holdings. By June 30, 1974, this had turned into an 11% equity portfolio loss totalling $9.1 billion. Given the market decline since, the loss is no doubt higher by now.

According to the new law, pensions funds have to report assets at market, rather than purchase value. They also have to pay interest and principal on the unfunded liability, which not only implies an immediate drain on corporate earnings, but future problems as well. How will the law affect the decisions of pension-fund trustees, who are as a further result of the new law held personally liable for any losses caused by breaches of responsibility? Will the funds be driven out of equities into fixed-income securities, if only to protect against personal liabilities in a declining stock market? "Client pressure" is said to be the latest buzz word among institutional money managers, who are being pressed to sell stocks and buy bonds or money market instruments.

"Trustees are faced with a dilemma. Writing in the current Harvard Business Review, Robert D. Paul notes that many pension plans assume a 2% to 2½% annual increase in the Consumer Price Index. If the future rate of inflation is 5% to 10%, investment returns of 10% to 13% will be needed to maintain costs at a level percent of payroll. "Are there such investment—sound, secure investments—that will meet the 'prudent man rule' written into the new pension legislation?" Mr. Paul believes pension-plan designs will have to be altered, both to cope with the new law and with new economic realities.

Because so many of the effects of this new legislation are unclear, but potentially great, it is at least plain that corporate management should spend a good deal more time worrying about their pension plans than they have in the past. Politicians are not affected a bit by a new pension law; they can continue to hand out pension promises and bequeath the costs to their successors. For private pension plans, the future is now.

PRODUCTIVITY ON FARMS HAS HELPED HOLD FOOD COSTS IN LINE

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. NELSEN. Mr. Speaker, at long last it appears some economists and consumer advocates are recognizing that the American farmer is not the villain in the spiral of food costs from which we have all suffered in recent months. In fact, except for the farmer's increased productivity we would be in much worse shape than we are. I would like to insert in the RECORD following my remarks an article from the business and finance section of last Sunday's New York Times which sets forth some very interesting specifics about where efficiency lies in our agricultural production and marketing system.

According to the article by William Robbins:

Shoppers have noticed that more of their money is going to farmers, but they have failed to realize that an increasing proportion of it is going to the processors and marketers that come between them and the original producer.

Those of us who represent rural areas have seen our hard-working constituents take too much heat for high food prices. But as the article indicates, only 38 cents of the market dollar goes to the farmer in spite of the fact that farmers have increased their productivity at an average annual rate of more than 5 percent.

Thus, while the food industry as a whole has not been improving its productivity at a very good rate, the actual producer of raw food is the most efficient link in the whole chain. We must do more to get this story across to consumers and so-called consumer interest groups.

The article follows:

WASTE IN MARKETING LIFTS GROCERY COSTS

(By William Robbins)

The inflationary cost of food has disrupted many a family budget, leading Americans to wonder: Does food really have to cost *that* much? Now economic analysts have an answer for harassed consumers: Maybe not.

The food industry, they say, probably has more opportunities than any other major sector of the economy to eliminate waste and inefficiency—invisible items that add up at the supermarket check-out counter.

One promising area is productivity, where the food industry in general lost ground last year. Compared with the year before, it used just as much labor to move less food from farm to consumer. And food retailing in particular, which had a scant productivity gain of 1.5 per cent in the previous three years, apparently slipped last year.

How to overcome such problems was among the challenges tackled by economists and food experts at the food conference on inflation held last week in Chicago. One of the things they discussed was a proposal that emerged from the Agriculture Department last Tuesday.

While others were cursing the darkness, a group of specialists in the agency's Agricultural Marketing Service ignited one small candle to help light the path out of food inflation. They produced a new grading plan that could lead Americans to eat leaner meat and thus save millions of bushels of costly feed grains. The plan could mean important savings for both the food industry and consumers.

The food industry as a whole took in $132 billion from United States consumers last year, and by year's end it was collecting money for food at an even faster annual pace. Since then, shoppers have noticed that more of their money is going to farmers, but they have failed to realize that an increasing proportion of it is going to the processors and marketers that come between them and the original producer.

When the housewife forks over a dollar bill at the check-out counter, only about 38 cents finds its way to the farmer. Here's what the food industry does with the remaining 62 cents: It pays about 30 cents for labor costs, 7 cents for packaging and 4½ cents for transportation. The next biggest item is corporate profits, roughly 4 cents. Then business taxes get 2½ cents, and interest and repairs combined also get 2½ cents. Advertising, depreciation and rent take 2 cents each. The 5½ cents that remain is spent on a variety of expenses, such as utilities, promotion, fuel and insurance.

Nearly all of these outlays are fertile ground for improving productivity and reducing costs, recent studies have found.

The National Commission on Productivity discovered in 1973 that increases in productivity in the food sector were below the national average. Had it not been for farmers' enormous and steady improvements in productivity, the average would have fallen to a far lower scale. Over recent decades farmers have increased their productivity at an average annual rate of more than 5 per cent. Oddly, it was at the farm level that the first step came last week toward cost-saving.

The new meat-grading plan, by reducing the amount of feeding time to fatten cattle, could save as much as 5 cents a pound for beef at current grain prices, the American National Cattlemen's Association has estimated. Others say that, by stretching out supplies, the plan could reduce grain prices and lead to still further reductions in feeding costs.

As much as farming productivity has increased, however, it offers still further scope for improvement.

The Agriculture Department has noted, for example, that the top 10 percent of producers get crop yields that are 50 percent above the national average. Experts believe that, by adopting known practices, many of the average and below-average producers could increase their productivity.

Meanwhile, agricultural researchers are developing new improvements. Among them are increased fertility of beef cattle, which would lower the required size of breeding herds as a proportion of beef produced, and improvements in plant architecture, which would increase the exposure of leaves to sunlight and thus increase their efficiency.

But the biggest opportunities for better food efficiency are in the farm-to-consumer sector, the so-called marketing margin.

Packaging, which next to labor accounts for the largest percentage of the consumer's dollar, offers perhaps the greatest chance for savings. Food-packaging costs totaled $10-billion last year. Aside from "convenience" foods (which many consumer studies have found offer little convenience and add substantially to labor costs), packaging is often quite wasteful, contributing to further waste in other operations.

American processed foods are packaged in more than 2,500 different sizes and shapes, according to several estimates, in addition to 1,400 different packages for fresh produce.

This multiplicity of packages aggravates the expenses involved in processing, storing and handling food. And it raises obstacles to automated warehouse systems that could be introduced with present technology.

"There has to be a better idea," said Grant C. Gentry, executive vice president of the Jewel Companies, Inc., summing up packaging inefficiencies in a presentation at the last annual meeting of the National Association of Food Chains.

The diversity of packages also contributes to waste in transportation, which already has inefficiencies of its own. Because of the wide variety of packages, it is nearly impossible to stack goods without wasting space. Often, movement of unevenly stacked pallets, with

boxes bulging over edges, leads to damaging of goods.

Railroad and truck transportation accounted for $6.1-billion of food costs last year, and a large part of that went for waste movement and idle time.

"Almost half of the trucks engaged in food transportation are empty at any one time," Mr. Gentry noted. Part of this waste results from Interstate Commerce Commission rules that many trucks must make backhauls (return trips) without a paying load.

Still less efficiency is found in the use of railroad cars. The National Commission on Productivity found last year that, although rail rates had increased 33 per cent since 1967, railroad cars were still moving food across the country at a slower pace than they did 20 years ago. The cars were moving only 12 per cent of the time and moving with a load only 7 per cent of the time.

"Enormous productivity gains could flow from an improved transportation system, not only from faster service but from the more efficient packaging and handling that it would make possible," the commission said.

Among the business interests that take a share of the food marketing dollar, the largest goes to the processing industry, which got $28-billion last year. Retail food stores received the second largest share, nearly $24-billion. Restaurants and similar institutions took the third largest portion, $18.9-billion.

Some segments of the family's budget cut across all these areas. Meats, which account for more than $3 out of every $10 spent at the grocery store, offer many opportunities for cost savings, according to a recent study by a special task force of the Agriculture Department.

One saving could be achieved by increasing shipments of boxed beef after carcasses are broken down into primary sections, allowing efficiencies through manpower savings with assembly-line cutting and use of trimmed bone and fat for by-products, plus additional savings in transportation.

More savings could be gained by the further reduction of beef at central cutting points to the final retail cuts, the task force said, and still more savings through marketing of frozen beef, which could eliminate much of the spoilage now paid for ultimately by consumers.

"Of the meat we transport, 27 per cent is bone and waste—that is, garbage," Mr. Gentry of the Jewel Companies had said in his presentation.

Other studies have shown that producer savings could be achieved by marketing bulls instead of steers because bulls grow faster and make more efficient use of feeds. Young bulls are only slightly less palatable than steers, food experts say.

Meanwhile, processor savings have been made possible through studies resulting in greater control over the arrival of animals at slaughtering plants, allowing better planning and use of labor and facilities.

But perhaps some of the greatest savings, at least in the labor segment of the food marketing dollar, are available in the stores, retail analysts say. One reason is that each individual item a shopper buys must be handled at least twice—once when it is marketed and stacked on the shelves and again at the check-out counter.

A development of some promise is experimenting now under way in the automatic coding of retail goods for electronic, hands-off check-outs before the shopper pays for the groceries.

Perhaps a long-range dividend of the current inflation will come from the increased urgency brought now to the examination of these and other means of increasing productivity and elimination of waste.

APPEALS COURT RECOGNIZES RIGHT OF DRIVERS TO REFUSE TO OPERATE UNSAFE VEHICLES

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, for the last several years I have sponsored many bills on motor carrier safety. In one of my bills, H.R. 6180, there is a provision which protects employees from discrimination against them by their companies if they should refuse to drive an unsafe vehicle on our Nation's highways.

Recently, PROD, the Professional Drivers Council for Safety and Health, brought a lawsuit for two of its members who were discharged by their employer companies because they refused to drive unsafe vehicles that violated State safety laws.

The employees union grievance committee and the National Labor Relations Board approved the employees discharge holding that such discharge was proper within the contract agreement between the union members and the company.

The U.S. Court of Appeals for the District of Columbia Circuit has recently ruled that:

> No contract provision or arbitration award can permit an employer to require his employees to violate state laws or to create safety hazards to themselves or others.

The court further held that such contracts must be congruent with the resolution of statutory unfair labor practice issues.

This decision of the court of appeals is very logical. Yet, frequently I receive letters from professional drivers indicating to me that their companies force them to choose between risking their life or their job.

Recently, the department of transportation, in a published statistic stated that 41 percent of the common carrier vehicles inspected by them during roadside spot checks in 1972 were found to be mechanically unfit and imminently hazardous. The court's decision also upheld the right of all workers to refuse to work in circumstances which might "reasonably be considered abnormally dangerous."

It is time, Mr. Speaker, that we concern ourselves with the safety of the men and women who are responsible for driving these unsafe vehicles. We must give them statutory protection from discrimination when they refuse to take such vehicles on the road. They are protecting us as well as themselves. H.R. 6180 is the protection that the entire public needs in order to protect us from unsafe common carriers that are forced onto our highways by certain companies with no concern for the public's safety.

Therefore, Mr. Speaker, I invite your concern for H.R. 6180 and I also draw your attention to a summary of the court of appeals decision which was published by the Bureau of National Affairs, Inc. of Washington, D.C., in their August 16, 1974, issue of "Daily Labor Report, Current Developments Section," pages A-16 to A-18.

APPEALS COURT TELLS NLRB TO DECIDE MERITS OF DISCHARGES IN SAFETY CASES

The U.S. Court of Appeals for the District of Columbia remands two NLRB decisions involving two truck drivers who were discharged for refusing to drive what they thought were unsafe trucks because it says the Board erroneously applied the *Spielberg* and *Collyer* doctrines in dismissing the drivers' unfair labor practice charges in deference to arbitration awards. The Board is instructed to rule on the merits of the complaints.

The thrust of the opinion by Judge Wilkey, joined by Judge Wright and in part by Judge MacKinnon, is a clarification of these doctrines. "Our acceptance of those doctrines was and is founded upon the premise that they are appropriately applied only where the resolution of the contractual issues is congruent with the resolution of the statutory unfair labor practice issues," the court holds. Judge MacKinnon concurs in the majority opinion in *Ferguson*, and concurs in the result in the other case, *Banyard*.

In both cases, the drivers, Ferguson and Banyard, members of the Teamsters, refused to drive trucks which they thought were dangerous and were fired. Banyard was fired on October 7, 1969 for refusing to drive an admittedly overloaded truck in violation of Ohio state law. The contract between the Teamsters and his former company, the McLean Truck Company, provided in Article 16 that employees would not be required to violate any applicable statute or a governmental regulation relating to safety.

Banyard filed a charge with the NLRB on January 2, 1970 alleging violation of Sections 8(a)(1) and (3) of the Taft-Hartley Act. A trial examiner concluded on July 23, 1970 that since grievance proceedings were underway, there was no award for the Board to recognize, but he concluded that the discharge was a violation of those sections. The Board reached no decision until after the union's claim was denied at the final stage of the grievance procedure, and on March 23, 1973, dismissed the unfair labor complaint, deferring to the *Spielberg* doctrine.

In *Spielberg*, the Board established its policy of dismissing unfair labor practice complaints where the issues involved had been previously resolved by arbitration award. The court explains that under *Collyer*, "the Board will withhold its processes until the parties first submit to those processes upon which they have privately agreed. If, after the Board has withheld under *Collyer*, the unfair labor practice issues are resolved by the arbitral tribunal, the Board will apply Spielberg and defer to the arbitral award."

In the second case, Ferguson, a driver for Roadway Express, Inc., pulled his truck over because he thought it had defective suspension and a dangerous shimmy. He hailed another driver and asked him to drive the truck to check for possible defects. The court quotes the second driver as telling the trial examiner: "Well, it scared me. I thought maybe it was going to break in two. . . . I didn't see how that I could drive the truck because I thought it was unsafe." A truck stop mechanic also said the truck was unsafe. However, Roadway sent a safety supervisor and a mechanic to check the truck and they indicated that it was safe to drive. Ferguson still refused to drive it. At his request, a state safety inspector inspected the vehicle and stated he "could find nothing visibly wrong with it." When Ferguson then refused to

be responsible for the unit," he was discharged.

Concerning the Banyard case, the court says it agrees with the following conclusion of the trial examiner (now administrative law judge):

"In the instant case, it is patent that the issue raised by the allegations of the complaint, namely, whether Banyard has been discharged by respondent because of his concerted or union activity, is not one which falls within the special competence of an arbitrator, but is primarily one for resolution under the provision of the Act which the Board has been mandated by Congress to enforce."

The court points out that the award by the joint Teamsters-McLean Trucking Company grievance committee in the Banyard grievance, to which the Board deferred, only states, in its entirety:

"Please be advised that the National Grievance Committee on December 2, 1971, adopted a motion that based on the transcript, the claim of the union be denied."

The court says the Board should not have deferred this case because "the arbitral award below grants the company a license to violate state law." The opinion says:

"Regardless of the purpose of the Ohio statute, it remains axiomatic that it was still the law; for this or any other company to require its employees to act in violation thereof can never be upheld by the Board or this court. We concur in the dissenting Board members' perception of the dispositive issue in this case, viz, 'No contract provision or arbitration award can permit an employer to require his employees to violate state laws or to create safety hazards for themselves or others.' Left standing, the arbitral award below grants the company a license to violate state law and as such is void as against public policy and repugnant to the purposes of the National Labor Relations Act.

"Congress recognized that neither employers, employees, nor labor organizations have 'any right in [their] relations with each other to engage in acts or practices which jeopardize the public health, safety, or interest.' Whether Banyard's discharge was violative of section 8(a)(1) of the Act was the proper issue for the Board's consideration, and this in turn necessarily embraced the admitted violations of Ohio law and their repugnance to public policy and the purposes of the Act."

The court points out that in *Local Union 715 v. NLRB*, it held that the Board should only defer to arbitration awards where three prerequisites established in the *Spielberg* opinion are met: (1) fair and regular arbitral proceedings, (2) parties agree to be bound by the arbitral award, and (3) a decision which is "not clearly repugnant to the purposes and policies of the National Labor Relations Act." To these prerequisites, the court adds that the *Spielberg* doctrine only applies if the arbitral tribunal (4) clearly decided the issue on which it is later urged that the Board should give deference, and (5) the arbitral tribunal decided an issue within its competence, and (6) the arbitral tribunal's award appears repugnant to the statute.

In the *Ferguson* case, the driver contended that his refusal to drive was a protest against "abnormally dangerous" working conditions protected under Section 502 of the Act and a protest on behalf of other employees against the unsafe condition of the truck and to secure its repair. He argued that such protest is protected under Section 7 of the Act, which gives employees "the right to engage in concerted activities for the purpose of mutual aid or protection."

The Board argued that its deferral under *Spielberg* was proper because the statutory question—whether in all the circumstances Ferguson was justified in refusing to operate the tractor because of unsafe operating conditions—"was squarely faced by the Joint [Grievance] Committee since Article 16 of the contract prohibited discharging Ferguson unless his refusal to drive based on safety factors 'is unjustified.'"

The court takes this issue with the Board on this point, saying:

"... the Board's characterization of the contract and statutory issues as identical does not make them so, and our decisions make it clear that deferral on statutory issues is proper only where there is congruence with contractual issues." In explaining further why it remands the two cases to the Board, the court states:

"Our reluctance in the case sub judice to sanction the Board's deferral to the Joint Committee award stems from our uncertainty over whether the standard applied by the Joint Committee to the contractual issue before it is the correct standard to be applied to the statutory issue before the Board. Our concern is that the Joint Committee applied a 'safe-in-fact' standard and thereby found that Ferguson was not contractually justified in refusing to drive the tractor. Under the more liberal Gateway Coal standard the Board might have concluded that Ferguson's belief that the tractor was unsafe was amply supported by 'ascertainable, objective evidence.'

"Our approval of the Board's deferral under *Spielberg* of statutory issues to arbitral resolution along with contractual issues is conditioned upon the resolution by the arbitral tribunal of *congruent* statutory and contractual issues. In that situation 'the arbitration award becomes the sole remedy for both contractual and statutory violations.' If in the present case the Joint Committee applied to the issue before it a standard correct under the contract but not under judicial interpretation of section 502, then it cannot be said that the statutory issue was decided by the Joint Committee. In that event the Board's abstention goes beyond deferral and approaches abdication."

As in the *Banyard* case, the court says the award of the grievance in the *Ferguson* case was "exceedingly brief." After merely summarizing the company's and the union's positions, the award states in its entirety: "Claim of union denied."

Addressed the effect of the abbreviated award, the court says:

"The trial examiner, whose findings were adopted by the Board in this case, stated that the 'Committee in reaching its conclusion to deny the grievance had to conclude that Ferguson's refusal to drive the vehicle was unjustified.' Yet the failure of the Committee to amplify its decision forced the trial examiner to speculate by what standard the refusal was 'unjustified.' Neither the examiner, the Board, nor we are entitled to engage in such speculation."

The court concludes:

"Accordingly, these petitions are remanded with instructions that deferral not being appropriate, the Board should proceed to a consideration of the unfair labor practice issues in a manner not inconsistent with this opinon."

The two suits were brought by the Professional Drivers Council (PROD). According to PROD Executive Director Arthur Fox, "the teamsters union universally fails to enforce the National Master Freight Contract's prohibition against requiring drivers to perform dangerous work. As a result, the nation's over-the-road truck drivers are left at the mercy of their employers who frequently present them with the choice of risking their lives or losing their jobs."

In Fox's view, the court's decision "upholds the right of all workers to refuse to work in circumstances which might reasonably be considered abnormally dangerous." He adds that the Department of Transportation recently said that 41 percent of the common carrier vehicles inspected during roadside spot-checks in 1972 were found to be "mechanically unfit and imminently hazardous."

THE FOOD OF THE FUTURE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. SEIBERLING. Mr. Speaker, this week has been proclaimed a Week of Concern about the world food crisis by the World Hunger Action Coalition. As the author of the Food Research and Development Act of 1974, I have been inserting a series of articles in the RECORD in recognition of the Week of Concern to bring public awareness to the many new food techniques which, if developed, could wipe hunger off the face of the Earth.

Today I am inserting an article from the Los Angeles Times on research being done with an amazing microscopic plant which yields over 15,000 times as much protein per acre as wheat, produces a new crop every 4 days, and has a higher protein value than milk, beef, or soybeans. All this tiny plant needs in order to grow is sunlight, a small amount of water and carbon dioxide, and a special mineral fertilizer.

With no end to the spreading shortage of food in sight, the development of economical, abundant, and nutritious new foods like this is essential to avert worldwide famine. The article from the Los Angeles Times giving further details follows:

SCIENTISTS CULTIVATE, STUDY "FOOD OF FUTURE"

(By David F. Belnap)

"The limits to growth on this planet will be reached sometime within the next one hundred years." (From a report for the Club of Rome's Project on the Predicament of Mankind.)

LIMA, PERU.—On the sunny Pacific slopes north of this capital, Peruvian and West German scientists are busy with a project that will help feed a hungry world when the day comes that conventional agriculture can no longer do the job, even for the affluent.

As the world's population booms and available new agricultural land shrinks in proportion, futurologists predict that day may come in as few as 70 years.

"The 'green revolution,' encouraging as it is, nevertheless shows that traditional agriculture won't solve the food problem of the future," according to Rainer Gross, West German nutritionist working on the Peru project.

The undertaking here is far from traditional. Essentially, it converts sunlight, a minimum of water, and a tiny fresh-water plant into a "flour" that nourishes human beings with vitamins, minerals, fatty acids and, above all, protein, the basic element of all healthy human nutrition.

The plant is a microalga with the scientific name of Scenedesmus. Sown in shallow plastic basins of water, it is cultivated with

abundant sunshine, measured doses of carbon dioxide and a special mineral fertilizer. It produces a crop every four days.

A centrifuge harvests the crop, recycling the water back into the growing basins. Dried, the microscopic plant becomes a powdery, leaf-colored "flour" with the faint scent and flavor of fresh salad greens.

Except in appearance and consistency, however, it's not really a flour at all. It neither thickens nor binds when combined with other foods, whose colors and flavors it easily assumes; and it boosts the nutritive value.

"The traditional food with the highest protein value is the egg, followed by milk, beef and soya," Gross said. "Scenedesmus ranks between eggs and milk. By adding it to milk, we can give the latter a higher protein value than eggs."

West Germany has conducted research on cultivation of Scenedesmus for human nutrition for more than two decades with excellent results. Among the most dramatic of these proved to be its high yield of protein compared to traditional foodstuffs.

Studies at a Dortmund experimental station show that one acre devoted to producing Scenedesmus "flour" can yield 21,900% more protein in a year than the same area assigned to milk production, 15,900% more protein than an acre planted with wheat and 4,400% more protein than an acre of soybeans.

"Production of new foodstuffs must take into account other considerations, notably ecology," Gross told a reporter recently. "With Scenedesmus, little water is needed to produce a ton of protein, and contamination is almost nonexistent."

The Peruvian project, a cooperative effort of the governments of Peru and West Germany, began two years ago. Scientists of both countries studied the possible nutritional worth of the "flour" in this nation where 60% of all children are born undernourished and where protein deficiency averages 15% in the population as a whole.

They built a pilot plant to produce the "flour" for experimental purposes, and researchers investigated the economic feasibility of the product and the public's reaction to it.

Health ministry technicians served 8,000 meals featuring Scenedesmus-fortified dishes. Peru's Institute of Nutrition prepared a cookbook. The recipes use the green "flour" in everything from minestrone soup to chocolate pudding.

So far, research shows Scenedesmus can be cultivated economically on a commercial scale here and that there will be acceptance by the pubic.

Gross reported "very good results" with Scenedesmus in correcting deficiencies of badly nourished Peruvian children and emphasized that the "flour" has important implications for the overfed as well as the underfed.

"Because of its high protein, vitamin and mineral worth and its low caloric content, Scenedesmus can form the basis of a healthy reducing diet," Gross declared.

As conceived here at present, the "flour" would be marketed as a "fortifying addition to food, to raise its nutritive value, but not as a separate product by itself," according to Gross. "Different food-stuffs, enriched with Scenedesmus, would be produced for different socio-economic classes."

The possibilities are almost unlimited, Gross said. They range from "baby foods for infants to cookies for preschool children to green noodles for pasta lovers to protein drinks for weight watchers."

CIA INVOLVEMENT IN INTERNAL AFFAIRS OF OTHER NATIONS QUESTIONED

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessean in Nashville in a recent editorial questions the involvement of the Central Intelligence Agency in the internal affairs of other nations.

The editorial specifically refers to testimony of CIA Director William Colby before a House subcommittee to the effect that the CIA was actively involved in the agitation in Chile against President Allende prior to his overthrow and death.

This testimony included the statement that the CIA authorized $500,000 to aid the political opposition to President Allende, $300,000 to bribe Chilean legislators to vote against the late President, and millions of dollars for destabilization of the government.

Hopefully these policies of covert activities related to the internal affairs of other nations will be reversed and a new set of principles adopted for the operation of the CIA with much tighter reins on covert action.

Because of the interest of my colleagues and the American people in this matter, I place the editorial in the RECORD herewith.

The editorial follows:

UNITED STATES NEEDS TO REASSESS COVERT ACTIVITIES ABROAD

Disclosures that the Central Intelligence Agency authorized millions of dollars for covert activities in Chile are bad enough, but President Ford's public defense of this Nixon administration policy is astounding.

While President Ford denied there was any involvement by the U.S. in the coup against Chilean President Allende, he said there was an effort by the CIA to prop up opposition news media and political parties during the Allende regime, and he deemed this in the best interests of the Chilean people and the U.S.

That view has also been supported by Secretary of State Henry Kissinger who told the Senate Foreign Relations Committee covert activities were intended to prevent establishment of a one-party government by a minority president.

It is difficult to see why Mr. Ford hasn't disassociated himself from this policy, unless the reason is that he doesn't want to undercut Secretary Kissinger, who headed an interagency panel which decided on the policy against the Allende government.

In testimony before a House subcommittee, CIA Director William Colby has reportedly said that his agency authorized $500,000 to aid the political opposition to President Allende; $300,000 to bribe Chilean legislators to vote against him, and millions of dollars later for destabilization of the government.

This apparently included secret financing of labor unions and trade groups in Chile in support of striking anti-Allende workers.

Such revelations are in conflict with earlier testimony of Mr. Richard Helms, former CIA director, and three retired Nixon administration officials during the publicized hearings on the role of the International Telephone and Telegraph Company in the domestic affairs of Chile.

Testimony at the time was that the U.S. was not involved in any way; that it bought no votes, pressured no one or promoted any trouble.

The discrepancies between that testimony and the disclosures have renewed the interest of the Congress in the testimony as well as in the way the CIA operates. And well it should.

Obviously the so-called CIA "oversight" committees of Congress either went along with what was happening in Chile or didn't know about the CIA activities. Either way, they were the watchdogs that didn't bark, and that seems to be giving the Congress pause.

At his news conference last week, Mr. Ford justified the interference in Chile and, for that matter, elsewhere, on grounds that Communist regimes also do this and spend a lot more money on similar activities.

Well, Communist regimes do a great many things that this country in no way wants to imitate. It is no justification at all to say that whatever the Communists do, the U.S. should feel free to do.

It has long been a public-stated principle of this nation that other countries ought to have the right to choose freely the kind of government it wants. This nation fought a long and expensive war in Vietnam while arguing this.

The U.S. may not have liked Mr. Allende, and he may have been a minority president, but he was elected to office under constitutional processes and in fact could claim his office and election with more basis of fact than President Thieu of South Vietnam.

The fall-out of the Chilean intervention is the fact it will increase the fears of many other nations in the world that Washington interferes routinely in the domestic affairs of any country whose leadership it doesn't like.

The CIA is frequently blamed around the world when things go wrong, however blameless it may be. But the tendency to see the CIA under every rock in every land is now going to take a quantum jump.

President Ford and congressional leaders have been discussing the role of the CIA. And hopefully the end result will be a new set of principles for its operations and a much tighter rein on its covert activities.

THE PANAMA CANAL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FORSYTHE. Mr. Speaker, in recent weeks, a great deal of controversy has been generated by Secretary of State Kissinger's proposal to renegotiate the 1903 Panama Canal Treaty. As a member of the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee, this issue has been a matter of deep interest to me. For this reason, I would like to share with my colleagues a recent speech by Mr. Morton C. Steinberg which thoroughly examines the questions raised by the proposed Treaty renegotiation.

Mr. Steinberg, who served as the Navy representative on the Panama Canal Treaty Commission, has carefully examined the history of the canal and has prepared an incisive analysis of its future.

The speech follows:

PANAMA, THE VULNERABLE SOFT UNDERBELLY TO UNITED STATES AND WESTERN HEMISPHERIC SECURITY

(By Morton C. Steinberg)

The United States has had Lend-Lease, Marshall Plan, Berlin Airlift, Foreign Aid, Korea, Tonkin Resolution, Viet Nam, Nato, Seato, Cento, Anzuk and Detente. Let us now turn our long over-due attention to the Western Hemisphere, and commence at the "Crossroads of the World"—the center of this hemisphere—the Republic of Panama.

Ten years after the United States Senate ratified the 1903 Treaty with the Republic of Panama, the Panama Canal was opened. Notwithstanding political quarrels within Congress during the building of the canal, President Theodore Roosevelt stated, "I now propose to put it in charge of men who will stay on the job until I get tired of keeping them or until I say they may abandon it. I shall turn it over to our army."

It is worth noting that in spite of colossal expenditures in the construction of the Canal, there were never charges of graft which has been evidenced in numerous other American public-work programs supervised by civilians. The building of the canal by army engineers proved that the organization of the army and the education of its officers is as important in peace as in war.

To know the Isthmus of Panama, it is necessary to become acquainted with two distinct places: (1) The Republic of Panama, and (2) the Panama Canal Zone. The zone is a strip of territory *leased* to the United States by the Republic of Panama for the purposes of the construction, maintenance, operation, and defense of the Panama Canal. It stretches for five miles on either side of the Canal, and bisects the Republic into two roughly-equal sections. The canal zone is under the jurisdiction, not the sovereignty, of the United States. The Republic of Panama is a completely independent nation.

Early this year Secretary of State Henry A. Kissinger, in initiating and signing the eight fundamental principles to guide negotiations in an effort to conclude an entirely new and equitable inter-oceanic treaty which would eliminate the causes of conflict between the United States and the Republic of Panama, stated that "it is the first step toward a new era in inter-American affairs."

May I briefly explain my past participation and my continued interest in the matter of a new treaty. From 1945 to 1948, I was the District Legal Officer for the 15th Naval District, headquarters in the Panama Canal Zone, and I served as the Navy representative on the Treaty Commission, authorized by Congress in 1945, (1) to prepare the defense site agreement with the Republic of Panama; (2) to submit a proposed revision of the 1903 Treaty; and (3) to submit plans for the construction of a new sea-level canal through the Isthmus. Upon completion of the draft agreement, the Republic of Panama conferred upon me their highest decoration given to any foreign citizen, the Orden de Vasco Nunez de Balboa, in Knight Commander Grade.

I am also admitted to practice law in the Canal Zone with reciprocal rights in the Republic of Panama. Upon my return to civilian status I had the honor of being appointed Honorary Consul for the Republic of Panama in New Jersey, which appointment necessitated consent of the United States President, the Secretary of the Navy and the Secretary of State.

CONGRESSIONAL INACTION

Our "Good Neighbor Policy", initiated by President Franklin D. Roosevelt in 1938, was at its highest level immediately after World War II. Lyndon B. Johnson was a Congressman in 1938, and he served on a congressional committee which recommended the building of the sea-level canal and the revision of the Treaty. Nothing was accomplished. In 1947, President Harry S. Truman sent a report to Congress, which urged ratification of the canal through a sea-level route and the revision of the Treaty. Debate ensued in Congress, and again nothing was accomplished. During the second Eisenhower administration the canal project was revived, but again nothing was accomplished. During the Kennedy administration recommendation was made for a sea-level canal and the revision of the Treaty, and again nothing was accomplished. Also during the first Nixon administration a similar recommendation for revision of the Treaty was made to Congress, and again nothing was accomplished.

The four main considerations that were and are vital to United States interest will now again become priority issues facing the administration and Congress this year: (1) the sea-level canal, (2) Panama sovereignty, (3) jurisdiction of the canal, and (4) higher rental payments.

EXTREMISTS IN BOTH COUNTRIES DEFEAT ACCORD

Now is the time we urgently need to restore our "Good Neighbor Policy"; especially in view of the energy crisis which has become a vital concern to the United States. The State Department and Congress must of necessity now negotiate in good faith, fair dealing, and friendly cooperation with mutual respect in order to regain the confidence and good will not only of Panama but of all other Central American, Caribbean and South American countries. We must abandon our paternalistic dollar diplomacy. The vital outcome of an equitable new treaty with Panama now under negotiation would be evidence to all the western hemispheric countries that we are at long last dealing in good faith. Let us hope that there will not be a repetition of emotionalism and political demagoguery to upset the attempt to achieve a new treaty.

Panama severed diplomatic relations during the crucial period when President Johnson of the United States and President Robles of the Republic of Panama worked for ratification of a new treaty. At that time former President Dwight D. Eisenhower heralded the announcement as "hope for a new era of harmony with Panama", but Senator Strom Thurmond of South Carolina, and Representatives Gross of Iowa and Flood of Pennsylvania, expressed outrage in the United States readiness to acknowledge Panama's sovereignty and called the agreement "President Johnson's Folly." The powerful Panama Canal Company and Zonite Lobbyists are again at work in the Congress, interested only in perpetuating their dynasty from generation to generation.

The dispute between the Republic of Panama and the United States is older than the canal itself, going back to 1902 when Congress authorized President Theodore Roosevelt to acquire the Canal Zone in "perpetuity." Panama has much at stake besides pride; the canal represents her economic life blood. However, she lacks the skill, money, and military forces required to operate, to improve, to rebuild and to protect the Canal. The United States also has much at stake in terms of economics, security and the opportunity to try to convince the world that it is not an imperialistic power.

Since World War II more than 80% of the ships passing through the canal were and are of foreign registry, but because the ships' tariff has not been increased to meet the rising costs of operation, the American taxpayer is carrying the additional heavy load.

The construction of a new sea-level canal would be a broad open waterway, free of dangerous curves, five miles shorter than the present canal, and saving about four hours in transit time. The conversion would not interfere with the operation of the present canal.

An atomic or hydrogen bomb could cause only a short delay for a sea-level repair, whereas destruction of only one of the present locks in the canal would cause a delay of several years for repairs.

During the Spanish-American War, the graphic determination by President William McKinley to dig a canal came in 1898, as a result of the race of the battleship "Oregon" around Cape Horn to join the United States fleet off Cuba, and in 1899 he appointed the Walker Commission, headed by Admiral John G. Walker to investigate all Central American routes. The Admiral had data, which had been collected for almost a century, at his disposal, and very speedily settled down to the alternative between Panama and the Nicaragua routes. Over this choice controversy raged loud and noisy in the Congress when an assassin's bullet ended the life of President McKinley; and Theodore Roosevelt succeeded him. President Roosevelt, being a man of strong convictions, favored the Panama route and got it; and also there was bitter debate in Congress whether to construct a sea-level or a lock canal. The majority of construction engineers recommended a sea-level canal; however, President Roosevelt believed in a lock canal and enforced his belief over the professional opinions he invited and ignored.

Not over-tolerant to other people's rights, he thought the United States should have a free hand over the canal and adjacent territory and when Colombia, which happened to own that territory was slow in accepting this view, he set up, out of nothing overnight, the new Republic of Panama, recognized it as a Sovereign State, giving the United States all he thought it should have, and years later, in a moment of frankness declared, "I took Panama and left Congress to debate it later." History, which is not always moral, is apt to applaud results regardless of methods.

On May 7, 1974, an article written by Senator Strom Thurmond appeared in several metropolitan newspapers entitled "For Perpetual United States Control Over the Panama Canal" stating that Secretary of State Kissinger committed an egregious blunder in committing the United States to a joint statement of principles with Foreign Minister Juan Antonio Tack of Panama, and that "surrender of United States sovereignty in the Canal Zone was not a negotiable item." How can the honorable Senator from South Carolina be so uninformed or misinformed as to make statements that do not conform with historical facts? The United States procured jurisdiction but not sovereignty, and therefore cannot surrender that which it does not possess. If the Senator can be confused by the outmoded wording of the 1903 Treaty, it is understandable that other Americans might be confused by the difference in meaning between jurisdiction and sovereignty.

As a condition of the 1903 Treaty, the United States paid to Panama $10,000,000. in cash and in 1913 began the annual rental payment of $250,000 in perpetuity. The United States and Panama revised the treaty in 1936, increasing United States payment for rights to the use of the Panama Canal Zone to $430,000 per annum. Again in 1955, the rental was increased by treaty to $1,930,000.

Senator Thurmond contends that the original treaty was not a "lease" but was a "purchase" of the Canal Zone. This misconception has caused some senators to adopt a very inflexible and narrowminded stand to the point of exposing themselves to ridicule by asserting that the United States had

bought the canal zone outright as it bought Louisiana and Alaska. Were this true, why is it, therefore, necessary to pay an annual rental to the Republic of Panama for the use of the Canal Zone? There is no private industry or enterprise in the Zone. The United States is landlord, doctor, hotelkeeper, teacher and laundryman as well as the only employer in the zone under congressional watchdog and supervision in one degree or another.

1960, a nine point program was adopted for improvement of relations between United States and Panama vis-a-vis the Canal Zone and in September of that year, the Panamanian flag was flown alongside the United States flag within the Canal Zone.

1964, Panama suspended relations with the United States after rioting by Panamanian students in a dispute over the flying of the Panamanian flag in the Canal Zone which resulted in 25 deaths. The United Nations Security Council called upon both countries to establish an immediate ceasefire and the matter was referred to the Inter-American Peace Committee. Negotiations collapsed, thus Panama took its charge of aggression against the United States to the Organization of American States Council. Notwithstanding, relations between the two countries resumed April 3, 1964, pressure continued for a far-reaching modification of the Canal Zone agreements.

President Johnson announced that a new sea-level canal would be built at an undetermined location and that United States would propose negotiations for an entirely new treaty with Panama.

1965, United States and Panama agreed on a new treaty that would recognize Panama's sovereignty over the Panama Canal and make it a partner in operating the canal.

1966, Panama and United States reached an agreement providing for a survey of the Sasardi-Morti route in Darien Province as the location for a new sea-level canal.

June 26, 1967, United States and Panama announced agreement had been reached on new treaty governing control of the Panama Canal and the possible future development of a new sea-level canal.

November 27, 1973, Panama and U.S. officials resumed talks in Panama City, deadlocked since March 1972, on a new treaty for the Panama Canal and Zone, which talks are presently being resumed between Ambassador Ellsworth Bunker, and the Foreign Minister for the Republic of Panama, Juan Antonio Tack.

CONGRESS MUST REASSESS THE U.S. POSITION FOR SELF-SUFFICIENCY

The United States is now experiencing the social and economic effects of the political blockade of essential fuel and petroleum. However, there are other raw materials which are crucial, and must be imported from foreign, South American and Caribbean countries.

Venezuela and Ecuador are planning to nationalize and have adopted the same policies and join with the Middle East Oil Producing Exporting Countries (OPEC). Copper, which at one time was plentiful in the United States, must be imported from Chile and Peru, which countries are forming a copper producing exporting agreement known as CIPEC. Chilean ports have been opened to Soviet war ships.

Bauxite comes from Jamaica, Surinam, and the Dominican Republic. Since Britain has withdrawn from Jamaica there are two communist parties competing for control of that Island. The United States air base was terminated upon Jamaican independence. Jamaica and Cuba exchanged ambassadors, and Havana is now a Soviet port of call in the middle of the Caribbean approach to the Panama Canal. Jamaica threatens to nationalize bauxite and aluminum.

The policies of Argentina, one of our suppliers of beef and wheat, are uncertain. Colombia has been suspicious of the United States ever since we took its most important province, Panama, from its control. We are also in need of Bolivian tin and natural gas. United States today is none too popular at any point south of its borders, and democracy has taken a terrible beating throughout the Islands and Latin America.

Congress voted to boycott Rhodesia, leaving American industry no choice but to purchase chromite from the Soviet Union and South Africa. United States has contradictory policies with reference to Rhodesia and South Africa. It endorses United Nations sentiments respecting Rhodesia, but it ignores similar attacks on South Africa, notwithstanding our need of chromium, antimony, manganese, platinum, palladium, and other materials from those two countries.

The politics of the anti-capitalist labor governments of New Zealand and Australia are uncertain, which countries supply 65% of zinc, tungsten, titanium, thorium, manganese, lead and even iron ore to the United States. Australia and New Zealand are looking toward Japan as the coming foremost naval power in the Western Pacific, especially in view of the fact that Washington has failed miserably to maintain its naval superiority in the face of the challenge created by the Soviet Union's modern navy.

The weak link in American military and naval capability is a lack of strategic materials available domestically and therefore, there is continuous need to control adequate ocean transport for delivery of such materials from overseas.

Ninety-nine percent of the raw materials imported by the United States must be delivered by ship over the world's oceans in sufficient quantity to keep our American industries prosperous and functioning.

The growing naval strength of the Soviet Union throughout the Mediterranean and its seas, Northeast Pacific, Arctic and Indian Oceans must alert the administration and Congress that our lifelines must be protected and extended.

The lessons of the Spanish American War, World War I and World War II, Korea and Southeast Asia, illustrate that in this era of detente the casual attitude toward the lack or loss of air and sea bases and a modern navy by Washington forcibly indicates the need of renewed interest in hemispheric interdependence with Latin America.

The areas of communist pressure during the cold war era were the four bottlenecks of the oceanic world, the Strait of Malacca, the Suez Canal, Straits of Gibraltar, and the Panama Canal.

Ours is an oceanic world and the Soviets have studied well their geography and history including Themistocles who said hundreds of years ago; "He who commands the sea has command of everything." It is for this reason that the Soviet Union, occupant of the world's largest single landmass is quietly building the world's largest merchant fleet, and at the same time it has become the world's leading undersea power with more commerce-destroying submarines in its fleet than any nation has ever had in war or peace.

In an article which I wrote, entitled "Sea-Level Canal Vital Defense Need", and which was published in a syndicated newspaper, Sunday supplement on December 26, 1948, I stated in part with reference to western hemispheric security as follows:

"This is evident by the fact that plans for the three-perimeter defense of the Panama Canal, outlined by the Army, Navy, and Air Force, cannot be put into effect at present.

"This defense calls for bases on three perimeters: the outer perimeter passing through the Galapagos Islands in the Pacific and Puerto Rico in the Caribbean; the perimeter of the middle ring passing through Nicaragua, Ecuador, Costa Rica, Republic of Panama, Colombia, and Venezuela. The third, inner circle is within the Canal Zone.

"With the international situation tense, there is no time to be lost in negotiations with our Latin-American neighbors for the defense sites so necessary for the security of the Americas."

The same issues about which I wrote in 1948, remain prevalent today.

Since Great Britain granted independence to Jamaica, Barbados, Trinidad, and other islands in the Caribbean, we must rely on surveillance from the naval base at Guantanamo Bay and the Canal Zone for the protection of the Panama Canal which means in the event of an emergency, the Panama Canal can only be defended from the mainland of the United States.

DÉTENTE-DEFENSE-DEFEAT

Despite detente, the United States and the Soviet Union are in competition, if not in conflict for world supremacy. We have been laggard in defense of what once was the "status quo" and the building of a modern navy. The United States is now under the additional handicap of overcoming many shortages besides that of oil and petroleum. The Soviet Union backed the French stand in the energy crisis endorsing an independent policy, which was in conflict with the Kissinger policy, and continues to use gunboat diplomacy in the Middle East and Indian Ocean.

Soviet military advisors and technicians have arrived in Peru with heavy Soviet armament purchased by Peru. The Soviet Union has been attempting for years to gain a foothold throughout South America. If we commit another Aswan Dam mistake, watch the Soviet's move throughout Ecuador, Colombia and Panama. What is there to prevent these countries from negotiating with the Soviet Union to build a sea-level canal?

France entered into a defense and economic agreement with Tripoli (Libya) directed against the United States. The countries of Mexico, Peru, Argentina, Barbados, Jamaica, Trinidad, Tobago and Guyana urge the raising of the economic blockade against Cuba, which will be on the agenda of the Organization of American States in March of 1975. Brazil, importing two-thirds of her oil from the Middle East, was not interested in or becoming embroiled in Washington's dispute with the Arab oil producing countries.

The United States is being out-banked and under-priced throughout world markets, especially in Latin America and the Caribbean Islands by West Germany, Japan, Great Britain, Soviet Union, Canada and other European Common Market Countries.

A new and better diplomacy is required from our government to reconstruct and to rebuild our worldwide trade, friendship, peace, and to modernize the treaty with the Republic of Panama to include the construction of the sea-level canal on the Isthmus to replace the outmoded, Japanese made, electric driven mule-shiptowing undersized sixty year old lock-canal.

It is vital for hemispheric cooperation that Congress support Secretary of State Henry A. Kissinger's negotiations with Panama, Latin America and Caribbean countries toward the rebuilding of a strong Western Hemispheric Pan-American Union in order to create a new era of harmony and solidarity.

I am convinced that the Foreign Relations Committee of the United States Senate will maintain close watch over current negotiations with the Republic of Panama and the new draft treaty when submitted to the Senate for ratification.

By turning away mistrust, suspicion, hatred and fear of the "Colossus of the

North" at the conferences with the foreign ministers of South America and the Islands, we may yet realize that with mutual cooperation, an era of harmony shall prevail throughout the Western Hemisphere on domestic as well as foreign affairs; moral as well as material matters; political as well as economic and technological advancement.

Americans have recently learned, during the Arab oil embargo, that we cannot rely upon our NATO allies, except the Netherlands, for political, military or economic support. We are only useful to them when we fight their wars and rebuild their nations with our treasures.

Let us not repeat history, but rather let us make history move forward with progress.

CONGRESS MUST PROHIBIT COVERT CIA OPERATIONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CONYERS. Mr. Speaker, I was pleased to support the amendment introduced on Tuesday by our distinguished colleague, ELIZABETH HOLTZMAN of New York, which would have prohibited the use of Central Intelligence Agency funds for the purpose of undermining or otherwise "destabilizing" the government of any nation. More careful congressional oversight of CIA activities and methods is certainly long overdue. Recent revelations of CIA activity in Chile, a nation with which we claim to have friendly and peaceful relations, are merely the latest in a series of disclosures of CIA activities which violate the United Nations Charter and the principles of international law we so piously encourage other nations to adopt.

We know so little about the CIA that we cannot even be certain if the CIA has acted on its own initiative or only at the direction of the President and his chief national security advisers. Fortunately, however, the veil of secrecy surrounding the CIA is beginning to lift. A review by Richard J. Barnet of Victor Marchetti and John Marks' "The CIA and the Cult of Intelligence," notes in detail some of the covert operations undertaken by this agency and the damage such operations have caused. Mr. Barnet is codirector of the Institute for Policy Studies and the author of several books, including "The Roots of War," "The Economy of Death," and "Intervention and Revolution." Mr. Barnet's review, which appeared in the October 3 issue of the New York Review of Books, follows:

THE CIA AND THE CULT OF INTELLIGENCE

(Review by Richard J. Barnet)

In drafting impeachment articles the Judiciary Committee of the House of Representatives charged Nixon with "misuse of the CIA." The more fundamental question was outside the scope of their inquiry: What is the proper use of the CIA?

In the national security world Watergate has become a code word for official dismay that the wrong people were supplied with ill-fitting wigs and burglar tools at the wrong place and time. Nixon's defenders on the committee argued that if the president had reason to think that the CIA was involved in "proper" covert operations that would be jeopardized by a vigorous FBI investigation he was indeed obliged to mislead the chief investigating arm of the federal government. The president's accusers believed that he committed an impeachable offense by allowing members of the intelligence underworld like Hunt and Liddy to go after the wrong targets.

"National security" is the holy oil that converts felonious acts into patriotic exploits. It has been sprinkled liberally to justify break-ins at foreign embassies, but it is, fortunately, not yet available to bless burglaries on Beverly Hills psychiatrists. In the practice of covert intelligence the working tools are burglary, assassination, extortion, blackmail, and lying. It is hardly surprising that agents like E. Howard Hunt labor under some moral confusion. The following exchange between Hunt and Assistant U.S. Attorney Earl Silbert took place before a federal grand jury in April, 1973:

SILBERT. Now while you worked at the White House, were you ever a participant or did you ever have knowledge of any other so-called "bag job" or entry operations?

HUNT. No, sir.

SILBERT. Were you aware of or did you participate in any other what might commonly be referred to as illegal activities?

HUNT. Illegal?

SILBERT. Yes, sir.

HUNT. I have no recollection of any, no, sir.

SILBERT. What about clandestine activities?

HUNT. Yes, sir.

SILBERT. All right. What about that?

HUNT. I'm not quibbling, but there's quite a difference between something that's illegal and something that's clandestine.

SILBERT. Well, in your terminology, would the entry into Mr. Fielding's [Daniel Ellsberg's psychiatrist] office have been clandestine, illegal, neither, or both?

HUNT. I would simply call it an entry operation conducted under the auspices of competent authority.

Hunt's responses illustrate what Victor Marchetti and John Marks call the "clandestine mentality," the state of mind which sustains the entire covert intelligence effort. Richard Bissell, former head of clandestine operations, once put it that CIA men "feel a higher loyalty and . . . they are acting in obedience to that higher loyalty." That higher loyalty is a definition of "national security" developed and communicated in secret by higher-ranking bureaucrats hermetically sealed from public scrutiny. "The nation must to a degree take it on faith that we too are honorable men devoted to her service," CIA Director Richard Helms declared in 1971. There is indeed a code of honor operating in the intelligence underworld, which is made up of people who surpass most of us in dedication to a higher cause. The question still obscured in the Watergate debate is this: What is that higher cause for which we must stand accepted norms of civilized conduct on their head?

Marchetti and Marks barely suggest an answer to that question in their heavily censored book *The CIA and the Cult of Intelligence*. The book mainly describes the life they observed when Marchetti was an assistant to the deputy director of the CIA and Marks worked for the director of intelligence in the State Department. They make no full analysis of the effects of the intelligence underworld on domestic politics and foreign policy. That book remains to be written. But when it is, the effort of Marchetti and Marks to collect specific data on the structure, finances, and operations of the CIA will be an indispensable source. For the increasing numbers of concerned citizens who vaguely feel they are being conned by government this book will be clarifying and infuriating. It destroys the CIA official cover story that it has replaced its spies, adventures, and assassins with rows of Princeton graduates reading foreign newspapers. The following passage, which the CIA tried unsuccessfully to excise, makes it clear how important "dirty tricks" still are.

At present the agency uses about two-thirds of its funds and its manpower for covert operations and their support—proportions that have been held relatively constant for more than ten years. Thus, out of the agency's career work force of roughly 16,500 people and yearly budget of about $750 million 11,000 personnel and roughly $550 million are earmarked for the Clandestine Services and those activities of the Directorate of Management and Service (formerly the Directorate of Support), such as communications, logistics, and training, which contribute to covert activities. Only about 20 percent of the CIA's career employees (spending less than 10 percent of the budget) work on intelligence analysis and information processing.

Nothing in the career of the agency's new director, William Colby, suggests that covert operations will now become less important. Colby was an alumnus of OSS parachute operations in France and Norway, director of the 30,000-man Meo Armee Clandestine in Laos, designer of the agency's "Counter Terror" program in Vietnam (described by a former U.S. Foreign Service adviser to South Vietnam internal security programs as the use of "Viet Cong techniques of terror-assassination, abuses, kidnapings, and intimidation—against the Viet Cong leadership"), and coordinator of the Phoenix program two years later (20,587 "executions" of suspected Viet Cong in two and a half years, according to Colby's own testimony). Probably more than any of his predecessors, he represents the clandestine mentality. Marchetti and Marks describe how his upside down view of the world is taught:

He learns that he must become expert at "living his cover," at pretending he is something he is not. Agency instructors grade the young operators on how well they can fool their colleagues. A standard exercise given to the student spies is for one to be assigned the task of finding out some piece of information about another. Since each trainee is expected to maintain a false identity and cover during the training period, a favorite way to coax out the desired information is to befriend the targeted trainee, to win his confidence and make him let down his guard. The trainee who gains the information receives a high mark; his exploited colleague fails the test. The "achievers" are those best suited, in the view of the agency, for convincing a foreign official he should become a traitor to his country; for manipulating that official, often against his will; and for "terminating" the agent when he has outlived his usefulness to the CIA. . . .

Most operators see no inconsistency between an upstanding private life and immoral or amoral work, and they would probably say that anyone who couldn't abide the dichotomy is "soft." The double moral standard has been so completely absorbed at the CIA that Allen Dulles once stated, "In my ten years with the Agency I only recall one case of many hundreds where a man who had joined the Agency felt some scruples about the activities he was asked to carry on."

The authors describe some of these "activities:" Colonel Lansdale's "psywar operation" would ambush suspected Huk rebels, puncture their necks "vampire-fashion with two holes," hang their bodies upside down "until the blood drained out" and put the drained corpses back on the trail to scare off their insurgents. (Enterprising agency anthropolo-

gists had discovered that even revolutionary Filipinos in the area would melt at the thought of encountering a vampire.) The CIA broke into a bonded warehouse in Puerto Rico in order to contaminate Cuban sugar stored there. Tibetan refugees trained in Colorado raided mainland China and stole mailbags. The Green Beret operation in Peru in the mid-1960s secretly provided helicopters and arms, as well as counterguerrilla training, in a "miniature Fort Bragg" deep in the jungle. Secret operations in Southeast Asia were carried on under the cover of Air America, Southern Air Transport, CAT, and Air Asia. Mountain Air Aviation "served as a conduit in the sale of B-26 bombers to Portugal for use in that country's colonial wars in Africa."

Since Marchetti and Marks did not take part in such covert operations, their account of them relies largely on inside gossip and outside resources rather than direct experience. Although they add a few new details to previously published accounts of CIA operations in Indonesia, Tibet, Bolivia, and elsewhere, they do not take us much beyond Thomas Ross and David Wise's *The Invisible Government*, a brilliant piece of investigative journalism published in 1962. They do give the best available description of what the agency looks like at the top, particularly its structure and mystique. No one has yet been able to give a full picture of what agents in the field do, although a book about to be published in England by Philip Agee, a secret agent in Latin America for many years, may begin to fill this gap.

The agency itself has confirmed the accuracy of *The CIA and the Cult of Intelligence* by its extraordinary efforts to censor it. So far their efforts have been largely successful and have cost the publisher over $100,000 in legal fees, as the CIA is no doubt aware. One hundred and sixty-eight passages are still deleted pending the ruling of higher courts and almost 200 more passages were restored only after persistent negotiations. The latter appear in boldface type throughout the book. By examining the bold-faced passages and filling in some of the gaps one can, thanks to the diligence of Jack Anderson, gain some insight into the minds of the CIA officials who seem so worried about this book. They do not mind taking credit for the 1954 "coup" in Guatemala but don't want us to know about Indonesia capturing a CIA pilot who carried out secret bombing missions against the Sukarno regime, something that has been public knowledge for years. They are uneasy about references to CIA guerrilla raids against North Vietnam in 1964 at the time of the Tonkin Gulf affair even though the raids were revealed in the Pentagon Papers.

For the most part the deletions appear to be based on concern for public relations rather than for national security. The Russians are undoubtedly aware of the ridiculous incident in Tokyo when CIA and KGB operatives scuffled over a would-be Soviet defector and were carted off by the Japanese police for disturbing the peace; the American public is not. The Chinese know about the mountain-climbing crew that installed a nuclear listening device which collapsed and contaminated the Ganges river: most congressmen do not know about such extremely provocative operations.

The CIA also does not like references to its cavalier use of clandestine funds, such as Robert McNamara's secret transfer of CIA funds to Norway in 1967 when the Pentagon military assistance budget ran short, or Lyndon Johnson's use of "The Directors Contingency Fund" to supplement the State Department's entertainment allowance during an OAS meeting in Uruguay the same year. The CIA also cut references to its use of secret funds to play the stock market for the same reasons of "national security" that Richard Nixon used to protect private and public wrongdoing.

That Willy Brandt took money from the CIA when he was a young politician after the war might have been politically embarrassing to him, but to impose unconstitutional censorship in order to suppress that fact is more than we owe even the most cooperative foreign politician. That the so-called *Penkovsky Papers* were an agency forgery has been one of Washington's worst kept secrets. It was an elaborate but quite useless prank, fun for those in on the joke; nothing is damaged by revealing it except the reputation of the CIA. Bugging Kremlin limousines sounds like the ultimate in espionage coups, but in fact it produced only the gossip and trivia one would expect. Perhaps this information was useful in preparing the famous psychological profiles in which the agency specializes (unless, of course, it was too secret because of its source to entrust to psychiatrists); no one in the US was wiser or safer for it.

The CIA's spies, buggers, code-snatchers, crop contaminators, covert philanthropists, and secret political manipulators live in an atmosphere of pretentious banality. Vast amounts of money, time, and energy are expended in designing signal transmitters that can fit in a false tooth, in amassing gossip on the eating, drinking, and sleeping habits of political figures around the world, and in caring for defectors, the agency's principal "assets" in communist countries. (Colonel Penkovsky was given a secret CIA medal and a US Army colonel's uniform as assurance that transfer of allegiance would involve no loss of rank.) Other secret activities such as overflights of the Soviet Union, China, and Albania, electronic surveillance by ships off North Korea and Israel, hidden bases in Pakistan and elsewhere involve much higher costs than an occasional stage prop. We know of too many CIA missions that not only failed—e.g. the U-2 and RB-70 overflights in the Soviet Union and the unhappy voyages of the *Pueblo* and the *Liberty*—but ran serious risks of provoking war.

Secret bases and secret armies which are intended to "open up the options" for US foreign policy have a way of doing precisely the opposite. Once the secret base is established, its "cover" must be protected. Considerable concessions have been made to Pakistan, Ethiopia, and other countries to protect such "assets." (One of the reasons why President Kennedy decided to go through with the Bay of Pigs adventure, in spite of misgivings, was the fear the Cuban exiles in the training camps would talk if they were not staked to an invasion.)

What is it all for? Although there is rampant silliness in the intelligence underworld, it is also a necessary institution for managing a modern empire. While the failures are spectacular, it is the successes that raise the most important issues. No one can quarrel with the need for intelligence, which is merely another name for information on which to base decisions. But the CIA is spending a major share of its budget on covert action, which is not information-gathering at all, but secret warfare. Bissell has catalogued some of the activities of covert action specialists:

(1) political advice and counsel;

(2) subsidies to an individual;

(3) financial support and "technical assistance" to political parties;

(4) support of private organizations, including labor unions, business firms, cooperatives, etc.;

(5) covert propaganda; (6) "private" training of individuals and exchange of persons; (7) economic operations; and (8) paramilitary [or] political action operations designed to overthrow or support a regime.

To manage political and social change around the world and to oppose national revolutions, as in Chile, is a "responsibility" that requires covert action. As long as the US maintains its extravagant policy of trying to make the world safe for established political and economic power, there will always be men like Colby, Bissell, and Hunt ready to lie, steal, and kill in that higher cause. Indeed there are many reasons why the CIA now seems a more political instrument than ever including the improved techniques for "low profile" interventions, the growing desire to control resource-producing Third World countries, the increasing difficulties in mounting conventional military operations abroad. If we do not wish to use the state to legitimize criminal activity at home and abroad, then we must stop trying to set the conditions for the internal development of other nations.

In 1963 Harry Truman said that he was "disturbed by the way CIA has been diverted from its original assignment. It has become an operational arm and at times a policy-making arm of the Government." But fifteen years earlier he began the process by establishing the Office of Policy Coordination, the first postwar "dirty tricks" operation. Classified National Security Intelligence Directives broadened its scope, giving it, among other powers, the authority to question Americans about their foreign travels and to enter into contracts with American universities. Once the cold war defined the American national purpose, lethal pranksterism became a growing industry. The CIA's legitimacy, once accepted, cannot be effectively controlled, as the sorry record of the Senate "watchdog" committee attests.

It is hard to find public defenders of "dirty tricks" these days. Despite the evidence now coming to light about the agency's role in the Greek coup of 1967 and its generous payments to high Mexican officials, the only clandestine activity to which the CIA admits is covert intelligence collection. How else, Colby asked recently in a speech to the Los Angeles World Affairs Council, can we get "information on the intentions of other powers"? The revolution in technical intelligence-gathering of the past twenty years, he points out, has "not removed the need to identify at an early stage research abroad into some new weapon system which might threaten the safety of our nation."

Richard Bissell has provided us enough of a glimpse into the "intelligence community" to expose the disingenuousness of this statement. Clandestine intelligence collection is primarily directed against those societies least able to hurt us because these also happen to be the societies least able to protect themselves from penetration. The Soviet Union makes such a large investment in counterespionage that, except for an occasional defector like Penkovsky, most of the information about their intentions has to be pieced together from open sources. Powerful countries, the only plausible security threats, can develop sophisticated codes that are, as cryptologist David Kahn puts it, "unbreakable in practice." In 1970 Admiral Gayler of the National Security Agency admitted privately according to Marchetti and marks, "that a good part of the NASA's successes came from breaks" into embassies and other places where code books can be stolen. Thus it is possible to break the codes of poor Third World countries such as Chile. "One surreptitious entry can do the job successful at no dollar cost," the authors of the 1970 Huston Plan reported to President Nixon. But such cheap petty thievery

produces information the US government does not need or should not have.

The reason the underdeveloped world "presents greater opportunities for covert intelligence collection," as Richard Bissell explained to a Council on Foreign Relations study group in January, 1968, is that governments "are much less highly oriented; there is less security consciousness; and there is apt to be more actual or potential diffusion of power among parties, localities, organizations, and individuals outside the central governments." Thus, the same internal suspicions, rivalries, and bribery that keep poor nations from effectively organizing themselves to overcome mass poverty make them attractive targets of the intelligence underworld. Real and exaggerated fears of being infiltrated help to keep such societies in a continual state of political disorganization. As Bissell points out, the less totalitarian the society, the easier it is to find out and to influence what goes on there. Salvador Allende's tolerance of forces opposing him made it easy for the CIA and other intelligence agencies to work with them to hasten his downfall.

Bissell argues that espionage in the poorer countries is needed to produce "timely knowledge" of "tactical significance." In fact most clandestine collection of information serves no purpose other than to support covert activities that subvert foreign regimes. Bissell himself concedes that sometimes "the tasks of intelligence collection and political action overlap to the point of being almost indistinguishable." For what legitimate purpose does the United States need to immerse itself in the internal political developments of Third World and other countries which pose no threat to the security of the United States other than the assertion of their own independence?

The usual argument for a large secret warfare department is that other nations have them too. The "clandestine mentality" pervades the Soviet Union, and the record of the KGB for murder, theft, torture, and forgery is probably unmatched. But do criminal activities of other countries require us to maintain our own? Certainly it is necessary to carry on counterintelligence work against penetration and manipulation of our government and theft of military secrets. But there is a difference between such defensive counterespionage operations and secret warfare against other nations, although there is always the risk that the one can be disguised as the other. The "gap" in dirty tricks (if indeed there is one) is no more justification for the United States to corrupt our own society and distort our foreign relations than the "missile gap" or the "bomb shelter gap" of the 1960s.

Like all other arms races we have been running mostly against ourselves, the "back-alley-war," as Dean Rusk calls it, could be drastically cut down on our side with a net gain in security for the American people. This is so because most of the information so expensively and dangerously procured by clandestine means often turns out to be politically worthless. The work done by spies is inherently suspect because specialists in espionage are in the business of producing disinformation as well as information. Indeed the more esoteric and elaborate the deception required to produce a given bit of data, the less likely are the spy's political superiors to believe it. Thus some of the great intelligence coups of history—the advance warning to Stalin of the impending German attack, for example—were never translated into effective policy (as more recently the warnings of the Defense Intelligence Agency that the Egyptians and Syrians were about to attack in October, 1973, were ignored by policy makers). Meanwhile the bribery, blackmail, and theft that produces piles of tape recordings of foreign politicians, photographs of documents, and dossiers on friends and enemies breeds fear and distrust of the United States around the world. The blunders and petty triumphs of US agents abroad have done more to damage the reputation of the United States for trustworthiness and decency than all the machinations of the KGB.

For the protection of our own society the "dirty tricks" department must be recognized for what it is, a criminal enterprise. Dismantling it and preventing its reappearance in newer and slicker disguises would be one of the first acts of a new administration genuinely concerned to preserve constitutional liberty and to stop the wreckage our paid pranksters are causing around the world.

WHAT THE FEDERAL GOVERNMENT CAN DO ABOUT INFLATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRENZEL. Mr. Speaker, no problem is more important to all Americans than stopping inflation. Constructive ideas are badly needed—especially for action by the Federal Government which has the responsibility to take the lead in the fight against inflation. On September 25 President Ford received just such a list of proposals which I would like to insert in the RECORD for the consideration of all Members of Congress. This statement was prepared by Willis D. Gradison, Jr., former mayor of Cincinnati, and now a candidate for Congress in Ohio's First Congressional District. After earning his doctorate at the Harvard Business School, Mr. Gradison served in Washington as Assistant to the Under Secretary of the Treasury and later as Assistant to the Secretary of Health, Education and Welfare.

The list of proposals follow:

SEPTEMBER 25, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I appreciate this opportunity to convey to you and your advisors the attached recommendations on what the Federal government can do about the inflationary crisis which grips our Nation and the world. These ideas are my own, but do take into account the suggestions which have come to me from citizens from all walks of life in Ohio's First Congressional District.

As I see it all Americans—all parts of our economy—are looking to Washington for a signal that halting inflation will be our Nation's top priority and that first steps in this direction will be taken now. The clearest sign that could be given would be for you to call on the Congress to remain in session until it cuts the spending rate (not appropriations, not authorizations, but spending) to an annual rate of $300 billion or less for the current fiscal year. I would further suggest that you indicate that if the Congress is not able or willing to prescribe the needed spending cuts, you would be willing to have Congress grant authority to you to make the needed reductions.

If I can be of further assistance, I stand ready to assist you and your advisors at any time.

Respectfully yours,
WILLIS D. GRADISON, Jr.

WHAT THE FEDERAL GOVERNMENT CAN DO ABOUT INFLATION

World-wide inflation has resulted from excess demand coupled with an inadequate supply of goods and services. Rising living standards are pressing against finite resources. Life-time savings are being confiscated, thrift discouraged, and the spector of unemployment caused by inflation haunts the working men and women of our Nation.

Price competition has been restrained by monopolistic practices and shortages of productive capacity. And government actions have intensified the inflationary tendencies by counter-productive fiscal policies and by a pattern of political promises with costs far in excess of available revenues. This buy now, pay later attitude must end. In performing on its promises for more spending (validating the voters' expectations and stimulating even larger pressures for future spending) the government has levied a tax in the form of inflation to pay for its inability to balance its income and outgo or to resist political pressures.

While this analysis is based on what the Federal Government can do about inflation, we must recognize that it cannot deal with all aspects of the problem. The price increases exacted by the major oil producing nations, crop shortages in the Soviet Union or the Peoples Republic of China, monetary instability—these and other events are beyond the power of our government to cope with (at least in the short run). Obviously industry and labor have major roles to play in successfully containing inflation, but right now the question is who should take the first step. And it clearly must be the government itself which must recognize its leadership role, and that it cannot expect others to act until it acts.

What then can the Federal Government do?

1. Fiscal policy and the budget

The cumulative effects of huge Federal deficits have required large Federal borrowings and these in turn have absorbed savings which otherwise would have been available for job-creating capital investment and for housing. Sound management of Federal financing in recent years would have required surpluses, not deficits. The rapid increase in spending coupled with the expansion of credit-guarantee programs has played a major role in the present inflation. *The current situation calls for a cut in spending rather than an increase in taxes,* since the latter would likely be used as a justification for even higher outlays. Spending cuts should begin in the Federal Government's own programs, not only to restrain demands on credit but also to increase the productivity of Federal spending. Examples abound where cuts should be made:

The postal deficit with its hidden subsidy for newspapers and magazines.

Other business subsidies such as shipbuilding, Penn Central, Lockheed, private airlines.

Space projects which could be spread out over a longer period of years.

Agriculture where acreage restrictions and price supports should be ended for all crops.

Livestock loans which keep meat prices from falling as dictated by supply and demand.

Overlapping welfare programs where too much of the Federal dollar is absorbed in administration at the Washington and regional levels.

Poor administration such as ADC in Ohio

with 28.7% of all cases ineligible or receiving overpayments.

Coupled with a pruning of existing programs *all new expenditure programs should be deferred* until revenues are available to pay for them, or cuts in older programs free funds for more urgent activities. A good place to start would be the construction projects of the U.S. Corps of Army Engineers such as the Red River Gorge in Kentucky.

2. Monetary policy and interest rates

For years monetary policy has carried the laboring oar in the fight against inflation, with fiscal policy usually pulling in the opposite direction. *As effective fiscal policy moves from speeches and promises into action steps towards monetary ease will follow.* Without stern action by the Federal Reserve the inflationary situation would have been far worse; but as we have seen such action cannot do the job alone. We are at a critical stage where even higher interest rates could cause a massive flow of funds from thrift institutions, an even more severe drop in housing than has already taken place, and require rescue operations by the Federal Reserve and the Treasury which would all but doom to defeat further efforts to stop inflation.

3. Taxation

The time for tax reform is always with us, and changes are obviously needed in the interest of equity and to assure that everyone carries his fair share of the tax burden. With reference to inflation, however, *tax reform takes on a new dimension, namely the need to stimulate expansion of productive capacity, research, and development.* This need not result in favoritism to anyone; merely a removal of present restraints on savings and investment would help. For example, utilities, which have huge needs for capital and expansion, receive an investment credit of only 4% while the credit in other industries is 7%. Depreciation allowances are based on historic cost rather than present (and higher) replacement cost. Individuals can exclude from income a portion of dividends received but not of interest on thrift accounts (which are the main source of funds for housing). And while the tax rate on investment gains has increased, the opportunity to writeoff losses against other income continues to be severely limited. In this regard leadership is needed from the Federal level in educating the general public to the need for savings, thrift, and investment, and to the way in which prices, job opportunities, and consumption in the future are related to capital creation today.

4. Energy

Until the Federal Government establishes the ground rules, expansion of energy output is likely to lag. Taxation, price regulations, rules with respect to coal mining on public lands, environmental standards and other aspects of public policy all bear upon the ability and the willingness of energy companies to commit the resources needed for expansion. Such policies should be developed with the objective of stimulating output and fostering research, not with a spirit of vindictiveness or hostility. The need for capital is so great and the opportunities for investment of capital outside the energy field so large that unduly harsh government policies would discourage investment and intensify both energy shortages and our dependence on foreign sources. *A Presidential veto of the Energy Transport Security Act would be a signal that energy prices will not be permitted to rise unnecessarily.*

5. Federal regulation

Over the years Federally sanctioned rules have inhibited competition and indeed led to price-fixing in many industries. *All such limits on competitive prices should end.* Examples abound ranging from freight rates for railroads and trucks to dairy prices to stock brokerage commissions to charges for interstate moving. Low priced imports from abroad are restricted. Farm co-operatives can fix prices higher than rates which the market would set. *A comprehensive review of all such inflationary rules should be undertaken immediately with a view to ending them all.*

6. Food prices

A 60-day moratorium should be declared on food exports until the present harvests are completed and an assessment can be made of how much food is needed at home, and how much could be sent abroad. No increase in food commitments under P.L. 480 should occur during the moratorium, and future increases should be conditioned on other major food-producing nations doing their fair share. The United States has quite properly taken the lead over the years in playing a humanitarian role, but must first be sure that needs are met at home before increased gifts are considered abroad.

7. Employment

Inflation itself—at double digit rates—causes rising unemployment; for example, in home building. And the effects of the transition to a non-inflationary economy may cause unemployment. Steps must be taken to protect those who cannot protect themselves: the unemployed. *The Emergency Employment Act should be expanded, the level to be triggered by the unemployment rate in local labor markets.* This approach offers great speed and flexibility and has the virtue (unlike most other Federal programs) of automatically shrinking when economic conditions justify (when unemployment falls).

8. Anti-trust

Vigorous anti-trust action should be pursued with special emphasis on actions which keep prices high. For example, in the automobile industry the anti-trust implications of annual model changes should be examined, and in the oil industry dealer agreements which discourage vigorous retail price competition. Anti-trust efforts which may actually increase costs (and prices) should be reconsidered. For example, breaking up integrated oil companies may be costly to the consumer since it could lead to redundant refining capacity. *Penalties for anti-trust violations should be substantially increased.* The present $50,000 penalty is a mere slap on the wrist to large companies and does not deter violators.

Conclusion

What is needed, then, is a new attitude, an approach which looks at all programs old or new and asks "What will this do about inflation?" When this question is asked about banning all surface mining of coal in the United States the answer must be "No, it would make inflation worse." When this question is asked about the Energy Transport Security Act the answer must be "No, it would unnecessarily increase the price of gasoline." When this question is asked about increasing expenditures under P.L. 480 the answer must be "No, not now, not until we're sure how much food is needed at home."

Just as inflationary tendencies have been built into our fiscal and monetary policies in the past, we need new mechanisms to encourage fiscal and monetary restraint in the future.

1. *The Employment Act of 1946 should be amended to include "reasonable price stability" as a goal of National policy.* The actual wording of the Act, its legislative history, and experience since 1946 all suggest that this would be helpful in focusing the attention of Congress and the Administration on prices as well as "maximum employment, production, and purchasing power."

2. *Inflation impact statements should be required on all measures under consideration by the Congress.* Just as environmental impact statements are now required and have resulted in greater awareness of environmental considerations before action is taken, so too the proposed inflation impact statements would discourage inflationary actions from being taken by alerting the public to the inflationary effects of measures which on the surface are politically appealing.

3. *The Constitution should be amended to require a balanced budget except when the President and the Congress find that a national military or economic emergency exists.* This requirement would put the burden on those who wish to spend more than revenues can finance rather than the present situation which virtually invites continuing inflationary deficits regardless of the stage of the economic cycle. The required finding that an emergency exists should be made annually so that a frequent reassessment of any waiver of the balanced budget rule would be required.

Inflation is man-made, and can be mancured. It will not be stopped by price-wage controls or indexing which cover up the causes of inflation and in the long run only make it worse.

Our people are crying out for leadership and action from those who have the knowledge and the power to act. If we disappoint them our entire society is in jeopardy.

A STATEMENT BY ALBERT SHANKER "TAX LOOPHOLES: A DRAIN ON SOCIAL SERVICES"

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of a most thoughtful article by Albert Shanker, the newly elected president of the American Federation of Teachers, AFL–CIO, which appeared in the September 22, 1974, issue of the New York Times.

I comment Mr. Shanker's essay, "Tax Loopholes: A Drain on Social Services" to my colleagues in the House.

The article follows:

TAX LOOPHOLES: A DRAIN ON SOCIAL SERVICES

(By Albert Shanker)

Two weeks ago, I was a member of a 28-member delegation of labor leaders who met with President Ford at the White House to discuss the twin problems of inflation and unemployment. Last week I attended the Conference on Inflation on Health, Education, Income Security and Social Services, which was chaired by HEW Secretary Caspar Weinberger and attended by 260 leaders in the health, education, health security and welfare fields. Next week I will attend the so-called "summit" on inflation. It is too early to tell whether these meetings will inspire a change in the administration policies of the last five years (policies of high interest rates and cutbacks in expenditures on human services)—or whether they were mere window dressing. If the administration is to move in the right direction, public understanding is needed in a number of areas.

First, these must be recognition of the fact that inflation, and the administration's approach to the problem of inflation over the last five years, have imposed unequal sacrifices on different segments of our population. The burden has fallen mainly on low and middle-income groups, now poorer than they were five years ago. While these groups have been economically victimized, huge profits have been reaped in other sectors of the economy.

The burden carried by the low and middle-income groups is visible on all sides. It was these groups which suffered most as a result of the "wage-price controls" and "guidelines." The controls effectively put a 5.5% ceiling on workers' wages while the government did nothing to curb prices, profits, in-

terest rates and rents. When the controls were lifted, the "guidelines" failed to keep prices or interest rates down. As AFL-CIO President George Meany pointed out, what the guidelines did was to turn every employer into a patriot determined to keep wages down for the good of the country.

Low and middle-income groups have also suffered greatly because of the reduction of government services on which they depend. Not only were needed services abolished through Presidential vetoes, but, because of inflation, federal aid to health, education and welfare is now less in *real* dollars than it formerly was.

Furthermore, government policy, in encouraging high interest rates, hits those at the bottom—those who are forced to borrow because they don't have the cash—more than anyone else. Soaring interest rates mean that only the wealthy can afford private homes. They mean that entire families can be economically wiped out by being forced to borrow to pay medical bills for single surgical operations. They mean that our deteriorating cities are forced to divert hundreds of millions of dollars from health and education to interest payments on long and short term municipal bonds.

The government policies of budget cutback and preservation of high interest rates have increased unemployment—yet another calamity for low and middle-income groups. The current 5.4% unemployment rate sounds "low", but it is a misleading average hiding the fact that among the young—those under 24—as well as among blacks, Puerto Ricans and Chicanos, and in certain cities and specific trades, the unemployment rate is between 25% and 50%. To the person who can't find a job the "low" 5.4% statistic is no consolation. For the rest of society, the unemployed represent a great burden; they do not contribute to the productivity which we need and they consume billions in tax dollars allotted to provide unemployment benefits and cover welfare costs.

In these White House conferences a clear choice presents itself. The federal budget can be balanced in two ways. One is the administration way; reducing federal spending on human services and thus placing a still greater burden on the low and middle-income groups. Preference for this course of action was clearly expressed by the chairman of the President's Council of Economic Advisors, Alan Greenspan, who disputed the argument that the poor and middle-income groups would suffer most. He said, "Everybody is hurt by inflation. If you really wanted to examine percentagewise who was hurt most in their income, it was Wall Street brokers." An immediate response came from the back of the hall when AFL-CIO Vice President George Hardy shouted, "That's the whole trouble with this Administration—Wall Street brokers."

The other way is, I am convinced, the better way. It is a way of balancing the budget and meeting human needs at the same time.

First, there should be an increase in the budget for human services. This would restore some of the services destroyed by inflation. It would provide compensation to the low and middle-income groups for the unfair burden they now bear. It would provide many new jobs. It would lead to high quality services in health and education.

Second, government must guarantee low interest rates for human needs—even if the government has to subsidize loans. It has already done so in other areas. It provides 6% interest to "most favored nations" in international trade. It provided 6% in the Russian wheat deal. In a quickie 48-hour action, it funded a $2 billion "rescue" of the cattle industry. Now the government must be as considerate of people of low income who want to buy modest homes—or of cities wanting to build new schools and hospitals.

Third, budget balancing must not be accomplished at the cost of essential social services. The needed revenues must be raised through the long overdue elimination of tax shelters and loopholes. The billions needed are there. The capital gains loophole should be closed. There is no reason why profits made through capital gains should be taxed at 50% the rate of income earned by work. Closing this loophole alone would add $10 billion to the federal fund.

Tax subsidies for overseas investments should be eliminated. If corporations operating overseas were treated the same as individual citizen taxpayers with respect to taxes, another $3 billion would be available.

The 7% tax credit enacted in 1971 has not resulted in increased capital investment. Its repeal would close a $6 billion loophole.

Repeal of the oil depletion allowance will add $2.6 billion to the U.S. budget.

Finally, a tax is needed on the excess profits made by industries which, through monopolistic price-gouging and other such practices, have contributed to inflation. Within a year oil profits, for example, are expected to rise from $4 billion to $9 billion—a $5 billion increase! That figure represents more than 80% of the 1974 education budget.

If tax loopholes are plugged, $30 billion could be raised. Instead of unemployment and a lower standard of living, the nation could enjoy full employment, decent health care, smaller class size in its schools.

The choice is clear. With millions unemployed, the government seems more willing to pay unemployment and welfare costs than to pay for the hiring of people to serve the young, the sick, the disabled in our schools, colleges and health facilities. It is time for the President to recognize the dangers inherent in present policy and to demonstrate his readiness to sponsor policies directed at improving the quality of life for millions of people rather than increasing the profits of the few.

RHODESIAN CHROME

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ICHORD. Mr. Speaker, when the membership of this House is finally confronted by the proposal to reinstitute the ban on importing Rhodesian chrome, I hope and trust we will not yield our reason to the misconceptions and hypocrisy advanced by the Senate sponsors of the legislation.

It is interesting to note that some of the same people who want to tighten up the sanctions against Rhodesia are now trying to convince us that we must remove all sanctions against Cuba and grant full diplomatic recognition to the Communist regime of Fidel Castro. They are saying, in effect, that while it is wrong for a white minority to continue to dominate the political life of Rhodesia, it is quite appropriate for a Communist minority in Cuba to continue its persecution of the Cuban people. I do not accept such a double-standard and I do not think the Government of the United States should do so, either.

Furthermore, the economic realities of our times—our increasingly hard times, Mr. Speaker—demand that the Congress reassert America's independence to buy and sell for raw materials as well as finished products wherever the United States can gain the best bargain. Nothing could be more ridiculous in this day and age of rising prices and severe shortages to cut off Rhodesia—the biggest and best supplier of chrome—and place our dependence for this vital material on the Soviet Union with its inflated pricing and arbitrary, sometimes hostile, use of trade as a weapon of intrigue in world affairs.

Columnist James J. Kilpatrick has recently put the issue into better perspective and, for the benefit of my colleagues, I now submit his remarks as printed in the Baltimore Sun on September 19, 1974 for insertion in the RECORD:

[From the Baltimore Sun, Sept. 19, 1974]

HOUSE CAN END FOLLY, ASSURE U.S. CHROME

(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 officials, 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 its knees.

In 1971, Virginia's Senator Harry F. Byrd, Jr. (Ind.) 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 U.S. 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 U.S. imported 155,000 tons of ferrochrome; at least 10,000 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 to 9 to approve the repealer. 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.

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 prices, 325,000 tons of ferrochrome (or its sheet equivalent) will have to be imported. And this is the sharp-edged irony: One way or another, it will still be Rhodesian chrome, shipped and transshipped through world markets.

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