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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

SENATE—*Tuesday, October 8, 1974*

The Senate met at 9 a.m., and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

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

Eternal Father, giver of every good and perfect gift, on this "Day of Bread" we lift our hearts in thanksgiving for Thy goodness and mercy to the children of Thy creation. We thank Thee for the bounty of the Earth and for those who plant and grow and reap and grind and bake and serve bread—the universal sustainer of life.

May that half of the world's population without enough to eat be so assisted by that half with enough and to spare, that every day may soon be a "Day of Bread" for all mankind. When we pray "Give us this day our daily bread," may we remember Him who spoke the words and feed on His spirit unto life eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 8, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, October 7, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

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

The ACTING PRESIDENT pro tempore. The nomination will be stated.

NATIONAL MEDIATION BOARD

The second assistant legislative clerk read the nomination of Kay McMurray, of Idaho, to be a member of the National Mediation Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 1166, 1168, 1170, 1171, 1172, and 1173.

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

INVOLUNTARY DISCHARGE OF CERTAIN OFFICERS IN THE ARMY UNDER REDUCTION IN FORCE

The Senate proceeded to consider the bill (S. 3191) to amend title 10, United States Code, to provide that commissioned officers of the Army in regular grades below major may be involuntarily discharged whenever there is a reduction in force, which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert the following:

That chapter 361 of title 10, United States Code, is amended by inserting the following new section after section 3814, and inserting a corresponding new item in the chapter analysis:

"§ 3814a. Regular commissioned officers; second lieutenants, first lieutenants, and captains; discharge during a reduction in force

"(a) Under regulations prescribed by the Secretary of the Army, whenever he determines that a reduction in the active duty officer personnel strength of the Army is required, he is authorized to remove from the active list of the Regular Army any commissioned officer below the grade of major, if such officer is recommended for removal from the active list by a board of officers appointed by the Secretary of the Army, or his designee, for the purpose of recommending the removal of officers from the active list.

"(b) Any officer selected for removal from the active list of the Regular Army under subsection (a) shall—

"(1) if he is eligible, and so requests, be retired under section 3911 of this title on the date requested by him and approved by the Secretary, but not later than ninety days after such officer receives notification that he is to be removed from the active list of the Regular Army;

"(2) if he is not eligible for retirement under section 3911 of this title, but is eligible for retirement under any other provision of law, be retired under that law on the date requested by him and approved by the Secretary, but not later than ninety days after the date such officer receives notification that he is to be removed from the active list of the Regular Army; or

"(3) if he is not eligible for retirement under section 3911 of this title or any other provision of law, or does not request retirement under section 3911 of this title or under any other provision of law if he is eligible, be honorably discharged on the date requested by him and approved by the Secretary, but not later than ninety days after the date such officer receives notification that he is to be removed from the active list of the Regular Army, and be granted a readjustment payment as provided in subsection (c) of this section.

"(c)(1) Any officer discharged under subsection (b)(3) and who has completed, immediately before his discharge, at least five years of continuous active duty is entitled to a readjustment payment computed by multiplying his years of active service, but not more than eighteen, by two months' basic pay of the grade in which he is serving on the date of his discharge. Such an officer may not be paid more than two years' basic pay of the grade in which he is serving at the time of his discharge or $15,000, whichever amount is the lesser.

"(2) For the purpose of computing the amount of a readjustment payment under subsection (b)(3), a part of a year that is six months or more is counted as a whole

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year, and a part of a year that is less than six months is disregarded.

"(d) If any officer who received a readjustment payment under this section qualifies for retired pay under any provision of this title or title 14 that authorizes his retirement upon completion of twenty years of active service, an amount equal to 75 per centum of that payment, without interest, shall be deducted immediately from his retired pay.

"(e) This section does not apply to any officer who is required to be discharged or retired for failure of promotion to the grade of first lieutenant, captain, or major under section 3298 or 3303, as appropriate, or who is found to be disqualified for promotion under section 3302 of this title.

"(f) When, under regulations prescribed by the Secretary, any officer has been recommended for removal from the active list of the Regular Army under chapter 359 or 360 of this title, and that recommendation has been received by headquarters, Department of the Army, or when, under regulations prescribed by the Secretary, any officer has been selected by headquarters, Department of the Army, for discharge under section 3814 of this title, such officer may not be considered for removal from the active list under this section. However, any action by any headquarters subordinate to headquarters, Department of the Army, with respect to proceedings for the consideration of any officer for discharge under chapter 359 or 360 or section 3814 of this title shall not prevent consideration for removal of such officer from the active list under this section. Further, the removal of any officer from the active list under this section is not prevented if such officer was previously considered for discharge under chapter 359 or 360 of this title and was recommended for retention under such provision of law or if such officer was recommended for discharge under section 3814 but was not discharged under authority of such section.

"(g) Under regulations prescribed by the Secretary, any regular officer who is within two years of becoming eligible for retired pay may not be involuntarily discharged under this section before he becomes eligible for that pay, unless his discharge is approved by the Secretary.".

SEC. 2. This Act is effective on the date of enactment and expires three years after that date.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. MANSFIELD. Mr. President, I am somewhat disturbed by the title of this bill, which indicates that it applies to regular grades below major. It is my understanding that there are a good many generals, admirals, colonels, and what not considerably in excess of those who commanded a 15-million-man force during World War II; whereas now we have slightly above 2 million men in uniform.

I should like to voice my opposition to this bill. I do not like to see this type of discrimination against younger officers who may have better opportunities to fashion their careers, who will not be too stereotyped in their thinking, and who perhaps could make a better contribution to the defense of this country than would be in the case of this bill.

Mr. THURMOND. Mr. President, I rise in support of S. 3191, a bill to provide temporary authority for the Secretary of the Army to remove Regular Army captains and lieutenants from the active list whenever there is a reduction of personnel strength.

Mr. President, Senator NUNN, the chairman of the Manpower Subcommittee of the Senate Armed Services Committee, conducted hearings on the Army's request for this legislation. I commend him for the outstanding work that he has done in bringing this bill to the Senate.

The requirement for this legislation comes as the result of the rather rapid reduction in the size of the Army over the past several years. As a result of this reduction, the Army, unfortunately, finds itself with an excess of junior officers. For the past few years the Army, in an attempt to balance the number of junior officers with its requirements, has had to release a large number of Reserve officers. These reductions-in-force, commonly referred to as RIF's, could only apply to Reserve officers, since existing law protects Regular officers from any RIF.

However, this particular legislation will allow the Secretary of the Army in any future reduction, to have both Regular and Reserve captains and lieutenants screened for possible release from the service. Because Reserve Army captains and lieutenants have been subjected to two RIF reviews over the past 2 years, those who survived this screening process are extremely well qualified. To now require some of these same Reserve officers to leave active duty when, in fact, there are Regular officers whose performance records are not as outstanding would be an inequity.

Mr. President, S. 3191 provides this authority to the Secretary of the Army for 3 years, which is the amount of time the Army believes it will take to solve this problem. I had some concern that the legislation did not grant the same authority to the Secretaries of the Navy and Air Force, even though those services did not request the legislation. Nevertheless, I felt each Service Secretary should have the same discretionary authority, even though he might not use it. However, since my distinguished colleague from Georgia has indicated he will take up the Defense Office Personnel Management Act—DOPMA—legislation at an early date next year, the authority we are providing in this particular legislation could be encompassed in the DOPMA legislation, I believe the bill needs no further modification.

Mr. President, I urge my colleagues to vote in support of this bill.

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

AGRICULTURE CONSERVATION PROGRAMS

The Senate proceeded to consider the bill (S. 3943) to extend the time for using funds appropriated to carry out the rural environmental assistance program—REAP, and the rural environmental conservation program—RECP—for the fiscal years ending June 30, 1973, and June 30, 1974, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert the following:

That notwithstanding any other provision of law or regulation issued by the Secretary of Agriculture, the time within which producers may request and receive approval for cost-sharing assistance under the 1973 Rural Environmental Assistance Program and the 1974 Rural Environmental Conservation Program (as authorized by sections 7 to 15, 16 (a), and 17 of the Soil Conservation and Domestic Allotment Act, as amended, and title X of the Agricultural Act of 1970, as amended) is extended to December 31, 1975, and funds appropriated for such programs shall remain available for making payments to eligible producers until December 31, 1976, for practices carried out during the period July 1, 1972, to December 31, 1975.

Mr. CLARK. Mr. President, the bill before the Senate, S. 3943, is an uncomplicated one. It simply extends for 1 year the time available for utilization of the funds being offered in 1974 for agricultural soil conservation cost-sharing through the rural environmental assistance and rural environmental conservation programs—REAP and RECP.

An extension is necessary because administration impoundments, bureaucratic delays and bad weather have made it impossible for many farmers to utilize these funds this year, even though the amount of soil conservation work that needs to be done is overwhelming.

Current indications are that the unused funds will total approximately $100 million—or more than a fourth of the $385 million in REAP and RECP funds available.

These programs are funded on a calendar year basis, and as it stands now, the unused funds will revert to the Federal Treasury on December 31 unless legislation is enacted.

Congress appropriated $225.5 million for REAP for 1973 and $160 million for RECP for 1974. President Nixon arbitrarily impounded a major portion of these appropriations and finally canceled the entire REAP program early in 1973.

The impoundments and the termination were ruled illegal on December 28, 1973, and the administration subsequently released $210 million of the 1973 appropriation and $90 million of the 1974 appropriation. The administration still refused, however, to make available the other $70 million appropriated by Congress for 1974.

The funds that were released were finally made available at the county level on April 1, 1974. This meant that the Agricultural Stabilization and Conservation Service and the Soil Conservation Service—which administer these programs—had only 9 months' time to work with nearly 2 years' worth of funds.

As though this ridiculously short time span were not enough, the date that the funds were finally made available was just about the same time that the Midwest was hit with some of the worst rains and flooding in recent memory.

No field work could be done for 30 to 60 days in most areas, and when field work finally became possible again, farmers were so far behind with seeding that many of them had to forgo the conservation work they wanted to accomplish.

Ironically, the same rains and flooding also compounded the need for conservation work by destroying conservation structures already in place and creating new erosion, silting, and gullying problems where none had existed before.

In short, farmers this year did not have a reasonable opportunity to utilize the money appropriated by Congress for this badly needed purpose.

It should be stressed that S. 3943 does not involve any new appropriations. It does not make available any more money than Congress originally intended for the REAP and RECP programs. It simply provides that the funds originally appropriated for soil conservation cost-sharing for 1973 and 1974 and uncommitted to that use as of December 31, 1974, shall remain available for use through December 31, 1975, in order to give deserving farmers a reasonable opportunity to use them.

The only circumstance that has changed since the funds were originally appropriated is that these funds are many times more vital today than anyone could have imagined they would be at the time of the original appropriation.

Mr. President, never in the history of the world have so few farmers been expected to produce food for so many people. The American farmer is equal to this task but he needs and deserves our support and assistance to accomplish it.

I ask for support for this measure as a sign of good faith in the American farmer, and as a sign of support for his determination to provide food for the hungry people of the world.

The amendment was agreed to.

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

The title was amended so as to read: "A bill to extend the time for using funds appropriated to carry out the 1973 rural environmental assistance program and the 1974 rural environmental conservation program."

CLARA BARTON NATIONAL HISTORIC SITE; JOHN DAY FOSSIL BEDS NATIONAL MONUMENT; KNIFE RIVER INDIAN VILLAGES NATIONAL HISTORIC SITE; SPRINGFIELD ARMORY NATIONAL HISTORIC SITE; TUSKEGEE INSTITUTE NATIONAL HISTORIC SITE; AND MARTIN VAN BUREN NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (H.R. 13157) to provide for the establishment of the Clara Barton National Historic Site, Md.; John Day Fossil Beds National Monument, Oreg.; Knife River Indian Villages National Historic Site, N. Dak.; Springfield Armory National Historic Site, Mass.; Tuskegee Institute National Historic Site, Ala.; and Martin Van Buren National Historic Site, N.Y.; and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 1, line 4, strike out the words "That (a) unless" and insert in lieu thereof "Sec. 101. (a) Unless".

On page 4, in line 19, strike out "Sec. 2. (a)" and insert in lieu thereof "Sec. 102.".

On page 5, in line 16, strike out "Sec. 3." and insert in lieu thereof "Sec. 103.".

On page 5, in line 22, strike out "Sec. 4." and insert in lieu thereof "Sec. 104.".

On page 6, in line 1, after the word "for" insert the words "acquisition of lands and interests in lands and for".

On page 6, in line 8, strike out "$1,130,000" and insert in lieu thereof "$2,268,000".

On page 6, beginning at line 17, insert the following new language:

TITLE II

SEC. 201. In order to preserve for the benefit and inspiration of the people of the United States as a national historic site, the Sewall-Belmont House within the District of Columbia, the Secretary of the Interior is authorized to enter into a cooperative agreement to assist in the preservation and interpretation of such house.

SEC. 202. The property subject to cooperative agreement pursuant to section 101 of this Act is hereby designated as the "Sewall-Belmont House National Historic Site".

SEC. 203. The cooperative agreement shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such property and interpreting it to the public, that no changes or alterations shall be made in such property except by mutual agreement between the Secretary and the other parties to such agreement. The agreement may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration, preservation, and maintenance of the historic site.

SEC. 204. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, but not to exceed $500,000.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to provide for the establishment of the Clara Barton National Historic Site, Md.; John Day Fossil Beds National Monument, Oreg.; Knife River Indian Village National Historic Site, N. Dak.; Springfield Armory National Historic Site, Mass.; Tuskegee Institute National Historic Site, Ala.; Martin Van Buren National Historic Site, N.Y.; and Sewall-Belmont House National Historic Site, Washington, D.C.; and for other purposes."

NATIONAL PARK SYSTEM

The Senate proceeded to consider the bill (H.R. 14217) to provide for increases in appropriation ceilings and boundary changes in certain units of the national park system, to authorize appropriations for additional costs of land acquisition for the national park system, and for other purposes which had been reported from the Committee on Interior and Insular Affairs with amendments on page 3, in line 17, strike out the word "and".

On page 3, beginning at line 22, insert the following new language:

(11) Apostle Islands National Lakeshore, Wisconsin: Section 8 of the Act of September 26, 1970 (84 Stat. 880) is amended by deleting "$4,250,000" and inserting in lieu thereof "$5,250,000";

(12) Lake Mead National Recreation Area, Arizona and Nevada: Section 10 of the Act of October 8, 1964 (78 Stat. 1039) is amended by deleting "$1,200,000" and inserting in lieu thereof "$7,100,000"; and

(13) Sleeping Bear Dunes, Michigan: Section 15 of the Act of October 21, 1970 (84 Stat. 1075) is amended by deleting "$19,800,000" and inserting in lieu thereof "$57,753,000".

On page 10, beginning at line 18, insert the following new language:

SEC. 406. The Act of March 10, 1966 (80 Stat. 33; 16 U.S.C. 459g) providing for the establishment of Cape Lookout National Seashore in the State of North Carolina is amended as follows:

(1) Section 1 is amended by deleting " 'Proposed Boundaries—Proposed Cape Lookout National Seashore', dated April 1964, and numbered NS-CL-7101-B," and substituting in lieu thereof "Boundary Map, Cape Lookout National Seashore,' dated March 1974, and numbered 623-20,009," and by changing the colon to a period and deleting the remainder of the section.

(2) Subsection 2(a) is amended by deleting the third sentence and inserting in lieu thereof the following: "Lands owned by the State of North Carolina or any political subdivision thereof may be acquired only by donation, but the Secretary may, subject to the provisions of section 7 of this Act, acquire any other non-Federal lands, marshlands, waters, or interests therein which are located within the boundaries of the seashore by donation, purchase with donated or appropriated funds, or exchange. Notwithstanding any other provision of law, the Secretary may accept any lands donated by the State of North Carolina subject to a provision for reversion to the State conditioned upon continued use of the property for national seashore purposes.".

(3) Section 3 is amended by revising the first sentence to read as follows: "When title to lands and interests in lands in an amount sufficient to constitute an efficiently administerable unit for the purposes of this Act is vested in the United States, the Secretary shall declare the establishment of the seashore by publication of notice thereof in the Federal Register.".

(4) Section 7 is amended to read as follows:

"SEC. 7. There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, not to exceed $7,903,000 for acquisition of lands and interests therein, of which no more than $1,000,000 may be expended for acquisition of lands owned by Core Banks Club Properties, Incorporated. For development of essential public facilities there are authorized to be appropriated not more than $2,935,000. Within three years from the date of the enactment of this Act, the Secretary shall develop and transmit to the Committees on Interior and Insular Affairs of the United States Congress a final master plan for the full development of the seashore consistent

with the preservation objectives of this Act, indicating:

"(1) the facilities needed to accommodate the health, safety, and recreation needs of the visiting public;

"(2) the location and estimated cost of all facilities; and

"(3) the projected need for any additional facilities within the seashore.".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

SAN CARLOS MINERAL STRIP

The Senate proceeded to consider the bill (H.R. 7730) to authorize the Secretary of the Interior to purchase property located within the San Carlos Mineral Strip, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized and directed to acquire through purchase within the so-called San Carlos Mineral Strip as of January 24, 1969, all privately owned real property, taking title thereto in the name of the United States in trust for the San Carlos Apache Indian Tribe.

SEC. 2. The Secretary is authorized and directed to purchase from the owners all range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on the lands restored to the San Carlos Apache Indian Tribe for the reasonable value of such improvements, as determined by the Secretary: *Provided, however,* That if any such range improvements were constructed under cooperative agreement with the Federal Government, the reasonable value shall be decreased proportionately by the percentage of original Federal participation. Such permanent improvements shall include, but not be limited to, wells, windmills, water tanks, ponds, dams, roads, fences, corrals and buildings. The Secretary shall take title to such range improvements in the name of the United States in trust for the San Carlos Apache Indian Tribe.

SEC. 3. There are authorized to be appropriated for the purposes of this Act not to exceed $3,000,000 to be available without fiscal year limitation: *Provided,* That the Secretary shall make a fair determination of compensation for property acquired pursuant to this Act: *And provided further,* That the Secretary shall make such appraisals and require the owners to present such documents as title, tax assessment, bills of sale, other paper, and other evidence which he may deem necessary for such determination.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

WISCONSIN MICHIGAN POWER CO.

The bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin Michigan Power Co. was considered, ordered to a third reading, read the third time, and passed.

LEGISLATIVE PROGRAM

Mr. HUGH SCOTT. Mr. President, I rise to make some inquiries of the distinguished majority leader, inasmuch as we have a continuing resolution, a campaign reform bill, and other measures to be considered. I inquire as to what the program is for the day and until the Senate stands in recess. Also, I inquire as to the conditions under which Congress will stand in recess.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished Republican leader, I ask unanimous consent at this time that at the conclusion of the morning business and the morning hour, H.R. 12993, a bill to amend the Communications Act, be laid before the Senate and made the pending business.

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

Mr. MANSFIELD. That will be followed by the conference report on campaign reform, and that in turn will be followed by the conference report on the continuing resolution.

It is imperative, in my opinion, that all these bills be passed, hopefully today.

The other bill of major significance is the supplemental appropriation bill, which will have to be considered, I would hope, before the Senate adjourns this week for the recess.

Of course, I point out that there will be difficulties which will force the Senate to meet on Saturday and perhaps into next week if no agreement is reached, especially on the continuing resolution with respect to appropriations. I had hoped that it would have been possible to have had the Senate consider the nomination of Nelson A. Rockefeller before the recess; but in view of events which have developed, it appears that that is impossible at this time.

Mr. HUGH SCOTT. Can the distinguished majority leader advise me whether action is expected on the conference report on conservation and rehabilitation programs, H.R. 11537? It is on page 17 of the calendar.

Mr. MANSFIELD. I am glad the Senator mentioned that. We have a consent agreement on that. It will be the intent of the leadership to lay aside the bill to amend the Communications Act and take the conservation and rehabilitation program legislation up first.

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

I add my regret that the nomination of the distinguished Vice President-designate cannot be disposed of before the recess. Information was requested from the Treasury and the Internal Revenue Service which we have been assured would be received on October 18. We have had other assurances that it would be received earlier and it was not. It is obvious that the Committee on Rules is not in a position to make a report.

On the campaign reform fund bill, as it is sometimes called, the conferees have labored long. It has had many disagreements, and it finally resolved the issues in conflict. By and large, it is a reasonably good bill. It represents some important steps forward in limitations of contributions, in limitations of the amount an individual may furnish for his own campaigning, in tightening up committee giving and reporting, and in establishing an independent Federal Election Commission, which I am proud to say was my own amendment.

I believe we have fortified that Commission so as to assure its independence by public financing, with the use of matching funds and the necessity for a threshold contribution by the candidate before he becomes eligible to match the collection of future funds with Federal funds in the case of Presidential elections only. I am very sorry that the bill did not contain the Kennedy-Scott amendment, which extended public financing to congressional elections. It is my own judgment that, after we give this bill a trial in the 1976 election, its usefulness and desirability in congressional elections will be made manifest.

There are many people who disagree with me, including many in my own party. This has been a stance taken by the distinguished Senator from Massachusetts (Mr. KENNEDY) and myself, with which the Senate, however, did not agree, and on which we have expressed clearly our preference to this form of this extension of financing.

However, it is necessary to say that the bill is in a form which I believe the President would find possible to sign into law. We ought to give it a fair trial. We have sought to eliminate a number of abuses in election laws, and now we need good administration, fearless enforcement, and a fair trial.

I yield back the remainder of my time.

QUORUM CALL

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

The ACTING PRESIDENT pro tempore. On whose time?

Mr. HUGH SCOTT. I ask unanimous consent that the time be first taken from the remaining time available to the majority leader and myself, and thereafter, if necessary, from the time of the assistant majority leader (Mr. ROBERT C. BYRD).

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

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time coming out of someone else's time, because we do not have any left.

Mr. McCLURE. Mr. President, the time may be charged to the time allotted to me.

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

ORDER OF BUSINESS

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

Mr. GRIFFIN. Mr. President, I yield back my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for a period of not to exceed 15 minutes.

MORE ON SPENDING: KEEPING THE TEMPLES DRY

Mr. HARRY F. BYRD, JR. Mr. President, today I am continuing my series of reports to the Senate on examples of wasteful or inappropriate spending by the Federal Government. This is my sixth report in the series, which will end with adjournment this Friday.

I am convinced that a growing number of Americans are concerned about Government spending habits. Each year the Government runs another massive deficit, and each year it thereby adds to inflation.

I think the people are coming to see the connection between Government deficits and inflation. Spendthrift Government helps to overheat the economy, and the borrowing made necessary by huge deficits forces the Government to take 62 percent of the Nation's lendable funds out of the money market.

So I think it is important to focus on Government expenditures which are wasteful, or represent questionable uses of public funds, or are just simply too large.

In previous reports I have mentioned some of our Government's outlays overseas, and I shall have more to say about that in a future speech.

Today I would like to report an expenditure of $4 million by the Smithsonian Institution, which is the U.S. contribution to an international campaign to preserve Nubian archeological monuments inundated by Nile River waters regulated by the Aswan Dam.

The flooded temples are to be moved to the island of Philae.

The sponsor of the campaign is the United Nations Educational, Social, and Cultural Organization.

I seem to recall, Mr. President, that it was Russian money which built the Aswan Dam. I wonder why the American taxpayer is being asked to foot part of the bill for the archeological damage which this construction has caused.

I want to stress that I am not opposed to the preservation of the temples, if the people of Egypt want them preserved as part of their heritage. I think private subscription to such an effort would be appropriate. I think support from the Soviet Union, or perhaps some of Egypt's oil-rich allies, would be even more appropriate.

But I do not think that it is appropriate for the American taxpayer to pay a $4 million bill for this purpose.

Another aspect of Federal spending which deserves attention is the question of duplication of effort within the Government.

Examples of this appear in a program called Research Applied to National Needs—RANN—sponsored by the National Science Foundation.

We have on the statute books a Law Enforcement Assistance Act, administered by the Justice Department, yet under RANN an experimental study of decisionmaking in the 12-man jury, as opposed to the 6-man jury, will be funded at $571,500. An inquiry into the effect of video-taped testimony will cost over $250,000.

Despite the big budget of the Department of Housing and Urban Development, RANN is spending $148,000 to study black perceptions of residential opportunities in the Philadelphia metropolitan area.

The Department of Transportation funds numerous mass transit projects, yet RANN provided $216,300 for a study of comparative costs of Bay Area—San Francisco region—transportation modes.

This kind of procedure not only is potentially duplicative, but it encourages the practice of grant shopping. Some States and localities support professionals in Washington, who prowl the corridors of the bureaucracy looking for stray funds. The theory is that if you cannot get it in one department, you can get it in another—and that may be right.

In concluding my report today, I want to cite two more of the many scholarly studies which are regularly underwritten by the Government.

The first, funded by the National Endowment for the Arts, is an $82,609 grant to Associated Councils of the Arts, New York City, to fund a national survey on "the attitudes of the general public to the arts."

The second, sponsored by the Department of Health, Education, and Welfare, provides funds for work in Yugoslavia on "Late Byzantine Influence on South Slavic and Russian Literature and Worldview." The cost is $5,755.

Two points on these and the other studies I have cited in my speeches: first, I do not judge the value of the studies, but only question the appropriateness of using tax funds to pay for them; second, while many of them are small in cost, compared to the total budget, cumulatively they represent a large—and undetermined—sum of money.

One way of putting this into perspective is this:

The average individual income tax return in the United States is $1,536. That means that to pay for the survey of public attitudes toward the arts, the entire Federal tax payment of 53 American families was used.

In my opinion, that is not appropriate.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana (Mr. MANSFIELD) is recognized for a period of not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back my time.

The PRESIDING OFFICER. Under the previous order, the Senator from New York is recognized for 15 minutes.

THE ECONOMY

Mr. BUCKLEY. Mr. President, rumors surfaced a week or so ago that the administration's position "is not cast in stone" concerning the reimposition of wage and price controls. I want to emphasize that the reports are as of yet in the rumor stage. Yet all too often the rumors of today become the policies of tomorrow and I am convinced that it is in the public interest to address the substance of such rumors whether or not they become fact.

I can think of no step that would be more damaging to the prospects for inflation-free economic recovery than the reimposition of the catastrophic strangle-hold of wage and price controls. Nothing reflects more the bankruptcy of the understanding of our economic system than does the preference for reinstituting wage and price controls after they have so conspicuously failed; not merely failed to control wages and prices, but also managed to impose unprecedented shortages of food, raw materials, finished goods.

Here, perhaps, is a good place to refresh our memories as to the real dangers of wage and price controls. It is bad enough that controls failed so signally in achieving their objective of price stability. What is far more serious is that in the process of imposing them we caused dislocations that will plague us far into the future.

It is astonishing that people should so soon forget the extent of these dislocations, and the speed with which they were spreading even before oil shortages complicated the picture. In the past months before economic controls were lifted, every newspaper, every bag of constituent mail I received, contained new examples of an essential item in short supply. I speak of every kind of commodity—of newsprint, furniture, baling wire, cotton goods, food freezers, bottled gas, paper bags, drilling pipe, and a host of others.

What we must understand is that these shortages did not just happen. They were caused. They were the predictable consequences of the imposition of controls on a free economy. When the market ceases to be free, when a willing buyer is not allowed to bargain with a willing seller, we destroy the signals that channel investment and production. If a producer is not allowed to sell a given item at a price commensurate with the cost and risk of its production, he will simply stop producing it. This simple lesson in economics was driven home to millions of Americans two summers ago who saw on television the destruction of tens of thousands of day-old chicks because the price allowed farmers for the sale of their poultry was less than the cost of the feed required to bring the chicks to marketable size. And so it is

with expanding production to meet increased demand. No one will invest in new plants and facilities if the goods to be produced are not permitted to be sold for a price that will allow a reasonable return on the investment.

No sector of our economy, no wage earner, no pensioner, and no housewife was immune from the Government-imposed catastrophy of 3½ years of wage and price controls between 1971 and 1974.

To suggest that wage and price controls could possibly improve our present economic difficulties flies in the face of bitter reality. No one can claim in 1974—as many were doing in 1971—that we somehow had the unique capability to succeed where everyone has failed, and successfully contains inflation through imposition of economic controls. Our bitter experience in the very recent past leaves no doubt, or at least should leave no doubt that wage and price controls not only do not contain inflation, they pile shortages, inequities and economic inefficiency on top of inflation.

Inflation is widely understood by economists to be primarily a monetary phenomenon emerging as a consequence of an excessive increase in the supply of money. There are many competing theories of why the supply of money increases, but the technical understanding of the problem of inflation leaves no doubt that wage and price controls will not stop an increase in prices if the underlying monetary stimulus to price increases continues to exist.

The primary stimulus to the growth of the money supply in the past 3 years has been the series of extraordinary Federal deficits and the subsequent heavy borrowings of the Federal Government in the private capital markets. This heavy borrowing has preempted the ordinary private borrower such as the individuals seeking to buy a home or a business enterprise seeking to raise funds through the sale of stock or to borrow money from the public through the sale of bonds.

The Federal Government has, as a consequence of its voracious appetite for funds to finance those ever-swelling deficits—$110 billion in 5 years—forced the potential home buyer out of the market and has compelled business borrowers in the capital markets to be diverted to the commercial banking sector. In order to meet the huge business demand for short-term loans, the Federal Reserve has pumped money through the banking system at a rate which has resulted in our present double-digit inflation. Attempting to stem this tidal wave of Government-induced inflation by attempting to cap the wage earner and business organization through wage and price controls has not and cannot work.

I cannot urge too strongly that this sorry remedy be forever abandoned as a futile relic of the failure of Government intervention into the private marketplace. It is only through the private marketplace that the supply of goods can increase so that the demand for such goods can be satisfied at a stable price level.

Our priorities should, therefore, be to get the Government out of preempting private borrowers by cutting Federal spending and borrowing in the capital markets, and providing an environment conducive to the efficient functioning of our competitive, consumer-oriented economy.

Price controls simply do not work. It is not merely a matter of devising a more effective regulatory machinery. Economic interrelationships are so subtle, so sensitive, that it is impossible for any body of regulators, however large, however wise, to anticipate how and where to mobilize the resources and set the prices so that our infinitely complex economy can work at maximum efficiency. An axiom which has been raised to the status of a cliche among professional economists is that the one task economists can perform if given the power to do so is to create a surplus or a shortage. By raising the price of wheat through Government price supports above the price that the market would pay, economists were able to create the notorious agricultural surpluses of the 1950's and 1960's. Later, by attempting to set the price of agricultural commodities below the price at which farmers were willing to produce, they created the food shortages of 1973.

The tragic frequency with which consequences of governmental attempts to control prices and wages here and abroad provided persuasive evidence that there is no administrative or procedural reform that can improve them. By substituting bureaucratic judgment for that of producers and consumers, wage and price controls will without fail create artificial surpluses or shortages despite the very best intentions of all concerned.

I hope, Mr. President, that the Congress will stand firm and reject any proposal that we again flirt with to discredit an economic patent medicine on economic controls.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the unanimous consent agreement and under the previous order, the Senator from Utah (Mr. Moss) is recognized for the purpose of considering the conference report on H.R. 11537.

CONSERVATION AND REHABILITATION PROGRAMS ON MILITARY RESERVATIONS CONFERENCE REPORT

Mr. MOSS. Mr. President, I submit a report of the committee of conference on H.R. 11537, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. 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 16, 1974 at p. 31125.)

Mr. MOSS. Mr. President, I understand there is a time limitation agreement.

The ACTING PRESIDENT pro tempore. Yes. Time for debate is limited to 40 minutes to be equally controlled by the Senator from Utah (Mr. Moss) and the Senator from Idaho (Mr. McCLURE), with a limitation on debatable motions and appeals of 10 minutes each.

Who yields time?

Mr. MOSS. Mr. President, I yield myself such time as I may use to make a statement, which will be brief, and then I intend to yield to others on this matter.

Mr. President, we are dealing here with a problem that has been before the Senate in times past, and it has to do with the management of our resident fish and game.

There is not any question that the law is clear that the management of resident fish and game belongs to the States, and the States control how that game shall be managed and how it shall be harvested. The Federal Government lacks jurisdiction to enter into that part of the function. The Federal Government, however, is a landowner, and it owns land within the boundaries of some States.

Now, it has the rights of a landowner which could be to exclude any person from entering the land or it may exclude parts of that land from being used as a hunting area or some other reason having to do with the management of the land or its habitat such as safety or damaging an important geologic formation or something of that sort. But it cannot go over the line of managing resident fish and wildlife except under certain circumstances.

Since we have large areas of Federal jurisdiction within some States, Congress has before it this legislation which requires that the Federal Government, in cooperation with the States, develop fish and wildlife programs whereby the habitat for fish and wildlife would be enhanced upon the Federal property.

In order to enhance the habitat for fish and game, joint agreement could be signed whereby a charge would be made or a stamp sold for using the Federal lands. This would be made uniformly and it would not be exclusively assigned to any group. Any person who holds a fishing or hunting license within the State would be entitled to go on the Federal lands that are open for fishing and hunting, but if the State agrees, there may be a charge placed upon them or a stamp required. A stamp could be required only if the State has less than 60 percent Federal land. And that is the only real issue with this conference report.

Mr. President, H.R. 11537 represents a major step forward in promoting fish and wildlife values on Federal lands. Certain Federal agencies, notably the

Bureau of Land Management, would be required under the bill to develop comprehensive plans to assure the enhancement of habitat of fish and wildlife in their management of the public lands. The Bureau of Land Management has not performed well in the past in enhancing the propagation of fish and wildlife on its lands. By requiring that fish and wildlife habitat programs be developed, the bill represents a significant step forward and should greatly enhance those values which so many of us hold to be of great importance.

Obviously, to those of us residing in the Western States, where most of the public domain is located, this bill takes on particular significance. The well-being of fish and wildlife habitat on Federal lands is extremely important to our constituents, not only for the obvious pleasure that fish and wildlife gives to them, but for some very important economic reasons relating to tourism and the enjoyment of fish and wildlife in general. The acceptance of this conference report can only foster those benefits.

I am happy to report that the conferees agreed to virtually all of the Senate amendments to this bill. In doing so, I am confident that the traditional relationships which have existed between the Federal Government and State agencies with respect to the management of resident species of fish and wildlife is preserved. While Federal agencies will retain full authority to manage the lands under their jurisdiction and its habitat, if hunting, trapping, and fishing of resident species is allowed on Federal lands in accordance with those responsibilities, it shall be pursuant to State law and regulations. This is the current arrangement, and it should continue.

It is no secret to those of us who served on the committee of conference or to other western Senators, that the distinguished junior Senator from Idaho has expressed reservations over the conference report. At this point, I think it would be proper to explain exactly how the bill would work with respect to his chief concern.

As I understand it, the Senator is primarily concerned that a provision in the bill which would allow State and Federal agencies to agree to require a hunting, fishing, or trapping stamp on Federal lands might be construed to be a "Federal hunting license." Let me say first to the Senator that I share his concern. Congress would be ill-advised to require anything resembling a Federal hunting license. The Federal duck stamp is required to be affixed on the license of those who hunt migratory waterfowl. But the licensing function has been left to the States, and properly so.

While I would oppose any measure to impose a Federal hunting license, I see no risk in this bill for the following reasons:

First. Section 203(b)(1) of the bill states explicitly that:

Such stamp shall be issued, sold, and fees therefore collected by the State agency or by the authorized agents of such agencies.

Second. As the States must be a party to any agreement to require such stamps, there is little danger of the requirement resembling a Federal hunting license. Who better is qualified to guard the States' prerogative to issue hunting, trapping, and fishing licenses than the States themselves? There is no authority under the bill for Federal agencies to act unilaterally.

Third. The States themselves support the bill and the stamp provision. This includes the International Association of Game, Fish, and Conservation Commissioners, which represents the wildlife agencies of all the States. Their counsel, Mr. Paul Lenzini, stated explicitly in hearings before the Commerce Committee that this bill does not move toward a Federal hunting license. Moreover, the Western Association of Game, Fish, and Conservation Commissioners, made up of wildlife officials from the Western States, supports not only the entire conference report, but the stamp provisions as well.

While I would agree with the Senator from Idaho that a Federal hunting license is something to be avoided, I have no fears that this bill moves in that direction. The bill is vitally needed and I would urge the acceptance of the conference report.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Idaho. How much time does the Senator yield?

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Mr. President, I wonder if the Senator from Utah will respond to a couple of questions that might set the framework for the discussion a little more precisely.

First of all, I understand that the Senator from Utah has indicated that the intention of the authors of the bill, the Senate committee, and the conferees, has been to develop a bill which deals only with habitat improvement programs; is that correct?

Mr. MOSS. That is correct. There was some question in the bill as to whether we might include the word "habitat" in one extra place, but the whole intention of the bill is to improve the habitat. The bill does not regulate the management of wildlife herds or fish populations. It simply will force the improvement of the habitat so that in normal conditions fish and wildlife will grow and flourish.

Mr. McCLURE. The Senator would also agree, I am certain, to make it even more explicit, that the committee and the authors and the conferees have discussed at some length the question of whether or not this bill should apply to the management of the resident fish and game, and in every instance the decision has been that this bill is not intended to and it is the feeling of the sponsors of the legislation that it does not enlarge the authority of the Federal Government to manage the resident fish and game species, is that correct?

Mr. MOSS. That is correct. That is the intention.

This goes back to the Carlsbad case where the Federal Government claimed the right to take animals on a Federal reservation and the court held that even when they do so, they must have a State license in order to take the animals.

Mr. McCLURE. I thank the Senator for those responses.

If I may, Mr. President, I appreciate the responses, but it still does not remove my concern about the thrust and direction of the legislation.

Mr. METCALF. I wonder if the Senator from Idaho would yield for one question?

Mr. McCLURE. Certainly.

Mr. METCALF. A few years ago when I was a Member of the House of Representatives and the distinguished late Senator from California, Mr. Engle, was chairman of the House Interior Committee, we explored the business of making military reservations closed reservations for fish and game.

One of the things that we explored was the fact that generals would invite distinguished people out and have a hunting party and close the reservation to everyone else.

At that time we tried to provide that there would be enforcement on the military reservation of the State hunting and fishing licenses. Is there any question in this bill about continued enforcement of that program?

Mr. McCLURE. I would say to the Senator that the bill we have before us now is an extension of the bill that dealt earlier with the question of hunting and fishing on military reservations and the management responsibilities and prerogatives on the military reservations are unchanged by this bill, so that the situation that was in existence on military reservations prior to this time will not be changed as a result of this legislation.

Mr. METCALF. And so, on Federal military reservations, this bill will continue to have this management of the game and licensing of hunting and fishing on those reservations.

Mr. McCLURE. That is correct.

Mr. METCALF. I thank the Senator.

Mr. McCLURE. I would say that my concern has to be against the background of the evolution of events, a portion of which the Senator from Montana has mentioned, and that is the continuing struggle on the part of the States to maintain their own right to manage the resident fish and game species and the struggle on the part of others to enlarge the area of Federal control on the public lands, as well as elsewhere within the State.

The hunting and the fishing on military reservations rather obviously occupies a special category in the eyes of the law because military reservations are unique reservations of land for a specific purpose and the hunting and fishing that is permitted on military reservations is an enlargement of the rights which are ordinarily held by the citizens in the area and not a restriction on their right.

If it were not for the enactment of the law designating specific right to go on a military reservation, there would be no such right. We have to distinguish from the public domain generally.

We have similar restrictions in national parks in which the resident fish and game are managed entirely by the

Federal Government and the State regulations do not apply in the national park.

That is a peculiar and particular creature of Federal statute and a special management unit under Federal statute.

There has been a continuing struggle on the part of those of us who come from public land States to keep the Federal Government from going further into all special management units.

I recall when I served in the House of Representatives we had that on the Oregon Dunes legislation, a special management area of public lands in which the authors of the legislation were in accord with me that the State ought to manage the fish and game harvest in that special management unit, but the majority of the committee in the House was very nearly in favor of Federal management of the fish and wildlife on that special management unit, although it would have broken with the precedents of the past that only in military reservations and national parks did we recognize the Federal Government's preeminence.

The Senator from Utah has mentioned that we now have a migratory water fowl system, not because it is a right to control what happens on public lands, because it is a Federal responsibility under treaty obligations with Canada and Mexico to regulate the hunting of the migratory water fowl.

So we have a unique situation in military reservations, in national parks, or in the migratory water fowl, and that is a precedent that should not be extended by inadvertence into other fields.

We have other such examples of special Federal legislation where there is an overriding national interest, and I refer to the Endangered Species Act which extends Federal jurisdiction over endangered species.

We have preempted States' rights in the field of the Wild Horse and Burro Act where the State's right to manage a resident game herd was, to some degree, limited because of the overriding national interest in the maintenance of the wild horses and burros in certain areas, and we gave a priority over resident fish and game by that Federal enactment.

We can pick out specific instances where the Federal Government has preempted for special reasons the prerogatives to manage, but in every instance where we have had the opportunity, we have carefully limited that right and made certain that the Federal Government was not encroaching upon the State's right to manage the fish and game that are resident species.

The manager of the bill, the Senator from Utah, has just indicated that it is the intention that this bill deal only with habitat and not with the resident fish and game species, and I have indicated that I shall offer a motion to recommit this bill to the conference.

That is the only way in which we feel that we can get this matter back to the conference for resolution with the House in regard to the language which is in the bill.

Section 201 of the bill refers to conservation and rehabilitation programs. It does not say conservation and rehabilitation of habitat.

I think there is a danger that is involved in future interpretation. While we here today may understand that when the bill speaks of conservation and rehabilitation of fish and wildlife we are not talking about the fish and wildlife as the bill says we are talking, we are talking about the habitat for the fish and wildlife.

I think that the bill ought to say what we say it means, rather than giving to future bureaucrats or the courts the opportunity to construe the bill in a way which we say it should not be intended.

Mr. MOSS. Would the Senator yield at that particular point?

Mr. McCLURE. Yes.

Mr. MOSS. If the Senator would refer to the conference report that is on the Senator's desk:

AMENDMENT NO. 19

House provision. The House bill does not define the term "conservation and rehabilitation program" for purposes of title II.

Senate amendment. The Senate amendment adds a provision to define the term. Under the definition, a substantive standard for the performance of the Federal agencies in carrying out title II would be established. The term means to utilize those methods and procedures which are necessary to enhance fish, wildlife, and game resources to the maximum extent practicable consistent with any overall land use and management plans for the lands involved. The definition further specifies the methods and procedures of resource management which may be used. The definition also disclaims any intent to diminish the authority or jurisdiction of the States with respect to the management of resident species of fish, wildlife, or game, except as otherwise provided by law.

That is what the Senator was talking about with respect to endangered species or migratory waterfowl. There are some exceptions, but those are the one now contained in the law. This bill does not exclude any more of the resident fish and game species from State management.

I thank the Senator.

Mr. McCLURE. The Senator from Utah does not really satisfy my fears. He enhances them. Again, the very language he quotes does not say it is confined to habitat.

As he said, it is his intention that the bill should do it. The definition which he cites says that they shall be able to manage in such a way as to enhance the fish and wildlife.

Mr. MOSS. That is correct.

Mr. McCLURE. What better way to enhance the number of fish and wildlife in the minds of some, at least, than to prohibit hunting or to shorten the hunting season, or to limit the kind of hunting that goes on? The point that I am trying to make is that this language is supposed to say that the Federal Government can manage the habitat, period, but it does not quite say that. That is why I shall offer the motion to recommit, so that the language can conform to do exactly what the Senator says it does.

Mr. MOSS. As the Senator well knows, the construction of words of a statute are often measured by the report that is made by the committee reporting the bill, by any debate on the floor, and certainly by any conference report. That is the reason that I read from the conference report. This makes it absolutely clear what was in the minds of the conferees when they talked about this very subject.

The Senator injects a fear that some way or other the Bureau of Land Management, or somebody, is going to wiggle away from this language and say, "Well, we will not consider what the conferees said."

I do not think that is a valid way to enter an objection to the language of the bill.

Mr. McCLURE. Let me say to the Senator from Utah I respect his motives. I just wish he would read the language a little more carefully. I appreciate the colloquy on the floor that says what the intention is. But the Senator from Utah knows, as the Senator from Idaho knows, that any future bureaucrat who wishes to can take this language and read it the way he wants and ignore the legislative history.

Mr. MOSS. I deny that. I think the Federal courts are still sitting and if any bureaucrat takes it and tries to twist it around there is some way to get it into court.

Mr. McCLURE. I would again remind the Senator from Utah that the language he read from the conference report does not speak of the management of fish and wildlife habitat. It says, and the Senator quoted the language, "to protect, conserve, and enhance wildlife, fish, and game." That is precisely the thing that I do not want the Federal Government to be involved in doing, interfering in the management of the resident fish and game.

I think the record ought to indicate that, contrary to the expression of the Senators from Washington and Utah in their letter to their colleagues, the Western States Association has not come down in favor of this language, in spite of the statement of two of their spokesmen to the contrary.

As a matter of fact, the Western States Association opposed this bill. I can provide for the record the letters that indicate that that is the case.

I quote from the letter of September 27 which was written by the Senator from Washington (Mr. MAGNUSON) and the Senator from Utah (Mr. MOSS). It says:

> Moreover, although not unanimously, the Western Association of Game, Fish, and Conservation Commissions, made up of wildlife officials from the Western States, supports not only the entire conference report on H.R. 11537, but the conference agreement on the McClure amendment as well, according to Carl Crouse, Western Association's president. Mr. Crouse is also the director of the Washington State Department of Game.

I think it is fair to say, and it should be said for the record, that that is Mr. Crouse's opinion; that is not the opinion of the Western Association.

I have asked the Senator from Utah to delay this so we could find out what the Western Association really believed. I am denied that opportunity, which is the

Senator's right. But I think the record should also be very plain as to what their attitude is.

I have a letter addressed to me dated August 12 from the Office of the Director of the Wildlife Commission from the State of Oregon, Mr. John W. McKean. I read from that letter:

The Western Wildlife agencies, through the Western Association of State Game and Fish Commissioners, opposed the original bill on the basis that existing laws permitted the States to issue hunting and fishing licenses, and to invest those funds in development of fish and wildlife habitat upon public lands. Therefore, this would serve no useful purpose.

Mr. MOSS. I will wait to respond on my time. I realize the Senator has very little time remaining.

Mr. McCLURE. I thank the Senator.

The State of California addressed me on August 13, a letter signed by Mr. Arnett:

I certainly agree, Senator McClure, with your stand on H.R. 11537. Hopefully, if enough of us feel the way you do and are active in supporting our beliefs, we may stem the Federal move to usurp the powers of the States to manage fish and game. With the Western States amendment—

And I would insert parenthetically he is referring to the amendment which I offered, which the conferees reduced in effectiveness—

With the Western States amendment to H.R. 11537, we have at least temporarily halted the issuance of Federal hunting and fishing licenses in Western States.

I have a telegram from Mr. Phelps, the commissioner in the Senator's State of Utah, in which he says:

We understand H.R. 11537 which extends authority for carrying out conservation and rehabilitation programs on military land to other Federal lands such as the national forests and BLM lands has just cleared conference committee of which you are a member. Please do everything in your power to delay immediate action on the bill in order to give us an opportunity to study the bill, particularly in light of changes made by the conference committee.

That telegram is dated October 5.

I have a similar communication from Ladd Gordon in the State of New Mexico, which states:

We are opposed to the conference report. We want some changes in the language that guarantee the kind of support we think is necessary in these programs.

The PRESIDING OFFICER (Mr. CHILES). The time of the Senator has expired.

Mr. McCLURE. Mr. President, will the Senator from Utah yield me 3 minutes of his time?

Mr. MOSS. I yield 3 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the Senator.

It is difficult to go into the ramifications of this bill in the time that is permitted us this morning. Perhaps it is not even constructive, in view of the "tremendous" audience of other Senators we have here who will soon vote on this issue, without having heard the colloquy.

The bill does mandate a comprehensive plan by the Federal agencies, and the States do not have to agree with that plan. There is no guarantee that the plan that is developed for the public lands will have the approval of the State authorities. Despite the statement that has been made that the States have the veto power over it, they do not have. If there is to be a habitat program that is developed in consultation with them, the Federal Government could do exactly what it wishes, without the agreement of the State, and could prohibit hunting under the terms set forth in that comprehensive plan.

There is also the provision that says that the States may consult and enter into a cooperative agreement. The cooperative agreement, of course, would have to have their consent, but the comprehensive plan would not.

I say that there is a danger involved in that kind of ambiguity, that the States will not have the same kind of consultation on the comprehensive plan that they should have.

These are things which I think we ought to be able to consider now in the conference and revise the language, to make certain that it does what the Senator from Utah says is the intention of the parties.

Lynn Greenwalt, the present Director of the Fish and Wildlife Service, has stated in hearings on this bill and at his confirmation hearings that this tends in the direction of a hunting and fishing license. While I would agree with the Senator from Utah that it does not establish one, it establishes the precedent that the Federal Government has the right to do so if it desires. This is exactly the kind of precedent that I think all of us who live in public land States ought to resist.

People in the Eastern United States want the opportunity to hunt on Federal lands. It is an enlargement of their right, a right they did not have before. But those of us who live in public land States, where two-thirds of the State is owned by the Federal Government, take the right of recreation on that land as a right of the citizen of the State that is not limited by the Federal Government. Any additional restriction on that right is a restriction of a right we now have, not an enlargement on a right we did not heretofore enjoy.

For all these reasons, and the additional reasons which I have detailed in some of my communications to other Senators and members of the conference, I think this bill should be recommitted to the conference so that we can consider these very serious matters and get the bill to say what the Senator from Utah says it says. I know that he is acting in complete good faith here. If he were to interpret the law from now through all time to come, I would not be concerned about it. But neither the Senator from Utah nor the Senator from Idaho is going to control what the courts may say or what the Federal bureaucrats may say this bill says.

I thank the Senator for yielding me some time.

Mr. President, I ask unanimous consent that certain written material be printed in the RECORD.

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

1. Jim McClure's objections that this bill gives the Federal agencies specific statutory authority over fish and game management were not in any way resolved in conference.

The bill under section 201 mandate that the Secretaries of Agriculture and Interior, in cooperation with the states, "plan, develop, maintain, and coordinate programs for the conservation and rehabilitation of wildlife, fish and game.

The sponsors of the legislation say it is their intention to institute a positive direction for habitat management for wildlife, fish and game on the public lands, while preserving the present management of resident fish and game to the states. Unfortunately, the bill does not say so as clearly as it should.

Senator McClure has suggested that the language should be changed to read: "conservation and rehabilitation of the habitat of wildlife, fish and game."

Section 201 goes on to say: "Such conservation and rehabilitation programs shall include but not be limited to, specific habitat improvement activities and adequate protection for species considered threatened or endangered." The suggested change is necessary to clarify the "but limited to" language.

2. The bill, as written, also mandates that the Secretaries of Agriculture and Interior "shall develop, in consultation with the State agencies, a comprehensive plan for conservation and rehabilitation programs to be implemented on public land . . ." That's section 202.

In section 202(G)(4), it goes on to say, "Except where limited under a comprehensive plan or pursuant to cooperative agreement, hunting, fishing, and trapping shall be permitted with respect to resident fish and wildlife in accordance with applicable laws of the state in which such land is located:"

Senator McClure sees that is specifically giving the Federal government unilateral authority to limit hunting, fishing and trapping on the Federal lands through the mandated comprehensive plan. The word "consult" does not mean a plan is drafted jointly by the state and Federal agencies. It can mean a plan is drafted jointly by the state and Federal agencies. It can mean that the Feds are merely supposed to inform the state of such a plan. And remember that the "comprehensive plan" is mandated under section 201.

The same theme is repeated in Sec. 202(b) of the measure, and again in Sec. 203(b)(4) which reads:

The purchase of any such stamp shall entitle the purchaser thereof to hunt, trap, and fish on any public land within such State which is the subject of a conservation or rehabilitation program implemented under this title except to the extent that the public use of such land is limited pursuant to a comprehensive plan or cooperative agreement:

3. The McClure amendment, which removed those states with 25 percent plus of their total area in Federal lands, was gutted in conference. The limit is now set at 60 percent, which would cover only four states—Idaho, Alaska, Nevada and Utah. Under the Public Land Area Management provisions of the bill, Federal lands are treated clearly as a different class and access can clearly be limited. Sec. 203. (a) of the bill is specific:

"Any state agency may agree with the Secretary of the Interior and the Secretary of Agriculture (or with the Secretary of the Interior or the Secretary of Agriculture, as the case may be, if within the State concerned all conservation and rehabilitation programs under this title will be implemented by him) that no individual will be permitted to hunt, trap or fish on any public land within the State which is subject to a

conservation and rehabilitation program implemented under this title unless at the time such individual is engaged in such activity he has on his person a valid public land management area issued pursuant to this section."

Further, Lynn Greenwalt, acting head of the Bureau of Sport Fisheries and Wildlife testified before the Senate Commerce Committee on this question of stamps. He said:

Mr. GREENWALT. There is one fundamental philosophy that the Department, as a matter of fact, has always supported. And that is one that does not in fact endorse the idea of what constitutes a Federal hunting license. Federal migratory bird-hunting stamp notwithstanding, since it is not supplemental, does not supersede a state permit.

In short, one of our fundamental difficulties has been with the idea that there ought to be a Federal license, or taking of what are essentially resident game as is the case in most public domain area.

Deputy Assistant Secretary Doug Wheeler was even more blunt:

"So notwithstanding the fact that the state sells these stamps, you have isolated Federal lands as being a special category for which you require a hunting license in addition to the hunting license that you would be required to buy wherever you hunt throughout the state."

And again during his confirmation hearings as the nominee to head the U.S. Fish & Wildlife Service September 20, 1974, Mr. Greenwalt repeated his strong feeling that nothing should place the BLM or Forest Service lands in any separate category.

4. Proponents of this bill say the stamp provisions are purely voluntary and the business of the states.

Why then, under section 204, are the enforcement provisions of the stamp programs to be carried out by agents of the Federal government and violators tried under Federal authority.

Sec. 204 (c) (3) reads: "Any person charged with committing any offense under subsection (a) of this section may be tried and sentenced by any United States magistrate designated for that purpose by the court by which he was appointed . . ."

If the administration of the stamps are a state matter, as proponents of this bill claim, why then does section 202 (c) (3) (F) (iii) authorize the Comptroller General to audit records of state receipts for stamp sales.

That certainly does not leave the stamp provisions as entirely the property of state government.

5. Further, in section 204, there are clear provisions for seizure and forfeiture of property to the Federal government under the stamp provisions.

The bill reads (Sec. 204) "All guns, traps, nets and other equipment, vessels, vehicles, and other means of transportation used by any person when engaged in committing an offense under subsection (a) of this section shall be subject to forfeiture to the United States and may be held pending the prosecution of any person arrested for committing such an offense."

6. Despite the letter sent recently by proponents of the bill claiming that it has the support of the Western States, this just isn't the case. Attached also is a letter from the Oregon and California departments spelling out very clear objections and saying that the Western Association of Fish and Game Commissioners opposed the bill.

[Telegram]

SANTA FE, N. MEX.,
October, 5, 1974.

Hon. JAMES A. MCCLURE,
U.S. Senate, Committee on Interior and Insular Affairs, Capitol Hill, D.C.:

I respectfully request you take action to delay further congressional consideration of H.R. 11537 until such time as States may thoroughly review language proposed by conference committee. Provisions of this bill are of extreme interest to public land States and have potential of further eroding State jurisdiction over wildlife and ultimately weakening State management programs.

LADD S. GORDON,
Director, New Mexico Department of Game and Fish.

WILDLIFE COMMISSION,
Portland, Oreg., August 12, 1974.

Hon. JAMES A. MCCLURE,
U.S. Senator, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR MCCLURE: Thanks for your letter and enclosure relating to H.R. 11537.

Your good judgment and effective strategy are most commendable and I trust the conference committee will retain the provisions you valiantly fought for in the Senate version.

The western wildlife agencies through the Western Association of State Game and Fish Commissioners opposed the original bill on the basis that existing laws permitted the states to issue hunting and fishing licenses and to invest those funds in development of fish and wildlife habitat upon public lands. Therefore the law served no useful purpose.

On the surface it appears that H.R. 11537 may limit the freedom of western states to voluntarily initiate such programs. However, I am confident that there will continue to be opportunities for the state wildlife agencies and the federal land management agencies to cooperatively develop fish, wildlife and recreational opportunities on the public lands.

We certainly share your concern for the motives of Senator Javits and his constituents and recognize that the western states must vigilantly defend the historic concept that resident fish and wildlife are the property of the people of the respective states.

Your vigilance and initative in this matter is greatly appreciated.

Sincerely yours,
JOHN W. MCKEAN, *Director.*

DEPARTMENT OF FISH AND GAME,
Sacramento, Calif., August 13, 1974.

Hon. JAMES MCCLURE,
U.S. Senator,
New Senate Office Building,
Washington, D.C.

I certainly agree, Senator McClure, with your stand on H.R. 11537. Hopefully if enough of us feel the way that you do and are active in supporting our beliefs, we may stem the Federal move to usurp the power of the states to manage fish and game. With the Western States amendment to H.R. 11537 we have at least temporarily halted the issuance of Federal hunting and fishing licenses in western states.

We shall continue to watch legislation that may lead to further eroding of states rights and responsibilities. In this regard we are very concerned about the proposal of the U. S. Fish and Wildlife Service which would ban the use of lead shot in the hunting of waterfowl. We support your legislation that would prohibit such action by the Secretary of the Interior until public hearings were held to determine the feasibility of such action.

Thank you again for your active participation in these very important conservation matters.

Sincerely,
G. RAY ARNETT, *Director.*

Mr. MOSS. Mr. President, I appreciate what the Senator from Idaho has said. Even if the bureaucrats should try to do the nefarious things that he says they are likely to do, and even if the courts did not restrain them and let them go, Congress will still be here, and each of the sovereign States will be represented by two Senators. I do not see any of the fears that the Senator from Idaho conjures up as coming to light.

The Senator complained somewhat of the fact that consideration of this conference report was premature and we should delay further consideration of this matter. This bill was passed by the Senate on the 15th of July of this year. The Senate agreed to a conference asked by the House on August 6. The conference report was signed by the conferees on September 11. And there was great discussion, I can assure the Senator.

The Senator from Idaho then asked for a delay by writing to Senator MAGNUSON on September 13. Subsequently, the Senator from Idaho asked me for a delay. The conference report was filed in the House on the 16th of September. Then the majority leader became involved. This matter has been put off at least three times before being called up today.

Now, on the 8th day of October, we are taking up the conference report that has been filed in the House for about a month. On September 27, the Senator from Washington, the chairman of the Committee on Commerce, and I sent a letter to all our colleagues, explaining the bill. That letter went to every Senator.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

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

SEPTEMBER 27, 1974.

DEAR SENATOR: Concern has been expressed with respect to the conference agreement on H.R. 11537, a bill to expand fish and wildlife enhancement programs on Federal lands. As the bill affects primarily the Western States with large amounts of public land, we would like to take the opportunity to explain the controversial provision. The conference report should be considered by the Senate in the next few days.

The concern expressed goes to a provision contained in both the House and Senate bills which would authorize State and Federal agencies to enter into agreements to require a public land management area stamp to hunt, trap, or fish on public lands subject to a fish and wildlife conservation and rehabilitation program under the bill. By the adoption of a modification of the so-called "McClure amendment," the conference agreement further requires that in any State which is 60% or more Federal land, State and Federal agencies may agree to impose a surcharge on State hunting, trapping, and fishing licenses to finance, in part, enhancement programs on Federal lands. This would be in lieu of the public land management area stamp.

The concern expressed is that the public land management area stamp is tantamount to a "Federal hunting license". It is our view that such a stamp could not conceivably be so construed for the following reasons:

1. The bill states explicitly in section 203 (b) (1) that "Such stamps shall be issued, sold, and fees therefore collected by the State agency or by the authorized agents of such agencies."

2. As State agencies must be a party to any agreement to require such stamps, there is little danger of the requirement resembling a Federal hunting license. Obviously, the

State agencies jealously guard their prerogative to issue hunting, trapping, and fishing licenses. As there is no authority for the Federal agencies to act unilaterally under the bill, abuse seems impossible.

3. In testimony before the Senate Committee on Commerce, Mr. Paul Lenzini, Counsel to the International Association of Game, Fish and Conservation Commissioners, which represents the wildlife agencies of all 50 states, commented on the fear that this bill moves toward a Federal hunting license:

"In our view, however, this bill does not do this. It does not move in that direction. It simply moves in the direction some States have already moved: namely, in areas that have been set aside for more intensive management, fish and wildlife management, it is frequent to see that an additional fee or stamp is required on top of the State license."

Moreover, although not unanimously, the Western Association of Game, Fish and Conservation Commissioners, made up of wildlife officials from the Western States, supports not only the entire conference report on H.R. 11537, but the conference agreement on the McClure amendment as well, according to Carl Crouse, the Western Association's President. Mr. Crouse is also the Director of the Washington State Department of Game.

Again, the organizations that should be most concerned with an intrusion into States' rights with respect to the licensing function do not fear that this bill moves in that direction. On the contrary, the International and the Western Associations, and the national conservation organizations as well, support the bill's provisions explicitly.

In our view, the conference agreement on H.R. 11537 represents a substantial step forward in enhancing our fish and wildlife resources on public lands. That worthy goal should not be diminished by fears which we feel are not substantiated. We strongly urge your support of the conference report.

With best wishes.

Sincerely yours,

WARREN G. MAGNUSON,
U.S. Senator.

FRANK E. MOSS,
U.S. Senator.

Mr. MOSS. Mr. President, I just make the point that we have delayed, we have put off, we have done everything we could to accommodate the Senator from Idaho.

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

Mr. MOSS. I gave the Senator 3 minutes of my time. I need the remainder.

Mr. President, the Senator from Idaho complains that the Western Association of Game, Fish, and Conservation Commissions did not indeed endorse the conference report on the bill. This letter says that it was not unanimous, but that a majority did. That is what I was careful to say. Mr. Crouse, the association's president spoke to his members by phone, and we talked to Mr. Crouse again yesterday afternoon. He still stands by his statement. The majority say that they are satisfied with the language of the bill.

We can quibble about two or three words, which is really what it comes down to. But I think we have made it absolutely clear what the words mean. The definition is contained not only in the bill itself but also in the conference report, which certainly is part of the legislative history. It has been reiterated on the floor of the Senate today by the manager of the bill and confirmed by others who think that we have done our work properly.

I think there is really no fear that somehow or other a Federal hunting license is going to creep in.

The Senator from Idaho mentions that a great part of his State contains public lands. May I say that more of my State, percentagewise, is in public ownership than his. No less than he do I think that the Federal Government ought not to come in and issue a hunting license and say who can hunt and how they can hunt.

The only thing that the Federal Government can do is to manage the lands it owns. If it is a military reservation and they are going to drop bombs on it, of course, they can say that people cannot go on the military reservation at certain times. Or, if it is an area where they have picnickers and campers, they can say that certain sections of this land are not open to hunting at certain times. It is merely the management of land.

So far as the fish and wildlife are concerned, the State has to set the terms and conditions under which any citizen may take that fish and game. He has to have a State permit to do it, which is in the form of a State hunting or fishing license.

The only purpose of this act is to say that the Federal Government will develop programs and cooperate with the States in enhancing the fish and wildlife on the Federal lands by improving the habitat. That is all this bill is for. It authorizes that some Federal moneys be spent as well as moneys that would be collected by the sale of a stamp for those who wanted to use the Federal land.

As the Senator from Montana clearly pointed out, it is to improve and enhance fishing and hunting; not to constrict it, not to make it subject to Federal control. I think the bill certainly accomplishes this purpose.

I think we should adopt the conference report. We worked on it very hard. I certainly hope that this body will reject the motion to recommit the bill, because, if it is recommitted to conference, we can go back, but we cannot meet until after the recess. After the recess, I foresee that there is going to be a lot of pressure to get this Congress over, completed, and it may be that the bill will be lost entirely.

Mr. STEVENS. Will the Senator yield?

Mr. METCALF. Will the Senator from Utah yield to me?

Mr. MOSS. I yield for a moment to the Senator from Montana.

Mr. METCALF. Mr. President, I feel that here, we have an analogous situation with the migratory bird refuges. We have a duck stamp. We put a stamp on everybody's hunting license. They have to have that stamp if they want to hunt migratory birds. That money is invested in waterfowl refuges all over the United States. We allow 40 percent hunting on those waterfowl refuges. That hunting is under the control of the local State fish and game commission.

We have never had any objection to the fact that the fish and game commission can completely close the hunting, or they can say that they can be hunted to 40 percent. We have improved the habitat. We have invested duck stamp, Federal administration money into that purpose.

While the first part of this debate was going on, the distinguished Senator from North Dakota (Mr. BURDICK), who is a member of the Migratory Bird Conservation Commission, was presiding. I have been a member for a long time; I am no longer a member. Nevertheless, I have never experienced any interference as far as the Federal Government is concerned with the State regulating and managing the waterfowl refuges after the Federal Government has bought the land and improved the habitat. I think there is a good analogy there.

If I have time, I should like the Senator from Utah to reassure me of one thing. That is on the endangered species. Probably the most important area for grizzly bears in the United States is in the State of Montana and in Alaska. In the so-called lower 48, the grizzly bear is a threatened species. Is that not the language of the Senator's bill?

Mr. MOSS. Yes.

Mr. METCALF. "Endangered species" is the language of the other legislation.

I am concerned about the Federal Government moving in, even on an enhancement and preservation of habitat basis, and saying, "We will tell the State of Montana that they may have a hunting season," or, "They may have," and take over the management of the grizzly bear or the brown bear or some other so-called threatened or endangered species as a result of this legislation.

Mr. MOSS. There is no change made by this act in the Endangered Species Act. That is an area in which there has been some Federal preemption, that is true.

This bill does provide that adequate protection shall be given, including habitat improvement projects and activities for the adequate protection of the species considered to be threatened or endangered. This does not move into the area of whether they can be hunted or not, but it says that we will move into improving the habitat of those considered threatened or endangered.

Mr. METCALF. The bill improves the habitat, but it leaves to the local States—Montana, Idaho, Wyoming, or other States—the management or control of those species?

Mr. MOSS. Exactly.

Mr. METCALF. I thank the Senator.

Mr. STEVENS. Will the Senator yield?

Mr. MOSS. Whatever time I have left, I yield to the Senator from Alaska.

Mr. STEVENS. I thank the Senator from Utah.

I wish to make sure that we have a record here on section 206. That section refers to any State——

The PRESIDING OFFICER. All time for debate on the conference report has expired.

Mr. STEVENS. Mr. President, I ask unanimous consent that I may have 2 minutes.

Mr. MANSFIELD. Mr. President, to be fair, I ask unanimous consent that there be 4 minutes, the time to be equaly divided between the two Senators.

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

Mr. MANSFIELD. Then we shall have a vote, or at least get to a conclusion. If it is going to be a rollcall vote, I suggest that it be at the conclusion of the morning business.

I wish to emphasize that breaking in like this is not to be considered a precedent in the future.

Mr. STEVENS. I thank the majority leader.

I wish to make sure that this reference to "all Federal land" means any land of any description that is owned by the Federal Government. We have defense land, we have atomic energy lands, we have the petroleum reserve lands. It means what it says, I assume, "all Federal lands." We are not talking about just those lands categorized as public land, but all Federal lands of any description in the State could be counted toward the 60 percent?

Mr. MOSS. That is correct. That is the intent of the bill, and I am sure it is spelled out.

Mr. STEVENS. I thank the Senator from Utah and the Senator from Montana. I am sorry I am late because of another appointment. I have withheld my signature from this report until this time in order that my good friend from Idaho could have the opportunity to express his disagreement.

I wish to ask that the final report show that I am a signatory and do approve of this conference report. I think the Senator from Utah has been very fair and has tried to meet our problems in the States that have such a great area of Federal land.

In my State, if one had to pay a second license fee to hunt on Federal land, everyone would have to pay two because 90-some-odd percent is Federal land.

I should like the record to show that I do approve the conference report.

Mr. President, it is a pleasure to commend to my colleagues the Senate-House conference report on H.R. 11537. This legislation would open for recreational use by members of the public many thousands of acres of public lands previously closed to them. It would extend authority and increase funds for the Sikes Act of 1960 to enable more of the successful wildlife, fish and game conservation and rehabilitation programs on military reservations enabled through the years by that act. It also would authorize and fund the implementation of such programs on other public lands where no such authority or funding now is available. In this respect, the legislation would provide for approximately 450 million acres of Bureau of Land Management lands, 187 million acres of national forest lands, 2 million acres of Atomic Energy Commission lands, and several thousand acres of NASA lands.

Mr. President, the bill would authorize for each fiscal year until June 30, 1978, the appropriation of $1.5 million for the Secretary of Defense and $2 million for the Secretary of the Interior to carry out the programs on military reservations; $10 million per year until June 30, 1978, to the Secretary of Agriculture for programs on Forest Service lands; and $10 million per year for the same period for the Secretary of the Interior to carry out programs on BLM, NASA, and AEC lands.

There has been no evident disagreement as to the merits of extending and expanding these programs. For the most part, the amendments to the House bill included in the legislation passed by the Senate July 15, 1974, are technical in nature and were readily agreed in conference. Some amendment was needed to clarify and preserve existing Federal-State relations in the management of fish, wildlife and game on Federal lands. For example, special precautions were taken to avoid disruption or preemption of programs on Indian lands; and an amendment of mine would ensure that the legislation would in no way detract from the duties of the existing Federal-State Land Use Planning Commission established by the Alaska Native Claims Settlement Act. Some amendments offered by the Senate and accepted by House conferees are intended to make sure that hunting, fishing, and trapping on public land is in accordance with applicable laws and regulations of the State in which the land is located. Other amendments by the Senate and agreed by the House conferees are to ensure that this act does not negate Federal authority under such laws as the Migratory Bird Treaty Act, the Endangered Species Act, and the Bald Eagle Protection Act.

Section 203 of the House bill has been the subject of much concern. This section would authorize Federal and State agencies to agree to require public land management area stamps in order to hunt, trap or fish on public lands subject to conservation and rehabilitation programs implemented under this act. Western Senators from States containing large proportions of Federal lands, myself included, supported an amendment offered by Senator McCLURE and subsequently approved in the Senate-passed bill, which would exempt States comprised of 25 percent or more Federal lands from the same program.

We are greatly concerned by any threat of a federally influenced additional charge for our constituents to hunt, fish, and trap on lands which they have traditionally utilized through the purchase of State licenses and in some cases migratory bird stamps. The McClure amendment was further amended in conference to the effect that the stamp program would not apply to Forest Service and BLM lands in States where they comprise 60 percent or more of the total lands of the State—Alaska, Idaho, Nevada, and Utah—unless the State agrees to collect a fee at the point of sale of regular hunting, fishing, or trapping licenses, the proceeds to be used for conservation and rehabilitation programs under this act in the State concerned.

In my opinion, the original amendment by my good friend, the Senator from Idaho, which passed the Senate offered the better protection for Western States. However, the compromise agreed in conference is adequate, and I support it in the interest of completing our legislative work without further delay, so the bill can become law.

Mr. President, this is progressive legislation which would enable our citizenry to enjoy the use of lands as they should be used. Just as importantly it is legislation which would protect those lands and their wildlife from whatever harm might otherwise develop through such use.

Mr. McCLURE. Mr. President, I am concerned primarily because the bill does not really say what the managers of the bill have indicated that it does say. Because I have that concern, I am very serious about the motion to recommit.

The Senator from Utah (Mr. Moss) has indicated that there probably would not be time. My expectation would be—and certainly the Senator from Montana, the distinguished majority leader, can perhaps shed more light on it than I can. I would suggest that we shall probably be here for 4 weeks after we get back, at least. During 4 weeks' time, it is quite possible to take the language that we have, add the few words that I have suggested should be added, and report it back to both the House and the Senate with those amendments and remove the obstacle and the question.

The Senator from Utah has indicated that legislative history binds, but it does not bind unless they want to be bound. The Senator has seen, as I have seen, I am certain, court decisions that are done in the manner in which the court decides what it wishes to do. If the legislative history undergirds their argument, they cite it. If it does not, they ignore it. The words have to be in the statute to be binding.

The words in the legislative history are advisory. They assist in determining the meaning. I thank the Senator from Utah for the colloquy, which I hope nails it down as tightly as legislative history can, but there are limits to the value of legislative history. It does not supplant the necessity for words in the statute, when, as, and if those words can be gotten in the statute.

For that reason, I think it is important that we get the statute refined as closely as is possible, and I think we have the time to do it. The question, I submit, does not lie in the intent, it lies in the wording.

The PRESIDING OFFICER. All time has expired.

Mr. McCLURE. Mr. President, I move that this conference report be recommitted to the conference.

The PRESIDING OFFICER. Under the previous unanimous-consent request——

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be heard. I shall not oppose the request of the distinguished Senator from Idaho, but I ask unanimous consent that the vote occur after the morning business is concluded, just prior to the laying down of H.R. 12993, a bill to amend the Communication Act of 1934 and so forth. I ask that at that time, the vote occur on the motion to recommit. If the distinguished

Senator wishes to have the yeas and nays——

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. MANSFIELD. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, is it the intention of the majority leader to postpone debate on the motion to recommit at this time?

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, 10 minutes had been allocated for debate, 5 minutes to each side.

Mr. MANSFIELD. On the motion to recommit?

The PRESIDING OFFICER. Yes.

Mr. MANSFIELD. I see.

Mr. McCLURE. Then we will take up that 10 minutes following the morning hour?

Mr. MANSFIELD. Yes.

Mr. McCLURE. I have no objection.

Mr. MANSFIELD. And at the conclusion of the vote on the conference report, the Senate will proceed to the consideration of H.R. 12993.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for a period not to exceed 10 minutes, with statements therein limited to 2 minutes.

Is there morning business?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Labor and Public Welfare.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:03 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed, without amendment, the following bill and joint resolution:

S. 3362. A bill to enable the Secretary of the Interior to provide for the operation, maintenance, and continued construction 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; and

S.J. Res. 123. A joint resolution authorizing the procurement of an oil portrait and marble bust of former Chief Justice Earl Warren.

At 9:39 a.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 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.

The message also 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 resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 11541) to amend the National Wildlife Refuge System Administration Act of 1966 in order to strengthen the standards under which the Secretary of the Interior may permit certain uses to be made of areas within the System and to require payment of the fair market value of rights-of-way or other interests granted in such areas in connection with such uses.

At 1:15 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills:

S. 283. An act to declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif.;

S. 634. An act to declare that certain federally owned lands shall be held by the United States in trust for the Kootenai Tribe of Idaho, and for other purposes;

S.2001. An act to redesignate the Alamogordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, respectively; and

H.R. 12471. An act to amend section 552 of title 5, United States Code, known as the Freedom of Information Act.

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

At 3 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. MOSS, Mr. STUCKEY, Mr. ECKHARDT, Mr. BROYHILL of North Carolina, Mr. WARE, and Mr. McCOLLISTER were appointed conferees on the part of the House.

The message also 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. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 13261) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 9075) to authorize the disposition of certain office equipment and furnishings, and for other purposes.

The message further announced that the House has passed the following bills and joint resolutions in which it requests the concurrence of the Senate:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii Chapter of the National Railway Historical Society, Incorporated;

H.R. 5264. An act to amend section 3(f) of the Federal Property and Administrative Services Act of 1949, with respect to American Samoa, Guam, and the Trust Territory of the Pacific Islands;

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage;

H.R. 16424. An act to establish a Commission on Federal Paperwork;

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 12860. An act to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the Armed Forces whose remains are not recovered;

H.R. 14401. An act to authorize military band recordings in support of the American Revolution Bicentennial;

H.R. 15148. An act to extend the time limit for the award of certain military decorations.

H.R. 7978. An act to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Hualapai Reservation, Ariz., and for other purposes;

H.R. 12216. An act to amend the Act relating to the Lumbee Indians of North Carolina;

H.R. 14689. An act to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Mass., and for other purposes;

H.R. 11847. An act for the relief of certain fire districts and departments in the State of Missouri to compensate them for expenses relating to a fire on Federal property;

H.R. 13364. An act to amend title 17 of the United States Code to remove the expiration date provided in Public Law 92-140 which authorized the creation of a limited copyright in sound recordings for the purpose of protecting against unauthorized duplication and piracy of sound recordings; to increase the criminal penalties for piracy and counterfeiting of sound recordings; and for other purposes;

H.R. 13561. An act to amend the Intercoastal Shipping Act, 1933;

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777;

H.R. 17026. An act relating to former Speakers of the House of Representatives;

H.J. Res. 898. A joint resolution authorizing the President to proclaim the second full week in October 1974, as "National Legal Secretaries' Court Observance Week";

H.J. Res. 444. A joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

The message also announced that the House has passed the following bills with amendments in which it requests the concurrence of the Senate:

S. 1411. An act to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota, and for other purposes;

S. 1412. An act to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota;

S. 3341. An act 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; and

S. 2348. An act to amend the Canal Zone Code to transfer the functions of the Clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes.

At 5:35 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has affixed his signature to the enrolled bill (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands.

The enrolled bill was subsequently signed by the President pro tempore.

At 7:45 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills:

H.R. 7954. An act to direct the Secretary of Agriculture to release on behalf of the United States conditions in a deed conveying certain lands to the State of New York and to provide for the conveyance of certain interests in such lands so as to permit such State, subject to certain conditions, to sell such land; and

H.R. 9054. An act to amend the act entitled "An Act to authorize the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, S.C."

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

SUPPLEMENTAL APPROPRIATION FOR THE NATIONAL RAILROAD PASSENGER CORPORATION (S. Doc. No. 93-121)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1975 in the amount of $84.9 million for the National Railroad Passenger Corporation (with accompanying papers). Referred to the Committee on Appropriations and ordered to be printed.

REPORT OF THE DEPARTMENT OF AGRICULTURE

A letter from the Deputy Assistant Secretary of Agriculture transmitting, pursuant to law, a report on the actions of the Department of Agriculture in the implementation of the pilot special supplemental food program for women, infants, and children (with an accompanying report). Referred to the Committee on Agriculture and Forestry.

AIR FORCE MILITARY CONSTRUCTION

A letter from the Under Secretary of the Air Force transmitting, pursuant to law, a report on the Air Force military construction contracts awarded by the Department of the Air Force without formal advertisement for the period July 1, 1973 through June 30, 1974 (with an accompanying report). Referred to the Committee on Armed Services.

REPORT OF THE DEPARTMENT OF THE NAVY

A letter from the Commander of the Naval Facilities Engineering Commands, Department of the Navy, transmitting, pursuant to law, a report on military construction contracts awarded on other than a competitive bid basis during the period of July 1, 1973 through June 1974 (with an accompanying report). Referred to the Committee on Armed Services.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the First Vice President of the Export-Import Bank of the United States transmitting, pursuant to law, a report of the actions taken by the Export-Import Bank during the quarter ended June 30, 1974 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into within the past 60 days (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Assistant Director for General Services transmitting, pursuant to law, a report of the Environmental Protection Agency on the disposal of foreign excess property (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE DEPARTMENT OF JUSTICE

A letter from the Assistant Attorney General transmitting, pursuant to law, a report on the disposal of foreign excess property for the fiscal year 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE ATOMIC ENERGY COMMISSION

A letter from the General Manager of the Atomic Energy Commission transmitting, pursuant to law, a report on the disposal of foreign excess property (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Management of Aircraft Modification Programs in the Army, Navy and Air Force" (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report on the petrochemical industry's current situation and outlook through the calendar year 1975 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

DISTRIBUTION OF YANKTON SIOUX JUDGMENT FUNDS

A letter from the Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of Yankton Sioux judgment funds awarded in Docket 332-B before the Indian Claims Commission (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A letter from the Deputy Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation providing for the defense of judges and judicial officers sued in their official capacities (with accompanying papers). Referred to the Committee on the Judiciary.

HEARINGS BETWEEN THE COMMISSION ON PRODUCT SAFETY AND THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, the transcript of hearings held between the Commission and the Office of Management and Budget on September 25, 1974 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report and recommendation concerning the claim of Mr. Joseph J. Andrews against the United States (with accompanying papers). Referred to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution adopted by the Southern Governors' Conference relating to the right to privacy. Ordered to lie on the table.

A resolution adopted by the Southern Governors' Conference relating to the economic summit meeting. Referred to the Committee on Government Operations.

A resolution adopted by the Southern Governors' Conference relating to energy policy. Referred to the Committee on Interior and Insular Affairs.

A resolution adopted by the Council of the City of Youngstown, Ohio, urging the Congress to assure the continuation of general revenue sharing.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2859. A bill for the relief of Marian Law Shale Holloway (Rept. No. 93-1243).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 7768. A bill for the relief of Nolan Sharp (Rept. No. 93-1244).

H.R. 6624. An act for the relief of Alvin V. Burt, Jr., Eileen Wallace Kennedy Pope, and David Douglas Kennedy, a minor (Rept. No. 93-1245).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with an amendment:

S. 4033. A bill to amend Public Law 93-276 to increase the authorization for appropriations to the Atomic Energy Commission in

accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 93-1246).

By Mr. BAKER, from the Committee on Public Works, with amendments:

S. 3057. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments (together with minority views) (Rept. No. 93-1247).

ENERGY TRANSPORTATION SECURITY ACT—CONFERENCE REPORT SUBMITTED DURING THE ADJOURNMENT OF THE SENATE (REPT. NO. 93-1242)

Mr. LONG, under authority of the order of the Senate of October 7, 1974, submitted a 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. 8193) to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels, which was ordered to be printed.

THE AMTRAK IMPROVEMENT ACT OF 1974—CONFERENCE REPORT (REPT. NO. 93-1248)

Mr. MAGNUSON submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

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

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

Philip Edward Coldwell, of Texas, to be a member of the Board of Governors of the Federal Reserve System.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, October 8, 1974, he presented to the President of the United States the following enrolled bills:

S. 283. An act to declare that the United States holds in trust for the Bridgeport Indian Colony certain lands in Mono County, Calif.;

S. 634. An act to declare that certain federally owned lands shall be held by the United States in trust for the Kootenai Tribe of Idaho, and for other purposes; and

S. 2001. An act to redesignate the Alamogordo dam and reservoir, New Mexico, as Sumner Dam and Lake Sumner, respectively.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following House bills and joint resolution were each read twice by their titles and referred as indicated:

H.R. 1355. An act to donate certain surplus railway equipment to the Hawaii Chapter of the National Railway Historical Society, Incorporated;

H.R. 5264. An act to amend section 3(f) of the Federal Property and Administrative Services Act of 1949, with respect to American Samoa, Guam, and the Trust Territory of the Pacific Islands;

H.R. 7072. An act to allow advance payment of subscription charges for publication for official use prepared for auditory as well as visual usage; and

H.R. 16424. An act to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

H.R. 5056. An act to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code;

H.R. 12860. An act to amend title 10 of the United States Code in order to clarify when claims must be presented for reimbursement of memorial service expenses in the case of members of the armed forces whose remains are not recovered;

H.R. 14401. An act to authorize military band recordings in support of the American Revolution Bicentennial; and

H.R. 15148. An act to extend the time limit for the award of certain military decorations; to the Committee on Armed Services.

H.R. 7978. An act to declare that certain federally owned lands shall be held by the United States in trust for the Hualapai Indian Tribe of the Hualapai Reservation, Arizona, and for other purposes;

H.R. 12216. An act to amend the Act relating to the Lumbee Indians of North Carolina; and

H.R. 14689. An act to provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Mass., and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 11847. An act for the relief of certain fire districts and departments in the State of Missouri to compensate them for expenses relating to a fire on Federal property; and

H.R. 13364. An act to amend title 17 of the United States Code to remove the expiration date provided in Public Law 92-140 which authorized the creation of a limited copyright in sound recordings for the purpose of protecting against unauthorized duplication and piracy of sound recordings; to increase the criminal penalties for piracy and counterfeiting of sound recordings; and for other purposes; to the Committee on the Judiciary.

H.R. 13561. An act to amend the Intercoastal Shipping Act, 1933; to the Committee on Commerce.

H.R. 15067. An act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777; to the Committee on Post Office and Civil Service.

H.R. 17026. An act relating to former Speakers of the House of Representatives; to the Committee on Public Works.

H.J. Res. 444. A joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project. Ordered placed on the Calendar.

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. ERVIN:

S. 4095. A bill to amend section 5(c) of the National Trails System Act to provide for the study of the Daniel Boone Trail to determine the feasibility of designating such trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 4096. A bill to amend the Internal Revenue Code of 1954 to provide the same tax treatment for recognized Indian tribes as are applicable to other governmental units. Referred to the Committee on Finance.

By Mr. EASTLAND (by request):

S. 4097. A bill to amend title 18, United States Code, to provide for the protection of United States probation officers. Referred to the Committee on the Judiciary.

By Mr. BURDICK:

S. 4098. A bill to provide for the return to the former owners of certain former tribal lands acquired in connection with the Garrison Dam and Reservoir. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUGH SCOTT:

S. 4099. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on not more than $10,000 of long-term savings deposited with a savings and loan association. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 4100. A bill for the relief of Dolores Espinosa Carrasco. Referred to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 4101. A bill to authorize certain filling and construction in a portion of Upper New York Bay, Hudson County, N.J. Referred to the Committee on Public Works.

By Mr. PELL (for himself, Mr. BROOKE, Mr. MUSKIE, Mr. BROCK, and Mr. ALLEN):

S. 4102. A bill to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission. Referred to the Committee on Government Operations.

By Mr. MANSFIELD:

S.J. Res. 247. A joint resolution authorizing the President to suspend, in the case of Turkey, the application of the provisions of section 505(d) of the Foreign Assistance Act of 1961 and section 3(c) of the Foreign Military Sales Act. Placed on the Calendar.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ERVIN:

S. 4095. A bill to amend section 5(c) of the National Trails System Act to provide for the study of the Daniel Boone Trail to determine the feasibilty and desirability of designating such trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

Mr. ERVIN. Mr. President, today I am introducing S. 4095, to designate the Daniel Boone Trail which runs from Wilkes County, N.C., to Boonesboro, Ky., as a part of the National Trails System.

The National Trails System presently includes such historic trails as the Lewis and Clark Trail, the Santa Fe Trail, the El Camino Real, the Continental Divide Trail, and several others. I have found it most puzzling that one of the most historic trails in the eastern half of our Nation was not included in the National Trails Systems Act. The opening of the Daniel Boone Trail from the western reaches of North Carolina into the undeveloped midwestern regions represented a significant milepost in the early growth and development of our Nation and its economy.

As the Bicentennial of our Revolution approaches, I have taken some time to look back into history to refresh my collection of the sort of people who founded our Nation. Daniel Boone was far from the legendary folk hero that we envision today. He was in most respects a middle-American of his period who scratched out a living as a dirt farmer and part-time trader. I am always proud to remember that it is often common folk of Daniel Boone's type who played significant roles in bringing our Nation through its formative years. Daniel Boone's restless spirit and his search for a somewhat better life style for himself and his family led him west. Eventually, he built a road westward into Tennessee and Kentucky and led others to join him in taming an unspoiled wilderness. I can think of no better way of beginning our Nation's Bicentennial celebration than by officially designating the route that Daniel Boone carved out of the wilderness as a national trail.

I would like to take this opportunity to salute one of my fellow North Carolinians who in many ways represents the qualities we have idolized in the person of the lengendary Daniel Boone. Mr. R. Ivey Moore of North Wilkesboro, N.C., has served for as long as I can remember as the wagonmaster of the annual Daniel Boone wagon train which traces a portion of the route that Daniel Boone traveled on his way to Kentucky. Ivey Moore is a man of tender years and endless youth, and although he is into his seventh decade here in this life he is preparing to join two younger men in walking over the entire length of the Daniel Boone Trail in celebration of the Bicentennial. I salute Ivey Moore in this endeavor and suggest that we in the Senate act to commemorate that spirit of adventure and determination that motivates men like Ivey Moore and Daniel Boone by designating the Daniel Boone Trail as a part of the National Trails System.

By Mr. HUGH SCOTT:

S. 4099. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on not more than $10,000 of long-term savings deposited with a savings and loan association. *Referred to* the Committee on Finance.

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce today a bill which has a dual purpose: To aid our crippled housing industry and to provide taxpayers with an added incentive to save.

The bill is designed to exempt interest on the first $10,000 in savings accounts held in a savings or loan institution for 12 months or more. Commercial banks are excluded from the bill because they are not mandated by law to channel their funds into the housing industry as are savings and loan institutions. We all know the vital necessity for additional funding for the housing industry—this bill will help. Its added bonus aids the average wage earner, not the large investor, who keeps his savings in savings and loan institutions.

The average savings account holds almost exactly $4,000, and the interest currently earned on this amount is taxable. My bill would encourage the wage earner to save more, because interest on these savings would not be taxable.

An additional provision would allow a husband and wife who file joint tax returns, but who maintain individual savings accounts, to treat each savings account separately. This would allow them an exemption on interest on a total of $20,000 in savings and loans institutions' savings accounts.

I believe this legislation represents a good first step toward solving our inflationary crisis. I hope it will receive the support of my colleagues. I ask unanimous consent that the full text of the bill be 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. 4099

A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on not more than $10,000 of long term savings deposited with a savings and loan association

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

"SEC. 124. Interest on savings.

"(a) In General.—In the case of an individual, gross income does not include interest or dividends received during the taxable year on money held for more than 12 months (determined as of the close of such taxable year) in a savings account maintained with a savings and loan association the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

"(b) LIMITATION.—The provisions of this section do not apply to interest received with respect to amounts in excess of $10,000. In the case of a married individual, the provisions of this subsection apply separately to each spouse if the savings account maintained by that spouse is not maintained jointly with the other.

"(c) For purposes of this section, the term 'savings account' means an interest bearing deposit or account which is not payable on a specified date or at the expiration of a specified time after the date of deposit (although the individual who maintains the deposit or account may be required by the savings and loan association with which the deposit or account is maintained to give notice in writing of an intended withdrawal not less than 30 days before withdrawal is made).".

(b) The table of sections for such part III is amended by striking out the last item therein and inserting in lieu thereof the following:

"SEC. 124. Interest on savings.

"SEC. 125. Cross references to other Acts.".

Sec. 2. The amendments made by this Act apply to taxable years beginning after December 31, 1973.

By Mr. WILLIAMS:

S. 4101. A bill to authorize certain filling and construction in a portion of Upper New York Bay, Hudson County, N.J. Referred to the Committee on Public Works.

Mr. WILLIAMS. Mr. President, I am introducing the Caven Point Redevelopment Act today. This bill would declare the Caven Point portion of the Jersey City waterfront to be non-navigable. The developable sections of this area are currently owned by Jersey City. It is only 4 feet under water, and it has never been used for navigational purposes in the past.

Clear title to this property is essential to the city's Liberty Harbor redevelopment program. Liberty Harbor is a 3,000-acre tract of land on Upper New York Bay. The site extends from the Jersey City-Bayonne line on the south to the Morris Canal Basin and Grand Street on the north, and from the New Jersey Turnpike extension on the west to the U.S. Pierhead Line on the east. Over the years large portions of the site have been filled for use as railroad yards and for various shipping and warehousing functions. Today, however, much of the land lies vacant and abandoned. Other areas within the site are marshy or under water. This largely vacant, abandoned, and underutilized acreage represents what is probably the most magnificent development opportunity presently available in the New York-New Jersey metropolitan region.

The site itself presents startling contrasts. The land is largely derelict, weed-covered, and abandoned. The railroads, which once made this site a major transportation link, are bankrupt and have largely ceased operations. Miles of shorefront are dotted with abandoned piers and wrecks. Nonetheless, the visitor stands at the core of the metropolitan region. To the east are the bustling harbor, Ellis Island, and the Statue of Liberty. To the west is the Jersey Turnpike Extension, with its direct linkages to the metropolitan highway network. To the south, on the water's edge, are new active container ports at Port Jersey. Just across the bay rise the spectacular towers of lower Manhattan.

The redevelopment plan for Jersey City includes the construction of new homes and apartments, and it provides for major new industrial and shipping activities as well. In addition, the State of New Jersey is developing Liberty State Park to the east of the proposed new residential communities. The park will greatly enhance public access to the waterfront and serve as a unique recreation resource for Jersey City as a whole.

Jersey City and its surrounding environs have literally served as a gateway for this country for centuries. In the 17th century the present site of Jersey City was a commercial focal point for the Dutch traders who settled Manhattan and for the settlers who began to bring their farm products to New York. In the 18th century the establishment of a new

land route to Philadelphia made Paulus Hook a vital link between New York and the South and West. In the late 19th and early to mid 20th centuries, Ellis Island, merely a few hundred yards from Jersey City's waterfront, was the "Gateway to the New World" for more than 16 million immigrants to this country. In its peak, 1,285,349 immigrants passed through Liberty Harbor and Ellis Island.

I am hopeful that this legislation will help to revitalize an area which is currently at the core of our eastern metropolitan region, and which has played a significant role in our Nation's history as well.

By Mr. PELL (for himself, Mr. BROOKE, Mr. MUSKIE, Mr. BROCK, and Mr. ALLEN):

S. 4102. A bill to amend title 44, United States Code, to redesignate the National Historical Publications Commission as the National Historical Publications and Records Commission, to increase the membership of such Commission, and to increase the authorization of appropriations for such Commission. Referred to the Committee on Government Operations.

Mr. PELL. Mr. President, I am introducing today with Senator BROOKE legislation to enable us better to care for, preserve and maintain our Nation's historical documents and records.

Senator BROOKE has already taken important initiative earlier in this Congress in this area which has great significance to the history of our country.

I am also very pleased that Senators MUSKIE, BROCK, and ALLEN are joining as cosponsors of this bill.

Mr. President, we have recently considered more specific legislation in this area. We have considered how best to resolve problems surrounding the records of the previous administration of President Nixon. I have stated my firm conviction that those records should be preserved, and should not be the subject of possible destruction.

The history of the United States, however, is not contained in the records of the Federal Government or in the personal papers of its chief leaders. There is a vast amount of significant documentation in the records of States, counties, towns, and other governmental units throughout the land.

Among the valuable files are those of State and local courts. Unfortunately, a great number of these records are neglected, so neglected in fact that many are being lost and others are in serious jeopardy.

This is a loss that the Nation can ill afford to sustain. These records are close to the citizens, and there is too much of value in them for us to ignore or overlook this serious situation.

In addition to official records at various levels there are thousands of manuscripts cared for by hundreds of private historical societies throught the Nation. These manuscripts represent the personal papers of scores of leaders and representative citizens; the records of churches, businesses, and organizations; diaries, journals, logbooks, and many other private records that allow us to draw close to the experiences of Americans of earlier days.

The Rhode Island Historical Society in my home State is an outstanding example of dedication to the cause of preserving our national heritage.

Many of the private organizations I refer to are rich in resources but impoverished in funds. They have done a great work for many decades. They have often lacked sufficient funds, and have been understaffed, and overworked. They, too, need assistance in the performance of their notable public service.

For 40 years the National Archives has been doing a fine job in caring for the records of the Federal Government. The General Services Administration's National Archives not only handles the oldest and most basic records of the United States but has active programs for effective management of records currently created. The National Historical Publications Commission, of which the Archivist of the United States, Dr. James B. Rhoads, is chairman, is doing an excellent job in promoting and encouraging the publication of documents of national significance. It has been a great satisfaction to me, Mr. President, to serve on the Commission as the representative of the Senate since 1967. I have personal knowledge of the Commission's work and of the distinguished work of Dr. Rhoads and of the Commission's excellent staff.

But all of what I say is preface to the essential fact that, in my judgment, it is time for the Federal Government to give concrete, if modest, aid and support to the States and other units of government, as well as to responsible groups in the private sector, in the identification and preservation of important documents.

To accomplish this objective I am introducing today legislation, which if enacted, will change the name of the National Historical Publications Commission to the National Historical Publication and Records Commission; will add four members to the Commission, two members representing the Society of American Archivists and two members representing the American Association for State and Local History; and will change the annual authorization from $2 million to $4 million.

Mr. President, I believe this legislation can serve a most beneficial purpose, and I ask unanimous consent that the text of this bill be printed in the RECORD following my remarks.

I am pleased that Congressman JACK BROOKS has taken the initiative with companion legislation in the House of Representatives.

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

S. 4102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 25 of title 44, United States Code, is amended by inserting "AND RECORDS" immediately after "PUBLICATIONS" in the chapter heading.

(b) Section 2501 of such title is amended by inserting "two members of the Society of American Archivists to be appointed, for terms of four years, by the Society of American Archivists; two members of the American Association for State and Local History to be appointed, for terms of four years, by the American Association for State and Local History;" immediately after the last semicolon in such section.

(c) Section 2504(b) of such title is amended by—

(1) striking out "1973" and inserting in lieu thereof "1975"; and

(2) striking out "$2,000,000" and inserting in lieu thereof "$4,000,000".

SEC. 2. The chapter analysis at the beginning of title 44, United States Code, is amended by striking out

"25. National Historical Publications Commission"

and inserting in lieu thereof

"25. National Historical Publications and Records Commission".

Mr. BROOKE. Mr. President, I am pleased to introduce today, with Senator PELL, a bill which will greatly strengthen our commitment to protect and to preserve this Nation's historic and cultural treasures. This bill is a revised version of legislation which I introduced in 1973.

Most people when they think about historic preservation, are primarily aware of the efforts to save and restore historic homes and buildings, such as Mount Vernon and Independence Hall. Far fewer people are aware of the great resources of historic publications, documents and records which are in danger of being lost or destroyed through neglect.

Many of the most precious records of our Nation's early history may lie lost or forgotten at the bottom of dusty files and cabinets. Sometimes they turn up: The June issue of American Heritage magazine contains a column reporting this discovery of an extraordinary document in the office of the tax assessor for Templeton, Mass. It is a broadside dated June 17, 1774, calling for the sum of 500 pounds to send four delegates to the First Continental Congress. In that summer, 200 years ago, copies had been sent to selectmen in every town in the Massachusetts Bay Colony by the provincial house of representatives. They were signed by the house clerk, Sam Adams.

The copy of the broadside dispatched to Templeton was kept among the town records along with some 50 other pre-Civil War documents. The documents were discovered by the chairman of Templeton's tax assessors. He lent them to a high school history teacher, who, in turn, mentioned them to the Massachusetts State archivist, Dr. Richard W. Hale. Besides the 1774 broadside, the discovery included a 1763 assessment for French and Indian War expenses, a 1787 amnesty proclamation for participants in Shay's Rebellion, and a 1791 tax bill. The broadside is particularly important, however, because only three other 1774 broadsides are known to exist. As the American Heritage editor comments:

> It is interesting to speculate on how many other important documents lie gathering dust in the archives of the small towns where the first stirrings of our independence took place.

With this thought in mind, the Commonwealth of Massachusetts has undertaken a comprehensive statewide document preservation program which Dr. Hale hopes may become a prototype for the entire country. A seven-member Massachusetts Archives Advisory Com-

mission has been established which is charged with determining specific inventory and preservation needs in the Bay State. In cooperation with other public and private organizations concerned with the custody and use of archival and manuscript materials, the commission plans to make a complete inventory of historical manuscripts, documents, and other records, updating existing surveys and coordinating archives publishing and microfilming programs already functioning in Massachusetts. Area colleges are also being approached about programs to train graduate students in records preservation techniques as part of their study of New England history.

Mr. President, I believe that this kind of program ought to be extended nationwide, and the bill which Senator PELL and I are introducing today would be a very important step in this direction. It would strengthen chapter 25 of title 44 of the United States Code, which establishes the National Historical Publications Commission, in several important respects. First, it would change the name of the Commission to the National Historical Publications and Records Commission, thus giving special emphasis to the Commission's responsibility for encouraging the collection, preservation, and publication of historical documents.

Second, the bill expands the membership of the Commission to include two members appointed by the Society of American Archivists and two appointed by the American Association for State and Local History. Representation on the Commission by members of these two organizations will greatly increase its ability to coordinate National, State, and local preservation efforts.

Finally, the bill doubles the Commission's authorized funding, from $2,000,000 to $4,000,000. The money is badly needed to assist and extend State, local, and regional preservation and publication efforts, such as the program in my own State, the Commonwealth of Massachusetts.

Mr. President, I strongly urge Senate approval of this bill. Similar legislation has already been favorably reported by the House Committee on Government Operations, and passage of the bill by the 93d Congress would be a significant contribution to our preparations of the Nation's Bicentennial.

By Mr. MANSFIELD:

S.J. Res. 247. A joint resolution authorizing the President to suspend, in the case of Turkey, the application of the provisions of section 505(d) of the Foreign Assistance Act of 1961 and section 3(c) of the Foreign Military Sales Act. Placed on the Calendar.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the joint resolution which I introduce today, under rule XIV, paragraph 4, be placed on the Senate calendar.

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

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

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

S.J. RES. 247

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to suspend the provisions of section 505(d) of the Foreign Assistance Act of 1961 and section 3(c) of the Foreign Military Sales Act in the case of Turkey during the period beginning on the date of the enactment of this joint resolution and ending on November 30, 1974, if he determines that such suspension will further negotiations for a peaceful resolution of the Cyprus conflict.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 796

At the request of Mr. PELL, the Senator from South Dakota (Mr. ABOUREZK), and the Senators from Indiana (Mr. HARTKE and Mr. BAYH) were added as cosponsors of S. 796, a bill to improve museum services.

S. 2951

At the request of Mr. BAYH, the Senator from Alaska (Mr. GRAVEL) and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 2951, the Public Documents Act.

S. 3481

At the request of Mr. CANNON, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 3481, the International Air Transportation Fair Competitive Practices Act of 1974.

S. 3982

At the request of Mr. WEICKER, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor 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 South Dakota (Mr. ABOUREZK), the Senator from North Dakota (Mr. BURDICK), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Maryland (Mr. MATHIAS), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Georgia (Mr. TALMADGE) were added as cosponsors of S. 3985, the Anti-Dog-Fighting Act.

S. 3988

At the request of Mr. BIDEN, the Senator from Maryland (Mr. BEALL), the Senator from Florida (Mr. CHILES), and the Senator from Georgia (Mr. NUNN) were added as cosponsors of S. 3988, a bill to authorize Federal financial assistance to States for the preparation of energy conservation programs.

S. 4054

At the request of Mr. FANNIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 4054, a bill to exclude from gross income the first $1,000 of interest on deposits in savings institutions.

S. 4093

At the request of Mr. RIBICOFF, the Senator from Illinois (Mr. STEVENSON), the Senator from Idaho (Mr. CHURCH), and the Senator from Montana (Mr. METCALF) were added as cosponsors of S. 4093, a bill to freeze medicare deductibles.

AMENDMENTS SUBMITTED FOR PRINTING

THE DEEPWATER PORT ACT OF 1974—S. 4076

AMENDMENTS NOS. 1962 AND 1963

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

Mr. JACKSON submitted two amendments intended to be proposed by him to the bill (S. 4076) to regulate commerce, promote efficiency in transportation, and protect the environment, by establishing procedures for the location, construction, and operation of deepwater ports off the coasts of the United States, and for other purposes.

REASONABLY PRICED MORTGAGE CREDIT FOR HOUSING—S. 3979

AMENDMENT NO. 1964

Mr. STEVENS. Mr. President, I am offering an amendment to S. 3979 which would increase the maximum mortgage for residential dwellings under this bill to $55,000. This limit would be applied at the discretion of the Secretary of the Department of Housing and Urban Development in high cost areas as determined by him.

The bill, as reported by the committee, has not taken sufficiently into account the areas of the country where construction costs are substantially higher than the national average.

Currently, the average price of a new home in Anchorage is $52,000, in Fairbanks and other parts of Alaska, the cost is even higher since transportation charges add significantly to housing costs. With the economic impact of the pipeline construction increasing prices of new housing in Alaska at a rapidly spiraling rate, I believe the maximum mortgage rate should be increased to $55,000. As I pointed out earlier, this $55,000 figure would only be a ceiling. The Secretary of the Department of Housing and Urban Development can then set the maximum mortgage according to the particular need in each high cost area. The bill as written would offer no assistance to Alaskans who are now faced with a most critical housing shortage brought on by the influx of new residents seeking employment on the pipeline and related activities.

Mr. President, I ask unanimous consent that my amendment be printed in the CONGRESSIONAL RECORD immediately following my remarks.

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

AMENDMENT No. 1964

On page 4, line 6, delete "$45,000" and insert "$55,000".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1942

At the request of Mr. SCHWEIKER, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of Amendment No. 1942 intended to be proposed to the bill (S. 3952) the Social Security Recipients' Fairness Act of 1974.

AMENDMENT NO. 1956

At the request of Mr. TUNNEY, the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), the Senator from Texas (Mr. TOWER), the Senator from Georgia (Mr. TALMADGE), the Senator from Alaska (Mr. STEVENS), the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. GRAVEL), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of amendment No. 1956, intended to be proposed to the bill (H.R. 12993) to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes.

NOTICE OF HEARINGS ON OPEN GOVERNMENT LEGISLATION

Mr. RIBICOFF. Mr. President, I would like to announce for the information of the Senate and the public, a day of hearings on S. 260, Government in the Sunshine Act, which provides for open meetings of Government agencies and congressional committees.

The hearings will take place at 10 a.m. on Tuesday, October 15, in room 3300 Dirksen Senate Office Building.

Those Senators wishing to testify or those who wish to submit a written statement for the hearing record should write to the Reorganization Subcommittee, room 162, Russell Senate Office Building, Washington, D.C. 20510, or call 225-2308 or 225-5274.

ADDITIONAL STATEMENTS

MAKING GOVERNMENT WORK

Mr. SYMINGTON. Mr. President, my colleagues will be interested in a thoughtful article by John W. Gardner, chairman of Common Cause, "Making Government Work," which appeared in the Kansas City Star last Sunday, October 6. I ask unanimous consent that this article be printed in the RECORD.

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

MAKING GOVERNMENT WORK

(By John W. Gardner)

Everyone is familiar with the list of substantive problems the nation faces—inflation, energy shortages, unemployment, international tensions, crimes, racial conflict and so on. But while we're tackling those problems—and we can't run away from them—we must recognize that we're going to have a terrible time solving any of them until we repair the instruments of self-government.

It is useful to remind ourselves that the citizen's loss of trust in politics and government began long before Watergate. As long ago as 1960, John Kennedy was startled to discover that only 65 per cent of the eligible electorate actually voted in the election that made him President. Twelve years later, in 1972, only 55 per cent voted. How much lower will we allow it to drop before we act to repair the mistrust?

There is only one way to repair the citizen's loss of confidence in our political and governmental institutions, and that is to make the institutions worthy of his confidence. We must build a political and governmental process that is open, accountable and unbought, a political and governmental process that citizens can believe in and place their trust in. This is the problem that underlies all the other problems. Until we tackle it, we will not solve the others. Corruption, backroom fixes, secret deals—quite aside from their moral repulsiveness—finally create government that just doesn't work. Finally, the "insiders" can't even save themselves. The intricately rigged system fails to serve even those who rigged it.

The point is worth reflecting on. There are serious and intelligent observers who believe that the world is rapidly becoming unmanageable—and as I reflect on the current problems of worldwide inflation, food and energy shortages, and the nuclear arms race, I almost agree with them. Perhaps the dizzying rate of change, the ever-increasing complexity of our problems and the unbearable strains placed on our institutions have carried our society—and the world—beyond the reach of manageability. I'm not ready to believe that.

But if you think about it, and then observe the incredibly complex nation under the management of politicians and bureaucrats, many of them honest and well-intentioned, but others bought, others semi-bought, and all operating within a system that is often almost crippled by surreptitious pressures and arrangements; it's bound to send a chill up your spine.

When the public process falls into decay, it finally reaches a stage of paralysis where it can't serve anybody—neither the rich nor poor, neither white nor black, neither old nor young. The consequences fall upon virtually all citizens, consumers, taxpayers. The money leaks out of their pockets in taxes and they don't know where it goes. They elect people on promises and can't hold them to account. And they are the ones who ultimately foot the bill for graft and corruption.

MOVEMENT FOUNDED

Most of you are familiar with what one nonpartisan citizens' movement, Common Cause, is trying to do about all of this. It's a fairly spectacular story. In early 1970—four years ago—Common Cause was nothing but an idea. It had no members, no office, no name, no experience, no money. Nothing.

When we announced, in the late summer of 1970, that we were founding a citizens' movement, veteran observers of the Washington scene greeted us with something betwen pity and derision. And no one can be quite so derisive as veteran Washington observers. They know all the reasons why something new can't possibly be done.

But the skepticism has vanished. The organization that was supposed to die in its cradle now has 325,000 members. We have fought literally hundreds of tough battles in the Congress, the courts and the state legislatures, and we have won most of them. That's a matter of record.

Horace Walpole said that the thing about an infant is that it is more easily conceived than described. It's true of Common Cause. But let me try to tell you, in the simplest possible terms, what I think we're up to.

I have heard it said that Common Cause is mainly interested in ethics in government. But we ourselves almost never use the term "ethics" because it suggests personal standards that cannot be legislated and seems to suggest that we are engaged primarily in the ancient struggle to make mankind "moral." We applaud those who pursue that goal, but we believe it is a distant one, and we see our own efforts in different terms. Taking mankind as it is, we are interested in the concrete, practical steps that may be taken to make our instruments of self-government work.

ACCOUNTABILITY FACTOR

Common Cause did not choose at random from the thousands of tasks we might have tackled to correct governmental deficiencies. We have clear, explicit and limited concerns with respect to government. We believe it should be accessible, accountable and responsive. The key word is accountability. The problem is not power as such—in the presidency, in the private sector or anywhere else. The problem is power that is not held accountable. And we have discovered that the most powerful obstacles to that kind of government are money and secrecy: The scandalous capacity of money to buy political outcome, and the old, bad political habit of doing the public's business behind closed doors.

We are not utopians. We know that we'll never get rid of all the rascals. But we agree with the Chinese proverb which says, "You can't keep the birds of sorrow from flying over your head, but you can prevent them from building nests in your hair."

In 1970, when Common Cause was founded, we said that given traditional campaign financing practices, the spectacular rise in campaign costs was going to corrupt our political system beyond repair. That was two years before Watergate. In those days we couldn't get the mass media even to mention the subject. We haven't had that trouble in the last couple of years.

We sued both political parties in 1971 for violating campaign finance statutes, and the suit helped prod Congress to pass a better law for campaign finance disclosure that same year.

Since no attorney general has ever seriously enforced campaign finance laws, more than 1,000 Common Cause volunteers throughout the country monitored compliance with the new law in the 1972 congressional campaigns. We filed complaints against 128 Democrats and 98 Republicans—but we evened that out somewhat by suing the Committee to Re-Elect the President. The purpose was to force disclosure of its list of secret contributors, and we won the suit. It turned out that among those secret gifts were funds which financed some of the most scandalous episodes of Watergate.

Looking back at our 3-year battle to control campaign financing. I'm struck that we have made ourselves unpopular with a lot of people. We have fought both Republicans and Democrats. We have fought corporate givers. We have had more than one head-on contest with labor union givers, and we made a great many politicians angry. We didn't do all of that because we enjoy being unpopular. We did it because it was apparent as early as 1970, when Common Cause was founded, that traditional campaign giving practices would finally result in large-scale corruption of the American political process.

BATTLING SECRECY

Everyone senses the corrupting power of money, but few grasp the power of secrecy to subvert the public process. Accountability is the central ingredient of free self-government, and secrecy is fatal to accountability. The citizen cannot call public officials to account if he is denied the information which would make that possible. What citizens don't know, they can't object to.

Citizens associate secrecy with national security. But most government secrecy has nothing to do with national security. It covers day-to-day decision-making on agriculture, energy, commerce, taxation and hundreds of other matters that bureaucrats and politicians prefer to settle behind closed doors.

In 1973, Common Cause played the key outside lobbying role in persuading the House of Representatives to reverse its long tradition of secrecy and open up most of its bill-drafting sessions. The Senate has not yet taken similar action. Something to ask your two senators about.

Common Cause also played a key role in altering the archaic and tyrannical seniority system in Congress. The Senate still clings to the old system. Again, something to ask your two senators about.

At the state level, we set out to accomplish reform in four areas having to do with open and accountable government—campaign financing reform, lobbying disclosure, conflict-of-interest disclosure and open government. In the last two years 42 out of the 50 states have passed major reforms on one or another of those issues. And you know that state legislators do not have an ungovernable impulse to reform.

We are fighting the fight of everyone who believes that the individual—and individual responsibility—count for something. We are saying that individuals can have their say, even in the complex processes of modern society. We are showing how it can be done.

Citizen action is not only good for the political system, it is very good for the citizens doing the acting. It gives them a feeling that citizens haven't had for a long, long time—that America is their venture, theirs to preserve, or theirs to neglect, and through neglect, perhaps to destroy.

Motivation and morale are everything—in worker productivity, in solving community problems, in preserving the nation's vitality. Citizens who don't bother to vote, people who litter the streets and parks of their own city, and workers who are satisfied with low productivity and careless workmanship are all suffering from the same malady. They no longer believe that America is their venture.

It is possible to be foolishly sentimental about "the people." But I will tell you one unsentimental and inescapable fact about human societies—any human society: The vitality and coherence of a society begins and ends with motivated people and the ideas they have in their heads of what their society is and ought to be. That's where it begins—and if it ends, that's where it ends.

KEEPING THE FAITH

Every summer millions of American citizens come to Washington—and bring their children—to visit our national shrines—the White House, the Capitol, the Washington, Jefferson and Lincoln monuments. But the spirit of the nation is not in the physical structures. It is in the hearts and minds of the citizens who come to look at the structures. If they stop believing, if they lost faith, if they stop caring, the monuments will be meaningless piles of stone, and the nation will be deader than the stones.

There will still be the land and the physical plant, and a lot of people milling around, but the historic venture that began with the Declaration of Independence—the venture we refer to familiarly as America—will be over. Dead. Finished.

In my judgment, that need not happen. In my judgment, if citizens stand up on their hind legs and act like free men and women, it will not happen.

In less than 16 months we will begin our bicentennial year. The way to celebrate it is to work for the ideas of the founding fathers, the principles that proved so powerful and resilient in recent events. Let 1976 find us deep in the struggle to create—in the words of the Declaration of Independence—a government "deriving its just powers from the consent of the governed."

ECOLOGY AND THE ECONOMY

Mr. BROOKE. Mr. President, there has been a disturbing trend among some people both in the Federal Government and in industry to single out our environmental protection programs as significant stimulants for our inflationary problems. Happily, however, the Environmental Protection Agency has all but laid this puerile charge to rest.

In a very timely address before the New York Chamber of Commerce and Industry, Administrator Russell Train speaks directly to the controversy surrounding the economics of pollution abatement strategies. Citing a Chase Econometrics Associates study, Mr. Train estimates that pollution programs will cause an average annual inflation rate of about 0.3 percent for the period between 1973 and 1978, and an average annual rate of 0.2 percent between 1973 and 1982. He then concludes:

It can hardly be said, with price effects of this magnitude, that the environmental expenditures are a significant part of our inflationary problem. Even if we delayed or eliminated all pollution control expenditures, we would not make a dent in our inflation problem. We would, on the other hand, not only allow the buildup of pollutants that would do increasingly greater damage to public health and welfare, but insure that when the nation once more took up the task of reducing or removing these pollutants, it would be far more costly.

Mr. Train also scoffed at the arguments which suggest that pollution control investments have created a capital squeeze. Said Train:

Capital requirements for environmental protection are, and will remain, very small in relation to the total flow of capital within our economy. Indeed, the amount required is, and will remain, well within the normal year-to-year fluctuations in the rate of capital formation. Over the next decade, pollution-related investment by industry is projected to equal only 2–3 percent of gross private domestic investment, and about 6 percent of private investment in plant and equipment—although those percentages will be considerably higher for certain industries.

Mr. President, I commend Mr. Train's fine speech to my colleagues and I ask unanimous consent that it be printed in the RECORD along with a very timely editorial on this matter which appeared in the October 4 Washington Star-News.

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

ECOLOGY AND ECONOMY: TWO HOUSEHOLD WORDS

(By Hon. Russell E Train)

It was, if I am not mistaken, George Bernard Shaw who originally made the remark—so often repeated in recent weeks—that if all economists were laid end to end they still wouldn't reach a conclusion.

I think that Mr. Shaw was being both unkind and unfair.

The economic conference of the past few weeks have demonstrated beyond any doubt that economists do not have the slightest difficulty in reaching a conclusion—they just never reach the same one.

And something would be seriously wrong if they ever did. For the really critical economic questions must inevitably and equally be political and social questions as well; and efforts to resolve those questions must, for that reason, reflect the wide divergence of views and values within our society, the different—even disparate—interests and aims of its various sectors.

The conference culminating in the White House summit did not result in easy or overnight answers to our economic problems. They sought, instead—and they succeeded—in making the nation more fully aware of the fact that the economic problems before us are in some fundamental ways unprecedented; that these problems cannot be appeased or alleviated, but only aggravated, by throwing scapegoats and simplistic solutions at them; and that it will take nothing less than a strong and sustained effort on the part of all of us to gradually bring them down to size.

The economic conferences represent, in my judgment, the highly welcome opening up of reasoned, responsible and democratic discussion and decision-making at the highest levels of our national government.

It is in that same spirit that I would like to explore some of the economic impacts and implications of the environmental efforts—and in particular to address the view of some in the business and financial community that pollution control expenditures are inherently inflationary and nonproductive and that, in a time when inflation is high and capital hard to come by, those expenditures should be stretched out. I assure you of my personal concern over these economic problems and my determination that EPA contribute responsibly to their solutions.

Let me underscore, at the outset, some of the main points that I think must be made:

Environmental expenditures are not a significant factor in the present inflation and are not to any significant degree responsible for the capital squeeze. Their impact in these areas will remain small for the foreseeable future.

Environmental expenditures are no more inherently inflationary or nonproductive than expenditures for national defense, or law enforcement, or health, or education. Their purpose is to protect the public health and welfare against some very serious hazards.

Like any other expenditures—public or private—environmental expenditures cannot be justified simply on the grounds that their goals are important, even essential. It must be demonstrated both that we get what we pay for with these expenditures, and that what we get is worth it.

All the available evidence is that the benefits of our pollution control expenditures far exceed their costs.

EPA must, and does, in the very process of putting together its regulations, analyze and assess the potential economic impacts of those regulations and do everything it reasonably can to ease or avert any adverse impacts. We must constantly strive to improve this process.

The fundamental economic aim of the environmental effort is to improve the quality of growth in this country by encouraging the reduction or recovery of the enormous waste of energy and other resources within our economy—wastes that, in large measure, represent economic as well as environmental costs. To the degree that clean air and water, and indeed land itself, have become increasingly scarce and costly goods—and that energy and other materials, whose extraction, production and consumption generate the pollution we are trying to clean up, have themselves become increasingly scarce and costly—it makes both environmental and economic sense to make the conservation of energy and the reduction or recovery of waste a matter of the highest priority.

Our environmental, energy and economic

interests converge to put a premium upon greater and greater efficiency in the industrial process—a new efficiency which can, at one and the same time, cut costs, conserve energy and curb pollution—a new efficiency which I am convinced can help attack our inflation problem.

By encouraging us to live within our energy and environmental means, environmental expenditures can help us achieve the kind of economic growth that will give us real gains both in our standards of living and in our quality of life.

Let me take up these points in more detail, if not necessarily in the same order.

To begin with, environmental expenditures are no more responsible for the inflation and capital squeeze that afflict not only our economy, but the economies of the entire industrialized world, than they were for the Arab oil embargo or for the drought that has diminished our agricultural yield this year. The oil cartel, the world-wide adverse climate and resulting food shortages, the end of the two-price system in copper and a rise in U.S. copper prices, the U.S. devaluation and resulting rise in import prices—these are the factors mainly responsible for what some economists have called "the first commodity inflation in over two decades." A study by Chase Econometrics Associates forecasts that pollution programs will cause an average annual inflation rate of about 0.3 percent for the period 1973 through 1978, and an average annual rate of 0.2 percent for 1973 through 1982. These forecasts are consistent with the report of the Council on Environmental Quality that the environmental program was responsible for less than 0.5 percent of the 17 percent increase in the wholesale price index for the year ending in March 1974. It can hardly be said, with price effects of this magnitude, that the environmental expenditures are a significant part of our inflationary problem. Even if we delayed or eliminated all pollution control expenditures, we would not make a dent in our inflation problem. We would, on the other hand, not only allow the buildup of pollutants that would do increasingly greater damage to public health and welfare, but insure that when the nation once more took up the task of reducing or removing these pollutants, it would be far more costly.

It should be understood, as well, that price increases which reflect the true cost of pollution control should not really be treated as price increases at all. The increase in the monthly electric bill as a result of pollution controls is, to begin with, a cost that we would otherwise have to pay in the form of health hazards. That price increase, moreover, represents an increase in value in the product itself: we are getting cleaner electricity. Cleaner electricity costs more than dirty electricity just as high-quality chopped meat costs more than low-quality chopped meat. When a price rise thus reflects a rise in the value of a product or a service, it can hardly be regarded as inflationary. Of course, we cannot be insensitive to any price rise, particularly in an area such as electricity where the burden may fall disproportionately on the poor and others least able to assume that burden. At the same time, however, it has to be pointed out that pollution itself, when unabated, imposes severe costs on society and that the adverse health effects tend to fall with special severity on the poor and others who live in crowded urban centers.

The relative rise in prices as a result of pollution controls is, as you know, simply a means of putting the market mechanism to work to protect the public health and welfare. By allowing some industries to use our environmental resources for free, we have encouraged them to expand at the expense of those resources. An increase in relative prices, which both discourages the purchase of environmentally intensive goods and encourages the development of less polluting industrial processes, must be a central part of an efficient environmental protection program.

If it could be demonstrated that the costs of pollution control exceeded its benefits, then it could legitimately be argued that pollution control expenditures should be delayed or diminished. But what we are really talking about, in such an instance, is not an inherent inflationary effect of pollution control expenditures, but rather a bad investment in pollution control. And we should not as a country support investments in pollution control, or any other public or private good, which do not give us what we pay for.

Like the consumer price index, our system of national accounts is thoroughly biased. It tells us what we spend when we clean up. But it does not tell us what we get for it, or what we spend when we fail to clean up. Indeed, a number of noted economists, including Paul Samuelson of MIT and James Tobin of Yale, contend that conventional measures of Gross National Product and inflation are inadequate because they do not account for improvements in the quality of life which are not priced by the market system. It is increasingly obvious that more quantitative measures of production, whether of goods or services, provide very imperfect measures of the overall well-being of our society. Thus, the adverse health effects of sulfur emissions will increase the demand for medical services which in turn will go to increase GNP. Were GNP and the various inflation indices to adequately measure the beneficial outputs of pollution control, we would not have to deal with erroneous assertions that the costs of this control are nonproductive or that they are inherently inflationary.

It is, as you know, far from a simple matter to work out the costs and benefits of an environmental program. The costs can be calculated with some precision; the benefits seldom can. A longer life span, the easing of pain from illness, the conservation of the beauty of our land, air and water—we can only use our best judgment in assigning dollar values to these things. We can, on the other hand, measure with far greater adequacy such benefits as decreased medical costs, decreased absenteeism and increased property values.

Simply on the basis of their quantifiable costs and benefits, our environmental expenditures have been shown to be well worth the cost. The National Academy of Sciences (NAS), for example, has just completed a year-long study of our automotive emission standards which was widely expected to provide a basis for easing those standards. The NAS found, however, after weighing the quantifiable costs and benefits, that "the benefits in monetary terms that could reasonably be expected to accrue from implementing the federal statutory emission control standards for automobiles are commensurate with the expected cost." The NAS did tentatively support an easing of automotive standards for nitrogen oxide emissions, a recommendation I made to Congress last year. In addition, EPA research has shown that measurable damages of $11.2 billion annually accrue from sulfur oxide and particulate pollution, compared with annual costs of less than half that amount to control it.

Environmental expenditures, like other expenditures, create jobs, markets and profit opportunities. These are positive opportunities which more and more companies should be taking advantage of, as Carl Gerstacher of Dow Chemical declared at one of the recent pre-summit economic meetings. Obviously environmental expenditures represent a demand for goods, which can bid up the price of scarce resources. But they are no more inflationary in this respect than spending to make our streets safe or our country secure, to build highways or hospitals or highrises. So far as demand-pull inflation is concerned, all expenditures are created equal.

It is not the nature of the expenditure that is critical in determining its inflationary impact, but rather the state of the economy at the time it is made. So-called "nonproductive" defense expenditures have on some occasions helped lift the economy out of recessions just as they have helped fuel inflation at other times. It is interesting to note that when the construction industry was booming several years ago, some concern was expressed that EPA funding of municipal wastewater treatment plant construction would aggravate inflation in construction prices. Now that the construction industry is having a rough time of it, some have suggested that EPA could help breathe some life into it by accelerating the funding of treatment plant construction. In short, it is the state of the economy and of the financial markets that determines whether environmental or any other expenditures are inflationary.

What we are talking about, then, is simply competing demands for goods. And the real question is: which should take precedence at a time when the control of inflation may require some easing of these demands? Do we cut expenditures on airplanes, or on school buildings, or on TV sets, or on pollution control? Pollution control may seem to be the easiest to cut, because—in relation to these others—it is a new kind of expenditure. But to put environmental needs last in line for this reason is like refusing to admit a critically ill man to an overcrowded hospital without first comparing his needs with those of the patients already in the hospital. And to single out environmental demands as inflationary for this reason is like blaming the last patient admitted for the fact that the hospital is overcrowded.

Moreover, we really do not have the option of *not* paying environmental costs at all. The question is really who shall bear the burden of these costs. If electric power is generated with inadequate controls over sulfur and particulate emissions, then the cost is borne by the general public through statistically demonstrable increases in mortality and morbidity. If those same emissions are effectively controlled, then the cost of that control is (or should be) passed on to the consumers of the electricity through the rates. It is, thus, a matter of equity and of cost-effectiveness.

There is, therefore, no inherent reason to cut environmental spending first, just as there is no justification for unquestioningly placing it first above all other priorities without considering the tradeoffs. As long as resources are scarce, we cannot avoid the necessity of choosing among many desirable ends, not all of which we will fully achieve. The reasonable man will ask: what will I get for what I'm giving up? And that is what we must ask when considering whether to cut environmental or other expenditures.

The evidence, as I have already indicated, is that the inflationary impact of environmental expenditures is negligible and that the benefits they bring substantially exceed their costs. The economic case *for* environmental expenditures is thus very strong.

Once we have said all this concerning the impact of environmental expenditures upon the overall economy, we need to address the argument that the capital requirements of environmental protection efforts place an undue burden upon our capital markets and

upon particular industries—that environmental requirements siphon off scarce capital that, at a time when capacity is desperately needed and unemployment is high, could be put to far more productive use.

We should recognize, to begin with, that the slowdown in the growth of U.S. industrial capacity over recent years would have occurred whether or not there had been pollution control requirements. As a recent Economic Letter of the First National City Bank put it: "the question of pollution control seems somewhat academic. Most of the basic industries could not justify new investment—with or without pollution control—with profits at the 1970–71 levels."

Capital requirements for environmental protection are, and will remain, very small in relation to the total flow of capital within our economy. Indeed, the amount required is, and will remain, well within the normal year-to-year fluctuations in the rate of capital formation. Over the next decade, pollution-related investment by industry is projected to equal only 2–3 percent of gross private domestic investment, and about 6 percent of private investment in plant and equipment—although those percentages will be considerably higher for certain industries. It is worth emphasizing, in this regard, the recent survey by the Bureau of Economic Analysis in the Department of Commerce, in which only 2 percent of the firms surveyed reported that pollution control investment had caused a reduction in expenditures for new plant and equipment made in 1973 or planned for 1974.

There is simply no evidence that environmental requirements have had or will have any marked adverse impact upon jobs or productive capacity, especially since—as I have said—investments in environmental protection create new markets, new jobs and new profit opportunities. Since January 1971, EPA has learned of only 69 plant closings, involving 12,000 jobs, for which pollution control was alleged to be a significant factor. Of these, only 14 plant closings involved Federal enforcement action; and in 5 of those 14 closings State action was involved as well. I am concerned about the impacts these closings have on the employees, their families and communities, and I am working to ensure that these people get the full benefit of the various assistance programs available to them. While the local impacts of these closings may be quite serious, it simply cannot be said that they have significantly affected the nation's productive capacity or its employment problem. Reviews of the plants that have closed reveal that they have, for the most part, been small, old marginal plants whose demise may have been hastened slightly by pollution standards, but which probably would have been closed soon anyway for economic reasons.

I expect that, in the future, the impacts of our program on productive capacity will be noticeable, but not alarming. The Chase Econometrics Associates study I mentioned earlier forecasts that pollution control costs would result in a negligible average increase in the rate of unemployment between 1973 and 1982—the largest increase would be 0.2 percent in 1978. The study also projects a negligible reduction in the annual growth rate of GNP, as currently measured, over the same period. In 1982, GNP would be only 0.2 percent lower because of pollution controls. These impacts are far smaller than those of a number of other controllable and uncontrollable factors, and cannot legitimately be regarded as cause for concern.

One reason that I expect only moderate impacts on existing capacity and employment is that EPA specifically looks at these in the process of setting standards. We now perform or sponsor studies of costs and economic impacts as part of the regular process of developing each standard. Furthermore, each proposed standard is subjected to the critical review of the public and other federal agencies before final promulgation. I am particularly concerned that we be highly sensitive to job impacts of our regulatory activities.

I should point out two limitations to EPA's ability to incorporate economic impact concerns into its standard-setting process. One is the uncertainty involved in forecasting future impacts under changing economic conditions and with advancing technologies. In addition, EPA's governing legislation is some instances does not grant the agency the authority to take economic impacts into account. An extreme example of this is the auto emissions standards, which are set by law in the Clean Air Act.

Let me cite just a few examples in which a balancing of environmental and economic concerns has influenced EPA's actions:

A number of effluent guideline limitations on industrial water pollution have been modified on the basis of EPA studies and public comments.

The steel industry effluent guidelines are currently under review to determine if industry projections of major impacts on the Mahoning Valley region of Ohio are valid. If they are, a separate set of guidelines may be issued for that region.

The thermal effluent guidelines for the electric utility industry have undergone a very thorough review of the practicability of alternative levels of control for the utility industry and its customers, with the final guidelines reflecting substantially lower costs commensurate with effective environmental protection.

A Clean Air Act amendment has been sought to ease the statutory nitrogen oxide standard now scheduled for imposition in 1978. The major factor in this decision was the likelihood that the required technology would not be available in time.

EPA has sought to persuade states whose sulfur oxide emissions standards are more stringent than required to meet health-related standards to eliminate the "overkill", thus allowing the continued use of available fuels until acceptable control is feasible.

Nondegradation regulations have been structured to mesh with State economic development planning without posing unreasonable constraints on necessary development and at the same time fully protecting the integrity of federal air quality standards.

The low-lead gasoline regulations contain a delay in imposition upon small refiners who need more time to finance and arrange the installation of octane-boosting equipment.

These are just some examples of our effort to insure that impacts of environmental regulations on existing and new plants are warranted by the environmental improvement involved. In the current economic situation, we must also take a long, hard look at another potential impact—at the possibility that in capacity-short industries environmental requirements prevent firms from investing available capital in expansion of capacity which is sorely needed to eliminate demand-pull inflation. The evidence on this impact is exceedingly mixed. EPA is currently assessing the combined impact of its regulations upon key industries as well as examining the effects of its regulations upon capital markets and the cost of capital for specific industries.

One industry especially hard hit by the current capital squeeze is the utility industry. Over the past few years, its costs have drastically increased—primarily for reasons that have little or nothing to do with the environment. Its fuel, finance and construction costs have all gone up—mainly for non-environmental reasons. Delays have also raised costs, but these have, for the most part, been the result of labor or engineering problems or AEC actions related to safety. In addition, utilities could until recently count on an increase in thermal efficiency from new plants to provide them with a cost savings to compensate for other cost increases. The switch to nuclear capacity and slow down in the rate of improvement in thermal efficiency has deprived the utilities of this compensatory cushion. Since State public utility commissions have been slow to raise rates in the face of these cost increases, utility earnings have fallen, and so has their ability to attract capital.

It seems clear both that the utilities are sorely squeezed for capital and that they will continue to be squeezed until they are allowed to earn adequate rates of return. I have made emphatically clear my view that the costs of pollution control should be fully reflected in the prices utilities charge for electricity. As long ago as last April, I wrote the State utility commissions urging that they permit utilities to "pass through" the full costs of environmental control. I would urge, further, that the State commissions grant the utilities the higher rates of return they must have to finance orderly and essential expansion. I would also suggest that there are steps which utilities themselves can and should take to ease their capital problems. By establishing appropriate peak-load prices, for example, for large industrial and commercial customers, they could move to measurably reduce the growth of peak demand, and thus reduce their capital needs as well as the amount of pollution they create and are required to control. They could, at one and the same time, save energy and cut capital needs and pollution costs.

It is more than an historical curiosity and coincidence that the words "ecology" and "economy" come from the same etymological root—from the Greek word meaning "household management."

In no small measure, our energy, environmental and economic problems reflect the fact that we are living beyond our means.

Pollution is waste, and to the extent that we can prevent that waste and put it to productive use we are serving both economic and environmental ends. In other words, as I said earlier, our energy, environmental and economic interests combine to put a very high premium on greater efficiency in the industrial process.

One expert has estimated that about 25 percent of the total U.S. energy use could be saved through efficiency. Another has observed that our production of waste energy is growing twice as fast as our production of useable energy and that if we could halt the growth of waste energy we could save enough energy to close the entire fuel gap by 1985. That wasted energy represents an economic as well as an environmental cost. And we can cut both of these costs to the degree that we can conserve energy through greater efficiency.

This is the point President Ford tried to hammer home in his address to the economic summit on Saturday, as again and again he urged Americans "to become Inflation Fighters and Energy Savers."

If, in 1972, the average efficiency of gasoline consumption in our automobiles had been 20 miles per gallon—instead of 13.5 miles per gallon—we could have saved more than 23 billion gallons and more than $14 billion worth of gas.

If, in 1972, the aggregate efficiency of electric power production had been 40 percent, instead of 29.5 percent, we could have saved the equivalent of 330 million barrels or $3.3 billion worth of oil.

It is easy enough to multiply these examples.

They all make the same point: environmental pollution is, in a very real sense, simply a sign of economic inefficiency and waste.

By making the conservation of energy and materials and the prevention of pollution an ordinary and integral part of our production process, we will become increasingly able to enjoy the benefits of economic growth and an improved quality of life.

The American free enterprise system has brought a higher degree of material well-being to a larger proportion of a society than ever before in history. We have led the world in producing a revolution which has made abundant goods and services available to the many at reasonable cost. It is a revolution which has spread around the globe, although obviously not equally everywhere.

It has been a revolution—indeed, often a seeming miracle—based upon abundant and relatively cheap energy and other natural resources together with an energetic and resourceful people. Thank God, we still have the latter. And we still have abundant—if not always cheap—resources. Our challenge today and in the years immediately ahead is to demonstrate our ability to sustain and strengthen the economic well-being of our people while at the same time improving and not degrading the quality of their lives. This is a challenge which the United States has a special responsibility to address. It is a challenge which cries aloud for the leadership of this country. No other nation can provide it. And the business community of the United States must and can help provide that leadership.

We must as a nation unite in a War on Waste.

We must make a national commitment to conserve resources, to save energy.

We must change course from a throwaway society to a reuse and recycling society. We should develop tax and other incentive systems to encourage recycling and the conversion of wastes to energy.

We should re-examine and revise those existing incentives in the tax system, freight rate structure, or otherwise, which encourage and subsidize use of virgin materials rather than recycling.

We must insist on far more energy-efficient automobiles. We must increasingly shift our national priorities toward mass transit.

We need, as a nation, to develop positive land use policies—not I assure you to permit more Federal intrusion into this area but to provide more effective operation of State and local planning and control—with enormous potential savings of energy and other resources.

We must make massive investments in research and development, especially in the area of clean energy.

Above all, we must develop new values which match the new needs of our times, values which recognize that growth simply for the sake of growth is no longer enough—that we must find ways to nourish our physical needs while promoting the quality of our lives.

These are objectives to which the economic profession should increasingly be directing its energies.

The need for aggressively pursuing environmental protection policies is a high priority need of our time, one which is essential to any sustained economic growth and development. The fact that we must pursue this objective at a time when inflation and other economic problems beset us only makes the task more complex and demanding.

On my part, I assure you that the Environmental Protection Agency will carry out its job with patience and with sensitivity to the problems which confront the businessmen and working people of the nation. I ask your help and cooperation in a task which is difficult, but which is vital to our future. We will doubtless have many disagreements but let us not have misunderstandings. My door is always open to you. Let us work together.

CLEANING UP COAL

The economic impact of programs to clean up America's air and water was set in perspective the other day by Russell Peterson, chairman of the Council on Environmental Quality. What he said—on the basis of CEQ's most recent analysis—is that the impact really doesn't amount to much. Environmental efforts "account for, at most, roughly one-half of one percent of our current inflation," he declared, and this surely doesn't warrant any major cutbacks in those programs as part of the anti-inflation strategy. But still the diverse effects of environmentalism must be recognized, as in the sizable switch from coal to oil for production of electricity.

It was a matter of immediate necessity, as some electric companies saw it. They could meet the new clean-air standards by burning oil for power generation, and could not do it by staying with coal, and the switch-over contributed a good deal to this country's oil shortage. Now there's a strong push to get back to coal, but complaints from segments of the power industry, on economic points, have been forceful indeed. Two main charges persist: that technology for "stack scrubbers," which remove pollutants from coal smoke, is woefully imperfect, and that this system in any case is frightfully expensive. So the implication is that more pollution must be allowed in the air, in the name of economics and energy salvation.

To this obnoxious idea, the Environmental Protection Agency now has given a ringing reply which we hope will stand every test of application. Actually, it says, the scrubber technology has been proved a great success, to the extent that vast quantities of high-sulfur coal lying unmined in the East can be burned, as unhealthful sulfur oxide pollutants are removed in smokestacks. Nor does the installation cost seem out of sight—an estimated $45 million extra for the average power plant. That should be offset considerably in many cases by burning this fuel which is much cheaper than low-sulfur oil.

The best aspect, though, is that this technology—already developed—should enable the United States to utilize an almost inexhaustible energy resource on a massive scale, thus reducing its dependence on foreign oil. In fact, scrubber systems already are being installed or planned at numerous power plants, and this may be welcomed as one bright development in the troubled field of energy. Coal, perhaps, can pull us through the pinch.

SCHOOL LUNCH WEEK IN DELAWARE

Mr. BIDEN. Mr. President, since the week of October 13 is National School Lunch Week, it is important for us to recognize that the national school lunch program, which daily provides over 25 million schoolchildren with nutritious meals, has been one of our most effective domestic accomplishments.

With the pressure of inflation increasing, these hot lunches, served free or at reduced costs for children of lower-income families, also immeasurably aid those middle-income parents whose struggle to feed their children balanced meals has become more difficult as prices climb. A nutritious meal at an affordable cost is an important source of security for the parents of the 16 million children who pay for school lunches each day.

In my own State of Delaware every public school participates in this program, providing over 70,000 schoolchildren with lunch every day. These children not only enjoy a balanced meal, but they also learn good nutrition and proper eating habits as well.

I am pleased that the Governor of Delaware, Sherman W. Tribbitt, has declared the week of October 13–18, School Lunch Week in Delaware. As we celebrate National School Lunch Week across the country I am hopeful that we will all recognize the importance of the school lunch program, and its contributions toward building more alert, healthy, and vigorous schoolchildren.

Mr. President, I ask unanimous consent that Governor Tribbitt's declaration of October 13–18 as School Lunch Week in Delaware be printed in the RECORD.

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

STATEMENT BY GOV. SHERMAN W. TRIBBITT IN OBSERVANCE OF SCHOOL LUNCH WEEK IN DELAWARE

Whereas, a child derives full value from school only when he or she develops physical and mental agility, strength, and stamina; and

Whereas, over 70,000 Delaware students take the school lunch each day, guaranteeing them a sound, well-balanced, hot meal, prepared by over 1,500 cafeteria workers; and also learn good nutrition and proper eating habits; and

Whereas, the National School Lunch Program provides funds so that our needy students have lunch free or at a reduced price and also provides a ready and reliable market for Delaware agricultural commodities; and

Whereas, all public schools in the state take part in this program, far above the national percentage;

Now, therefore, I, Sherman W. Tribbitt, Governor of Delaware, hereby declare October 13–18, 1974 as School Lunch Week In Delaware, and heartily urge all citizens to recognize how the program contributes to our students' individual progress, to the success of the school system, and to the health, vigor, and prosperity of the state.

THE ROCKEFELLER NOMINATION

Mr. HELMS. Mr. President, this morning I hand delivered a letter to our distinguished colleague, the chairman of the Senate Rules Committee (Mr. CANNON).

Mr. President, at this point I will read the text of the letter for the benefit of my colleagues in the Chamber.

U.S. SENATE,
Washington, D.C., October 8, 1974.

Hon. HOWARD CANNON,
Chairman, Senate Committee on Rules and Administration, Washington, D.C.

DEAR MR. CHAIRMAN: This morning's Washington Post reports that a trusted aide of Governor Nelson Rockefeller, Dr. William Ronan, received a personal gift of $500,000 from the Governor. A spokesman for the Governor, without confirming the amount, confirmed that a gift was made after Dr. Ronan resigned as Chairman of the Metropolitan Transit Authority and before he became head of the New York Port Authority. Dr. Ronan is reportedly also a trustee of the New York State Power Authority.

As you will recall, in my testimony before your Committee, I raised certain questions about an alleged incident in which Governor Rockefeller and David Rockefeller (acting for Chase Manhattan Bank) signed a stipulation which led to the compromise through merger of the rights of the Triborough Bridge Authority bondholders, for whom Chase was trustee.

According to reports, the only other participants in this meeting, besides the Rockefeller brothers, were Governor Tom Dewey, now deceased, and Dr. Ronan. Dr. Ronan subsequently became head of the new agency which resulted, the Metropolitan Transit Authority.

This morning's revelations make it more urgent that Governor Rockefeller be recalled to be questioned in public hearings about this incident, and that Dr. Ronan also be brought forward as a witness. If the incidents are correct as reported—and I have no personal knowledge of the events—then a grave question of conflict of interest arises. Even if the description of events should not be correct in every detail, the question of personal gifts to Dr. Ronan and to other political figures raises a grave question of propriety. The Committee should ascertain whether Dr. Ronan received personal gifts at other times, or has been a beneficiary from enterprises and institutions controlled by the Rockefeller family.

Indeed, the Governor should be questioned about the extent and scope of his gift-giving to any person who stands in the public trust as a political figure or public official. The public deserves to know the names of the beneficiaries of the Governor's generosity. At no other time in history have the American people been so in need of candor and of assurance of integrity beyond any reasonable doubt.

Sincerely,

JESSE HELMS.

Mr. President, the revelations of this morning's paper, coupled with the stories over the weekend, tend to confirm the presence of the kind of issue which I raised in my appearance a few days ago before the Rules Committee. At that time, I did not raise any questions about the fitness of a wealthy man to serve his country. Indeed, I wish that I were wealthy myself. But I did raise the issue whether the context of Mr. Rockefeller's personal wealth—that is to say, personal wealth combined with the power, influence, goals, and motivations of the Rockefeller family dynasty, past, and present, was such a unique case that it would preclude a clear-cut distinction between his personal affairs and the national interest. In other words, has Mr. Rockefeller used his wealth in such a way that it would be difficult, or impossible, for him to avoid a conflict of interest on many issues.

We now find that Mr. Rockefeller has been in the practice of making gifts to political figures. It has been confirmed that Dr. Kissinger received $50,000 a few days before he became President Nixon's National Security Adviser. We have been assured that there was nothing illegal in the manner in which this gift was given or received. Yet the propriety of it is separate from its legality. If it were illegal, certainly it would be improper. But even if it is legal, there is a question of whether or not it is proper to induce a sense of substantial obligation in a man about to become a senior public official.

As I indicated before the Rules Committee, the testimony of Mr. John Dean before the Watergate Committee contained references indicating that a continued confidential relationship existed between Governor Rockefeller and Dr. Kissinger after Dr. Kissinger had entered the White House. Indeed, some may speculate that the failure to maintain confidentiality of the Kissinger-related wiretaps led President Nixon to feel that he had to set up a special investigative unit, the unit known as "the plumbers." Whether that decision was correct or not, from it flowed many of the consequences of Watergate.

So we must ask the further question: Was it proper for Dr. Kissinger to maintain an intimate relationship with a man who had given him $50,000 as a token of friendship and appreciation?

And other questions also arise. It is rumored that Governor Rockefeller spent as much as $500,000 a year on "gifts" to men who wielded political and financial power. I do not know whether it is true or not, but it does not seem improbable in the light of what has already been confirmed. Until we, as U.S. Senators, know the full extent of the way in which Governor Rockefeller may have used the power of his fortune in building a network of political dependency, we will not be able to resolve the question of whether he ought to be confirmed as Vice President of the United States.

EARLIEST HEARINGS ADVISE ADOPTION OF GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, much has happened to the world in the long 25-year history of the Genocide Treaty, and the equally long delay of the U.S. Senate in ratifying the document. However, international conditions have not changed drastically enough to warrant claim that the Genocide Treaty is obsolete. On the contrary, it is of even more importance in world situations today than it was 25 years ago.

The Senate has twice conducted hearings under a subcommittee of the Foreign Relations Committee. Both subcommittees came to the same ultimate conclusion, that it was in the interest of the U.S. Government and the American people to ratify this document. Quite appropriately, the conclusions made by the 1950 subcommittee are still applicable today, exemplifying the universality and eternity of the implications of the Genocide Treaty. Their report concluded with the following reasons for adoption:

First. It will create a more stable and better world condition in which this country may live. The destruction of human beings by groups along racial, national, and religious lines is an evil which has long shocked mankind, and is in great need of correction. The convention will outlaw this barbaric practice.

Second. It will advance the cause of world peace. Genocide is a form of aggression by one national group against another. As long as genocide exists there can be assurance that war can be abolished.

Third. It will do away with certain forms of group hatred. Genocide arouses deepseated hatreds and resentment in persecuted groups. With genocide outlawed a significant step toward the elimination of these hatreds will have been taken.

Fourth. It will lessen the burden on the international community. Genocide generally dislocates many people who flee to neighboring states, as did the Baltic peoples, Jews, and others during World War II. These refugees must be cared for. Not only do they suffer great damage, but they are a charge on the world.

Fifth. It will assure a more productive and economically stable world society. The practice of genocide is economically costly and causes losses in production and trade.

By adopting the Genocide Convention Accords of 1949, the 93d Congress can go on record as showing good faith and integrity in pursuing the goals outlined some 25 years ago. I urge adoption of this document without delay.

REPORT ON ACTIVITIES OF THE MINORITY IN THE COMMITTEE ON LABOR AND PUBLIC WELFARE IN 1974

Mr. JAVITS. Mr. President, during the 2d session of the 93d Congress, 1974, the Republican minority of the Committee on Labor and Public Welfare, of which I am the ranking minority member, made again a distinctive record of constructive contributions and effective legislative achievement. It is gratifying to note that in a number of instances the central concepts around which major legislation was built originated on the minority side. These contributions cover all areas of activity of the committee.

I ask unanimous consent that a report I have prepared on these contributions and the contributions of minority members not on the committee to legislation considered by the committee be printed in the RECORD.

There being no objection, the report was ordered to be printed in the Record, as follows:

COMMITTEE ON LABOR AND PUBLIC WELFARE—MINORITY REPORT

LABOR

Employee Retirement Income Security Act of 1974 (P.L. 93-406):

Enacted September 2, 1974, the law (known commonly as the "pension reform act") constitutes the first sweeping overhaul of the Nation's private pension and welfare benefit plans.

The pension reform act is based on legislation authored by Senator Javits in 1967 (S. 1103), and reintroduced in 1969 (S. 2167) and 1971 (S. 2). In 1972, the Javits bill was merged into the bipartisan Williams-Javits bill (S. 3598) (Harrison Williams, Chairman) which was cosponsored on the minority side by Senator Jacob K. Javits and cosponsored by J. Glenn Beall, Jr., Richard S. Schweiker, Robert T. Stafford, and Robert Taft, Jr., and reported favorably in July 1972.

In 1973, the Williams-Javits bill was reintroduced as S. 4 cosponsored on the minority side by Senators Jacob K. Javits, Peter H. Dominick, Richard S. Schweiker, Robert Taft, Jr., J. Glenn Beall, Jr., and Robert T. Stafford, and reported unanimously by the Committee in April, 1973. It was merged with S. 1179, a similar omnibus bill reported favorably by the Senate Finance Committee, and passed the Senate. Sub-

sequently, the bill went to conference with the House version (H.R. 2). It passed the Senate and was sent to the President who signed it into law on September 2, 1974 as P.L. 93-406.

Committee studies and activities in support of pension reform legislation were extensive and minority members of the Committee participated actively in all studies and investigations.

Fair Labor Standards Amendments of 1974 (P.L. 93-259):

Congress enacted a bill cosponsored by Senator JAVITS which raised the minimum wage for all covered employees to $2.30 by 1978 and extended coverage under the Act to 10 million employees including employees of State and local governments and domestic service employees.

Minority amendments which were adopted include:

First, an amendment to provide for a study by the Secretary of Labor of the justification for continuation of the exemptions from minimum wage and overtime coverage of the Act—Senator Javits.

Second, an amendment to provide for study by the Secretary of Labor of the means available to prevent curtailment of employment opportunities for the disadvantaged, youth, the aged, and other groups which have a historically high incidence of unemployment—Senator Taft.

Third, an amendment to provide an exemption from the overtime requirements of the Act for married couples employed as house-parents in orphanages—Senator Schweiker.

Coverage of Non-Profit Hospitals under the National Labor Relations Act (P.L. 93-360):

This Act is a fusion of bills introduced by Senators Taft and Javits which provided for coverage of employees of not-for-profit hospitals under the National Labor Relations Act.

Also included was a special provision for the settlements of labor-management disputes in non-profit hospitals, which included mandatory mediation by the Federal Mediation and Conciliation Service, the creation of special boards of inquiry where disputes threaten essential health services, and advance notice of any intent to strike.—Senator Taft.

Federal Employees Compensation Act Amendments (P.L. 93-416):

This bill updates benefits under and improves the administration of the Federal Employees Compensation Act.

Included an amendment to expand the scope of services available to disabled Federal employees to include optometrists, clinical psychologists, and certain services of chiropractors.—Senators Javits and Taft.

EDUCATION AMENDMENTS OF 1974 (PL 93-380)

First, extension and expansion of the Adult Education Act, including provisions that up to 20% of the funds may be used for high school equivalency programs; that give new emphasis to programs for adults in institutions and to audit programs in community schools; and that State advisory councils may be established to counsel with both Federal and State authorities—Senator Javits.

Second, a new program for bilingual vocational training for persons of limited English-speaking ability who have dropped out of school or finished secondary schooling—Senator Dominick.

Third, grants for States to develop plans for equalization of educational expenditures between areas within the State—Senator Schweiker.

Fourth, establish special emphasis programs in reading improvement—Senators Beall and Dominick.

Fifth, requirement that States provide procedures for insuring that handicapped children and their parents are guaranteed procedural safeguards and access to appropriate educational opportunity—Senator Stafford.

Sixth, a new program to encourage the education of gifted and talented children—Senators Javits, Schweiker, Beall, Weicker, Percy, et al.

Seventh, retention of Part B (Special Incentive Grants) of Title I, ESEA—Senator Dominick.

Eighth, additional flexibility in the Ethnic Heritage Act by providing for ethnic heritage programs in lieu of ethnic heritage centers—Senator Schweiker.

Ninth, establishment within the U.S. Office of Education of a clearinghouse on adult education—Senator Beall.

Tenth, provision for the handicapped in the career education program—Senator Stafford.

Eleventh, provision in the Special Projects Act of an "incubator" setaside for specified developing categorical programs—Senator Javits.

Twelfth, an amendment to the General Education Provisions Act mandating the issuance of rules and regulations by the Executive Department in a timely fashion in order to expedite administration of education legislation enacted by Congress—Senator Schweiker.

Thirteenth, provision for reading training on public television—Senators Beall and Dominick.

Fourteenth, provision retaining requirement of district-wide parent advisory councils under Title I, ESEA—Senator Stafford.

Fifteenth, inclusion in the White House Conference on Education of adult education—Senator Javits.

Sixteenth, prohibition of orders requiring the transportation of students for racial desegregation except at the beginning of an academic school year—Senator Beall.

Seventeenth, provisions for expanding programs to assist individuals from disadvantaged backgrounds to undertake legal professional training—Senators Javits and Mondale.

Eighteenth, provisions to lessen the impact of losses caused by revisions in the impact aid law—Senator Beall.

Nineteenth, stipulation in the Title IX (prohibition of sex discrimination) regulations that such regulations shall include with respect to intercollegiate athletic activities reasonable provisions concerning the nature of particular sports—Senator Javits.

Twentieth, finding that the Title II provisions relating to busing are not intended to diminish the U.S. courts authority to enforce fully the fifth and fourteenth amendments to the Constitution—Senators Scott and Mansfield.

Twenty-first, provisions for the protection of the rights and privacy of parents and students—Senator Buckley.

Twenty-second, inclusion in the disaster provisions of PL 815 that Commissioner may include in construction costs amounts to assure that the restored facility will afford appropriate protection against personal injuries—Senators Cook, Brock, Huddleston Pearson.

Twenty-third, provision for reasonable time for developing voluntary plans for desegregating schools—Senator Dole.

Twenty-fourth, inclusion of community colleges in community school program—Senator Hansen.

Twenty-fifth, inclusion in the White House Conference on Education of the problems of non-public schools—Senator Helms.

Twenty-sixth, provision for a new entitlement grant program for the education of handicapped children—Senators Mathias, Beall, Brock, Case, Cook, Dole, Hatfield, Tower, et al.

HEALTH

Sudden Infant Death Syndrome Act of 1974 (Public Law 93-270):

A bill supporting Sudden Infant Death Syndrome (SIDS)—the leading cause of death in infancy—research, counselling information and educational programs, cosponsored by Senators Javits, Schweiker, Percy, Weicker and Packwood provided the basis for this Act.

National Research Act (Public Law 93-348):

Bills (S. 878 and S. 974) introduced by Senator Javits, and bills (S. 2071 and S. 2072) developed jointly by Senator Javits and (Senator Kennedy) the Chairman of the Health Subcommittee and the former cosponsored by Senators Beall, Dominick and Schweiker, and a Joint Resolution cosponsored by Senators Javits, Schweiker, Brooke, and Case provided the basis for this Act.

Minority Amendments written into law include:

First. Prohibition against reverse discrimination for religious beliefs or moral convictions for participation in biomedical or behavioral research—Senator Javits.

Second. Authorize grants for medical school curricula on ethical, social, legal and moral issues involved in biomedical research—Senator Javits.

Third. Authorize continued funding support to medical and other health profession schools admitting only female students which is changing status—Senator Schweiker.

Fourth. Investigation and study of psychosurgery—Senator Beall.

Fifth. Assure that human subjects in biomedical and behavioral research not subject to Department of Health, Education, and Welfare regulations are protected—Senator Javits.

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act Amendments of 1975 (Public Law 93-282):

Provisions of the Administration bill introduced by Senator Javits (S. 3011) and a bill cosponsored by Senator Javits, Schweiker, Dominick, Mathias and Hatfield provided the basis for this Act.

Minority amendments written into law include:

First. Grants to states to implement the Uniform Alcoholism and Intoxication Treatment Act—Senator Javits.

Second. Alcohol abusers and alcoholics suffering from medical conditions cannot be discriminated against in hospital admission—Senator Javits.

Third. Administrator of Alcohol, Drug Abuse and Mental Health Administration appointed by President with advice and consent of Senate—Senator Javits.

National Cancer Act Amendments of 1974.

(Public Law 93-352)

Bills developed jointly by Senator Javits and Senator Kennedy, the Chairman of the Health Subcommittee (S. 2893) cosponsored by Senators Schweiker, Stafford, Taft, Dominick, Beall and Packwood and (S. 3023) cosponsored by Senators Beall and Schweiker provided the basis for this Act.

Health Services Research and Evaluation and Health Statistics Act of 1974.

(Public Law 93-353)

Provisions of Administration bills introduced by Senator Javits (S. 1450, S. 1515, and S. 1633) and a bill cosponsored by Senator Javits and Schweiker provided the basis for this Act.

Minority amendments written into law include:

First. Establish two national special emphasis centers (Health Care Technology Center and Health Care Management Center)—Senator Beall.

Second. Establish a U.S. National Committee on Vital and Health Statistics—Senator Beall.

Third. Increase authorizations for health service, evaluation and demonstration activities—Senator Beall.

National Diabetes Mellitus Research and Education Act (Public Law 93-354):

Bills Introduced by Senator Schweiker (S. 17 and S. 2830) and respectively cosponsored by Senators Javits, Curtis and Thurmond and Senators Javits, Beall and Dole provided the basis for this Act.

Department of Defense Appropriation Authorizations Act.

Provisions of a bill introduced by Senator Magnuson and cosponsored by Senators Javits and Tower ensured the continued operation of the Public Health Service hospitals including those located at Staten Island, New York and Galveston, Texas.

Emergency Health Professions Educational Assistance Act.

(Public Law 93-385)

A bill (S. 3782) introduced by Senator Javits and cosponsored by all the Republican Senators of the Committee on Labor and Public Welfare provided the basis for the law.

POVERTY

The Legal Services Corporation Act of 1974.

(Public Law 93-355)

This Act establishes a national legal services corporation for the conduct of the legal services program currently administered by the Office of Economic Opportunity.

S. 2686, the basis for this measure was developed jointly by the Chairman of the Subcommittee and Senator Javits on the basis of Amendment No. 132 to S. 1815 introduced on May 5, 1973 by Senator Javits for himself and Senators Taft, Schweiker, and Nelson.

OLDER AMERICANS

Older Americans Act Amendments, 1974 (Public Law 93-351):

This law resulted from a measure, S. 3100, introduced by Senators Beall, Taft, Domenici, Young, Dole, Scott of Pennsylvania, McClure, Tower, Mathias, Hansen, Roth, and Cook.

Minority amendments written into law include:

First, an amendment providing transportation facilities for the aged—Senator Schweicker.

Second, an amendment to maintain a minimum level of Federal assistance for the elderly of not less than 10 cents per meal, adjustable to reflect inflationary changes—Senator Beall.

Third, an amendment clarifying regulations governing the use of food stamps in this program for the elderly—Senator Beall.

HANDICAPPED

Extension and Revision of the Javits-Wagner-O'Day Act (Public Law 93-358):

H.R. 11143, to extend and amend the Javits-Wagner-O'Day Act, was signed into law on July 25, 1974 (Public Law 93-358). The basis of the measure is S. 2687, introduced by Senator Javits.

SCIENCE

National Science Foundation Authorization Act of 1973 (Public Law 93—):

The Administration bill, S. 3299, introduced by Senator Dominick, together with the bill introduced by (Sen. ————) the Chairman of the Subcommittee, S. 3344, formed the basis for this Act. Senator Dominick then introduced the compromise amendment which was enacted as a substitute for the above-cited Senate bills.

THE CUMBERLAND, MAINE, FAIR

Mr. MUSKIE. Mr. President, from time to time our large metropolitan news journals discover some event in my home State of Maine which strikes the editor as sufficiently unusual to merit a page-one story.

Last Friday's Wall Street Journal carried such a story about the ox-pull at the Cumberland, Maine, Fair last week.

Those of us from Maine are always pleased to have an opportunity to educate our fellow countrymen. But at the same time, it strikes us as rather curious that a common, everyday occurrence should arouse such interest among the national press. I suppose, however, that city folk will never cease to be impressed with life the way it should be lived.

The ox-pulling contests at our agricultural fairs are undoubtedly as old as the fairs themselves. As one who saw his first ox-pull at a very young age, I cannot help wondering what the fuss is all about.

But for those of my colleagues who may not be familiar with the tradition of ox-pulling, I would like to extend an invitation to visit Maine next year to see for themselves what struck the paper's fancy. I ask unanimous consent that the Wall Street Journal's article be printed in the RECORD.

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

[From the Wall Street Journal, Oct. 4, 1974]

IN MAINE, OX PULLING STILL PULLS THEM IN AT THE COUNTY FAIRS—BESIDES THAT, WHEN OXEN ARE WORN OUT YOU CAN EAT BEEF, WHICH ISN'T TRUE OF HORSES

(By Barry Newman)

CUMBERLAND, MAINE.—A crowd of maybe 2,000 is packing the grandstand and piling three-deep against the rail on the open side of the Pulling Arena at the Cumberland County Fair, all waiting for the start of the International Ox Pulling Contest for the International Trophy. It is probably the biggest ox pulling event in the whole country all season. "It's sort of a similar deal to the Olympics," says George Hall, the fair's Superintendent of Oxen.

Sort of. Ox pulling isn't really a big sport any more; hasn't been since the tractor came in. But watching two big brutes that together weigh as much as a full-size car tug at a block of concrete three times as heavy as they are is still plenty exciting for the people who go to dusty little county fairs like this one, in places where being up-to-date might not be as important as it seems to be elsewhere.

A few people may be here from Portland for the contest (which took place a week ago last night, this being a not-so-instant replay). But this is mainly a farm crowd: round ladies in stretch pants munching French fries doused with vinegar; men with creased faces and bad teeth leaning out every so often to spit tobacco juice into the dirt. There are lots of kids, too, and some of them just climbed up on top of the chalk board in the corner. They'll have to get down from there before we can start.

EIGHT TEAMS COMPETE

There seems to be some movement at the far end of the arena. Here come the teamsters and their cattle, and the crowd is on its feet. Eight teams that qualified in last August's trials are competing. Four are from New England and the other four are from Nova Scotia. That's the way it is every year because other places never enter. Ox pulling just seems to have stuck mostly in the Northeast while about everybody else on the continent switched to horses and motors.

First into the arena are the four Nova Scotians, smiling confidently, holding whips over their heads, leading broad-shouldered critters decorated with clanging cowbells and pompons resting on impassive snouts. Nova Scotians are proud of their oxen; some farmers there still pull stumps and haul logs with them. "They're better than a tractor and as good as a pair of horses in the rough," says Gordon Lohnes, who came down for the contest. "When you get rid of an ox you can make beef; when you get rid of a horse you got to bury it. I guess that's why we hung onto 'em." (Oxen, by the way, are castrated bulls—it makes them less uppity.)

The Nova Scotian teams are bound by brass-studded head yokes that you hardly ever see in the States. The yokes are carefully carved and fitted to the horns so that the oxen can put the full strength of their massive necks into a pull. Master of ceremonies George Edwards is talking into the microphone: "Just lookit the headgear on these cattle, folks. Let's give 'em a good hand for really polishing up these cattle. We're glad you're here, boys."

The cheering swells as the New Englanders move into the arena, marching with white-birch goad sticks resting like rifles on their shoulders. Their cattle, in plain hickory bow yokes that are fastened around their necks instead of to their horns, are stripped of finery and ready for a hard pull. These men, like most others in New England who keep oxen, do it more or less because their fathers kept oxen and because they think it's a good idea for their sons to keep oxen. They train them all year and in the summer they travel around to the fairs.

SETTLING A POINT

The New Englanders are convincing that their bow yokes are better for pulling than the Nova Scotia head yokes, and that's really why this contest was started in 1965—to settle that point once and for all. Every year but one since then the New England teams have gotten slaughtered, and you might think they would be ready to concede by now. But these Yankees are tenacious. "I think we still have a chance," George Hall says. We will soon find out.

The contestants are lined up in the arena and George Hall is holding out his hat to each man who draws for starting position. It looks like John Treadwell is going to pull first. Yes, it's John Treadwell from East Brookfield, Mass., the man wearing the wide-brimmed white hat and a white beard that's sticking out about three inches in front of his chin. It'll be a minute before Mr. Treadwell gets hitched up and in the meantime we can run down the rules.

Two strips of whitewashed two-by-fours are running parallel 12 feet apart down the stay between these rails. At one end of the arena is a "stone boat," which is a sledge with 3,600 pounds of concrete blocks on it. The oxen are hitched to the boat and have to drag it three feet along the dirt floor. If they do, the teamster can call for more weight. Then they tow it three more feet, the teamster calls for still more weight, and so on until the boat is too heavy to budge. The team that pulls the most weight three feet without stepping over the rail wins the contest. If a team can't pull the load in three tries, it's out.

The team is ready. Mr. Treadwell slips them some sugar, yells "Haah!" and the boat slips ahead easily. "Now he'll call for a load," George Edwards announces. "Whaddya going to have, John?"

"A thousand pounds," Mr. Treadwell says and a big rumbling tractor piles on three more blocks. "You're on your own, John," George Edwards says, but suddenly the cattle are pulling by themselves. "Woah! Woah! Woah!" John Treadwell is shouting, but the cattle are over the rail once and heading over on the other side. "Wait! Wait! Waait!" he bellows, but the cattle are over the rail twice and they're out. Mr. Treadwell heads for the barn. "We hope we have some teams from the U.S. that'll give us a little better show," George Edwards says. "And now here's Oran Veinot from Nova Scotia."

AMAZING PERFORMANCE

Mr. Veinot, a man with a greenbilled cap pushed to one side of his grey head, hitches up his cattle and they easily pull the boat three feet. They take on 800 pounds more

and do the same. Mr. Veinot isn't making a peep. The load builds: 5,600 pounds, 6,400, 7,200, 8,000 pounds. The cattle just put their heads down and pull. At 8,400 Mr. Veinot begins to encourage them. He tugs down on their horns, whirls his whip over his head and screams: "Comeah! Heah! Heah! Comeaagh!" The load slips ahead. At 8,600 pounds they finally waver. Mr. Veinot shrieks, the head yoke creaks, but the stone boat creeps only 27 inches. The team is out. "Nice job Oran; that's the way to do it," George Edwards says over the loudspeaker.

The crowd is hushed in amazement at Mr. Veinot's display. People down here don't often see cattle trained the way they are in Nova Scotia. "In Nova Scotia you dassen't use the whip," Gordon Lohnes explains. "You got to get them to do what you want just by talking to 'em. They call 'em dumb animals, but they're smarter than we are." The American way is to get the oxen to do what you want by whacking them on the haunches with the goad stick. And at most contests in the States, moreover, the rules are different. The oxen pull for distance with a set load within a time limit and the only place they aren't allowed to go is into the grandstand. This contest is being played with modified Nova Scotian rules, which are a bit more civilized. The Americans know they are at a disadvantage. (It's true, though, that at past matches American rules were used and the Canadians still won.)

Well, anyhow, here comes Dwain Anderson from Webster, N.H., to give it another go. His black and white team takes loads with ease, but at 7,800 pounds the pressure is too much. The oxen are blowing smoke from their nostrils and drooling heavily. A sweat stain is spreading across the back of Dwain Anderson's drab-green shirt as he roars "Heaagh!" and comes down with the goad. But the boat moves only seven inches and the team is finished.

PULLING 4 TONS—AND MORE

The next Nova Scotian is Darrell Watkins, with two fat, speckled oxen. He whoops and hollers a lot and takes the load up to 7,600 pounds. Then all at once he adds on 1,000 pounds and the team gives out. After Darrell Watkins comes John Mehuren, a strapping poultry farmer from Searsmont, Maine. He works the load up to 8,000 pounds, but with that much weight behind them his cattle bolt forward with all they've got and the boat doesn't move an inch.

And now, at last, we have Nelson Zinck, a Nova Scotian fish cutter and the reigning champion, with his two dark, mean-looking critters, Dynamite and Lightning. Mr. Zinck is smiling pleasantly, hitching his pants up around his rib cage, doffing his old blue sweater. He's walking over to the judge and it looks like he wants another 800 pounds on the boat even before he makes his first pull. "Ladies and gentlemen, this man knows what he's doing," George Edwards tells the crowd.

Mr. Zinck plants his feet firmly in front of his animals, opens his mouth and lets out a long "Eyaaaaaah!" as they draw the boat precisely three feet. Again and again, like clockwork, they take the loads up to 8,000 pounds. "He's calling for 800 more!" George Edwards shouts and the crowd is cheering. Mr. Zinck puts his hand on his chin and studies the situation. He motions to the judge. "Put on two more," he says. That's 9,000 pounds. The fans can't believe it.

Mr. Zinck is walking very slowly toward the front of his cattle. Suddenly he whirls, grabs their horns, pulls down hard and bellows as the team crouches and pulls as one, and the boat bolts ahead. It's done.

Even Nelson Zinck's team can't handle 9,200 pounds. They drag the loads 34½ inches. But it doesn't look like anybody is going to beat 9,000 pounds and the fans are starting to filter out, heading over to the Exhibition Hall to check out the purple hog-horn potatoes and the rhubarb jam. Ernest Littlefield from Morrill, Maine, is in the arena now, looking helplessly at his oxen's splayed legs as they jerk at 6,600 pounds and can't move it. The last man is Gerald Woodworth from Nova Scotia whose team stops cold at 8,000 pounds. "Oh shoot," says somebody in the crowd. Nelson Zinck is the winner.

Everybody is leaving now, trying to make it over to the midway in time to take in Zelda the Skeleton girl. In the arena, Nelson Zinck is being awarded a big silver cup and a first-prize ribbon as the flashbulbs pop.

"They putcha on a real show," George Edwards is saying over the speakers. "It looks like we got to do a little more practice if we're going to get ahead of them boys. But you got to give us credit; we're still working at it. We never give up here in the States. Now here's a list of license numbers that must be moved or they will be towed away. . . ."

OPPOSITION TO CARGO PREFERENCE LEGISLATION

Mr. CURTIS. Mr. President, the U.S. Chamber of Commerce has been conducting for some months an intensive educational program among its members concerning ways to combat inflation. We may not always agree with the Chamber's position on all issues, but I doubt if any of us here would oppose the view that inflation must be stopped if our economic system is to survive.

On September 27, the U.S. Chamber issued a very sound analysis of the inflationary impact of this legislation, giving its reasons for opposing the bill.

Among the points this analysis makes are these:

First. The added cost of petroleum products for the American consumer will average at least 60 to 74 cents for each barrel of imported oil—totaling at least $25 to $31 billion in the next decade.

Second. The legislation can only serve to magnify the inherent construction and operating cost difference between United States and foreign flag vessels.

Third. Shipyard expansion and tanker construction resulting from the bill would require enormous capital outlays—putting added pressure on money markets and interest rates.

Fourth. The license fee remission provision does not reduce the total cost impact on the consumer. It simply transfers a small amount of the cost from the consumer to the taxpayer.

The Chamber's analysis concludes with these words:

Among the most important domestic issues today are combating inflation and taking steps to assure continued supplies of minimum cost energy. Cargo preference legislation violates the national interest on both counts. The nation cannot afford to enact this legislation which would increase energy costs and, in doing so, would worsen the already debilitating inflation which grips the country.

Mr. President, I would recommend to my colleagues a review of this short analysis, and I ask unanimous consent that it be printed in full in the RECORD.

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

WHY THE NATIONAL CHAMBER THINKS THE CONFERENCE REPORT ON CARGO PREFERENCE SHOULD BE DEFEATED

Cargo preference legislation comes upon us when the entire nation is troubled by inflation of a magnitude never before seen in the United States during peacetime. Enactment of such legislation—requiring that 20%, increasing to 30% in mid-1977, of all petroleum imports transported by tanker be carried in U.S. flag vessels—would have a powerful impact on this country's economy.

There is little doubt that enactment of cargo preference legislation would increase the cost of petroleum products to American consumers. U.S. built and manned vessels are the most costly in the world. The only real question is, how much will costs increase? We believe there is firm evidence that the added costs will average at least $0.60 to $0.74 for each barrel of imported oil. Over the 1975 to 1985 period, these costs will total at least $25 to $31 billion. Furthermore, the cost could easily be more than twice these amounts because of foreign retaliation or imitation, but these factors are more subjective in nature and not as easily quantifiable.

Cargo preference legislation can only serve to magnify the inherent construction and operating cost difference between U.S. and foreign flag vessels. Simply stated, there are not enough U.S. flag vessels available to meet the large demand that would be artificially created by such legislation, and this demand could not be satisfied until well into the 1980's. Consumers know that any article in short supply commands premium prices, and U.S. flag tanker transportation is no exception. Creating a captive market for U.S. flag tankers would be highly inflationary.

More specifically:

(1) The cost of building U.S. flag tankers will skyrocket. U.S. shipyards are now operating at record peacetime levels with deliveries generally running behind schedule and order books essentially full for at least the next four years. The dollar value of the backlog is over 7 billion. Furthermore, acceleration of the current shipbuilding program would generate new demands for raw materials such as steel, when mill capacity is already strained. The price of steel plate has increased 30 to 35% over the last year. An enormous amount of steel would have to be diverted into ship construction, thus prolonging the steel shortage and creating new inflationary pressures on raw materials.

(2) Shipyard expansion and tanker construction would require enormous capital outlays. This would put added pressure on money markets and interest rates precisely when the government is encouraging more prudent use of scarce capital. In this environment, an accelerated shipbuilding program to meet the added demand for tonnage created by cargo preference legislation would clearly raise shipbuilding costs and have an inflationary impact on the economy.

(3) While cargo preference legislation would compel the building of U.S. flag vessels in an inflationary environment, a worldwide surplus of tanker tonnage exists and has severely depressed foreign flag freight rates. These surpluses are a result of a reduction in tonnage demand caused by energy conservation measures adopted throughout the world, the use of alternate forms of energy, and supply limitations imposed by oil producing countries, while at the same time the world's shipyards have been building tankers at unprecedented levels. This situation is expected to prevail for the foreseeable future. The wide availability of low cost foreign flag tonnage has and will continue to widen the cost differential between U.S. and foreign flag vessels. It is difficult to justify spending $110 million, or more, per vessel to build large tankers in the United States when such vessels are surplus and available at half the cost in the world tanker market.

(4) The legislation would create a captive market for U.S. flag vessels similar to the one created by the Cargo Preference Act of 1954. This Act mandated that 50% of government sponsored cargoes be transported by U.S. flag vessels, providing such vessels are available at "fair and reasonable rates." The rate paid over the 1968–1972 period has averaged 2.5 times the cost of comparable foreign flag vessels, clearly a substantial premium. A similar captive market cost premium will prevail under cargo preference on all petroleum imports.

(5) The proposed legislation also mandates that new vessels be fitted with double bottoms. This design specification alone increases the cost of the ship by approximately 10%, further widening the spread between U.S. and foreign construction costs.

Using the Commerce Department's projection of petroleum imports, the cost impact of these items alone, which are rather straightforward and well documented, total at least $25 billion over the 1975 to 1985 period. This averages out to $0.60 per barrel of imported oil. Using the Maritime Administration's projection of foreign flag transportation costs and assuming U.S. flag costs for cargo preference trade would continue at the documented historical average of 2.5 times the foreign flag rate, the cumulative cost totals $31 billion and averages $0.74 per barrel, thus confirming the magnitude of the estimate.

We also conclude that the license fee remission feature contained in the Senate bill does not, in fact, reduce the total cost impact on the consumer. It simply transfers a small amount of the cost from the consumer to the taxpayer.

In addition to these cost increases inherent in cargo preference, there are several other items which, though difficult to quantify, could easily result in more than doubling the final cost impact of this legislation. For example:

(a) The International Monetary Fund reports that "at mid-1974 the world economy was in the throes of a virulent and widespread inflation, a deceleration of economic growth in reaction to the preceding high rate of expansion and a massive disequilibrium in international payments." Under these circumstances, enactment of cargo preference by the U.S. can only be viewed with alarm by other nations. It would shrink, perhaps destroy, the highly competitive international tanker market and clearly be regarded as a hostile, protectionistic move. Economic retaliation, by no means limited to tanker operations, would be encouraged when the world can least afford it.

(b) The direct inflationary impact of cargo preference legislation would be reflected not only in higher cost petroleum imports, but also in higher costs to move petroleum by tanker in the coastal trade. With the artificially stimulated demand for U.S. flag tankers, some tankers now in coastal trade could be diverted to foreign trade. These would most likely be the larger, more efficient vessels which could be operated more economically on the longer voyages, leaving the smaller, less efficient vessels for the coastal trade.

(c) The inflationary effects of this legislation would impact the economy in diverse ways—the U.S. Navy being but one such example. Adm. Isaac C. Kidd, Jr., Chief of Navy Materiel, recently testified before Congress that U.S. shipyards were becoming so heavily booked with commercial orders that it was becoming increasingly difficult for them to undertake Navy work. This situation would be aggravated with demands generated by cargo preference and would have a direct inflationary effect on government expenditures.

In light of the distinctly anti-consumer nature of cargo preference legislation, one might wonder at the silence of consumer groups. Even the Wall Street Journal was unable to generate a flicker of interest when, in their July 30 editorial entitled "Where are you, Ralph Nader", they commented "Now that the American consumer really needs him, Ralph Nader seems to have gone fishing". The inactivity of consumer advocates is perhaps best explained by the Christian Science Monitor: "Though normally opposed to this type of legislation, consumer groups have been reluctant to take a stand on this measure, says Lee White, energy consultant to the Consumer Federation of America. Most consumer organizations, he notes, don't want to jeopardize their labor union support by criticizing the bill's inflationary impact".

The driving force of labor behind this legislation is, of course, not surprising. Expanding the economy and employment is certainly a desirable objective provided it can be done in a non-inflationary manner. One must question the wisdom of attempting to stimulate employment in a capital intensive industry such as shipping. For example, using the $25 billion minimum cost figure and estimates generated by the Maritime Administration of the employment which would be creased by the legislation, the consumer is being asked to pay at least $50,000 for each job created.

In summary, the wide availability of inexpensive energy has been the key in the development of the United States into the world's foremost industrial nation. Actions which artificially increase domestic energy costs jeopardize this development. Such actions undermine our ability to sustain prevailing living standards and assure continued industrial growth. They also weaken the nation's ability to compete in international markets. In short, energy is a basic commodity.

Among the most important domestic issues today are combatting inflation and taking steps to assure continued supplies of minimum cost energy. Cargo preference legislation violates the national interest on both counts. The nation cannot afford to enact this legislation which would increase energy costs and, in doing so, would worsen the already debilitating inflation which grips the country.

TIME RUNNING OUT FOR ARAB OIL SOLUTION

Mr. HUMPHREY. Mr. President, I would like to call attention to an article by Mr. Hobart Rowen from the October 6, 1974 Washington Post. It describes the problem of Arab oil prices and surplus funds. The author aptly warns us of the dangers in borrowing funds from Arab countries to lower the Western oil balance-of-payments deficit. Oil prices have hit developing countries especially hard. They have to pay higher prices, while attracting little Arab investment. It is unfortunate that the World Bank-IMF conference did not progress toward a solution.

In addition, while seeking lower oil prices, America must create a clear public policy regarding the use of surplus Arab money here. Controlling stock in a vital corporation should be in reliable hands. The Federal Government must establish a policy soon, if it is to be effective.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

TIME TO FIND OIL PRICE SOLUTION RUNNING OUT

(By Hobart Rowen)

The annual meetings of the IMF and World Bank, as anticipated, were dominated by the oil crisis. But no one could have anticipated the degree of gloom and doom that pervades the meetings, as the oil-consuming countries assessed the havoc wreaked on the international financial system by a 400 per cent jump in the price of oil in a single year's time.

"Time is running out, and running out fast," said one of the most responsible and respected financial officials in Europe. "We have maybe a year—no longer—to find a solution."

And yet, what can be the solution? Says a German, cryptically: "Point One. There can be no solution without a reduction in the price of oil. Point Two. There will not be a reduction in the price of oil. Point Three. There is no solution."

What it comes down to is that, with oil prices where they are, the Western World needs to borrow from the oil cartel countries to pay for the increased price of oil—so much that it will have to lower its standard of living.

There are some, like French Finance Minister Jean-Pierre Fourcade, who say, in effect, that the Western World simply must bite the bullet and adjust to the higher price of oil.

That will mean, he says, that with cheap energy prices a thing of the past, the West will have to accept low growth rates for the time being. Ultimately, he feels, as oil consumption drops and new sources of energy are explored and found, oil prices will come down.

In the meantime, Fourcade, like most Europeans, supports the move for an expanded oil lending facility in the IMF which will borrow funds from the cartel and re-lend them to the oil-consuming nations to cover their oil balance of payments deficits.

American officials are not so sanguine. They fear that any chance of getting oil prices reduced will be squashed by an elaborate IMF re-lending operation which might build a mountain of debt that countries like Italy, Britain, India and others can never pay off. The burden may be transferred, in effect, to the taxpayers here and in a few other countries that stay solvent. But the taxpayers haven't yet awakened to this potential future drain on their pocketbooks.

Even if France and some others can limit their consumption of energy in the next few years, U.S. officials expect that some less-developed countries—and even some major industrial nations like Italy—could go for broke trying to pay for the oil and the interest on the money they will be borrowing.

Some had hoped that the annual World Bank-IMF meetings would provide a dialogue in which the OPEC countries would be exposed to the magnitude of the problem they had created for the Western World by an extortionate increase in price.

But very few OPEC nations took the opportunity to participate in the discussions, and those who did sounded uncompromising.

For example, the Hon. Hushang Ansary, minister of economic affairs for Iran, bluntly told the sessions that the industrial countries "must recognize that, as cheap oil and other raw materials are no longer available, the situation calls either for a change in life styles which would be a new experience or an effort to do away with social ills and increase productivity.

"As His Imperial Majesty Aryamehr Shahanshah of Iran has often warned, permissive societies can no longer hope to maintain their high living standards. They must do away with the symptoms of excessive consumption."

What is desperately needed are serious and friendly negotiations between the cartel and the consuming nations. The consuming nations—especially the U.S.—would have to be more sympathetic to the oil producer's view that the West has for years exploited cheap Arab oil. The producing nations, for their part, must understand that the West has a real grievance in the manner in which oil prices were skyrocketed in such a short period of time.

Tough talk on both sides could lead, ultimately, to devastating war. It would be better to drop it and recognize, after all, that it's One World—and we can live in it or destroy it.

WEAU-TV COMMENTS ON FAIRNESS OPINION

Mr. PROXMIRE. Mr. President, station WEAU-TV in Eau Claire, Wis., had some salient comments on October 1 about the U.S. appeals court opinion on the FCC's fairness doctrine in the NBC "Pensions: The Broken Promise" case.

WEAU-TV's editorial noted the station's resentment over the fact that broadcasters are singled out for discrimination despite the Constitution.

The real issue over the fairness doctrine is not that broadcasters are opposed to fairness. Not at all. The real problem is that the fairness doctrine is vague.

Fairness is what the FCC says it is. And the FCC is not very clear even then. The fairness doctrine is really a series of ad hoc decisions that only a lawyer can fathom.

Those decisions are standards. And those standards are the Government's standards.

The first amendment says clearly that the Congress shall make no law abridging freedom of speech or freedom of the press. As I read the dictionary, abridgement means diminishing.

The Government can set standards that means it can put limits on freedom. If that is not diminishing freedom, then I do not know what it is.

The only legitimate abridgement of freedom for the news media are laws governing libel and obscenity.

Mr. President, I ask unanimous consent that the WEAU-TV editorial be printed in the RECORD.

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

[From WEAU-TV, Eau Claire, Wis.]

U.S. COURT OF APPEALS RULING

We are pleased to learn that the U.S. court of appeals has overturned the Federal Communications Commission decision that NBC-TV News had been unfair in its 1972 documentary about the pension industry. The ruling vitally affects the commission's fairness doctrine and its application. That doctrine says broadcasters must air divergent views when exploring controversial issues. We, of course, endorse the idea of fairness in reporting on issues, as do all news media, except for some of the irresponsible fringe areas. But we resent the fact that a fairness doctrine be enforced legally or administratively only on broadcast news. Newsmen in whatever media must be able to report and interpret the facts of an issue with as few limitations as possible, as guaranteed in the constitution. The majority of judges in the appeals decision says that the fairness doctrine will still apply in clear cut cases, but the minority says it has become unenforceable. We sincerely hope so. There is still the possibility, however, that the issue may be taken to the Supreme Court for a final ruling.

PUSHED AROUND IN MIAMI BEACH

Mr. PELL. Mr. President, I recently received a letter from one of my fellow Rhode Islanders, Mrs. Hal Shields, from Jamestown, R.I. Mrs. Shields wrote to bring my attention to an article by Mike Royko, entitled "Pushed Around in Miami Beach." The column takes a look at part of the plight of some of this Nation's senior citizens; I think that it deserves our attention, and I request unanimous consent that it be printed in the RECORD.

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

[From the Providence Journal, Aug. 22, 1974]

PUSHED AROUND IN MIAMI BEACH

(By Mike Royko)

CHICAGO.—There's a little bar tucked in the corner of an apartment house in Miami Beach, a few blocks down the way from the big hotels.

I found it late one night during the political conventions. It looked like the kind of respectable place newsmen, delegates, and TV anchormen would not go to.

My guess was right. The place was half-filled, and the customers were all elderly people, the kind who have retired to Miami Beach.

Seeing all the tanned but wrinkled faces, I thought: "This is the perfect place to relax over a nightcap."

Before my drink was poured, a tiny old lady with pink hair a couple of stools away began loudly berating her boy friend, a bald man who looked like a newborn bird.

I gathered she was accusing him of carousing, possibly of infidelity, because he could not satisfactorily account for his whereabouts the past three hours.

He indignantly denied her suspicions and insisted he had been playing pinochle with friends, forgot about their date, and was innocent of being a rogue.

They had hardly patched that up when two men got into a political discussion.

One of them shouted: "McGovern is a lightweight and a moonbeam."

The other, who wore a hearing aid, indignantly said: "You called me a moonbeam?" He raised his cane in a menacing manner.

"No," the man shouted, "I said McGovern is a moonbeam."

The man with the hearing aid understood and nodded. Then he said: "Well, I think Nixon is a jackass and so are you."

It was the most sensible debate I had heard during the entire convention.

About that time, a short, white-haired man came in and everybody shouted for him to sing a song. After limbering up his chords on a beer, he delivered a surprisingly forceful rendition of *Begin the Beguine*.

By the time he finished, the pink-haired lady and the birdlike man were holding hands.

"I used to be in show business," he said, when I complimented him on his voice. "You ever hear of me?"

Maybe, I said, "What's your name?"

He gave me a sly look and said: "That would make it too easy." And he never did tell me.

As I left, a loud discussion about the rising quality of porno movies was beginning.

I didn't get back there again, but I mentally marked it down as one of the better bars I've been in.

And I thought about it a few day ago, when I read a news story out of Miami Beach.

The story said the many elderly residents of Miami Beach are in an uproar because a consulting firm has recommended to the city that the way to stimulate tourism is to get rid of the old people.

The consulting firm says the apartment buildings and old hotels on the south end of Miami Beach are filled with elderly people living on fixed low incomes and they should be moved elsewhere so all that property can be redeveloped.

Naturally, the old people don't like the idea of being told they are in the way. If they wanted to hear that, they would have moved in with their children.

And I can't say I blame them. The developers had their chance to build a Miami Beach for tourists. They put up some of the most garish hotels in the world, staffed them with some of the worst smart alecs in the country, jacked up the prices, and now they are wondering why tourists aren't coming around.

So they are blaming the old people for keeping tourists away.

To me, the old people are among Miami Beach's few assets. They don't ride motorcycles at night. They don't crowd onto the beaches playing loud rock on portable radios. They don't load themselves up on uppers, downers, inbetweeners. They don't break into cars, jackroll conventioners, or say: "Ya' know, Ya' know?"

What is more important, building another Fontainebleau Hotel, with its hooker-filled Pink Poodle Bar, or the contentment of 40,000 good citizens sunning their varicose veins?

It's bad enough that in this country old people are told, first, that their employers don't want them, then that their children don't want them.

But we're going too far when some real estate hustle-bucks tell them they are in the way of more putting greens and swimming pools.

I hope the old-timers dig in their canes and fight. Because I want to get back to that little bar some day. I'm sure I've heard of that singer.

FEA SHOULD ENFORCE ITS REGULATIONS

Mr. McINTYRE. Mr. President, I would like to call my colleagues' attention to an article that appeared in the October 22 issue of the New Hampshire Times.

This article, written by Andrew Schneider, reports widespread noncompliance with Federal Energy Administration regulations, specifically the regulation that calls for maintaining those established business practices that prevailed in May of 1973—including the granting of discounts on fuel purchases.

According to this article, the discontinuance of discounts may be costing New Hampshire consumers thousands of dollars each month.

Moreover, Mr. President, my information indicates that this problem is not unique to New Hampshire, that it has surfaced in the South and the West as well as in the Northeast.

In California, for instance, one independent marketer has not been able to persuade the FEA to bring its regulatory force to bear on an oil supplier who has discontinued discounts and put this marketer in an economic squeeze.

And this is a repeated story in my own State, where the loss of the discount has put the very survival of a number of companies in jeopardy. Caught in an economic bind that already has many of

them tight against the wall, the loss of that discount on their oil purchases could be just enough to press them into closing shop.

Now it is difficult to say whether the supplying oil companies discontinued discounts knowing they were in violation of FEA regulations, or whether they did so believing they were with the regulations in doing so.

But, as the writer of this article reports, the head of the New England region of the FEA is on record as saying:

It's pretty clear and I thought we had well publicized the fact that the discount policies that were in vogue during the base period (May 15, 1973), should be in vogue now. If any purchaser feels this isn't the case he should get in touch with FEA immediately and we'll start an investigation.

Now that would seem to settle the issue. But, the New Hampshire Times article reports that many small businesses are not staffed with people who can find, read and interpret Federal regulations and recognize that they are being illegally overcharged, that the FEA regulations themselves are not as clearly stated as they should be, and that many firms are skittish about filing complaints out of fear that their oil supplier will cut them off for doing so.

Furthermore, Mr. President, the New England office of the FEA has assigned only four investigators to New Hampshire and they have been so occupied with gasoline nonconformance checks that oil noncompliance has been getting minimal attention.

Nevertheless, and regardless of whether the oil noncompliance was intentional or not, it would seem that the situation in my State is growing so critical as to cry out for major action.

The New Hampshire Times article closes on that note, quoting an official who sat on the White House Energy Commission as saying:

The charges coming from the companies in New Hampshire may indeed lead to the most massive group of violations yet investigated by the FEA. Not only may the wronged consumers get their overcharges refunded, but the very large scope of the alleged violations may force the FEA to reevaluate their priorities and perhaps start protecting the interests of the small businessman who needs oil for his very survival.

The writer then concludes:

The gentleman from Washington may be correct, but until the FEA does improve its protection and concern for the small oil user, the watchword must still remain . . . Let the buyer beware.

Mr. President, what particularly irritates me about this situation is the fact that FEA has had fair warning. Eight months ago I informed the Administrator that the consumers of New Hampshire were paying extortionate prices for residual fuel oil and I asked the Agency to investigate the matter immediately.

But, as this article points out, the FEA did everything but the simplest thing—enforce its own regulations.

Mr. President, I ask unanimous consent that the full text of Mr. Schneider's article be printed in the RECORD at the conclusion of these remarks, and I ask that this insertion include the personal column titled "Reporter's Comments" that appeared in conjunction with the article. I ask the latter because it seems to me that Mr. Schneider in those personal comments, effectively uses oil regulation nonenforcement as an example of how remote and impersonal government has become and how the rank and file citizen, the average consumer, the "little guy," if you will, has been the biggest victim of this unfortunate development.

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

[From the New Hampshire Times, Oct. 2, 1974]

OIL COMPANIES MAY OWE NEW HAMPSHIRE BUSINESSES $2 MILLION

COMPLICATED FEA REGULATIONS MAY BE THE CAUSE

Possible overcharges involving up to $2 million have been uncovered by the *New Hampshire Times* during a five-week investigation of the unique love/hate triangle between the state's oil consumers, the oil suppliers and the federal agency charged with regulating them both.

Throughout New Hampshire, owners, accountants and officials of hundreds of businesses and institutions are scrambling to find the answer to a question which may mean thousands of dollars in refunds to their individual firms.

That question is basically whether the Federal Energy Administration's (FEA) regulations allow an oil supplier, who routinely gave a discount to a consumer as a normal business practice, to stop giving that discount.

Robert Mitchell, head of the New England region of the FEA said, "No. It's pretty clear and I thought we had well publicized the fact, that the discount policies that were in vogue during the base period (15 May, 1973), should be in vogue now. If any purchaser feels this isn't the case he should get in touch with FEA immediately and we'll start an investigation."

Henry Powers, president of C. H. Sprague and Son, told the *Times* during a recent interview that he agreed with that interpretation of the FEA rulings and further added, "Sprague customers who were getting the discount are still getting the discount."

With the regional head of the federal agency assigned to protect the interest of the oil consuming public and the president of the state's largest oil supplier in apparent agreement on the fact that customers who once received a discount should be, and in fact still are, getting a discount, you might think that a big roar is developing over nothing. But that is not the case.

The roar started as a soft moan last fall as numerous commercial consumers of #6 oil throughout the state noticed yet another unexpected increase in their cost of oil.

Several consumers have told the *Times* that during November and December of last year, they received notification from Sprague, either by letter or verbally from Sprague's New Hampshire manager, Robert Hill, that they would soon be losing their discounts.

Hanover's Mary Hitchcock Hospital said they were notified by mail.

Tom Gosslin, co-owner of Kleen Laundry in Lebanon, said, "Hill came up to me last fall and told me he was sorry to have to do it but money was getting tight and Sprague was going to remove our discount.

"At the time there didn't appear to be a great deal I could do about it. I needed the oil to operate."

Officials at Concord Hospital said that Hill made a similar appearance at their institution in early December.

Some firms said they weren't notified of the loss of discount at all, and only became aware of it during routine audits. One comptroller of a larger Portsmouth firm said, "Last year we were getting notification of price increases on almost a weekly basis. But sometime in December we noticed a 42 cents a barrel increase that we couldn't back up with paperwork.

"Someone in our office called Sprague and was told that we had lost our 42 cents a barrel discount, but the increase was permissible under the Phase IV oil regulations.

"Losing that discount is costing us an extra $1302 each month. So I cursed the oil regulations until I felt better and went back to work.

"What else could I do. Sprague said it was legal and I'm not a lawyer."

The average businessman is not a lawyer. In fact, most companies can get through the day to day operation of their business without a lawyer. For years accountants, comptrollers and plant managers have successfully operated under the threat of severe competition, material shortages, price increases, and the hundreds of other hazards of the business world, using just the common business-sense developed over the years.

These men have always known that oil was needed to run their businesses and institutions. And they always got it.

Like the rest of the expendable supplies needed for their operations, these men would look for the most dependable company who could sell them oil at the best price.

If two or three companies were competing for the business the best price usually included the best discount.

A year and a half ago, when the oil industry was still operating in a sane and understandable manner, the average New Hampshire company was paying about $3.68 for 42 gallons or one barrel of #6 oil.

Number six is residual oil. That's what's left after most of the other marketable products, such as gasoline, are removed from the crude oil.

It's the cheapest oil available and has to be heated to over 200 degrees before it will even burn. But because of the lower price most New Hampshire firms have designed their heating systems and processing lines to use it.

John Buckley, vice-president of North East Petroleum Company, said, "In every other region of the United States the number one petroleum product is gasoline. With natural gas, second. And heavy fuels or oil a low third.

"But in New England it's just the opposite. Here we use about half a million barrels a day of oil, with natural gas second and gasoline a surprisingly poor third. We're about 75 per cent dependent on oil for energy and that basically means number six fuel."

To the early 1973 price of $3.68 a barrel was added a charge for transporting it from the tank farms in Portsmouth. But most of the firms in the state were getting a better price than $3.68. It came in the form of a reduction or discount ranging from 25 to 65 cents a barrel.

But in mid-1973 the smooth running world of the oil consumers started grinding to a squeaking halt. Prices for a barrel of No. 6 rose to $4.27 in July, then $5.26 in October, $7.30 in November, $11.32 as a New Year's present and $15.31 during February of this year.

Comptrollers were going wild watching their budgets being blown apart with every price increase. Notices heralding the price increases flowed into their business offices with almost the same regularity as the tanker trucks bearing the, now precious, cargo.

One accountant in Manchester said, "I used to get one message from Sprague a month. It was the bill. But last year I started getting love notes about every week.

"I thought Sprague was giving me a course in South American affairs. Everytime anything would happen in Venezuela, Sprague

would send me a notice of price increase. A new export tax, our oil went up. The Venezuelans revalued the Bolivar and our oil went up. I wasn't sure if I lived in Manchester or Caracas."

It was during this period of rapid and frequent price increases that most of the companies believe they lost their discounts.

It was also during this period that half of the nightly TV broadcasts were filled with new Economic Guidelines, the Cost of Living Council rulings. Phase II, III and IV opinions, statements from the IRS and words to live by from the FEA.

Businessmen across the country were confused, and many of those trying to run a business in New Hampshire were no exception.

The owner of one tannery said, "I don't think I'm a fool. I've got my degree in business administration and I've been running my plant smoothly for a year. But trying to make heads or tails out of the FEA guideline drove me over the wall.

"I didn't know where to go for help. The last line on all the notes from Sprague says, 'If you have any questions contact your Sprague representative.' Well, I tried that a few times and they told me all the problems I was having were in accordance with federal guidelines.

"So I tried the FEA. I spent over an hour on the phone just trying to get someone to explain a ruling to me.

"The guy on the other end of the phone kept talking about gasoline and I kept asking about number six.

"He sent me a copy of the ruling and I gave it to my attorney. He read it, then he called FEA. Two days later he gave it back and suggested I find a lawyer who's up on all the new energy laws. I never did find out what that ruling meant."

This lack of success in obtaining help in understanding the many federal regulations dealing with oil appears to be widespread throughout many smaller business in the state, but it should not be mistaken for a lack of concern, but rather a lack of resources.

The comptroller or accountant in most smaller New Hampshire businesses must wear several hats. Most of his time is taken up just trying to keep the payroll, taxes and inventory under control. Little is left for studying complicated federal energy regulations. There is now a growing feeling that an energy lawyer should be added to many small payrolls.

While several consumers said they tried to get information from the FEA, 11 specifically said they didn't go to FEA out of concern or fear of upsetting their oil suppliers.

Many of the firms and officials who were interviewed by the *Times* freely gave their figures and comments, but only after we promised not to identify them.

One official at a small processing plant near Nashua said, "We knew we lost our discount and believe me, the $650 dollars a month extra that it's costing us may be small change to someone else, but in this office it's a big deal.

"But it's not that big that I want to lose my oil supply over it. If I'm out of oil, I'm out of business. And I believe that my supplier would find some way for us to run out of oil."

An FEA attorney, in the General Counsel's office in Washington said, "For a consumer to have his oil cut off because he filed a complaint about his supplier, is the most blatant violation in the books.

"Within 24 hours we would be in federal district court seeking and getting an injunction against the supplier. We have the power to do this and most of us care enough to see that it doesn't happen."

Another attorney in FEA's Washington office acknowledged that the FEA isn't doing a great deal to get some very basic facts out to the consumer, especially the commercial consumer. He said, "We've worked a lot of safe-guards and protection for the consumer into the guidlines, but somehow most of them have never gotten the word.

"For example, all information, including the identity of the complaint, is kept confidential.

"Many people have accused the FEA of sleeping with the oil companies. If for this reason, or some other reason, a complainant wants to file, but not through FEA, he can bring it to any federal court and sue for treble damages, that means three times the amount of the overcharge plus the legal fees."

The growing concern over the possibility of massive overcharges is not limited only to the smaller firms. One large institution that has been investigating their oil invoices is Mary Hitchcock Hospital in Hanover.

Louis Ely is the assistant administrator of that hospital, and while he doesn't claim to be expert in energy law, he admits he has learned a great deal about it in recent weeks.

Ely said, "When Sprague notified us they were pulling our discount last December, we believed this had to do with supply and demand and the demand for oil was high and the supply was low. So we had no choice but to accept the loss of our discount on its face value."

Ely, who is considered by many of his colleagues to be tops in his field when it comes to protecting the interests of his hospital, continued, "Something about the loss of discount just didn't sit well, so when time became available I started looking into it."

Ely and his staff started searching through copies of the Federal Register and all the FEA material they could find. He finally purchased a 900 page book on Energy Controls which made an attempt at outlining many of the energy acts and rulings. Ely explained, "It cost us $160 just to buy the damn book and then I had to find someone with the time to search for the facts. The book had a lot of information but lacked clear explanations of the rules.

"For $160 it really isn't a good bible because it doesn't tell you how to pray. But it did confirm our belief that we missed the boat when Sprague pulled our discount."

Ely then promptly contacted Sprague. Ely said, "I asked them if we were in a position to have compensation for monies paid which we believed were and are in violation of the FEA regulations.

"Bob Hill answered that he didn't know and suggested that we contact FEA in Boston. He even gave me the names and numbers of the people to contact."

While Ely was doing his homework in Hanover, two men in similar positions with Dartmouth College and the State of New Hampshire were also uncovering what they believed were suspected overcharges.

The Mary Hitchcock overcharge is in the area of $5000 but the overcharges the state and Dartmouth are investigating are both in the $30,000 to $50,000 range.

Sprague is the main supplier of #6 oil to New Hampshire business. Although the company would not reveal how much oil they sold in the state, they did say they service over 400 commercial accounts.

The state government can't provide a firm answer as to the amount of oil used in the state but one official estimated it was in excess of 10,000,000 barrels and he thought most of that was supplied by Sprague.

Union Petroleum Corp. has very few accounts in the state, but one of those accounts is the State of New Hampshire. It is estimated that Union provides 200,000 barrels for use in heating the numerous state buildings.

It is this account that is currently being investigated by the attorney general's office.

The director of purchasing for the State of New Hampshire is Richard Peale. During routine audits of state contracts, Peale noted that Union had stopped giving the state a 60 cents a barrel discount they had received in the past.

Peale said, "Something just didn't look right. So when the possibility of a major overcharge was discovered I went directly to Union, but after getting a less than satisfactory answer from them I turned our figures over to the attorney general's office and they're handling the investigation for the state."

Dartmouth College's director of planning, Richard Omsted has taken his suspicions of overcharging back to Sprague. The officials for the oil company are examining the material this week and have promised Omsted a prompt answer.

Omsted said, "If I'm not satisfied with Sprague's answer, we'll send the material on to the FEA."

Dartmouth's discount was not completely removed, but it was reduced from 62 cents to the present 22 cents a barrel.

It could be months before the scope of the alleged violations are determined. An FEA spokesman in Washington said, "It normally takes about eight weeks to investigate this type of complaint. Proving the violation of law is the easy part. It becomes difficult when we have to determine whether there was criminal intent in the overcharges or if they were unintentional.

"The determination of intent is the basis of our penalty system.

"FEA can request fines up to $2500 for each violation, if we believe they were done without malice. But if we can prove criminal intent on the part of the supplier, the fine can go up to $5000 for each violation."

One New Hampshire oil expert believes we're seeing just the tip of the iceberg. He said, "The overcharges against Sprague alone could easily total two million dollars and the penalties could be sky high."

Although several consumers have said they believe that Sprague was aware that they were violating th FEA guidelines, others, including Mary Hitchcock's Lou Ely, think it may be unintentional.

Ely said. "I personally believe they have overcharged us, but I question the degree of intent and overtness in this act."

As of press time, we have found no indication that any of the several other companies who are supplying smaller amounts of oil to consumers in the state, have removed discounts to their customers.

One common opinion kept surfacing during interviews with both consumers and suppliers and that opinion was the FEA has the responsibility to both watch for, and stop all business practices which are in violation of its regulations.

Many people, including Sen. Tom McIntyre, don't believe that the FEA is properly doing its job. Sen. McIntyre told the *Times* this week that he had informed John Sawhill, the federal energy administrator as far back as eight months ago, that "New Hampshire was paying extortionate prices for residual fuel oil," and requested that FEA investigate the matter as quickly as possible.

"It appears that the FEA did everything possible but the simplest thing, that being the enforcement of its own regulations.

"Because the FEA has been unwilling or unable to regulate the price that major companies charge and enforce its own pricing regulations in New Hampshire, oil companies have been able to avoid paying the discounts that are required by law."

The senator said he would again request FEA to promptly investigate the matter and to ensure that any overcharges are rapidly refunded to the state's oil consumers.

Director of the New England region of the FEA, Robert Mitchell, told the *Times* that there are 58 investigators assigned to the New England region and four of those men cover New Hampshire. He said, "Considering that the state only has six percent of New England's petroleum business, the four men we've assigned here are an equitable proportion for New Hampshire."

"Our major concentration since July has been with the retail gasoline outlets," Mitchell said, "and that's where we've found the majority of our non-compliance violations."

Mitchell acknowledged that the commercial users of oil also have a right to be protected, but he also said with the staffing he has and numerous violations at the gas pumps, the investigations of heavy oil suppliers usually are limited to a normal audit of the supplier's books.

But Mitchell admitted that the routine audits weren't being done. He said, "With the manpower we have to work with it, it's a fact that we weren't doing the normal audits because of the numerous requests for gasoline non-conformance checks and we have been addressing those."

There are indications that federal officials in Washington are closely watching the development of the growing charges in New Hampshire.

One official who sat on the White House Energy Commission told the *Times*, "The charges coming from the companies in New Hampshire may indeed lead to the most massive group of violations yet investigated by the FEA.

"Not only may the wronged consumers get their overcharges refunded, but the very large scope of the alleged violation may force the FEA to reevaluate their priorities and perhaps, start protecting the interests of the small businessman who needs oil for his very survival."

The gentleman from Washington may be correct, but until the FEA does improve its protection and concern for the small oil user, the watchword must still remain . . . Let the buyer beware—ANDREW SCHNEIDER.

REPORTER'S COMMENTS—WHO REALLY GETS HURT?

There is always a danger inherent in writing a story which contains a great many figures and quotes of law, that the reader may fail to look beyond the numbers and legalese and see how the problem is really affecting the people involved.

The fact that a company may be paying a few thousand dollars extra in suspected overcharges may mean very little by itself. But when you see that those few thousand dollars are piled on top of a two to four hundred per cent increase in the cost of their oil, it may mean a little more.

The facts become even more unpleasant when you know that most firms had to dig into what's left of their well-shaved profits to pay the unexpected and massive price increases.

Many businesses in New Hampshire are not in a position to pay an extra few thousand dollars.

Several businessmen candidly admitted that their firms are so close to going under that the slightest unexpected expense might shut their doors.

The hard times that are being discussed in numbers and vague terms at lofty meetings in Washington are being lived by many small businessmen in New Hampshire, today.

Even if the alleged charges against the oil suppliers are proven, should Bob Powers and his counterparts in the other firms, be blamed for the choking pressures being felt by so many businessmen.

If FEA is proven negligent for their lack of concern in protecting the interests of the state's oil consumers, should Bob Mitchell be held responsible if the only business in town is forced to close its doors.

Obviously, if criminal intent or gross negligence is proven, then those men should and will be held accountable.

Accountable, yes. Responsible, perhaps not. For people like Mitchell, Bob Powers and other corporate and government officials are just part of a much larger system.

A system which in recent years, has perhaps lost its concern for the smaller man.

It's a system which talks in bar-graphs, percentages and units of population. But rarely about people.

It's a system perhaps designed to be best handled by or challenged by large institutions such as the state government, Dartmouth or Mary Hitchcock Hospital.

For they have resources and men like Peale, Ely and Omsted who have the time and knowledge to deal with a complicated system, although even they must work hard at it.

But the majority of the businesses in the country are not near the size of a state government or large college. They are processing plants, factories and businesses having less than a hundred employees.

Their management staffs are usually three or less men, and their year to year survival is not their prime concern and taken for granted.

These small firms are the backbone of most towns across the country. As a unit they employ far more people than the giants of industry. And these are the people who must be considered.

The government cannot expect a small hospital in a remote part of a state to possess the same quality legal and accounting staff as a mammoth medical complex in a large city. Yet, both institutions are expected to have the same expertise in understanding complex federal laws and regulations.

This concept is unrealistic and if the complaints voiced in the accompanying article are a true indication, the concept is not working. And those who are really getting hurt are the small businessmen.

The Federal Energy Administration employs thousands of people. Some of them must care.

Many of the FEA lawyers and investigators I interviewed during the past weeks have said they care. More important, their comments on the plight of the small oil consumers, the concern many of them expressed as to the difficulty of understanding the regulations, indicate they do care.

But somewhere between the working level where these lawyers and investigators function and the decision level, where the firm rules are made, the care is lost.

If the FEA and other government agencies insist upon continuing the practice of pumping out reams of laws, rulings and regulations written in a manner that even a lawyer can't understand, then how can the small businessman be expected to understand, not only what his responsibilities are, but equally important, what are the responsibilities of others towards him.

Laws are written to serve, but to serve they must be understood.

FEA and other lawmakers in the system must further this understanding if the small businessman is to survive.—ANDREW SCHNEIDER.

THE FLEXIBLE HOURS EMPLOYMENT ACT

Mr. BAYH. Mr. President, I would like to take this opportunity to make a statement on a bill that the Senate will shortly be considering, S. 2022, the Flexible Hours Employment Act.

This bill, S. 2022, which I was pleased to cosponsor along with 24 other Senators, is intended to provide increased opportunities for those who are seeking employment in the Federal civil service, and who are unable or undesirous of working a standard 40-hour workweek.

Under this bill, Federal agencies would be required, after the completion of a 5-year phase in, to maintain a minimum of 10 percent of their positions on a "flexible hours" basis. A flexible hours job is one which would provide a permanent, responsible position with standard civil service protections and prorated fringe benefits, but which allow people to work hours consistent with their parental responsibilities, physical limitations or educational requirements.

One of the groups that would benefit most from this legislation is women. Part-time jobs would permit many women to look after their children and fulfill family responsibilities while at the same time pursuing a career and contributing to the financial well-being of the family unit.

Women are not the only groups to benefit from this legislation. Under S. 2022, civil servants and others approaching retirement would find it possible to ease out of work by moving to comparable part-time positions. New opportunities would become available for students which would allow them to seek financially rewarding work while also allowing them to continue their education. The handicapped, disabled veteran, and any other potential worker in need of therapy would find additional jobs open to them as a result of this legislation. The diverse nature of those who would benefit from this legislation is indicated by the following groups which have endorsed S. 2022:

American Association of University Women.

American Medical Women's Association.

Appalachian Education Laboratory, Inc.

B'nai B'rith Women.

Center for Continuing Education of Women, University of Michigan.

Council for Financial Aid to Education.

Council of Federal Employees, Local 26, American Federation of State, County and Municipal Employees.

International Senior Citizens Association.

Interstate Association of Commissions on the Status of Women.

National Congress of Organizations on the Physically Handicapped.

National Rehabilitation Association.

National Organization of Women.

Retired Officer Association.

Women's Equity Action League.

Women's Political Caucus.

Women's Lobby.

Perhaps most importantly, the Federal Government itself will benefit through this legislation by being able to draw from a wider talent pool and a broader range of abilities.

For the past decade, studies concerned with the employment of women have stressed the need for more part-time jobs and flexible work schedules. In 1963 the President's Commission on the Status of Women recommended that the Federal

Government should lead the way in the imaginative use of women's skills, and part-time jobs should be established throughout all Federal agencies.

In 1967, the Federal Women's Award Study Group made the same recommendation in its report on the "Status of Women in the Federal Government." More recently the Civil Service Commission spoke of this need in its booklet, "A Point of View." The Women's Bureau publication, "Calling All Women" made the same plea.

Currently, 29.2 percent of all women are working on a part-time basis. According to the Women's Bureau, an additional 24.9 percent of the women who are now considered unemployed, are seeking part-time job opportunities. Women traditionally suffer a much higher unemployment rate than men—the figures currently are 7.2 percent unemployed for women 16 years of age or older as compared with 5.6 percent for men. Providing part-time jobs could substantially help to reduce the unemployment rate faced by women.

Hopefully, we have long since dispensed with the concept that women work only to earn "pin money." A brief look at current statistics belies any such outdated claim. Currently there are more than 35 million women in the labor force. The number of working mothers with children has increased ninefold since 1940, with approximately 13 million of these mothers now employed full time. Today, with 44.1 percent of the Nation's mothers working, surely the opportunities for part-time employment must be expanded.

In addition, it is often the wife's income that prevents a family's income from falling below the poverty line. Currently, 4.7 million women workers have husbands with incomes ranging from only $4,000 to $7,000.

Although the part-time work concept has been used by Federal agencies in the past, unfortunately the practice has been small in scale and has been administered strictly for the convenience of the agencies involved rather than as a public policy. Statistics of the Civil Service Commission indicate that in June of 1974, less than 2 percent of the positions in Federal executive agencies—less than 40,000 jobs all told—were part-time positions.

The Federal executive agencies clearly have a long way to go to reach the point where part-time employment represents 10 percent of all Federal jobs. Even then the Federal Government as an employer would not match the private sector where approximately 12 percent of all jobs are on a part-time basis. In the past, the Federal Government has been looked to to establish standards for the rest of the Nation. Surely, the time has come when our Government must meet at least minimal standards that are already being superseded by the private sector.

Therefore, Mr. President, when the Senate considers S. 2022, I urge that it do so with an eye to providing job opportunities for millions of Americans who are eager to contribute to our Nation's well-being, as well as providing a mechanism to bring the Federal Government in line with the contributions already being made toward this end by the private sector.

MR. KENNETH E. GOULD AND MR. ANDREW E. ROTHOVIUS—NATIONAL WEATHER SERVICE AWARD RECIPIENTS

Mr. McINTYRE. Mr. President, recently two New Hampshire natives, Mr. Kenneth E. Gould of Lakeport, N.H., and Mr. Andrew E. Rothovius of Milford, N.H., were selected by the National Weather Service to receive awards for their contribution to the national forecasting and observation networks.

Mr. Gould has been selected to receive the National Weather Service's Thomas Jefferson Award. The Thomas Jefferson Award is the highest award the weather service can present to their volunteer observers. Mr. Gould is one of seven volunteers chosen nationally to receive the award. His consistency in reporting his individual observations is a welcome contrast to the always changing weather he records. For 35 years Mr. Gould has been working to provide a continuous record of observations for the weather service. Considering the severity of New Hampshire's winters, his constant surveillance is no easy task.

Mr. Rothovius will receive the John Campanius Holm Award. For the past 22 years he has been the official weather observer in Milford, N.H. He is being honored for his accurate and timely meteorological observations and for his public relations work in the local New Hampshire newspapers. His special field of interest is the effect of tropical storms on New England's weather patterns. Twenty-eight other weather service personnel were chosen to receive the award.

The National Weather Service depends upon the work of 13,000 volunteer workers. Each of their separate reports is needed to accurately forecast the national weather picture the weather service is responsible for giving. We in New Hampshire are proud that two of our State's residents have won distinction for themselves in this little publicized, yet vitally important governmental service.

IT IS TOUGH, BEING A COP

Mr. STEVENSON. Mr. President, I recently received a letter from Mrs. Stella Cooley of Chicago's southside suggesting that I insert a news article in the CONGRESSIONAL RECORD. Upon reading, "It's Tough, Being a Cop," in the September 8 issue of the Chicago Tribune Magazine, I agreed with her suggestion.

"It's Tough, Being a Cop" was written by William J. Cooley, formerly a Chicago policeman, now a maritime lawyer here in Washington, also one of the sons of Mrs. Cooley. The article describes what it is like to be policeman in a city like Chicago—the temptations, the abuses, the minimal rewards. It is also a chronicle of a fine Chicago family—James Cooley, the father—a retired and honored Chicago policeman; Mrs. Cooley; and the seven Cooley children, three of whom were Chicago policemen and have left the force. And as Mrs. Cooley wrote in her letter to me, there are questions that must be asked in reading this article, such as why well-educated policemen usually leave the job at an early age, and what difficulties must be overcome in order to remain honest in the face of the temptations.

Mr. President, I commend this article to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

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

IT IS TOUGH, BEING A COP

(By William J. Cooley)

(What happens to you when you're continually accused of brutality, prejudice, and being on the take? When, in making quick life-and-death decisions, you grow alleywise and hardened to personal suffering? An ex-policeman, one of a long line of Irish cops, explains what it's like on the streets of Chicago.)

Police work can be whatever you want it to be: a graduate course in people, truth, and death, or a bareback ride thru Badland on a wildhorse—fun, if you don't fall off. To a few, it is merely a guaranteed civil-service income and a measure of acceptance (if not respect) because of the uniform.

In my family, becoming a policeman has been an act more of faith than decision. It's almost our ceremony of manhood. Grandfather Cooley was the first, back in 1909. He was an immigrant from County Clare, a South Side Irish-Catholic cop who served the Department for 18 years before he was gunned down in the line of duty. His star was memorialized in the superintendent's office, his widow received a pension of $79.50 a month, and his killer was acquitted. Seven of his descendants have also been Chicago policemen; add a couple more on Mom's side of the family, and the total is 10.

Being Irish doesn't hurt any, especially in Chicago. The words "Irish cop" have long been linked, just like "Jewish merchant" or "French chef." Being Catholic squares nicely with a profession of discipline. Cardinal, bishop, monsignor; captain, lieutenant, sergeant. Sinful acts are mortal or venial, crimes are felonies or misdemeanors. And not everything has to be understood. When logic fails, "divine mystery" is religion's answer; likewise, even if there is inequity in the law, "justice" is somehow being served.

My recruitment to uniformed law and order in January of 1967 was not as automatic as it was for others in the family. At 22, I was still trying to shake the effects of five years of discipline in a Catholic seminary. Besides, the job looked too easy. I took the qualifying exam half-heartedly, mostly as a concession to Dad, and yet managed to finish third out of a couple of thousand candidates. But, I could think, aren't most cops dumb anyway?

I also thought most cops were brutal. In late '66, while a gradaute student of social work at the U. of I. in Champaign, I had been sitting in a campus bar one night when in burst a squad of Paul Powell's raiders from the secretary of state's office. Without checking I.D.'s, they arrested nearly everyone for underage drinking; and they battered a couple of my protesting, 21-year-old friends. The year before, on Christmas Eve, a friend and I were walking down Rush Street after making the circuit of singles bars when three guys jumped us. Just as we began getting the best of them, several cops appeared and beat hell out of us with billy clubs.

Even so, I had several practical reasons to join the Department. For one, the local draft board considered police work a critical skill and therefore a substitute for military service. For another, I wanted to go to law school nights, and needed tuition money. The job paid well, at least better than if I were to be

a school-teacher or social worker or insurance adjuster.

Working as a cop and going to law school wasn't as difficult as it sounds, particularly because my brothers Bob and Denny were doing the same thing. Unlike Dad, who had to quit law school because he had five children, we were bachelors. Denny and I shared a cheap apartment in Hyde Park, situated between job assignments on the South Side and our law schools in the Loop. Living in Hyde Park also gave us a smug feeling about being liberal, even if we were only vicarious participants in the counterculture.

Our six-flat building, for example, was a sociologist's dream. On the first floor, a dignified school principal and his family occupied an apartment across the hall from middle-aged dropouts living in common law. Sharing our second floor were a retired Jewish couple happy to have two policemen so near. On one side upstairs lived a black divorcee with two bright and spunky children; on the other, three white coeds who didn't appreciate being our neighbors until one was almost raped just outside our door. Everyone tolerated our hell-raising weekend parties in exchange for our implied willingness to serve and protect—if needed.

Bob and Denny worked the South Chicago station, 89th near Commercial, and my assignment was Kensington, 115th and Indiana. All the Cooleys worked the South Side—Dad made sure of that. Having grown up there, we knew the streets, and it was best to know exactly what was around the corner when chasing criminals thru gangways and alley. Dad had friends in personnel who made the assignments and, like a lot of other things in the police department, this was often a matter of favor first. So whatever clout he had, Dad had saved it to help keep his sons from getting hurt.

As kids we had used the streets a lot, beginning when we dragged a wagon to collect old newspapers we sold for a penny a pound. Later we delivered groceries and drug prescriptions on bicycles—before there was a threat of being robbed by dope addicts. We caddied, gardened, janitored, worked the beaches, and became champion salesmen peddling raffle tickets for Mt. Carmel High School in all the South Side taverns. The streets were also a place to play corner baseball, using sewer covers for bases, and to fight, when it was just the Irish against the Italians and nobody used a gun.

But Hyde Park was new to me. Some fellow cops in the late '60s believed that the whole place was overrun with "nothing but hippies and queers." Of course, in those days of student unrest, many young Hyde Parkers had no higher regard for the "pigs."

Denny and I got to know quite a few students at the University of Chicago because we used the law school library each evening. Law students have a strange fascination for criminal studies and constitutional rights, so discussions in the student lounge frequently turned to policemen. At first I didn't let on that I was a cop, mostly because I didn't really feel like one. But once it became known that I was one of them, the conversations were no longer casual. I was then the symbol, the apologist. Discussion became Issues and Answers; repeatedly I was challenged to explain, if not defend, why any policeman behaved as he did.

Question: "Why are policemen so brutal?" I remembered my own experiences as "victim." Since then I had occasionally heard screaming and sounds of shoving from behind closed interrogation doors. There are some cops, no denying it, whose whole world is persuasion by power, which they use unlawfully to solve crimes and punish criminals. I remember, for instance, watching a policeman who had had too much to drink at a party. He was arguing, and he had confused his right to have an opinion with his need to command. Whenever it was his turn to speak, his hand would come to rest on the snub-nose revolver many policemen carry when off duty. It was all so unconsciously automatic. That's the scary part.

Why police brutality? Because some men are weak. But two robins don't make a summer, and a few bad policemen don't make a force. I could enjoy a passing feeling of power wearing my shoulder holster, but plenty of cops like me would probably wait too long before using force. With a head thick with social theories and Jesuit habits of analysis, I had to guard against hesitating the crucial moment that would allow someone to take deadly advantage. Grandfather Cooley did that. He had his gun out when he walked up behind an armed robber and announced his office. But the guy never turned around; he just shot from over his shoulder. Lt. O'Connor got it in much the same way, and Sgt. Severin and Gilhooly, Rappaport and the score of other men killed during my years as a cop—they all waited, as gentlemen and thinkers do, a moment too long. To give benefit of doubt to a suspect is to risk everything. But not to give such benefit may make some men appear to be brutal.

Question: "Why are policemen so racially prejudiced?" I took personal offense and answered, Daley style, a question with a question: What do you know about blacks? *Really* know? I had answered calls to hundreds of black homes. In a black restaurant I learned to like black-eyed peas and grits because it was usually the only place to eat within the district. I had been to the Baptist service on Martin Luther King Drive, one that relaxes the jaw and melts away the bones in your legs until you forget about being the only white man in church. I had been to the dance parlors of young blacks, the dark basement places where feelings are supreme. Policemen go to a lot of places other white people wouldn't dare to go, so I felt much better qualified to understand black people and white prejudice than these law students.

Reverse prejudice is common, too. People were often unkind because I was white or a policeman. After Dr. King was assassinated, for example, black children just being released from school threw rocks thru the windows of my personal car. On the same day, my brother Bob was surrounded by an angry crowd that tried to tip over his car at a traffic light. Once I had won an essay contest on "How to Build Black Pride" sponsored by a black periodical. I learned later that when the editors discovered I was a white policeman, they reduced the amount of my prize. University types were no better. A lawyer friend and I were attending a scholarly public conference about marijuana at the University of Chicago, solely out of intellectual curiosity, until the organizers learned I was a policeman and kicked us out. Students did the same when I tried to learn what a school sit-in was all about.

But maybe I most resented the insinuation of prejudice because there was some truth to it. Sociological background notwithstanding, nobody can remain objective when nearly everyone he arrests is black. I was assigned to low-income areas that were predominantly black. I knew that most of the arrests in Chicago for murder, robbery, and rape—and almost half of those for aggravated assaults—are made in those areas. You do learn to survive on probabilities, on the suspicions a good cop carries everywhere. And try as one might to be fair, "probable cause" to make an arrest and "reasonable belief" that use of force is necessary are standards that can be applied differently to certain groups of people.

There were more questions, but they—and the answers—began before long to reflect categories of thought; I began to feel as tho I embodied a summary without its narrative, and the student discussions ended.

I noticed that several changes had occurred in my personality. My close friends became fewer: My mind had developed alleywise, and discussions about the Meaning of Life no longer seemed relevant. I had been required to endure long periods of monotony, yet had to react instantly when the need arose. As a rookie, I had listened patiently to people, trying to understand them as individuals. But I also began to feel the mental overload. Bombarded by experiences, I found myself pulling back, dealing superficially with as many people as possible. Trained responses are essential, for instance, to subdue a fighting youngster who has just swallowed poison because she is trying to punish her parents by suicide. No time for social work: Hit her. Hard. Then wrap her in a bedsheet, handcuffed because she is by now hysterical, and run out the door with her over your shoulder and race to a stomach pump.

Detachment is also necessary if you are to take a heroin addict in the throes of withdrawal to Bridewell Hospital for a fix. Or to cope with the almost hysterical joy of a mother who has reported her child missing and then finds him sleeping under the bed. Or the opposite: the agony of a parent's catatonic silence when a lost child is found dead in the refrigerator. You have to stop seeing these as the crises of individuals. For mental self-defense, you put them all into an impersonal category labeled "One of those things," or, as Dad would say, "God's will."

Unless you respond unemotionally, the time comes when you get played for a sucker. There was the girl who claimed rape, for example. While her husband was in Viet Nam, she lived with her mother in a tidy apartment in the projects. At the hospital, I felt sympathetic and tried to mollify what I took to be her feelings of outrage and humiliation. Then I spent extra time searching the streets for her abductor. Two days later, the detective handling the follow-up told me the whole thing had been a con job. She admitted she had been having an affair and wanted an excuse in case she was pregnant. Still later, a better reminder of my gullibility came when a computer card was kicked back and I had to write a report to justify the time spent trying to solve that "crime."

A lot of policemen talk about quitting. It's constant squad-car chatter. Fortunately, I could see the light at the end of my own tunnel: I was nearing the end of law school. For those who would like to leave but cannot, however, bitterness and cynicism can develop. Dad never talked negatively about his 33 years with the force because his occupation was a badge of identity; he protects his self-esteem. But Harry Lindner, our grandfather with 40 years on the Pittsburgh Police Department, comes down hard on the "crooked politicians and judges" who kept him from policing properly; and he says "Sometimes it's best to take the easy way out and go along with the tide." He speaks like someone betrayed by his community: "I was beat up and run over. Speakeasies, sporting houses, gambling joints—I busted all them places—troubles was my business." He cannot understand, either, why his grandchildren all want to become lawyers. "By the time you pay off the chief clerk, the bailiff, and the judge, there's nothing left for the attorney," he observes.

Corruption is a major hazard for policemen. The Knapp Commission's report on corruption in the New York City Police Department applies to Chicago as well: "The rookie . . . is faced with the situation where it is easier for him to become corrupt than to remain honest."

There is virtually nowhere a policeman can go without temptation—corruption is the focus of his work and the nature of his environment. I learned that there was "clean" money to be earned by performing police escort service, changing motorists' tires,

keeping order at a polling place, or being at a currency exchange when it opened or a pizza shop when it closed. Altho taking it is illegal, money from such activities is "clean" because it is offered as a tip, by a willing giver, for extra police attention.

I also learned about "dirty" money, offered less willingly to immunize the giver from police interference. It is cheaper to pay off a cop than face lawyer fees and other expenses that multiply in court; at least half the motorists I stopped for traffic violations would ask, just short of the necessary evidence to prove attempted bribery, "Is there anything we can do about it here, officer?" or "Have you had your dinner yet?" One motorist I did arrest for attempted bribery was released because my commanding officer felt the violation was too common and therefore could not be prosecuted. He also told me that other policemen would never work with me again if they learned what I was trying to do. In another arrest I made for bribery, the case was thrown out of court because I could produce no witnesses.

Altho I didn't personally encounter offers of money from tavern owners, I learned from fellow policemen, long before the Braasch case, that very often the owners initiate payoffs. They know that in the long run, because Illinois and Chicago have unusually strict regulations for liquor licensees, it may be cheaper to pay in advance for a hoped-for break than to face the possibility of being closed while license hearings are being held before various boards.

The policeman needs a steel sense of right and wrong to withstand this constant public test of his integrity. Dad recently retired without ever a hint of illegality because his honesty has no room for compromise. The only time I suspected him of wrongdoing, which I never confirmed, was many years ago when I found a bag of men's hosiery in the cellar. He became defensive when I asked about it. Perhaps it was given as a reward for recovering a cartage theft, or evidence he forgot to inventory on time. Tho not a crime, either action would violate administrative rules. (In any case, when we boys finally got permission to wear the socks, they had become moth-eaten.) But Dad had none of the sins so harmful to many policemen. I've never seen him drunk or bellying up to a tavern bar. No strange women either, because sex was only for having children who would grow up to be good Catholics. Brutality? Impossible!

Like most policemen, Dad always had a second job, usually selling mutual funds. He also made a modest extra salary as president of the Patrolman's Credit Union. Nine children were expensive to educate in Catholic schools, but we were also tax exemptions. Moreover, each of us made his own way thru college with scholarships, loans, and always two or three jobs at the same time.

Mom, as co-conspirator and finance minister, would bribe the nuns with homemade bakery goods to get reduced tuition. And there couldn't be a better shopper. My younger sister, for example, used to think that "half-price" on bread was a brand name. Every Saturday afternoon, Mother would take along two of her sons to shop for meat. As the butcher would reduce the price for the weekend, one of us would stand on either side of her to block out other women grabbing for bargains. Then, while one stood in the checkout line, the other drove Mom to the store about to reduce fresh produce.

Sure, I respect my folks for their sacrifices, but I don't share their compelling need to struggle with a policeman's income. The entry salary is good, but it quickly tapers off and remains fixed: A rookie patrolman is paid $11,148; a 20-year veteran patrolman, $16,008. There is no promotional advantage or better entry level for the college graduate, and there is virtually no mobility between cities. Politics is important for advancement, despite all official disclaimers. It isn't quite as obvious as it is in the fire department, where rank and handball ability have more than a coincidental relationship. But in this city, who you know is still more important than what you know.

Moreover, disagreement with the administration equals disloyalty. A policeman traditionally has a duty to remain silent about the system and anything he says can and will be used against him. Many facts, therefore, go thru a mental shredder and are kept confidential. But continually stifling your spirit of independence can be a major personal handicap. A man's whole career can become a life of perfunctory routine in which he will work ploddingly, often grudgingly.

There is another risk in remaining a policeman, worse than the physical or moral ones. Legal entanglements, incurred from just doing the job, have caused some friends of mine to second-mortgage their homes, others to lose their family life. I watched the full trial of the first policeman to be federally prosecuted for violation of a prisoner's civil rights. Three prosecuting witnesses, each contradicting the others, stated that the policeman beat the prisoner, who died. A doctor testified, however, that death was caused accidentally "by falling," probably in a drunken stupor. The jury returned a quick verdict of acquittal, but the policeman's face had a haunted expression for weeks.

Many police situations are difficult for a layman to understand and, consequently, difficult for a cop to justify in court. Illinois law is vague about the particulars of "reasonable force" used for self-defense or to prevent the escape of dangerous felons. There is no service manual to detail, in precise language, just how to do the job. Yet the moment of truth comes all too suddenly when, faced with fear or the compulsions of duty, your sensibilities shriek for decision.

Despite the hazards of police work, my youngest brothers, Jack and Joe, 17 and 19, also look forward to joining the Department. It will be their decision whether they make it a career or leave, as I did, feeling damn grateful to the many fine men—and curiously guilty for squeezing all the best juices of experience from the fruit before it turned sour. Some lessons of the job will serve me throughout my life. For instance, with an awareness of the unexpected, I never sit with my back to a door in a restaurant or sleep without a gun nearby. Also, having met the masters of deceit, the finders of angles, I'm prepared to defend myself against them in civilian life.

And though some of us have chosen to leave the police force, the family has hardly abandoned its interest in law enforcement. After serving for at least six years each, five of us are now lawyers. Uncle John practices corporate law in a downtown firm; Uncle Frank recently became a Circuit Court judge in Cook County. Denny, who had received many honors for his police work, now has the satisfaction of prosecuting the criminals he once arrested and often saw released—he is chief of the Cook County State's Attorney's south suburban office. Bob defends the accused, some without fee, because, as an ex-policeman, he feels some instinctive recognition of innocence as well as guilt. And I? I practice maritime law in Washington, D.C.—an interest to pursue transportation crime derived from my last assignment as a policeman, on Chicago's waterfront—and teach senior policemen and FBI agents seeking master's degrees at American University and Northern Virginia Community College.

Dad has no regrets about his career either. "I can't bad-mouth the job," he says. "It was good to my family. I have a son who is a priest, three who are lawyers, a teacher, a son-in-law doctor, another who's a dentist, and still two boys at home to shovel snow. What more can a guy want?"

I guess that's not a bad payoff for an honest cop.

MAINTAINING THE TAX DEDUCTION FOR CHARITABLE CONTRIBUTIONS

Mr. BAYH. Mr. President, as I have traveled around my State of Indiana in the last few months, a large number of my constituents have expressed concern about proposals to reduce or eliminate the present provisions of our tax laws which give positive incentive to taxpayers to make charitable contributions. Some lawmakers as well as scholars persistently lump the charitable deduction with percentage depletion, accelerated depreciation, "stepped up" basis at death and other so-called tax "loopholes" which they believe are proper candidates for major tax reform. Although I am strongly in favor of broad-based tax reform to close many of these loopholes and have worked consistently toward this end during my years in the Senate, I strongly believe that those who include the charitable deductions as such a loophole are wrong, and to change these provisions would do irreparable damage to institutions which are essential to our survival and prosperity as a society.

The outpouring of sentiment in Indiana in opposition to removal of the tax deduction for contributions to religious and other worthy institutions is consistent with my view and, I feel confident, consistent with the views of an overwhelming majority of Americans. We must not destroy the tax status of churches, schools and other such institutions; for to do so would be to work an unnecessary and severe hardship.

Critics of the tax provisions favoring charity allege that it is somehow improper to utilize the Federal tax system to encourage private philanthropy. But our experience has demonstrated that use of the tax system to stimulate private philanthropy is, as a fundamental matter of policy, thoroughly justified.

Private philanthropy has been a cornerstone of our pluralistic society which has been enriched by its diversity of ethnic, racial, religious, and social groups. During the half century of income taxation in the United States, our lawmakers have exercised care to insure not only that these institutions not be taxed but also that the tax system be utilized to encourage private giving to enhance the well-being of these institutions without undue government influence and control.

The debate on the Revenue Act of 1917 makes it clear that the introduction of the charitable deduction reflected a desire to protect the income of philanthropic organizations and in particular the income contributed to charity was income not properly taxable at the new, higher rates introduced during World War I. Senator Hollis, who introduced the amendment to permit the deduction of contributions to charity, perceptively stated:

> Look at it this way: For every dollar that a man contributes for these public charities, education, scientific, or otherwise, the public gets 100 percent; it is all devoted to that

purpose. If it were undertaken to support such institutions through the Federal Government or local governments and the taxes were imposed for the amount they would only get the percentage, 5 percent, 10 percent, 20 percent, or 40 percent, as the case might be. Instead of getting the full amount they would get a third or a quarter or a fifth.

Senator Hollis inserted into the CONGRESSIONAL RECORD an editorial from the Washington Post of August 25, 1917, that read in part:

This country can not abandon or impoverish the great structure of private charity and education that has been one of the most notable achievements of American civilization. Therefore with every additional dollar the Government finds it necessary to take in taxation it becomes increasingly necessary to accept the principle of the pending amendment and leave untaxed that part of every citizen's income which he may give voluntarily to the public good.

Periodically Congress has reviewed and reaffirmed the wisdom and propriety of the charitable deduction, recognizing that allowance of the charitable deduction relieves Government from the burdens of meeting public needs which in the absence of charitable activity would fall on the shoulders of the Government. Thus, in 1938 Congress stated:

The Government is compensated for its loss of revenue by its relief from financial burdens which would otherwise have to be met by appropriations from public funds.

Again in 1969, Congress endorsed the basic principle of the charitable deduction, increasing the 30-percent limitation on charitable contributions to 50 percent in order to strengthen the incentive effect of the charitable contributions deduction for taxpayers.

Those who would eliminate the tax incentives for charitable donations would upset the long and successful tradition of utilizing the tax system to support private philanthropy. They would do so on the basic of conclusions that rest on three questionable assumptions: first, they assume that a system of direct Government grants or matching grants for the support of philanthropy would produce at least the same level of support for charity; second, that such a system would be constitutional in the case of religious organizations; and, third, that such a system is, as a policy matter, preferable to the present policy of utilizing the tax system to provide incentives for private giving.

Even those who recommend replacement of the charitable deduction with a system of matching grants concede that any nontax substitute for the deduction of existing law must assure institutions of support equal to "that which they can reasonably anticipate from the present tax expenditure system." However, as noted by Prof. Boris Bittker, of the Yale Law School:

It would be difficult to devise a formula for matching grants that would produce, even in the aggregate, the same amount of revenue that charities now owe to the tax deduction, and it is almost inconceivable that this could be done for particular charities or even categories of charities.

The proponents of a system of direct Government grants or matching grants also assume that there is no constitutional barrier to supporting religious institutions in this fashion, including religious institutions of higher learning. However, as noted by Professor Bittker, there may be an "insuperable" constitutional obstacle to including churches and other religious organizations in any grant system.

Some may welcome more direct Government funding on the ground that centralized decisionmaking will produce a more efficient use of funds that can be expected from a variety of institutions which derive their funds from multiple and diverse sources. But it should be plain that a multiplicity of private institutions supported by a multiplicity of fund sources dilutes the actual and potential power of Government to control or suppress diversity, individuality, and academic initiative.

The history of Federal programs suggests that increased direct Government financing portends increased Federal control. The Congress would face, more and more, the same kinds of pressure that confront State legislatures and forced the North Carolina Legislature to enact a "gag rule" controlling "controversial" speakers on campuses of State colleges and universities. Thus, the Governor's committee on higher education in New York made a plea in 1969 that the State University of New York be disentangled from the snarled redtape of State bureaucracy and enabled to act "with the spirit and style of our great public universities."

Indeed, Federal controls already exist. For example, in educational institutions the Federal Government has required that Armed Forces recruiting personnel not be barred by a college if it is to remain eligible for certain funds. Several writers have noted their concern for the lack of Government restraint in matters affecting academic freedom. One wrote:

The one occurrence that has shaken my conviction that general federal aid to higher education poses no inherent danger to the freedom of universities has been the imposition of security clearances for those engaged in federally financed unclassified research. This whole episode in our history, now happily past, is repugnant because it involved an essentially immoral abandonment of the values without which our form of government and indeed our society cannot survive. . . . If general federal aid to higher education had been in force over the period 1951–1956, the freedom of American universities would have been seriously threatened.

Any action which has the effect of further increasing the relative dependence of our charitable institutions on highly centralized Government funding as distinguished from diverse private giving could upset the balance.

Moreover, elimination of the policy of promoting charitable giving to private institutions through the tax system could ultimately result in the loss of significant benefits to our society in the form of new ideas and programs. Terry Sanford, president of Duke University, in pleading the case for retention of the charitable deduction, has chronicled some of the benefits that have resulted in the field of education from our national policy of encouraging philanthropy:

We might remember that our first American college resulted from private philanthropy, and so did many of our best schools that have been established since then. Mostly because of private gifts, which have been encouraged by tax relief, our private schools have been able to contribute a wealth of innovative ideas to our overall educational system. Public and state schools have in many instances acquired some of the most progressive practices by following the examples of private schools—which were freer to experiment and innovate.

A conscientious government is somewhat restrained in initiating new programs. Private philanthropy, however, has provided us with "laboratory"-type experiments that have proven the public value of certain programs. Then, armed with that rationale, government has been able in good conscience to initiate similar programs to be financed with public funds . . . .

If we are to retain the national strength we have derived historically and traditionally from pluralism, then we cannot afford new developments that would further homogenize American society. Certainly one of the most important assets of pluralistic influence in our nation is our dual system of private and independent institutions.

To a very important degree the cherished independence of our charitable institutions and their contribution to our society is a product of the private charitable support generated through the present tax system.

Thus, Mr. President, both practical and philosophical considerations compel retention of the existing tax incentives for private support for charity. There is strong evidence that proposals to limit the income, gift, and estate tax deductions now afforded for individual gifts to charity would seriously reduce those gifts, particularly large individual gifts which have proven so important to charitable institutions. Congress has recognized that these institutions constitute a "national resource which significantly contributes to the security, general welfare, and economy of the United States." To conserve this resource, any funds depleted through changes in the tax laws must be replaced from other sources. However, none of the tax reform proposals has answered the pivotal question of how revenues lost would be replaced as would be required by the national interest.

The present charitable deduction is time-tested and has the virtue of certainty; donors, their attorneys and those who run our institutions know the system and its potential for providing financing. Other ideas for direct subsidies, matching grants and the like are unknown quantities likely to produce new inequities with absolutely no guarantee that they would raise the same revenues as the present system. They would be susceptible to proof and perfection only after long intensive trial and error. There is too much at stake to overthrow our traditional support of private charity through the charitable deduction. No less than the vitality and independence of our society are in the balance.

I ask unanimous consent, Mr. President, that a few of the many letters which I have received from my State on this important question be printed in the RECORD.

There being no objection, the letters

were ordered to be printed in the RECORD, as follows:

NORTH UNITED METHODIST CHURCH,
Indianapolis, Ind., September 24, 1974.

Senator BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: Thank you for your note alerting me to a renewed proposal for legislation limiting or eliminating the tax deductible status for contributions to churches and similar non-profit institutions. I appreciate your concern, and share it.

One keystone in the genius of American society is the strong contribution of citizens to human services and community improvement through non-profit structures. Along with private business sector and governmental energy this third force is of enormous significance in our life as a people.

I would see the elimination of tax deductible status of gifts to such institutions as an exceedingly serious blow to this sector. Depending as they do upon voluntary private gifts it would seem to me to be of benefit to our society as a whole to strengthen rather than weaken such institutions.

I presently serve as the pastor of a large church at 38th and Meridian Streets in Indianapolis. On more than one occasion recently neighboring businessmen have indicated the enormous stability and strength lent to this particular midtown neighborhood by the presence of the church on this corner. Were the property to become a part of the tax duplicate of Marion County, the viability of the operation of the church at this corner would be seriously questioned. I honestly believe that the presence of the church at this particular spot is of highest importance to the wellbeing of the neighborhood as a whole and the value of properties here.

The foregoing case would relate of course to county property taxes. In a similar way any threat to the voluntary income of the church in contributions from its members would likewise jeopardize its operations.

The religious community as a whole has provided great initiative, imagination, and experimentation in providing human services throughout our society. Government itself has sometimes looked to these or used these structures to extend services, such as in day nursery programs. It would make little sense to channel public tax money to the extension of services through these institutions with one hand, while choking their sources of voluntary support with the other.

I do believe it is appropriate and proper for religious institutions and other non-profit groups to be taxed in any of their income-producing operations which are essentially commercial in nature. There have been abuses of the non-tax status in these areas. Closing such options would be entirely appropriate.

Thank you for your concern. I trust these comments may be of some use to you in organizing your own thought as a spokesman for the preservation of tax deductible gifts to churches and similar institutions.

Respectfully yours,

RICHARD E. HAMILTON.

MILFORD UNITED METHODIST CHURCH,
Milford, Ind., September 26, 1974.

BIRCH BAYH,
U.S. Senator, Washington, D.C.

SENATOR BAYH: In the town of Star City, Indiana, an unincorporated town of 450, and only business center in Van Buren township, Pulaski County, Indiana, the elementary school is going to be permanently closed next spring. When that happens the Star City United Methodist Church will be the *only* place available for community organizations to meet. Many already do, free of charge.

While I was pastor there the following organizations met in and used the facilities of the Star City United Methodist Church free of charge: Cub Scouts, Star City Lions Club, Girl Scouts, Brownies, District Girl Scouts, Girls 4H, Boys 4H, and Pulaski County Kiwanis Club.

This church is operating on an extremely tight budget now and if it were to be taxed, it would probably have to start charging for its facilities or limiting the usage of it.

Sincerely,

REV. JAMES L. ALT,
Ex-Pastor of Star City United Methodist Church.

GRACE EVANGELICAL LUTHERAN CHURCH,
Syracuse, Ind., September 25, 1974.

Hon. BIRCH BAYH,
U.S. Senator, Committee on Appropriations, Washington, D.C.

DEAR SENATOR BAYH: Thank you for alerting your constituents and especially the clergy on the proposed legislation to end tax deductible status of contributions to schools, churches, hospitals and other charitable, non-profit institutions.

This is one of the most short-sighted and deplorably vicious impositions of injustice foisted on the citizens of the United States of America at a time when these institutions need not only greater financial support because of the inflationary burdens laid on them, but because they are more needed at greater strength for the welfare of our country than ever before.

Having endured the trauma of corruption and wrong-doing in high places, are the people of our country to be subjected to the traumatic experience of being deprived of the very institutions which are the foundation of our nation's ethical, moral, and positive spiritual well-being?

There are, I am confident, more beneficial sources of tax receipts which will strengthen the nation's economy than that of destroying the very institutions whose contributions cannot be measured in economic terms or values.

You have my support, encouragement, and prayers in your endeavour to arrive at a just and equitable tax reform and program.

Very earnestly yours,

AKSEL C. LARSEN,
Pastor.

SEPTEMBER 24, 1974.

Hon. BIRCH BAYH,
U.S. Senator,
Washington, D.C.

DEAR BIRCH: In response to your letter concerning the legislation which would end the tax deductible status of contributions to churches, schools, hospitals and other charitable non-profit institutions, may I suggest that such legislation would certainly end the great deal of charitable activity which continues in this country and centralize more and more of the services of the nation in the hands of the government.

If for instance, the various kinds of services in the educational and health fields are not deductible, then the ultimate end will be that the government will be putting up more and more money for schools and for health facilities.

So far as churches are concerned, such an act will be a step in the direction of weakening the contribution of the churches to the nation. It will reduce the effectiveness of their service and lessen their voices in the lives of the people of the nation. It will become increasingly easy to tax religious organizations out of existence.

Now that the states are taxing all income which is not directly related to the religious institution itself and if contributions are taxed, the result must inevitably be that the income of the churches will be greatly reduced.

This whole program of federalization which is going on in the government today tends not to encourage voluntary cooperation but to put more and more funds into the political channels. The simple truth of the matter is that the direction of the federal government is to reduce voluntary action and to in various ways close out the cooperation and the participation of the average citizen in the development in the life of the nation.

Thank you for listening.

Very truly yours,

ISAAC K. BECKES,
President.

INDIANA TRAFFIC SAFETY COUNCIL, INC.,
Indianapolis, Ind., September 23, 1974.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: We received your recent letter regarding tax exempt contributions to non-profit organizations and urge you to pursue your plan to work for retention of these exemptions for deserving organizations and their programs.

While your principal concern seemed to be directed in behalf of churches, I want to emphasize there are many types of organizations, formed to serve the best interests of the individual citizen, which would find it difficult to continue to operate if their major source of contributed funding were not tax deductible.

The Indiana Traffic Safety Council, Inc., is one such group which is entirely supported by private funds from Indiana business, industry and concerned individuals.

The current economic situation has already caused some firms to cut back or drop entirely the financial support they have provided the Safety Council.

While I have no way of knowing the full impact a change in tax exempt status would have on our income, I would judge, from the occasional interest expressed in our tax exempt status, that many major contributors would give serious consideration to discontinuing their support. This would lead very rapidly to a discontinuation of our activities in support of more effective state and local traffic accident prevention programs.

I feel the Indiana Traffic Safety Council, Inc., has served a very useful purpose in working cooperatively with public officials in seeking more effective legislation and in encouraging the emphasis be placed on selected weak spots of the statewide traffic safety program.

In behalf of the Council and others like it throughout the nation, I would urge you to work to plug existing loopholes in the tax laws (and it is obvious that many do exist) but to make certain that organizations performing a necessary and worthwhile service in public interest be permitted to continue to operate.

Thank you for contacting us.

Sincerely,

ALBERT E. HUBER,
Executive Director.

WESTVILLE, IND.,
September 25, 1974.

Hon. BIRCH BAYH,
U.S. Senator,
Washington, D.C.

DEAR SENATOR BAYH: In reply to your letter of September 16th, relative to the proposal to taxing nonprofit organizations, I wish to speak as a Chaplain of a mental hospital and Boy Scout volunteer. I have a personal stake in the taxing of non-profit organizations. I am a member of a church, a Lions Club member, a scout volunteer and support other non-profit organizations.

If charitable organizations are taxed, an added burden will be placed on these organizations so that more funds will be needed to operate. This means less program time is left.

Too much of the influence of Character building has already been lost in our country. That which is happening in high places and

low reflects the gradual decline of those influences in our society which seek to build its fiber rather than eat at its heart.

The loss of moral and ethical instruction in the schools and in the home is already being felt in our nation.

I know how strapped the nation's churches already are with the decline of dollars and members. I know my scout council is over three hundred thousand in debt. Part of the problem is the tax placed on our property in the State of Michigan.

I do feel that industrial or other kinds of commercial interests held across the land by "non-profit" organizations should have to operate like any other business, but the decision to tax all non-profit organizations will be a disastrous strike at massive good being done to improve, not draw from our nation's resources.

I commend you for your efforts and admonish you to keep up the fight. Thank you for your letter. God bless your work.

Sincerely,

ROBERT W. ROGERS,
Protestant Chaplain.

THE EPISCOPAL DIOCESE OF INDIANAPOLIS,
September 25, 1974.

Senator BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Your letter of September 16th regarding the proposed legislation which might end the tax deductible status of contributions to churches, schools, hospitals and other charitable, non-profit institutions, does prompt me to respond.

First, let me say that I wholeheartedly agree with you and hope you will use all your persuasive powers to oppose such legislation. Speaking in regard to what this would do to our churches, it is my special responsibility as Archdeacon to supervise our 19 missions which must be supported from our diocesan budget in the amount of $92,000. Without this support they could not be provided with an ordained ministry and facilities in which to worship. Should these churches be taxed, it would wipe them out of existence or leave them in such fragile condition that they would lose their effectiveness. On the other side of the shield, if contributors to our churches could no longer claim charitable deductions in this area, this would obviously increase their tax bite and further decrease their ability to pay for church support and all this with inflation rampant.

The churches of our land are one of the last bastions of moral persuasion and the conscience for our communities and our country. It would be a tragedy to have them weakened and especially at a time when there is so much cynicism about the moral code in government.

Please speak strongly against any proposed legislation in this area. Special thanks for your letter of September 16th.

Most sincerely,

FREDERIC P. WILLIAMS, D.D.,
Archdeacon.

FIRST UNITED METHODIST CHURCH,
Columbus, Ind., September 25, 1974.

Senator BIRCH BAYH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BAYH: In response to your inquiry about the tax deductible status of contributions to churches, I make the following response.

While I am very sympathetic about the plight of the middle income group, of which I am part, I have long since seen the legitimacy of encouraging benevolent giving to worthy groups.

It seems to me that one of the most telling accomplishments could be that if charitable contributions are no longer tax deductible, thereby making it more difficult to achieve the working budgets of these organizations, the organizations will either fail or need to find another source of income. The European style of tax-supported churches and schools frightens me.

In recent days we have seen the value of a free press as opposed to a state controlled one; I believe that a free church and an independent system of higher education is imperative if freedom is to be maintained.

Respectfully,

JOE G. EMERSON.

DEATH OF LUTHER HODGES

Mr. McGEE. Mr. President, Sunday, October 6, a man who was a friend to many of us died. Luther Hodges, former Governor of North Carolina and Secretary of Commerce under the late President Kennedy, died in Chapel Hill, N.C.

I wish to take this time to express my sense of loss at his death, and extend my family's sincere condolences to his widow, Louise.

As Governor, Luther Hodges brought an enormous amount of business to his State. His philosophy of "government is business" served him well in the difficult economic conditions of the early 1960's. His advise and views have since been valuable to all engaged in government or economics.

His life displays a tough, practical attitude, coupled with a great drive for hard work. His impact on international trade, both as a businessman and Government official, will be remembered as his finest work, I am sure.

Mr. President, I ask unanimous consent that an obituary published in the Washington Post of October 7, 1974, be printed in the RECORD.

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

FORMER COMMERCE SECRETARY DIES

(By Jean R. Hailey)

Luther Hartwell Hodges, 76, a dynamic salesman during his years as governor of North Carolina and U.S. Secretary of Commerce, died yesterday, apparently of a heart attack.

Stricken at his Chapel Hill home, he was taken to North Carolina Memorial Hospital in Chapel Hill, where he was pronounced dead.

Mr. Hodges, a Democrat, had served as North Carolina's governor during 1954–60 and as Commerce Secretary during 1960–64.

He was known for his energy and supersalesmanship in the world of business and his moderation in the field of race relations.

As Secretary of Commerce in President Kennedy's Cabinet, Mr. Hodges had traveled extensively around the world promoting U.S. industry. He stressed the need for this country to increase vastly the amount of its exports.

Earlier, as governor of North Carolina, he also had traveled extensively around the country and was credited with bringing millions of dollars in industry into his state.

He was described as one of the most colorful and effective men in both business and government. He, himself, summed up his philosophy tersely with "government is business."

Mr. Hodge's life was a rags to riches tale.

One of nine children, he was born on a tenant farm in Virginia, just across the state line from Leaksville, N.C. The family moved to Leaksville while he was still a child, and he went to work at 50 cents a day at a cotton mill when he was only 12 years old.

He continued to work in the mill, going to school at the same time, and eventually enrolled at the University of North Carolina. His father had told him he would have to pay his own way through college.

Mr. Hodges started on the road to higher education with only $62.50 in his pocket. He made it by waiting on tables, stoking furnaces, carrying coal and selling Bibles. He was awarded his degree in 1919.

"I had a surging ambition to get out from under conditions I saw around me as a kid. But I am not, and never was, ashamed of my beginnings," he later recalled.

After graduation, Mr. Hodges became Secretary to the general manager of several local mills of Marshall Field and Co. By 1938, he was general manager of all the company's mills, and in 1943 became vice president. The firm operated 29 mills in six states and three foreign countries.

While he was rising in the private business world, Mr. Hodges also had a taste of government service. In 1944, he headed the textile division of the Office of Price Administration and in 1945 was a consultant to the Secretary of Agriculture.

By 1950, he decided he had made all the money he needed, and he retired from Marshall Field to spend over a year in West Germany as head of the industry division of the Economic Cooperation Administration.

He turned next to politics. Although a political unknown, he ran for lieutenant governor of North Carolina in 1952. He traveled thousands of miles, shook thousands of hands, and won the election.

When Gov. William B. Umstead died in 1954, Mr. Hodges succeeded him. Two years later, he won re-election in his own right by the biggest majority ever polled at that time in the North Carolina gubernatorial race.

As governor, he served as chairman of the Southern Governors' Conference and of the Southern Regional Education Board. He was one of nine American governors to tour the Soviet Union in 1959 and was head of his state's Trade and Industry Mission to Europe that same year.

During his tenure, he also brought in huge sums of money for expansion of North Carolina's manufacturing activities and electrical utilities. He reorganized the highway, prison and water resources systems.

Mr. Hodges preached moderation at a time when other Southern states were undergoing racial strife following the Supreme Court decision desegregating schools.

"I consider the calm manner in which North Carolina handled its integration problems the No. 1 achievement of my administration. It also was the thorniest problem," he later said in an interview.

He had accomplished this by persuading the North Carolina legislature to approve a pupil assignment law that permitted token integration in some cities at a time when some Southern governors were steadfastly opposing any integration at all.

Mr. Hodges campaigned actively for John F. Kennedy in 1960 as chairman of the Business and Professional Committee for Kennedy-Johnson, and was among the first chosen for a Cabinet position. He continued to serve as Secretary of Commerce for the first Johnson administration, resigning at the end of 1964.

Mr. Hodges played a leading role in the passage of the Trade Expansion Act of 1962. He began a series of commercial trade fairs where U.S. businessmen could display their wares abroad. He promoted business education and developed a new agency, the Area Redevelopment Administration, aimed at aiding areas of unemployment.

After leaving government, Mr. Hodges was involved in a number of private organizations, most recently promoting the North Carolina Research Triangle Park, a complex of industrial and scientific agencies.

He was at one time chairman of the board of Financial Consultants International, and was a director of the Servomation Corp. and Gulf and Western Industries.

Active for many years in the Rotary Club, he had served as president of Rotary International during 1967–68. He also had been active in YMCA work.

Mr. Hodges was the author of "Businessman in the State House" and "The Business Conscience."

He was married to Martha Blakeney in 1922 and they had three children. She died in a fire in their Chapel Hill home in 1969.

A year later, Mr. Hodges married Louise Finlayson, his former secretary.

PROPOSED RESOLUTION FOR A RATIONAL ENERGY PROGRAM

Mr. JACKSON. Mr. President, today, a number of my colleagues and I are having printed in the RECORD a resolution, expressing the sense of the Senate that this Nation urgently needs action on a rational energy program. We desperately need a coordinated, reasoned program that will accelerate development of our domestic energy supplies, end wasteful consumption, and redress arbitrary and unfair fuel pricing policies. There can be no doubt that such a program is desperately needed. Rampant inflation, both caused and fed by soaring fuel prices, is threatening our Nation's and the world's economic stability. Quadrupled fuel prices have failed to induce supplies sufficient to meet our essential demands for all forms of energy.

Although these problems are not new, Mr. President, they are now acute. Congress has been working for some time to develop a national energy policy, but we can afford to wait no longer. In our previous efforts, cooperation from the executive branch has not always been forthcoming. Given the dire need for expeditious action, we cannot afford to work at odds with each other. I, therefore, on September 27, wrote to President Ford proposing a joint-legislative-executive bipartisan effort to develop an energy policy for this country. I am sorry to say that, in his response of October 3, Mr. Ford declined to accept that offer.

We are faced with a need for expeditious action which can best be served by utmost cooperation. We cannot afford to wait for a new Congress to begin tackling these problems. I hope that President Ford's address to the Congress today will reflect a greater sense of urgency and a greater appreciation of the gravity of the present crisis.

Mr. President, leadership on energy problems must not be allowed to founder, regardless of what the President may say today. The Congress and the Senate have already debated and acted on many of the essential elements of a national energy policy. These measures are described in the resolution we are proposing. Such a legislative program is essential if effective efforts are to be made to balance our energy supplies and demand, and to restore balance to energy economics in this country. I strongly urge my colleagues to support this resolution and I invite their cosponsorship.

Mr. President, the largest single factor in causing the Nation's current economic problems and placing the international financial system on the edge of a major disaster has been the 400-percent increase in world oil prices imposed by the OPEC cartel. The economic and financial problems we face at home and abroad are immediate and critical. The United States must embark upon an urgent and massive national effort to conserve energy, to increase domestic oil production, and to accelerate a broad range of energy research and development and commercial demonstration projects. This Nation has the ability to meet this challenge. What we have lacked to date is a sense of urgency, a commitment of purpose, and a specific energy program to provide direction and leadership.

The resolution we are proposing conveys a sense of urgency; it states a national purpose on which the country can unite; it sets forth a specific detailed energy program which can provide the Nation with direction.

Mr. President, I invite the President and his administration to join with the Congress in a united effort to get this Nation moving again.

Mr. President, I ask unanimous consent that the text of the proposed resolution be printed in the RECORD at this point, as well as the exchange of correspondence between the President and myself, together with a status report on energy legislation in the 93d Congress.

The resolution will be formally introduced tomorrow afternoon, to permit other Members of the Senate an opportunity to be added as cosponsers.

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

S. RES. —

Whereas, the arbitrary quadrupling of oil prices by the Organization of Petroleum Exporting Countries (OPEC) cartel has imposed severe strains on the international financial system, and is a primary cause of worldwide inflation, draining at a minimum over $70 billion annually from consumers, threatening many industrial nations with economic collapse, and confronting third world nations with mass starvation; and

Whereas, oil prices established by this international cartel have been the largest single factor in the Nation's current economic recession, in pushing domestic unemployment to a twelve-year high, in depressing the stock market, and in driving inflation and interest rates to unprecedented levels; and

Whereas, the United States has the ability to control energy induced inflation through policies governing the 85 percent of its energy supply which is produced within the United States, by increasing domestic energy production, and by undertaking stringent efforts to eliminate energy waste and promote conservation; and

Whereas, dependence by the United States on a substantial volume of imported petroleum has created a grave domestic economic crisis, seriously inhibited our freedom of action in developing and implementing foreign policy, and could cause a severe shortage in the event of another embargo; and

Whereas, the Nation has yet to mount a serious and sustained program to eliminate the wasteful use of energy in the United States and despite unprecedented price increases the production of domestic energy supplies continues to lag behind demand; and

Whereas, it is imperative that the United States immediately undertake a massive peace-time effort to combat economic aggression abroad and to deal with energy shortages and energy induced inflation at home; and

Whereas, the American people and the leaders of other nations should be fully apprised of the commitment of the Legislative Branch of the United States Government to initiate and implement—in a united, bipartisan and cooperative manner—a national energy program designed to (1) give credibility to United States initiatives to deal with the economic and political challenge of the OPEC cartel; (2) promptly reduce dependence on cartel priced foreign oil; (3) dampen world and domestic inflation; and (4) secure a stable world economy in which the legitimate aspirations of all nations may be acheived.

Now, therefore, be it

Resolved, that it is hereby declared to be the sense of the Senate that—

1. The United States is committed to an energy pricing, import and tax policy which will:

(a) Limit the price of all new domestic crude oil to a level that reflects its long-term supply price (no more than $7–$8 per barrel) rather than the dictates of the OPEC cartel as a major element in a concerted effort to control exhorbitant prices, reduce domestic inflation, and prevent unreasonable profits by exporter governments and United States companies alike:

(b) Reduce imports of high-cost foreign oil by 1 million barrels per day, and thereby combat inflation, and cut over $4 billion from our balance of payments deficit;

(c) Eliminate, through taxes or otherwise, the windfall oil and gas profits enjoyed by multinational oil companies; and

(d) Reform natural gas pricing to eliminate uncertainty, maintain strict controls over old gas contracts, and provide adequate incentives for development of newly discovered gas through measured price increases which keep natural gas prices well below the equivalent of OPEC's arbitrary oil price.

2. The United States should adopt legislation which will:

(a) Extend the Emergency Petroleum Allocation Act, the only Federal legislation which provides authority to control oil prices and equitably allocate scarce fuels among regions of the country and classes of consumers;

(b) Mandate a program of international and domestic contingency planning to deal with energy shortages at home and abroad;

(c) Establish standby energy emergency authority adequate to cope with a total interruption of OPEC imports, through gasoline rationing, conservation plans, allocation of essential materials, and appropriate export restrictions;

(d) Require the immediate development of a system of strategic petroleum reserves composed of salt dome and tank storage by industry and the Federal government equal to at least ninety days of imports; and

(e) Assure that the United States has an opportunity to participate in any negotiations in the purchase of foreign oil and provide the President with authority to curtail and increase the price of U.S. exports to nations which unreasonably restrict U.S. access to their commodities by adoption of pending amendments to the Export Administration Act.

3. The United States should adopt a national energy conservation policy which will include mandatory provisions designed to:

(a) result in a thirty percent improvement in automobile mileage in the 1976 model year and a 100 percent improvement by 1980;

(b) commit the nation to greater investment in a broadened mass transit program.

(c) redefine Federal and State regulatory policies which encourage or permit energy waste;

(d) impose new Federal procurement policies based upon energy efficiency and conservation;

(e) prohibit the use of new natural gas supplies for boiler fuel and phase out entirely over a reasonable period of time all use of gas as a boiler fuel;

(f) mandate the redesign of electric and gas utility rate structures to encourage conservation within twelve months;

(g) require mandatory labeling of energy-consuming appliances, homes, and automobiles to enable consumers to save energy and money through consumer charts;

(h) provide appropriate support for a program to insulate homes and small businesses with repayment of loans tied to savings in fuel and air-conditioning bills; and

(i) assist State and local government in the development of energy conservation programs designed to achieve short and long-term savings with a minimum disruption of State and local economies, including specifically the establishment of standards to reduce energy requirements for new homes and commercial establishments.

4. The United States is committed to an energy production policy which will:

(a) Expand Federal authority to increase petroleum production and productive efficiency, including mandatory unitization where state law does not provide for it, incentives and requirements for secondary and tertiary recovery of oil and gas, establishment of maximum efficient rates of production, and prohibition of market demand prorationing.

(b) Develop and produce the Naval Petroleum Reserves in California and Wyoming to fill the Federal component of the strategic reserve system, and undertake on a priority basis prompt exploration of Naval Petroleum Reserve No. 4 on the North Slope of Alaska;

(c) Improve geological and environmental assessment and inventorying of energy resources in the public domain;

(d) On the many existing Federal leases where production is lagging, require production or forfeiture of the leases;

(e) Adopt an updated Federal coal-leasing policy and a surface mine control and reclamation bill, and establish a program to convert all industrial boiler fuel uses of oil and gas to coal over the next 10 years to assure adequate domestic energy supplies while decreasing oil imports; and

(f) Implement the foregoing policies and measures without repeal or erosion of regulatory and statutory measures which preserve and protect the public health, safety, welfare and the quality of the nation's land, air and water resources.

5. The United States is committed to an energy research and development program which has as its immediate goals:

(a) Establishment of a $20 billion energy research and development program with specific timetables to demonstrate on commercial scale the technological capability of coal gasification, coal liquefaction, oil shale production, geothermal steam, and solar energy, as well as new technology to use energy more efficiently; and

(b) Creation of an Energy Research and Development Administration to administer the national energy research and development effort.

6. The United States is committed to a program of Federal, State and local cooperation to deal with the critical economic and energy problems facing the Nation, and the Federal government will:

(a) Provide financial aid and technical support to States and local government to assist in ameliorating and managing the primary and secondary environmental and socio-economic impacts caused by the siting of energy-related facilities and the use of land, air and water for energy production; and

(b) Recognize that the States share with the Federal government an equal responsibility for meeting the Nation's energy requirements; And be it further

Resolved That it is hereby declared to be the sense of the Senate—

That by taking the aforesaid actions, many of which can be implemented forthwith by the Administration under existing legislative authority and the pending amendments to the Export Administration Act, the President and the Nation can combat inflation at home, and with export control authority, and strategic reserves bargain, in cooperation with other oil consuming nations for concessions to alleviate a grave international crisis.

U.S. SENATE,
Washington, D.C., September 27, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: I know that you have been aware of my concern, since long before the Arab oil boycott, over this Nation's deteriorating energy posture and the actual and threatened impact of spiraling prices and insecure supplies upon our economy and our national security. In recent months I have given particular attention to the ruinous impact of OPEC oil prices on the economies of the United States and other developed and less developed countries. Together with many other members of Congress of both parties, I have been disappointed by the apparent lack of Executive Branch appreciation for the gravity of the present crisis for the economic and political stability of the entire free world.

Your speech in Detroit and Secretary Kissinger's address to the U.N. General Assembly on September 23, 1974, reflect a new awareness that the situation created by the ever-growing exactions of the oil exporting countries cannot be borne and a determination that it will not be tolerated. I remain deeply concerned, however, that if this new determination is not matched by a concrete program of legislative, diplomatic and strategic initiatives, it will lack credibility with the OPEC governments, with the other importing countries, and with the American people. In my view it is both urgent and essential that Congress and the Administration work together to implement a realistic program for energy conservation, increased domestic production, and to develop the national capability to withstand a total interruption of OPEC imports without severe injury to our economy.

The first priority, I believe, is to reduce the maximum prices of domestically priced crude oil to a level consistent with its long term supply cost, at most $7 to $8 per barrel. The United States is still two-thirds self-sufficient in oil and four-fifths self-sufficient in total energy. Our appeal to the governments of exporting countries to reduce prices will carry little conviction as long as we permit and encourage our own producers to charge the exorbitant prices set by OPEC.

Such a price reduction should be coordinated with action to limit the tribute we will pay to the producing countries: I propose a strict policy that our total dollar outlays for imported oil will not increase above current levels. The volume of imports would be allowed to increase further only in response to proportional price reductions.

There is a broad area of consensus within the Executive Branch and within the Congress on the other elements of a national energy program. Yet, the measures actually taken by the two branches to date are inadequate in the face of the current threat to our economic welfare and indeed our way of life. Legislation providing for a national energy conservation policy and acceleration of oil and gas development on the Outer Continental Shelf have passed the Senate, but have not been acted upon in the House in part, I believe, because of disinterest or ambivalence in the Administration's position. Two major energy research and development bills have been immobilized in House-Senate Conference for essentially the same reason.

Legislation to provide standby energy emergency authorities (gas rationing, conservation plans, allocation of critical materials, etc.) and to direct a program of energy contingency planning is on the Senate calendar but requires executive support for final passage. Bills providing for creation of strategic petroleum reserves and for development and further exploration of the Naval Petroleum Reserves have failed to move despite intense Congressional interest, partly because of Congressional jurisdictional rivalries and indecision within the Executive Branch.

Other vital elements of a credible national energy program, like reform of natural gas pricing and taxation of the energy industries, have yet to move only because neither Administration nor Congressional leadership has yet been exerted to compromise and overcome stalemates between diehard ideological or interest group coalitions.

Definitive action in all of the foregoing areas is possible in the present session of Congress, in my opinion, only if you and the Congressional leadership join in a public, bipartisan commitment to enactment of a comprehensive national energy program. Although I have introduced or participated in developing legislation on almost every one of these issues, my request today is *not* for unqualified Administration support of my own legislative program. Undoubtedly some elements of a bipartisan energy program will have to be drawn from bills already in the legislative process; others inevitably will more closely resemble proposals developed in Executive agencies. What I ask—and offer—is a mutually accommodating effort to formulate and expedite a series of legislative measures that can be sponsored and supported by both the Administration and the leadership of Congress.

Specifically, I urge and recommend—

First, that you and the Committee Chairmen with principal responsibility for energy matters meet in the coming week to formulate an Agenda for energy legislation to be passed and signed into law during the present Session. The attached list outlines the items that I believe must be part of such an Agenda, and on which I also believe action could be completed in this Session.

Second, that staffs of the appropriate federal agencies and Congressional Committees, together with such outside experts as may be required, be directed to draft legislation which will be jointly acceptable to their principals in each area encompassed by the Agenda.

Third, that the resulting bipartisan legislative program be presented to Congress before it recesses in October, with the sponsorship and support of both the Administration and key members of Congress, and that both Branches treat this program as their first priority.

I further suggest that, concurrent with the development and enactment of this legislative program, a continuous and structured dialogue be implemented in a format jointly arrived at, between the President and his leading advisors, and leading members of Congress, regarding the diplomatic, international economic and strategic initiatives that must be carried out in concert with our domestic energy program to lower the world price of oil and to forestall a world economic collapse.

The separation of the Branches of government, partisan rivalries and the jealousies among executive agencies and among Committees of Congress, would in ordinary times make a proposal such as I have set out here unrealistic. These are, however, extraordi-

nary times. Our security, our economic system and our way of life are at stake.

I recognize that the Administration and the Congress will have different views on many specific issues. There is, however, broad consensus on goals and on essential major programs. It is, in my view, essential that someone take the initiative to build a positive and credible national program.

I am, of course, ready to meet with you or your representatives at any time to discuss this proposal in greater detail.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

A PROPOSED AGENDA FOR IMMEDIATE ACTION ON ENERGY POLICY

PRICE AND IMPORT POLICY

1. *Limitation on the price of all domestic crude oil to a level that reflects its long-term supply price* (no more than $7–$8 per barrel) rather than the dictates of the OPEC Cartel as a major element in a concerted effort to control exorbitant prices, reduce domestic inflation, and prevent unreasonable profits by exporter governments and U.S. companies alike.

2. *A freeze on total dollar outlays for oil imports* at no more than current levels, with licenses to import oil allocated by secret bid auction.

3. *Taxation of windfall oil and gas profits,* beginning with immediate repeal of special tax preferences (percentage depletion and expensing of intangibles) on all oil and gas not subject to price control.

CONTINGENCY PLANNING

4. *Extension of the Emergency Petroleum Allocation Act and establishment of standby emergency authority* adequate to cope with a total interruption of OPEC imports, through gasoline rationing, conservation plans, allocation of essential materials, and appropriate export restrictions.

5. *A system of strategic petroleum reserves* composed of salt dome and tank storage by industry and the Federal government equal to at least ninety days of imports.

ENERGY CONSERVATION

6. *An urgent energy conservation program* with special emphasis upon a 30 percent increase in automobile fuel mileage beginning with the 1976 model year, on redesign of electric and gas utility rate structures, on development of state and local energy conservation programs, and on enforcement of highway speed limits.

PRODUCTION

7. *Federal authority to increase petroleum production and productive efficiency,* including mandatory unitization where state law does not provide for it, Maximum Efficient Rate (MER) of production, and prohibition of market demand proroationing.

8. *Development and production of the Naval Petroleum Reserves in California and Wyoming* to fill the Federal component of the strategic reserve system, and *prompt exploration of Naval Petroleum Reserve No. 4* on the North Slope of Alaska.

9. *Acceleration and improvement of geological assessment and leasing on the Outer Continental Shelf.*

10. *Reform of natural gas pricing* to provide adequate incentives for new supply, and to permit interstate pipelines to obtain new gas, without allowing natural gas prices to be determined by OPEC oil prices.

ENERGY RESEARCH AND DEVELOPMENT

11. *A $20 billion, ten year energy research and development program* with specific goals, objectives and timetables along the lines of legislation now in House-Senate Conference.

12. *Creation of an Energy Research and Development Administration* to administer the national energy research and development effort.

THE WHITE HOUSE,
Washington, October 3, 1974.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SCOOP: Thank you very much for your letter of September 27, 1974 giving your views on the importance of our energy and economic problems and offering to work with others in the Congress and with the Administration to develop proposals and secure legislation needed to deal with both our short and long term energy problems.

The seriousness of our national energy problem and the impact of energy on our economy has indeed been evident for some time. In my recent address to the World Energy Conference, I described the national and world-wide implications of energy supplies and prices. I believe the Economic Summit Conference which was completed last Saturday served to underscore the important role that energy plays in inflationary and financial problems of this and other nations.

All of us in the Administration have benefited greatly from the views and recommendations that we have received from many Americans over the past few weeks. I regard your views and recommendations in the energy area as a particularly important contribution to the large number of considerations which must be weighed and balanced as we develop a response to our energy and economic problems.

As I indicated in my address to the closing session of the Conference, a coherent national policy on energy is essential for economic stability. I will soon propose a national energy program aimed at assuring adequate internal supplies while reducing dependence on external sources.

I also outlined in my statement a number of actions that are being taken and I announced that we are developing action plans and legislative proposals to deal with our economic situation from the evidence and evaluations generated during the Conference. I will present recommendations to the Nation and to the Congress within the next ten days. These recommendations will, of course, recognize the critical role that energy and world oil prices play in our current economic problems.

I was pleased to note that your list of proposals for legislative action during the current session of Congress includes many of the bills submitted by the executive branch over the past two years. In my September 12, 1974 message to the Congress, I expressed the view and the hope that the Congress could complete action this session on five of the most important energy bills. These include legislation to encourage domestic production of natural gas, to create the Energy Research and Development Administration, to modify energy taxes including a new tax to recapture windfall profits from oil companies, to encourage construction of deepwater ports, and to establish clear environmental standards for surface mining so that coal production can be increased.

All of these are bills that are needed now. Members of the Administration stand ready to work with you and others in the Congress to assist in prompt passage of these measures.

While we had not anticipated that the Congress could complete work in time remaining on other major proposals submitted by the executive branch over the past months, we are fully prepared to work on such measures. For example, these proposals include legislation dealing with the Naval Petroleum Reserves, revisions of the Clean Air Act to modify unnecessarily tight deadlines and requirements which are contributing to our energy problems, standby energy conservation authority and revision of nuclear licensing requirements.

Other proposals referred to in your letter focused on longer term aspects of our energy requirement, such as building of strategic petroleum reserves, often involves considerations more complex than those involved in issues that must be resolved now. We are developing additional alternatives for longer term strategies and policies as a part of our Project Independence planning effort.

Initial findings and alternatives developed from this extensive planning effort will be available within a few weeks and we will want to discuss these with members of the Congress. I believe both the Congress and the Administration should have the benefit of these analyses before legislation is enacted which sets us upon courses of action that are not yet understood adequately.

Actions to deal with longer term energy matters must be high on the agenda for the Administration and the Congress as we complete work on the high priority energy bills listed above and the measures that I will be proposing within the next ten days. We will plan to begin consultations on these longer term issues in the latter part of November.

I sincerely appreciate your offer to work for prompt Congressional action on high priority energy legslation and I look forward to working with you on the development of new proposals.

Sincerely,

JERRY FORD.

STATUS OF MAJOR ENERGY LEGISLATION, 93D CONGRESS

(As on October 1, 1974)

I. ENACTED AND PUBLIC LAW

1. Economic Stabilization Act amendments (authority for fuel allocation)	93– 28
2. Trans-Alaska Pipeline	93–153
3. Emergency Petroleum Allocation Act	93–159
4. Daylight Saving Time	93–182
5. Highway Speed Limits	93–239
6. Federal Energy Administration	93–275
7. Energy Supply and Environmental Coordination (Coal Conversion and Clean Air Amendments)	93–319
8. Energy Research and Development Appropriations	93–322
9. Solar Heating and Cooking Demonstration Act	93–409
10. Geothermal Energy Act	93–410
11. Funding Appropriation to Explore and Develop NPR's	93–245
12. Rural Electrification Act	93– 32
13. Federal Aid Highway Act (Allows use of Highway trust fund for mass transit)	93– 87
14. International Oil Pollution Convention	93–248
15. Water Resources Planning Act	93– 55
16. Amend EURATOM Cooperation Act	93– 88
17. Rail Passenger Corporation	93–146
18. Housing and Community Development Act (Promotes energy conservation and use of solar energy in housing)	93–383
19. Aid Energy Affected Small Business	93–386
20. Fuel Cost Pass-through for Truckers	93–249
21. Oil Pollution Act Amendments	93–119
22. Northeast Rail Service Act	93–236
23. NASA Authorization (Includes solar satellite power station study)	93–316
24. Natural Gas Pipeline Safety Act, additional appropriations	93–403
25. Defense Production Act of 1950, extend for two years. Includes materials and fuels allocation authorities and provisions of S. 3523, to establish a temporary National Commission on Shortages and Supplies	93–426

II. VETOED

1. Energy Emergency Act (S. 2589, H.R. 11450)

III. IN CONFERENCE

1. Surface Mining Control and Reclamation Act (S. 425, H.R. 11500).
2. Energy Research and Development Administration (H.R. 11500, S. 2744).
3. Energy Transportation Security Act (H.R. 8193).
4. Energy Research and Development (S. 1283).
5. Solar Energy Act (S. 3234).
6. Urban Mass Transportation Act (S. 386). Recommitted July 30, 1974.
7. International Nuclear Cooperation (S. 3698).
8. Atomic Energy Act, Price-Anderson provisions (H.R. 15323).
9. Suspend duty on methanol (H.R. 11251).
10. Export Control (amends Trans Alaska Pipeline to insure any oil exports do not reduce total supply of oil to U.S., and to consider monitoring of exports of oil production equipment) (S. 3792).
11. Foreign Investment Study Act (to investigate foreign investment in the U.S., particularly in coal and other natural resources) (S. 2840).
12. Amend Daylight Saving Time (H.R. 16102).
13. Public Works and Economic Development Act: Title IX Special Economic Adjustment Aid, Special Aid for energy affected areas and industries (H.R. 14883, S. 3641).

IV. REQUIRING SENATE ACTION

1. Standby Energy Emergency Act (S. 3267, H.R. 13834, on Senate Calendar; pending before House Rules Committee).
2. Deep Water Ports Act (H.R. 10701, reported).
3. TVA Pollution Control Cost Credit (H.R. 11929, referred to Senate Public Works, March 21, 1974).
4. Federal Mass Transportation Act (H.R. 12859, referred to Senate Banking, Housing and Urban Affairs, August 22, 1974).

V. REQUIRING HOUSE ACTION

1. National Fuels and Energy Conservation Act (S. 2176 before House Commerce Committee; no action scheduled).
2. Allocation Act Extension (S. 3717, Hearings held, House Interstate and Foreign Commerce, reporting of a bill to extend Act until August 31, 1975, probable).
3. Elk Hills and Naval Petroleum Reserves (S.J. Res. 176 pending in House Armed Services; no action scheduled).
4. Energy Policy Council. (S. 70 pending before House Commerce Committee; no action scheduled).
5. OCS Supply Act. (S. 3221, Referred to House Interior Committee September 24).
6. Federal Coal Leasing Policy. (S. 3528, Referred to House Interior July 10).
7. National Land Use Policy. (S. 268, H.R. 10294, Reported from House Interior and Insular Affairs, February 13, 1974).
8. National Resource Lands Management (S. 424, referred House Interior and Insular Affairs, July 10, 1974).
9. Protect Franchised Dealers in Petroleum Products (S. 1694, referred to House Interstate and Foreign Commerce, August 8, 1974).
10. Utility Cooperatives serving Food Producers, improve access to credit for expanding facilities (S. 2150, referred House Agriculture, December 17, 1973).
11. Oil Shale Revenues, permit state use purposes other than public roads and schools. (S. 3009, referred House Interior and Insular Affairs, May 13, 1974).
12. Federal Columbia River Transmission System (S. 3362, reported in House September 25, 1974).
13. Construction of Coal Pipelines (S. 3879, referred House Interior and Insular Affairs, September 23, 1974).

VI. REQUIRING SENATE AND HOUSE ACTION

1. Oil and Gas Tax Policy:
(Bills are pending in both bodies which could be the vehicle for changes in oil and gas tax policy. The Mills omnibus tax bill is stalled before House Rules on the question of depletion allowance).
2. Natural Gas Regulating Policy:
(Bills are pending in both bodies and hearings have been completed in the Senate).
3. Strategic Reserves:
(S. 1586 ready for markup in Interior Committee; Committee staff substitute in draft).
4. Refinery Incentives:
(Ordered reported by the Interior Committee).
5. Energy Information:
(In markup in Senate Interior Committee).
6. Foreign Oil Contracts Act:
(Pending before Senate Foreign Relations Committee).

ENERGY CONSERVATION NEEDED NOW TO CURB RUINOUS INFLATION

Mr. RANDOLPH. Mr. President, the American economy is in a precarious situation which demands firm and immediate action. So serious is the situation that citizen confidence requires that deliberate and firm action must be taken immediately. Such initiatives should demostrate the ability of the Federal Government to deliver on its promises.

On January 16, 1973, in this Chamber I outlined 26 proposals for inclusion in a national energy policy. Subsequently the 93d Congress has enacted no less than 13 new Federal statutes in the energy field. Many of these include features of the proposals I offered 21 months ago.

Further initiatives are necessary, however, if the United States is to cope with the potential energy shortages confronting our country. A number of important Federal actions are proposed in the resolution that I shall cosponsor with Senators JACKSON, MANSFIELD, MAGNUSON, and STEVENSON. The Senator from Washington (Mr. JACKSON) has outlined the provisions of this measure which will be introduced tomorrow.

My cosponsorship of this resolution is not an endorsement of each specific item contained in it. Rather, my action reflects my support for the broad principles encompassed in the resolution and my continuing concern over the need for affirmative and timely action to cope with the energy crisis and a deteriorating economy.

Perhaps the most significant actions that can be taken to aid in our fight against inflation are in the area of energy conservation. While we pursue legislative remedies to deal with the long-term energy problems facing our country, as enunciated in the resolution, we must also reinstitute the conservation measures which served us so well during the energy crisis last winter.

We should immediately launch a national energy conservation crusade within the Federal Government and call on the citizens of our country to voluntarily accelerate efforts to reduce their consumption of fuels and energy. Such actions will have a favorable impact on prices and inflation from a reduction in the consumption of expensive foreign energy supplies.

We have committed a grievous error by forgetting the fuels crunch which so disrupted our country last winter. A comprehensive energy conservation program to conserve energy will not only aid in the fight against inflation but it will also lay the groundwork to insure that we are prepared to confront energy shortages this winter should they occur.

Even more importantly energy conservation can do much to reduce inflation. While international oil prices have been skyrocketing, we have been importing more of this expensive fuel than ever before. The high cost of this foreign oil is ravaging our balance of payments and is a major factor in our current double-digit inflation. This dependence, which is expected to amount to some $25 billion this year, is dangerous especially in view of our grave economic situation.

Energy conservation policies must certainly be at the forefront of our national energy policy initiatives because of the favorable impact on prices and inflation from a reduction in the consumption of expensive foreign energy supplies.

In addition we must undertake actions in the areas of energy pricing, import and tax policies, contingency planning and strategic reserves, stimulating new energy supplies, and energy research and development. In the interest of stimulating joint administration and congressional actions on the formulation of a national energy policy, it is a privilege to join Senator JACKSON and other Members of the Senate in sponsoring this resolution.

WASHINGTON PROVIDED VALUABLE INFORMATION BY ERTS

Mr. MOSS. Mr. President, the Governor of the State of Washington, the Honorable Daniel J. Evans, has written to me about the extensive use his State is making of data from the ERTS satellite.

Washington has used ERTS imagery to evaluate tussock moth damage, in timber inventory, in shoreline coastal zone management, in dam monitoring, in water studies relating to oil spills, and in many other areas.

Governor Evans says:

The Earth Resources Technology Satellite (ERTS) has provided valuable information to both the agriculture and forestry industries and to the State of Washington. We are continually discovering new ways to apply ERTS imagery to the management of our state's resources.

Mr. President, I ask unanimous consent that Governor Evans' letter be printed in the RECORD.

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

STATE OF WASHINGTON,
Olympia, Wash., August 19, 1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR SENATOR MOSS: The Earth Resources Technology Satellite (ERTS) has provided valuable information to both the agriculture and forestry industries and to the State of Washington. Our Department of Natural Resources, through its Resource Inventory Division, receives and distributes the ERTS imagery data. We have, for example, used ERTS imagery in evaluating Tussock Moth damage to the Douglas Fir which has been a major problem to this state. On the 2 million acres of state-owned forest land, the Department of Natural Resources has also

utilized ERTS to accumulate timber inventory information and data needed to establish the annual allowable timber harvest.

The Department of Natural Resources is not the only agency taking advantage of the ERTS system. The Department of Ecology uses ERTS in several programs; Shoreline coastal zone management to delineate wetlands and ocean beach vegetation; dam monitoring; and water baseline studies relating to oil spill risk areas. The University of Washington has two major projects in their Urban Planning and Civil Engineering Departments, which use ERTS imagery.

We are continually discovering new ways to apply ERTS imagery to the management of our state's resources. We are presently developing computer capabilities which will translate ERTS data into computer generated land use charts. Such developments make us very enthusiastic about the potential long range benefits available to Washington as a result of the ERTS program.

I wholeheartedly support your efforts for an operational ERTS system. If I can be of further assistance in generating support for this project, please feel free to call or write.

Sincerely,

DANIEL J. EVANS,
Governor.

COMPETITION AND GOVERNMENT REGULATION

Mr. MOSS. Mr. President, yesterday, Lewis Engman, the Chairman of the Federal Trade Commission gave a speech to the fall conference of the Financial Analysts Federation which hit the mark for clarity. Mr. Engman has echoed a sentiment which I have long felt, that our Government regulatory structure preserves inefficiencies and is burdensome to the public.

In our free enterprise system, only limited regulation should be permitted. In the case of those industries which are monopolistic, until such time as competition is restored, I support regulation. But in the area of competitive industry, regulation is a protectionist device which saps the fires of true competition. Recently I have given a number of speeches on this subject and have found the audiences to be most receptive. The public no longer wants agencies of Government interfering in the marketplace. Competition is the long-range arbiter of price and quality, not Government regulators.

To that extent, I congratulate the Chairman of the Federal Trade Commission, and I urge other Members of the Congress to review his speech. I believe that a significant part of our fight against inflation will be successful if we direct our attention to restoring competition and eliminating wasteful Government regulation.

I ask unanimous consent that the text of this speech be printed in the RECORD.

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

ADDRESS BY LEWIS A. ENGMAN, CHAIRMAN, FEDERAL TRADE COMMISSION

I imagine many of you followed with the same interest I did the summit and pre-summit economic conferences last month.

Probably you were not surprised at the fact that inflation—or perhaps, to put it more accurately, "stagflation"—was widely agreed to be the country's number one problem.

You should not have been surprised either that there was little agreement on how to deal with it. You get that many economists, businessmen and labor leaders together and you will be lucky if you can get them to agree on where to go to lunch.

Can you imagine acting as moderator for that group? I can think of less frustrating jobs. Like being the construction foreman on the Tower of Babel, for instance.

I don't want to be unfair to the summits. Although gatherings like that do not exactly produce an ideal decisionmaking environment, I believe it was worthwhile to get everyone's views out on the table. It also demonstrated that the present inflation is not a problem susceptible to a quick or easy "fix".

As for getting a consensus from that many independent minded people on a subject as complex as how to stop inflation, I suspect that anything resembling agreement would be most likely to be a sort of eclectic anthology of economic wisdom, and I'm not at all sure that is a good idea.

If we are going to make it up the long haul ahead of us, it is more assuredly not going to be in an economic policy vehicle that has John Kenneth Galbraith's engine block, Otto Eckstein's clutch, Dick Gerstenberg's drive shaft and Leonard Woodcock's transmission.

That kind of compromise approach reminds me of the husband and wife, one of whom wanted to paint the house red, and the other blue. Since neither would settle for the other's color, they mixed the two paints together and got purple, which was ugly but okay because neither one of them liked it.

In economic planning as in painting, the only thing to be said for that approach is that it is equitable.

Certainly there is no shortage of suggestions for how to deal with inflation.

On the front shelf is the traditional medicine, prescribed since time immemorial for the symptom of uppity prices: tight money and a balanced budget. There are those who doubt the effectiveness of this old cure in a cost-push world, but its proponents still outnumber its detractors.

In addition, there are some, myself among them, who also believe that inflation can be reduced by purging the economy of anticompetitive behavior. The FTC and the Justice Department's Antitrust Division are both looking with especial care for the types of trade restraints, collusion and unfair marketing practices which reduce competition and lead to higher prices for consumers.

Some have suggested that import duties and quotas be lifted to permit entry of more lower priced foreign goods.

Others cast their vote for the reimposition of controls or, at least, for some form of guidelines.

But the suggestion enjoying perhaps the greatest vogue at the moment is that inflation can be curbed by reducing the government's involvement in the economy; more specifically, by reducing its regulatory role.

It is not just the survival-of-the-fittest, every-man-for-himself free-marketeers who make this suggestion. It has the support of many people generally viewed as liberal and interventionist in their approach to the economy.

It has received the blessing of Ralph Nader.

And it is about to be endorsed by Lew Engman.

And here's the reason. Though most government regulation was enacted under the guise of protecting the consumer from abuse, much of today's regulatory machinery does little more than shelter producers from the normal competitive consequences of lassitude and inefficiency. In some cases, the world has changed reducing the original threat of abuse. In other cases, the regulatory machinery has simply become perverted. In still other cases, the machinery was a mistake from the start. In any case, the consumer, for whatever presumed abuse he is being spared, is paying plenty in the form of government-sanctioned price fixing.

Take the airline industry for instance. Under the Federal Aviation Act, the Civil Aeronautics Board controls the entry of new carriers to the market, controls the distribution of routes and has the power to disapprove or modify an airline's rate change proposal after hearing complaints from the so-called competition.

The result is that in the areas of rates and routes for all intents and purposes there is no competition at all. Competition, where it exists, is concentrated on the one unregulated aspect of airline activity, customer service. That is why the average airline commercial looks like an ad for a combination bawdy house and dinner theatre.

This may lead to some pleasing amenities. But it puts the customer in the position of captive buyer. Nobody asks him if he would rather have the money than the movie, or if he would like to brown bag it from New York to California instead of having the steamship round of beef au jus on the little plastic plate. He is just asked to pay up.

If you have any doubt that one consequence of the CAB's control over rates and routes is higher prices, you need only look at what happened some years ago in California when Pacific Southwest Airlines, an intrastate carrier not subject to CAB rate regulation or entry restrictions, entered the San Francisco/Los Angeles market with rates less than half those being charged by the interstate CAB certified carriers TWA, Western and United.

What happened? After attempting to ignore PSA's lower fares, the CAB carriers were forced to cut their rates to meet the competition. Even today, to fly from L. A. to San Francisco it costs only about half as much on a per-mile basis as it costs to fly from Washington to New York.

Of course, it is true that a major airline will try to make a fat profit on a high volume run like Los Angeles/San Francisco because it knows it is going to lose a bundle flying between Black Rock and Where-am-I City which the CAB, with the full support of concerned and interested members of Congress, requires it to do.

Except in those instances where it encounters competition from a PSA, it will succeed in this little book balancing act, charging one customer to pay for the flight of another so the CAB can perpetuate a network of routes which no longer and perhaps never did conform to the pattern of demand.

Certainly, no interstate carrier need be excessively concerned about new competition. The CAB has not approved entry of a new trunk carrier to the market since 1938. And just last month, the CAB rejected an application by Laker Airways, a privately-owned British airline, to fly regularly scheduled New York/London flights for $125 each way. That price, by the way, is little more than one-third of the economy fare charged now by Pan Am, TWA, and the other members of the international rate-fixing cartel.

As if that were not enough, the CAB also has been moving in directions which would raise prices in the heretofore unregulated chartered market. Recently, it approved discussions between scheduled and charter carriers in hopes that a mutually satisfactory rate-floor for charter flights could be agreed to. I hardly need add that any such floor would be higher than current rates.

I would find it hard to imagine a more obvious instance of prices being pushed up by regulation than the case of the airlines.

Unfortunately, I do not have to imagine such a case, for we have the Interstate Commerce Commission. That body, as you know, was created way back in 1887 supposedly

to protect shippers against the monopolistic power of the railroads.

But by 1935, the nation had sprouted a network of highways, and the trucks which rolled over them were biting deeply into the market power of the railroads.

With the trucking field still wide open to new entrants, this might logically have been the time to dismantle the ICC. The railroad monopoly was broken, competition could take its course.

Did that happen? No sir. Instead of freeing the railroads from regulation, Congress, in the Motor Carrier Act of 1935, just cast the regulatory net wider to include the interstate truckers as well.

As a result, today we have a situation in which market entry by new trucking firms is restricted by the ICC at the same time that rates are being fixed by the carriers who are given antitrust immunity to do so. Though the ICC has authority to investigate rate findings by the carriers, according to testimony given before a House Committee two years ago, the Commission was doing so in less than one percent of the cases.

And what is the result? Well, when the Supreme Court held some time ago that fresh dressed poultry was an agricultural commodity under the ICC Act and thus not subject to regulation, the average rate for shipping it fell by 33 percent. It is gratifying to note that the party who got the short end of the 5–4 decision was a certificated carrier who was trying to stamp out the competition of an uncertificated carrier who had the temerity to haul chickens without a license.

I have given you just a couple of examples. But, when you take all of the industries subject to direct federal regulation—that's air, rail and truck transport, power generation, television, radio, the securities industry and others—it works out to a substantial fraction of the economy.

In fact, it is estimated that these regulated industries account for 10 percent of everything made and sold in this country. What makes them even more important from the point of view of inflation is that they tend to be industries whose prices show up as costs buried in the prices of hundreds of other products.

Take transportation for example. When you change the price of hauling freight, that change is going to show up in a lot of other products. Moreover, it will show up not just once but again and again. By the time you get a piece of meat from the pasture to the plate, it carries with it numerous transportation charges.

And these industries subject to direct regulation are only part of the story.

There are, in addition, the dozens and dozens of federal and state regulations, prohibitions, proscriptions and requirements all of which subvert competition in the name of a greater objective—though sometimes it is hard to see exactly what that greater objective is or on whose judgment its greatness rests. I refer to things such as:

State laws against advertising the prices of eyeglasses or prescription drugs;

The Jones Act forbidding foreign competition in the shipping business between U.S. ports;

The Federal Government's own "buy American" procurement preferences which can allow domestic producers to charge as much as 50 percent more than foreign sellers for some items. I should add that many states have similar preferences;

An agricultural price support program which asks the consumer to buy with his tax dollars what he does not want, cannot use and will never eat;

An agricultural export subsidy program which asks the consumer to pay the farmer to sell his product to some foreign buyer at a price lower than that at which the consumer himself can get it.

The effect of some of this regulation may perhaps be seen in some recent events in California. This summer the California Milk Producers Association dumped 420,000 gallons of fresh skim milk into Los Angeles harbor. The dairy co-op said that it was necessary to dump the milk "because no market could be found for it."

At what price, I might ask. I suspect that more milk could be sold if it were not for the elaborate government programs designed to maintain higher than competitive prices on the producer, processor and on the retail levels.

I mention only a few. Former Council of Economic Advisers' members Hendrik Houthakker has compiled a list of 45 regulatory policies that contribute to inflation.

The list of noble goals advanced to support these regulatory subsidies is virtually without end. I'm as humane as the next guy. I am not criticizing these goals. A responsive government must take action to address the demands of the people.

But mischievous means are not justified by noble ends.

To me, the most distressing development is the pervasive and well-accepted dishonesty that pervades the government's approach to regulation.

The existing crazy quilt of anti-consumer subsidies embodied in the intricately woven fabric of federal and state statutes and regulations is pernicious because:

The subsidies are deliberately hidden from public view.

The government has irresponsibly lost track of the actual cost of these subsidies.

In most, if not all, cases, we have adopted the least efficient form of subsidy with the purpose of hiding the subsidy from the public and obfuscating its true cost.

From time to time, proposals have been made to provide direct cash subsidies in lieu of the patchwork of regulatory subsidies that now pervade our economy. Opponents rise indignantly to object that hard-working individuals and businesses don't want handouts. Well, a rose by any other name. . . .

Our airlines, our truckers, our railroads, our electronic media, and countless others are on the dole. We get irate about welfare fraud. But. our complex systems of hidden regulatory subsidies make welfare fraud look like petty larcency.

I have no way of knowing what the numerous regulatory measures cost the consumer each year. I have seen private estimates indicating that the annual costs in the transportation area alone may exceed $16 billion.

I invite students of this kind of thing to come up with their own figures. Whatever they are, I think we can all agree on this: the costs are too high.

There are free market purists who are reveling in the growing disenchantment with heavy-handed regulation. They have contended all along that the market was the fairest and most rational allocator of resources; that you could no more improve its performance by regulation than you could improve the performance of a fine watch by poking around in its works with a paperclip.

It seems to me that these arguments—taken to the extreme—are both naive and destined to be ignored. They are naive because they stress only the virtues of the long range adjustment facility of the market system. They ignore the short term dislocations that market forces produce and they discount legitimate social objectives that enlightened peoples choose to pursue. Voters do not live on bread alone. And to the extent they do live on bread, it is this year's bread, not next year's.

The market will not prevent bank failures or compensate their victims. It will not guarantee safe toys or unadultered drugs. And it will not ensure a clean environment.

If we want to be assured of these things, we may need some regulation.

Regulation may also be needed to protect the consumer where natural monopolies exist, that is, where economies of scale argue strongly for a market being served by a single producer. Electric power and local phone service are good examples of this.

These are instances in which some would say that the benefit of regulation can be said to exceed its costs.

But the trade-off between benefits and costs is not always an easy determination to make. Moreover, neither the benefits nor the costs will remain constant over time. Some of the costs, such as direct expenditures, are obvious. Others, such as the costs the consumer pays for diminished competition, are not so obvious.

The problem of weighing costs and benefits is made more complex because often it is necessary to compare unlike qualities. (How, for instance, do you give pain and suffering a monetary value?) Or because those who bear the costs may be far more numerous than those who reap the benefits. (In order to spare one person 100 units of discomfort, is it fair to assess 100 people more than one unit each?)

I don't know the answers to these questions. The point is that each and every regulation or regulatory policy that contributes to inflation should be re-examined to make sure that the trade-off between costs and benefits which presumably brought about its institution, is still valid. We may well find that some of the more costly ones look a lot less attractive in a world of 12 percent inflation than they did in a world of 3 percent inflation.

We should also re-examine them to see whether those imagined trade-offs were accurate in the first place. For instance in the case of the ICC, rates wasted no time in going up immediately after the agency's creation.

When truckers are permitted to fix prices and are subject to a panoply of regulations all because the transportation mode with which they compete once had excessive market power, one is hard pressed for a logical explanation. When airlines are going broke despite the fact that they charge twice as much as others are willing to fly for, something is seriously wrong.

The fact of the matter is that most regulated industries have become federal protectorates, living in the cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency and innovation.

There are those who hold the businessman to be so unprincipled and greedy that they regard any governmental interference with his free movement as an addition to the social welfare.

Experience would seem to contradict that point of view. In point of fact, the effect of government interference frequently has been to remove the one thing that stood in the way of the anti-social exercise of greed; I am referring to competition. Meanwhile, the scheme of regulation has proven at least as susceptible to the lure of protectionism as the private interests it replaced.

As a political matter, we will not be able to pare away our excessive regulatory fat unless the public can be assured of adequate protection against the abuses that regulation was designed to curb.

We at the Federal Trade Commission can help provide that assurance. Through a vigorous antitrust policy, we can help prevent the aggregations of private market power which permit consumer abuse and create a need for regulation.

But there will still be cases in which regulation is necessary. For those cases, the advice I would offer is that the costs of the regulation—and I mean the direct costs, the indirect costs, the present costs and the future costs—be fully understood and consistent with what we hope to gain. The task won't be simple. Cost calculations of the

type I propose are likely to be imperfect. We currently lack not only accepted calculation methodologies but also much of the raw data necessary to informed estimates. But unless substantial progress is made, our regulators will continue to stumble around in an increasingly expensive game of blind man's buff. Unless and until these facts are brought to light, I see little hope for assuming that public actions will match up to public expectations or the public interest.

TAX CREDIT ON INTEREST ON SAVINGS

Mr. CHILES. Mr. President, yesterday Senators BARTLETT, DOMENICI, HUDDLESTON, NUNN, and myself introduced a bill to provide a tax exclusion or a tax credit on interest earned on savings accounts.

Today I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 4094

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by adding at the end thereof the following new section:

"SEC. 43. INTEREST ON SAVINGS RECEIVED BY AN INDIVIDUAL.

"(a) IN GENERAL.—In the case of an individual, there is allowed, subject to the limitation in subsection (b), as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 33⅓ percent of all interest and dividends received during the taxable year from a financial institution.

"(b) LIMITATION.—The credit allowed by subsection (a) for a taxable year shall be limited to $260.00.

"(c) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) a bank, as defined in section 581, and

"(B) a savings institution described in section 591.

"(2) INTEREST RECEIVED.—The term 'interest received' means interest or dividends on savings deposits or withdrawable savings accounts received by, or credited to the account of, an individual."

"(b) The table of sections for such Subpart A is amended by adding at the end thereof the following item:

"SEC. 43. Interest on savings received by an individual."

SEC. 2. Part III of subchapter B of chapter I of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended—

(1) by redesignating section 124 as 125; and

(2) by inserting after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF INTEREST RECEIVED BY INDIVIDUALS.

"(a) GENERAL RULE.—In the case of an individual, gross income does not include any amounts of interest received by, or credited to the account of, a taxpayer from a financial institution as interest or dividends on savings deposits and withdrawable savings accounts during the taxable year. If the amount of interest on taxpayer's savings deposits and withdrawable savings accounts exceed $1,000, the exclusion provided by this section applies to the interest or dividends first received during the taxable year.

"(b) 1. LIMITATION.—The exclusion allowed to any taxpayer under subsection (a) for any taxable year shall not exceed $1,000.

"(2) LIMITATION.—The provisions of this section do not apply to interest or dividends received by, or credited to, any individual for any taxable year when the taxable income of such individual, determined in accordance with the provisions of parts I, II, and III (other than this section) of this subchapter, is such that the corresponding tax rate as determined by section 1 is equal to or greater than 50 per centum.

"(c) DEFINITION.—For the purposes of this section, the term 'financial institution' means—

"(1) A bank, as defined in section 581, and

"(2) A savings institution described in section 591.

"(d) Election to Take Credit in Lieu of Exemption—This section does not apply in the case of a taxpayer, who, for the taxable year, elects to take the credit against tax allowed by section 43 (relating to interest on savings received by an individual). Such election shall be made in the manner and at the time prescribed by regulations by the Secretary or his delegate."

"(e) The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"SEC. 124. Partial exclusion of interest received by individuals.

"SEC. 125. Cross references to other Acts."

SEC. 3. The amendments made by this Act apply to taxable years beginning after December 31, 1974.

THE TRANSPORTATION SUMMIT

Mr. CRANSTON. Mr. President, on September 19 and 20, I had the privilege of attending the Transportation Industry Conference on Inflation held in Los Angeles. This conference was one of the "minisummits" sponsored by the administration as a forerunner to the September 27–28 White House economic summit. Much attention there was focused on the problems of mass transit systems. I am hopeful that some of these problems will be resolved by prompt approval of the comprehensive mass transit bill (S. 386) recently reported by a House-Senate conference committee.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement I made in conjunction with the opening of the transportation conference.

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

REMARKS BY SENATOR ALAN CRANSTON ON THE TRANSPORTATION INDUSTRY CONFERENCE ON INFLATION

It is appropriate that President Ford has called a summit-level conference on transportation as it relates to our present economic situation. It is a truism that the American economy—indeed, our whole way of life—is utterly dependent upon a vast and fragile web of bus and truck lines, seaways, rail and air routes. In recent years we all have seen the dislocation caused by just temporary interruption of a single one of these systems. There is no question but that people and products must be moved quickly, efficiently and in a rational manner in the United States.

How we accomplish rational transportation, bears directly upon other national goals: economic, environmental and energy. It is self-evident that we cannot have the kind of environment we want as long as we sacrifice clean air and open land upon the altar of the internal combustion engine. It is equally obvious that we cannot properly conserve limited fuels while maintaining the 5,000-pound single-family gas hog as a national mascot.

It is fitting that this conference is held in Los Angeles. This is a city largely built by and for the automobile. And with a ratio of 6 million motor vehicles to 10 million persons, the South Coast Air Basin is paying the price: in bad air, wasteful land use, and separation of people from their jobs, their neighborhoods and from each other.

But Los Angeles in the last two years has made progress on the thorny issue of mass transit. Preferential bus and carpool lanes are being established. Bus fares have been lowered to 25-cents to induce passengers out of their cars. A subscription bus program has been initiated for downtown employes and about one-third of all city employees are carpooling. The city has adopted a comprehensive plan for bikeways and bike paths. And in a few weeks, local voters will rule on a proposal to raise the sales tax to provide increased funds for mass transit. I am firmly supporting that ballot proposition.

Probably more people and goods are moved within California, via all means of transportation, than within any other state. In the course of this conference I expect to hear from management, labor and consumers. We will hear about the economic pressures being faced by air, rail, bus and taxi companies, bargelines, freight forwarders and ocean shippers. We will explore whether present government policies are helping or hindering the industry's efforts to cope with double-digit inflation. It is possible that existing regulations are fueling inflation and reducing productivity in transportation. If so, it is our obligation to review those policies and make changes where necessary.

I hope this conference also focuses the attention of private industry, government and the public on the absolute necessity for improving urban mass transit. In Sept. 14, the trans-bay tunnel of the Bay Area Rapid Transit system was officially opened with great ceremony. The United States now has its sixth working rapid transit system—not a particularly good record for a nation with the technology to put men on the Moon. It illustrates the problem to say that many Americans can travel great distances between cities in less time than it takes them to get from their homes to the airport. This suggests that our priorities have been seriously misplaced. As a member of the newly-created Senate Budget Committee, I look forward to working for new emphasis on the urgent need for more mobility *within* our cities and suburbs.

The federal role is clear. Federal funds must be provided for planning and building new urban transit. And for improving and enlarging existing systems. Federal money is needed to "market" mass transit. The empty seat on the bus or train, once gone, can never be filled. If mass transit is going to survive as an alternative to the automobile, it must be made as least as attractive as the automobile. Modern, efficient systems—whether bus or fixed-rail—must replace the dilapidated service found in too many American cities. Otherwise mass transit will die. And with it goes the hope of our cities.

I beleve it is also part of the federal responsibility to provide operating subsidies for urban transit. The Senate has endorsed this principle four times in the past three years. The House has passed operating subsidies twice in the past two years. But in each case, federal aid offsetting the skyrocketing costs of operating transit systems died because of White House opposition. The result was millions for hardware, but not a penny to help transit systems break even. This policy forced many cities to plan for fixed-rail transit, even if it was not the best answer

for that particular community, simply because that's where the money was. A community can only utilize so many buses. And they last for 20 years. But paying for the operation of a fleet of buses is another problem. Bus drivers in the East Bay, for instance, earn $6.22 an hour and are scheduled to go up under their present contract next year. There is little sense in providing money for buses and fancy rail systems if no community can afford to operate them.

If we fail to place mass transit high on our list of spending priorities, we will do violence to all our efforts to curb inflation. The effect of rising transportation costs on the average family budget is obvious. Next to food and shelter, transportation is probably the most necessary, and rapidly appreciating, commodity. California motorists buy 10 billion gallons of gasoline a year. Nowadays the average motorist is spending 24 cents a mile—or $2,400 a year—to operate a car, not counting parking fees.

Without operating subsidies for existing transit systems, fares will have to be raised, or services drastically curtailed—or both.

The urban worker, marginal-income families and the elderly will be the first victims of rising fares and diminishing service. In short, the same persons who have felt the cruelest effects of all other cost of living increases in recent years. They are the people whose incomes, when measured against higher costs of food, housing and other essentials, have registered a shattering net loss. The poor are certainly getting poorer.

Transit fare increases, necessitated by failure to provide adequate operating subsidies, will also register on the national inflation scale. According to the U.S. Conference of Mayors, a 50 percent increase in fares will increase the Consumer Price Index .5 percent, because transit fares nationwide account for 1 percent of the CPI. Such an increase would have the multiplier effect of raising the federal budget some $350 million annually, the Mayors estimate. That would be a totally unjustified and avoidable drain on the federal budget.

We can provide the necessary aid for mass transit without fueling inflation. Last year Congress broke the Federal Highway Trust Fund for the first time, making additional revenues available for financing mass transit. An amendment I offered put gas tax money to work building bike paths to encourage a most healthful and totally non-polluting form of transit. We can expand on the use of highway trust fund monies. We can reimpose the auto excise tax and use those revenues for mass transit. I favor an additional surcharge on big cars, putting still more auto revenues to work curing the problems caused by over-dependence on the auto.

Congress and the Ford Administration can agree on certain outlines of a National Transportation Policy. We can agree that Federal fiscal support is needed to make urban mass transit work, though we may disagree on how much the federal government should pay and how much should be generated by local government and transit users. We can agree on the need to market mass transit—to make it work so people will continue to use it. We agree that decisions over the use of federal money, either for capital improvements or for operating subsidies, should be made by local officials.

President Ford, by holding this conference on transportation as part of his overall strategy for a domestic summit on the economy, has indicated his appreciation for the role of transportation in all our affairs. I think that's a good sign.

CHAOS IN OUR SCHOOL DISTRICTS

Mr. DOMENICI. Mr. President, for many months, school principals in my State of New Mexico have written to point out their funding difficulties as they relate to Federal subsidy programs. I have recently received another such letter which I would like to bring to the attention of my colleagues.

The letter from Robert K. Maxwell, director of Federal programs, Roswell Independent School District, clearly illustrates the need for adequate advance information being transferred to all school districts prior to contract negotiation and program implementation.

I am particularly heartened by the passage of H.R. 69, the Elementary and Secondary Education Act Amendments of 1974, which clearly states in section 802 that advance funding be allocated. As I understand this provision, advanced funding will be distributed for all federally subsidized education programs. Should the plan fail and advanced funding be more talk than reality, Mr. Maxwell has described the resulting chaos school districts experience.

I ask unanimous consent that Mr. Maxwell's letter be printed in the RECORD.

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

SEPTEMBER 18, 1974.

Hon. PETE V. DOMENICI,
U.S. Senator, Committee on Public Works, Washington, D.C.

DEAR SENATOR DOMENICI: H.R. 69, recently signed into law by President Ford, provides for a study by the Commissioner of Education on the effects of late funding of federal education programs. Specifically the question has been asked, "Late funding—does it hurt?". The Commissioner of Education is to try to find out how much late funding of elementary and secondary education programs handicaps local education agencies in planning education programs, and whether program quality and achievement of objectives is "adversely affected" by such delays. Congress also wants to know what legislative or administrative action might overcome the whole problem.

It seems to me that the whole study is redundant in light of what has already become evident at the local level. I would refer you to a letter from this office to you dated 5 November 1973, and a similar letter from the Title I Coordinator in Albuquerque dated 31 October 1973. In both cases we outlined in considerable detail the adverse effects of late funding. We have never finished a year in Title I of PL 89-10 (ESEA) with the same budget as we had at the beginning of the year. Last year was no exception. We began the fiscal year on 1 July 1973 with an approved project for $230,313.00. Because of the language in the continuing resolution we amended the approved project of $312,981.00. Because of the change in language again when the appropriations bill was signed in December 1973, New Mexico lost funds in relation to the first two quarter grant awards and our project was reduced in January 1974 by $46,331.00 to the final level of $266,650.00. We have started the current year in typical fashion with no bill as of the beginning of the fiscal year; a continuing resolution from Congress at the last minute; no distribution of funds for programs for the current year until the last week of August (meaning that many districts had to borrow money from operational funds to meet payrolls); and no approved funding level likely to filter down from Congress through the President through the U.S. Office of Education through the state to the local level until at least the end of the first semester of school. Late funding does hurt! It is almost impossible to plan a program in the middle of the year that is as effective as one planned before the year begins. It is rarely possible to find personnel to staff a program beginning in the middle of the year. It is highly frustrating to be forced to terminate personnel during the year because of budget cut-backs. Yes, late funding does result in adverse effect on programs. The action to overcome the problem seems to be simple and obvious. Forward funding so that adequate planning can be done and budgets can remain stable for a program year should solve this particular problem.

It may be that the Congressmen from New Mexico are more closely in touch with their constituents, and that they have a better grasp of some of these factors than Congressmen from more populous areas. I believe that you personally are aware of the problems associated with late funding. I hope that you will communicate these problems to your colleagues so that forward funding can become a reality.

Sincerely,

ROBERT K. MAXWELL,
Director of Federal Programs.

ELIMINATING ARTIFICIAL AND OBSOLETE RESTRICTIONS

Mr. GURNEY. Mr. President, at the recent Summit Conference on Inflation held here in late September, a number of distinguished economists and other authorities spoke forcefully to the need for eliminating artificial and obsolete restrictions that cause various segments of our economy to operate inefficiently.

In my opinion, such sound advice should most emphatically be heeded when we consider such legislation as this bill.

For the benefit of my colleagues, I shall quote some of these remarks taken from the conference transcript.

First, from Dr. Otto Eckstein on September 27:

We should repeal obsolete laws that raise costs and require industries to operate inefficiently. Many laws were adopted in the Depression and should have been taken off the books long ago. Candidates for restudy and elimination include the law requiring the use of high cost U.S. ships along our coasts, restrictive labor laws which raise costs and lower productivity and laws that we still have to limit the production of crude oil.

Second, from the distinguished Senator from Arizona (Mr. FANNIN) also on September 27:

It is alleged that our distribution and marketing system is much in need of overhaul. Artificial freight rates and tax rates on transportation and our distorted import and export policies may be hampering both industry and consumer alike. We need immediate investigation of these charges followed by prompt bipartisan Congressional and Executive action if they prove valid.

In conclusion, Mr. President, I think we can agree that the efficient production, distribution and use of our still abundant materials and resources are basic to beating inflation in an industrial society. Under your vital leadership this can be accomplished.

Third, from Dr. Arthur Okum's statement on September 28:

Outside of the fiscal-monetary area, the group strongly supports efforts to improve the nation's price performance. Specifically, the members of the economist panel urge the adoption of a package approach, to repeal many laws that now push up prices and costs through import quotas, anti-trust exemptions, rigid regulatory rules, and anti-competitive restrictions on sellers.

And from Prof. Walter Heller's remarks of September 28:

At long last we need to purge federal laws of the inflationary provisions like import quotas, fair trade prices, maritime subsidies, overregulation of airlines and railroads, and a myriad of other sacred cows by which government chokes off competition and milks the consumer.

President Ford's opening remarks to the 1974 annual meeting of the Board of Governors of the International Monetary Fund and the World Bank Group on September 30 contained a similar message. He said:

We in this country want solutions which serve very broad interest rather than narrow self-serving ones. We in America want more cooperation, not more isolation. We in America want more trade, not protectionism.

Mr. President, can we in good conscience support such a highly inflationary and wholly unnecessary bill that would needlessly raise energy prices, such as H.R. 8193, the Energy Security Transportation Act of 1974, so-called cargo preference?

CONTINUING APPROPRIATIONS

Mr. BAYH. Mr. President, I hope the Senate will concur in the amendment of the House of Representatives to the conference report on the continuing appropriations resolution.

This amendment reinstates the original House language requiring a termination of military assistance to Turkey unless the President first certifies to Congress that "substantial progress" is being made to resolve the tragic situation on Cyprus.

I have spoken out several times here on the floor, and during travels throughout my own State of Indiana, against the wantonly aggressively policy which the Turks have pursued on Cyprus. By failing to abide by the terms of the initial cease-fire on Cyprus the Turkish Government has violated the conditions by which it receives U.S. military assistance.

Continuing our aid under these circumstances makes little sense, unless we can help prod the Turks into negotiating for a withdrawal from the land they have occupied on Cyprus. That would constitute substantial progress under the terms of the House-passed amendment to the continuing resolution and should be our minimum demand in return for a continuation of U.S. military aid to Turkey.

Indeed, Mr. President, the Senate originally passed an amendment stronger than the House language. I was pleased to cosponsor that amendment with my distinguished colleague from Missouri (Mr. EAGLETON). Unfortunately, the administration prevailed on the conferees to adopt neither the Senate or House language, nor even a compromise between those two, but rather a whole new section far weaker than that passed by either body of the Congress.

The threatened veto of the continuing resolution in the event we agree to the House amendment is scarcely adequate reason not to restate our firm conviction that Turkey should not and must not assume it can conduct aggressive activities with impunity. The freedom of Cyprus must not be compromised for the sake of power politics.

Were the Congress not to express its will honestly and forthrightly because of a threatened veto, we might as well go out of business and let the executive branch make all policy. I am sympathetic to the diplomatic problems involved in negotiations over Cyprus; but I am not sympathetic to the notion that the Turkish Government can, on one hand, pursue illegal and aggressive policy on Cyprus, and, on the other hand, blackmail the U.S. Congress from taking the logical step of terminating military aid.

If Turkey places a high value on U.S. military assistance then let it withdraw from captured territory on Cyprus and demonstrate the kind of negotiating posture which will enable the President to provide us with the necessary assurance that "substantial progress" is being made toward a Cyprus settlement. That strikes me as a fair price to ask Turkey to pay for continued U.S. military assistance.

For that reason, I hope my colleagues, who overwhelmingly adopted the Eagleton amendment, will do likewise and the President will recognize the validity of our position and sign the conference report as amended.

In a related matter, Mr. President, I was disappointed to learn that the conferees had dropped the amendment adopted by the Senate to provide assistance to Israel under the continuing resolution at the same level as proposed by the administration for fiscal year 1975 in the regular foreign assistance authorization. There have been ominous noises coming from the Middle East; rumors that tensions are rising and that hostilities might again erupt.

We know that the Soviet Union is continuing to supply substantial aid to its Arab allies, and we know from 25 years experience in the Middle East that the best deterrent to Arab military adventures is to maintain the delicate power balance which is dependent on adequate U.S. assistance to Israel.

The Senate went on record in favor of such assistance, approximately $550 million for fiscal year 1975 including supporting assistance, military credits, and military grant aid, in adoption of the Mondale amendment to the continuing resolution and during consideration of the foreign assistance authorization, which was subsequently recommitted to committee.

With the regular authorization postponed until after the upcoming recess, the level of U.S. aid to Israel will be lower than either the administration or the Congress wants. While there will be an opportunity to restore U.S. aid to the proper level after the recess, I hope fervently that this delay will not contribute to an imbalance in the Middle East's always delicate power ratios.

We must not let Soviet ambitions in the Middle East endanger Israel, any more than we can let Turkish adventurism destroy the freedom of Cyprus.

TOASTMASTERS INTERNATIONAL'S 50TH ANNIVERSARY

Mr. TUNNEY. Mr. President, 50 years ago, on October 22, 1924, Dr. Ralph Smedley met with two dozen men in the basement of a YMCA in Santa Ana, Calif. Their purpose was to "facilitate practice in afterdinner speaking and in presiding over meetings, to promote sociability and good fellowship." From this modest beginning evolved an organization that today has over 60,000 members in over 3,000 locally organized clubs throughout the world. This is a remarkable accomplishment for a voluntary, nonprofit educational group, and Toastmasters International is to be commended for it.

Over the past five decades, Toastmasters has developed a professionally designed program for practical training in the power to communicate. Its foundation is learning by doing and improving through criticism. Over a million people have joined local Toastmaster groups to profit from this training. I was one of these people, and I recommend the experience to anyone seeking the Toastmaster goals of better listening, thinking, and speaking.

I am pleased to call attention to this anniversary, for Toastmasters began its growth in my home State. Apart from regional pride, however, I am concerned with the need today for more effective communications training, and I recognize that this group helps to meet this need. In this age of growing community concern and civic involvement, more people find that they must speak before groups if they are to offer their ideas.

Membership in Toastmasters includes training in the skills of platform speaking. The educational vehicle used is the delivery of short prepared speeches and impromptu talks which are then evaluated by other members. But Toastmaster training goes beyond overcoming the terror that many people feel when called on to say a few words. It helps develop the abilities of being able to listen, to evaluate what others are saying, and to give and take constructive criticism.

The Toastmaster program offers assistance to those who want to develop their ability to speak effectively, listen carefully, and think critically. I support the efforts being made by Toastmasters International as they form new clubs to bring this training to more people, and I wish them continued success in the future.

LETTERS TO THE PRESIDENT

Mr. McGOVERN. Mr. President, within the last several days, President Ford has received letters from two spokesmen for livestock producers in my State. A copy of each letter was sent to me.

Because they express succinctly the continuing financial crisis which our livestock producers are facing, and because they spell out well the steps which the President can take immediately to improve their situation, I ask unanimous consent that there be printed in the RECORD letters from Sam Tidball, executive

director of the Meat Promoters of South Dakota, and Dale Gullickson, marketing director of the South Dakota Department of Agriculture.

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

MEAT PROMOTERS,
Fort Pierre, S. Dak., September 27, 1974.

President GERALD FORD,
Washington, D.C.

DEAR MR. PRESIDENT: In current deliberations on the economic situation please consider the plight of the livestock producer. Feeders have lost over half of their capital in the last several months. Every animal going to market from our ranches means an animal sold at a loss to the producer. The situation is drastically serious—especially for young ranchers.

The Emergency Loan Bill is not the solution. Prices must be improved. A complete embargo on imports of all meats and meat animals is an imperative first step.

Your quick response to labor leader's requests with $350 million and assurance of more to follow to provide jobs when unemployment went from 5.2% to 5.4% is noted. We expect you will take early important action to assist the construction industry. Every segment of food industry is enjoying unprecedented profits except the producer. We do not want or ask for handouts but urge immediate action to protect an industry that is threatened with economic collapse.

Points urged: (1) Complete embargo on all imported meats and meat animals. (2) Foreign grain buyers must pay at least as much as domestic buyers. (3) Ask administrative officials to encourage meat consumption as fiercely as they discouraged it last year when it appeared to be scarce. (4) Use influence and if necessary, legal action to close undue spread between producer and consumer prices to hasten movement of surplus meat. (5) Brief Mrs. Ford on dire situation of meat producers so she does not make unconsidered statements discouraging meat consumption when the producer is losing money on every animal sold.

Recently you stated that high food prices were to be a primary target in the battle against inflation. This is alarming to us in the production end of the industry because the producer is always the scapegoat while other segments of the meat industry enjoy continued favorable profit patterns. So please Mr. President don't wage an economic battle against an industry that is already in the throes of a serious depression and under the pressures from not only inflation but drouth.

If early action is not taken, too many herds of cattle will be liquidated or cut seriously because of poor prices and drouth and could in turn cause skyrocketing consumer prices in the future.

Economic failure of the livestock industry could easily be the fatal link that causes national economic collapse. Your consideration and action is urged.

Thank you,

SAM TIDBALL,
Executive Director.

SOUTH DAKOTA DEPARTMENT OF AGRICULTURE,
Pierre, S. Dak., October 2, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: I am writing in behalf of the several hundred people who attended the emergency livestock meeting at Lake Preston, South Dakota, last weekend. The meeting was attended by livestock feeders, cow-calf operation managers, bankers, and businessmen from across the State.

Mr. President, this was a frustrated group of people, and their patience ssems to be exhausted. One of the meeting organizers, Mr. Ronald Reed of Oldham, South Dakota, seemed to echo the consensus of the group when he remarked, "I have never been more perplexed or more bewildered by economic conditions in my 26 years of farming than I am right now."

The source of their frustration, obviously, is the erratic, roller-coaster livestock prices and the tremendous increase in cost inputs which have made for unbearable conditions in the Livestock Industry.

The low-level prices, which continue to decline, are coupled with drought and frost conditions to create what has to be termed an outright crisis.

I was impressed by the single-mindedness and cooperation displayed by the participants of this meeting, and I underscore that all farm organizations, a majority of commodity groups, and ag-related organizations were represented among them. These were not wild-eyed radicals, but mature opinion leaders whose lives are being affected and who are determined to find a way to survive. And while they do not make specific accusations, they flatly state that the time is past for the verbal reassurances of governmental, political, and farm organizational leaders. Further, they agree that if a remedy is not immediately forthcoming, they are ready to grasp the initiative themselves.

The following action was unanimously agreed on as a minimum immediate action:

1. A temporary moratorium on beef imports for 90-to-120 days;

2. A substantially increased program of Federal Government red meat purchasing for use by the Armed Forces, the National School Lunch Program, and for distribution to the needy. They further ask that due consideration be given to buying meats for sale to low-income citizens and those on fixed incomes who are hurt most by high inflation, at a rate of 50 percent of initial purchase price.

Should little or no action occur on the above action steps, the group is prepared to recommend the following:

1. Construction and/or leasing of cold-storage warehousing sufficient in volume to store their production and control its sale;

2. A massive selling effort of veal to reduce the supply of finished beef in months and years ahead.

Mr. President, similar meetings have taken place around the state during recent months. However, the problem has not been solved and the crisis has worsened.

The motivation of these producers and feeders is simple: either an immediate remedy must be found for their situation, or within six months 25 percent of them could be either bankrupt or out of business.

I am asking you to do all in your power to assist this distressed industry, and I am forwarding copies of this letter to our entire South Dakota Congressional delegation to solicit their cooperation in aiding you in this endeavor.

Sincerely yours,

DALE GULLICKSON,
Marketing Director.

CUBA'S TIES WITH THE SOVIET UNION

Mr. GURNEY. Mr. President, in recent months, there has been a groundswell of speculation in the press, and elsewhere, that the United States, in conjunction with the OAS, is on the verge of lifting the long standing trade embargo against Fidel Castro's Communist Cuba. Those advocating such a policy shift suggest that either the times have changed or that Castro has suddenly begun to sing a different tune, or both.

No one can argue that the times have not changed, but neither can any sort of case be made for an improvement in Castro's attitude toward the United States. Man may have gone to the moon, and Richard Nixon may have traveled to Red China, but the Cuban dictator remains as intransigent as ever about those points that caused the breakoff of diplomatic relations and the imposition of the trade embargo in the first place.

An excellent example of Castro's unwillingness to make any accommodation that would warrant a shift in our policy has been his attitude toward the Soviet Union. Even before he unequivocally declared himself a Marxist-Leninist on December 2, 1961, Castro had established strong ties with the Soviet Union, but after that date, he strengthened them to the point that Cuba became a base for Soviet nuclear missiles. The resulting crisis—though it may be 12 years in the past—still stands out in the minds of most Americans as our closest brush with nuclear war.

Removal of the missiles from Cuba following the missile crisis did not, however, mean the end of Cuba's military and economic ties to the Soviet Union. If anything, those ties are stronger today than they ever were.

As I pointed out in a Senate floor statement on February 8, 1973, and again on May 6, 1974, the Soviet Union has provided a considerable amount of military aid to Cuba over the years. Castro himself is reported to have put the figure at $1.5 billion in 1970 and a recent study by Dr. Leon Goure, director of the Advanced Center for International Studies at the University of Miami, estimated that the total has now reached the $2.5 to $3.0 billion level.

Included in those figures are weapons such as tanks, medium-range bombers, guided missile patrol boats, SAM II anti-aircraft missiles and upward of 70 Mig-21 jet fighters. As a result of all this Soviet military assistance, the Cuban Armed Forces are well equipped, among the best equipped in Latin America.

In addition to all that, Cuba is increasingly becoming a base for Soviet military operations. Back in 1970, the Soviets began construction of a naval facility in Cienfuegos Bay which has subsequently demonstrated the capability of servicing Russian nuclear submarines. The first ballistic missile submarine visited Cuba in 1972 and several others have visited in the last 2 years. Furthermore, just over a week ago, the 12th deployment of Soviet warships arrived in Cuba since the naval visits first began in 1969.

The importance of these visits cannot be overlooked. Not only do they enhance Castro's prestige, but they demonstrate the intention of the Soviet Navy to make the Caribbean and the Gulf of Mexico normal operating areas. Given the rapid growth rate of the Soviet Navy, plus the fact that two-thirds of all shipping between the North Atlantic and the Gulf of Mexico passes through the windward channel adjacent to Cuba, the Soviets are getting into position to pose yet another military and economic threat to the United States.

Unfortunately, the usage of Cuba as a base for Soviet weapons does not end

with naval vessels. Since April 1970, the Soviets have also utilized Havana's Jose Marti Airport as a base for their TU-95 reconnaissance aircraft and, as a matter of fact, two of those planes arrived in Cuba as recently as September 22. As a result of these flights, the Soviets are more easily able to keep track of U.S. activities along the east coast and out in the Atlantic.

And, as if this were not enough, the Soviets have approximately 3,000 military advisers in Cuba and, according to the Institute of Strategic Studies in London, some of these have been placed as far down as the battalion level of the Cuban Army. All in all, the Soviets show every indication of continuing or expanding their military grip on Cuba, while Castro shows absolutely no sign of trying to get them to relax it.

But, strong as the Soviet military ties are to Cuba, the Soviet economic ties are even stronger. Not only do the Soviets take about half the sugar crop off Cuba's hands at a guaranteed price, but they also subsidize Castro's economy to the tune of $1.5 million a day. The estimates are that, since Castro came to power, he has borrowed over $6 billion from the Soviet Union and has paid very little of it back.

As a matter of fact, less than 2 years ago, the Soviets agreed to defer payment of the debt and interest until 1986 plus they extended another $390 million in economic credits and assistance. But, in exchange, the Soviets sought, and were given, a direct voice in decisionmaking in 27 key areas of the Cuban economy.

As a result of this deal, the 5,000 or so Soviet economic advisers are exercising more influence than ever in the day-to-day operation of the Cuban economy. Their aim is to improve efficiency and economy in not only the business sector, but also in the government and the military. Moreover, since Soviet financial assistance to Cuba reached an all-time high in 1972 and the number of Soviet technicians and advisors has increased in the past several years, it looks as if the Soviet grip will continue to tighten, especially in light of the fact that 55 percent of Soviet foreign aid to developing nations goes to Cuba and 70 percent of Cuba's trade goes to the Soviet Union and other Communist-bloc nations.

Certainly, both the written record and the spoken word support the conclusion that Cuba is, more and more, becoming a Soviet satellite in the Western Hemisphere. Time and time again Castro has reiterated his desire to keep, if not broaden, his ties with the Soviet Union. It does not seem to bother him that Cuba is becoming a strategic military base for the Soviets, nor does he seem concerned about his economic dependence on the Soviets. In fact, Castro has been quoted as saying that:

> The political and military ties with the Soviet Union will never be broken.

I think it is time we took the man at his word and judged his deeds on their merits. Fidel Castro, despite our opposition, seems determined to encourage and and perpetuate Soviet presence in the Western Hemisphere. If we agree to help him achieve that objective by giving him what he wants, then he might agree to renewed diplomatic relations but, in both the short and long run, the Soviet Union will be the winner.

For there to be a true normalization of relations, Castro must make some concessions to the United States, and paramount amongst those concessions must be a reduction of the Soviet presence and influence in Cuba.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is closed.

CONSERVATION AND REHABILITATION PROGRAMS ON MILITARY RESERVATIONS—CONFERENCE REPORT

The Senate continued with the consideration of 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. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs in certain public lands.

The PRESIDING OFFICER. The Senate will resume consideration of the conference report, with 10 minutes allocated for the motion to recommit to be divided equally 5 minutes to each side.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I take it out of the time on the part of the Senator from Utah (Mr. Moss).

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, how much time does the Senator from Utah have remaining?

The PRESIDING OFFICER. The Senator from Utah has 2 minutes.

Mr. MOSS. Mr. President, I do not know how I acquired all of 2 minutes, but I am glad to confine myself to the time allotted.

I think we have had a full discussion of the issues here. I commend the Senator from Idaho for raising the point in order to enable us to establish, as I think we have, that the legislation certainly covers the fears that he has about a Federal licensure of hunting and fishing.

That is the last thing I want. I made a great fight a few years ago on this same subject matter and I certainly have not changed my viewpoint since then.

I think that we are here faced with a bill which will have the beneficial effect of having the Federal Government cooperate with the States in improving the habitat of fish and wildlife on our public lands and that this will be available as recreation for our citizens under the direction of the States as far as licensure, management of the herd, taking of game, and all those factors.

So I am willing to yield back my time, and I urge my colleagues to vote against recommitting the bill to the conference.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I want to commence this section of the debate, a continuation of what took place earlier in regard to the motion to recommit, with thanking the Senator from Utah for the colloquy which we have had on the floor which, along with the earlier colloquy with the Senator from Alaska (Mr. STEVENS), pins down the intention of the proponents of the bill that the rights of the State to manage resident fish and game is not to be interfered with under the guise of implementing this legislation.

As I expressed earlier, my fear is that this intent, as clearly stated as it has been in legislative colloquy, and therefore part of legislative history, is not really that clearly stated in the legislation.

The Senator from Utah earlier said that there would be lots of time, but as a matter of fact the Western States Association members have not yet seen the Senate conference report, it has not been available, they have not yet seen a clean bill that contains the conference changes because that bill has not been available.

Unless it was made available to them when it could not be available, no one has yet seen any clean bill except one I typed up in my office last week and sent out to them so they could see the context of the language.

So when we talk about whether there has been enough time for everyone to understand what is in the legislation, I will say that no one knows exactly what is in the legislation save the staff of the committees and the staff of a couple of Senators.

Second, there is this stamp provision, a State program under this bill.

Well, is it a State program? It calls for a Federal audit, it calls for a Federal charge in Federal courts if one hunts or fishes without it, it calls for Federal fines and forfeitures, confiscation of firearms, automobiles, fishing gear, et cetera, under Federal statute.

Now, is that a State program?

I think on the face of the legislation itself it is not as clearly Federal as perhaps some would like it to be, but certainly it is enough of a Federal program to raise the fears of those of us in the Western States.

I think we should also make note of the fact that the Deputy Assistant Secretary, Doug Wheeler, stated his objections to this legislation on the basis of the fact that even though the State sells the stamps, it segregates the Federal public lands as a separate class for a separate employer scheme, and that is the crux of the whole matter.

I yield to the Senator from Arizona.

Mr. FANNIN. I thank the Senator from Idaho. I support his position. I feel he has brought out the problems that we have with this legislation.

There is a great deal of doubt whether or not it carries through the program that the distinguished Senator from Utah feels is involved.

I know the sincerity of the Senator from Utah, and my State of Arizona has

agreements with the State of Utah, they cooperate, coordinate their efforts in regard to the laws in this instance.

Proponents of this legislation claim it is not a "Federal license" authority, yet, enforcement would be carried out by Federal agents and violators tried under Federal authority, with guns, traps, nets, vessels, vehicles, and other means of transportation, subject to forfeiture to the United States. The Arizona Fish and Game Department does not approve this legislation and, in fact, feels it is entirely superfluous since cooperative agreements which I have referred to are possible now. The effects of H.R. 11537, in present condition, can only do damage to the most efficient management of our public lands.

This bill does not protect the State's traditional role of managing resident fish and wildlife but mandates Federal intervention. The Departments of Interior and Agriculture should be involved in habitat management, only.

Again, the Senator brought that out, but in this instance they go far beyond that.

The comprehensive Federal plan for conservation and rehabilitation programs for public lands which can limit hunting, fishing, and trapping need only be in "consultation" with the States. There are cooperative agreements going on in the State of Arizona today, and other States in the West and throughout the country. Allowing the Federal agencies to dictate such plans would certainly remove any incentive to cooperate with the respective States.

I certainly thank the distinguished Senator from Idaho.

Mr. McCLURE. I thank the Senator and I yield to the Senator from Wyoming.

Mr. HANSEN. I thank the distinguished Senator from Idaho for yielding to me.

Let me join with him and with my senior colleague from Wyoming (Mr. McGEE) in voicing my full support for the action he has proposed here this morning.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired. The question occurs on the motion to recommit the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MOSS. (after having voted in the negative) On this vote I have a pair with the senior Senator from Idaho (Mr. CHURCH). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

I also announce that the Senator from Iowa (Mr. HUGHES) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Texas (Mr. TOWER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The result was announced—yeas 21, nays 49, as follows:

[No. 459 Leg.]

YEAS—21

Allen	Domenici	Hruska
Baker	Eastland	McClure
Bartlett	Fannin	McGee
Beall	Gurney	Roth
Buckley	Hansen	Stennis
Byrd, Harry F., Jr.	Hatfield	Thurmond
Curtis	Helms	
	Hollings	

NAYS—49

Abourezk	Humphrey	Pearson
Bayh	Jackson	Pell
Biden	Johnston	Percy
Brooke	Kennedy	Proxmire
Burdick	Long	Randolph
Byrd, Robert C.	Magnuson	Ribicoff
Cannon	Mansfield	Scott, Hugh
Case	McClellan	Sparkman
Chiles	McGovern	Stevens
Clark	McIntyre	Stevenson
Cranston	Metcalf	Symington
Eagleton	Metzenbaum	Taft
Ervin	Montoya	Talmadge
Griffin	Muskie	Tunney
Hart	Nelson	Weicker
Haskell	Nunn	
Hathaway	Pastore	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Moss, against.

NOT VOTING—29

Aiken	Dominick	Mathias
Bellmon	Fong	Mondale
Bennett	Fulbright	Packwood
Bentsen	Goldwater	Schweiker
Bible	Gravel	Scott, William L.
Brock	Hartke	Stafford
Church	Huddleston	Tower
Cook	Hughes	Williams
Cotton	Inouye	Young
Dole	Javits	

So the motion to recommit was rejected.

The PRESIDING OFFICER. The question now occurs on the adoption of the conference report.

The conference report was agreed to.

Mr. MOSS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BROADCAST LICENSE RENEWAL ACT

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate H.R. 12993, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12993) to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of four years, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Broadcast License Renewal Act".

CONSIDERATION OF PUBLIC PROBLEMS, NEEDS, AND INTERESTS

SEC. 2. (a) Section 309 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(i) The Commission shall by rule establish procedures to be followed by licensees of broadcasting stations to ascertain throughout the terms of their licenses the problems, needs, and interests of the residents of their service areas for purposes of their program service. Such rules may prescribe different procedures for different categories of broadcasting stations.".

(b) Section 309(a) of such Act is amended by adding at the end thereof the following: "In determining if the public interest, convenience, and necessity would be served by the renewal of a broadcast license, the Commission shall consider (1) whether the licensee, during the preceding term of its license, followed applicable procedures prescribed by the Commission under section 309(i) for the ascertainment of the problems, needs, and interests of the residents of its service area, (2) whether the licensee in its program service during the preceding license term has substantially met those problems, needs, and interests, and (3) whether the operation of the station has not otherwise been characterized by serious deficiencies. If the Commission determines that the licensee has satisfied the requirements of clauses (1), (2), and (3), a presumption shall be established that the public interest, convenience, and necessity would be served by such renewal. The Commission shall give expeditious treatment to proceedings involving an application for renewal of a broadcasting license and shall provide that any hearing shall be structured so as to proceed as expeditiously as possible.".

STUDY OF REGULATION OF BROADCASTERS: ACTION ON FEDERAL COMMUNICATIONS COMMISSION DOCKET

SEC. 3. (a) The Federal Communications Commission shall conduct a study to determine how it might expedite the elimination of those regulations of broadcast licensees required by the Commission Act of 1934 which do not serve the public interest and shall make annual reports of the results of such study (including any recommendations for legislation) to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives. The Commission shall include in its first annual report under this section its conclusions with respect to the differences among broadcast licensees on which are or may be based differentiation in their regulation under such Act.

(b) The Federal Communications Commission shall, not later than December 31, 1974, complete all proceedings and take such agency action as it deems appropriate in connection with proposed amendments to the Commission's rules (47 C.F.R. 73.35, 73.240, 73.636) relating to multiple ownership of standard, frequency modulation, and television broadcast stations (Federal Communications Docket Numbered 18110).

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Under the previous unanimous-consent agreement, the time on this bill is limited to 1 hour, to be equally divided between and controlled, respectively, by the majority and minority leaders.

The time on amendments is limited to 30 minutes, to be equally divided between and controlled by the manager of the bill and the mover of the amendment.

Who yields time?

Mr. HUGH SCOTT. Mr. President, will the Senator yield me one-half minute?

Mr. PASTORE. I yield.

Mr. HUGH SCOTT. Mr. President, as minority leader, I designate the distinguished senior Senator from Tennessee (Mr. BAKER) to have control of the time on this side.

Mr. PASTORE. Mr. President, I yield myself whatever time is necessary to make my presentation.

I am going to ask for a brief quorum call so that the cloakrooms can apprise Senators as to the business that is now pending.

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. 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.

Mr. PASTORE. Mr. President, in my 24 years in the Senate of the United States, I have never seen a bill that affected and was of greater interest to the Members of the Senate individually than the bill now under consideration. I am at a loss to determine the total reason why. But, if we look at it, I think one can infer the reason for this consideration.

There is not a Member of this body who at some time or other has not appeared on television or radio. Naturally, a certain rapport has built up between the industry and the Members of the Senate.

There are many people in this country, Mr. President, who feel that if we give too much autonomy to the industry, which is limited because there are only so many frequencies that can be given out to the public, therefore, if we go too far in creating this autonomy, the day will come when it will come back to haunt us. Realizing this, our subcommittee had protracted hearings. We had 9 days of hearings. Indeed, we had 9 days of hearings and we heard from 108 witnesses. The witnesses included Members of Congress, the Director of the Office of Telecommunications Policy in the White House, the Department of Justice, the Chairman of the FCC, representatives of several citizens' groups, representatives of minority groups, representatives of the broadcasting industry, a representative of the AFL-CIO, representatives of religious groups, and many, many others.

Mr. President, I ask unanimous consent that the names of individuals and groups represented be placed in the RECORD at this point.

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

CHRONOLOGICAL LIST OF WITNESSES

JUNE 18, 1974

Brown, Hon. Clarence J., U.S. Representative from Ohio.

Domenici, Hon. Pete V., a U.S. Senator from New Mexico.

Loevinger, Lee, counsel, Media Structure Committee of the National Association of Broadcasters. Prepared statement, Letter of June 18, 1974.

Whitehead, Clay T., Director, Office of Telecommunications Policy.

Wiley, Hon. Richard E., Chairman, Federal Communications Commission; accompanied by Benjamin L. Hooks, Commissioner; Dr. Barry Cole, consultant; and Richard Shiben, Chief, Renewal Branch. Prepared statement. Questions of Senator Hart and the answers thereto.

Wilson, Bruce B., Deputy Assistant Attorney General, Antitrust Division, Department of Justice.

JUNE 19, 1974

Abourezk, Hon. James S., U.S. Senator from South Dakota; accompanied by William F. Duhamel, KOTA, Rapid City, S. Dak.; and Dean Sorenson, KCCR, Pierre, S. Dak. Prepared statement of Mr. Duhamel. Prepared statement of Mr. Sorenson.

Lang, Anne L., Pennsylvania National Organization for Women, Sewickley, Pa.; Kathleen Bonk, broadcast media (FCC) task force coordinator, Washington, D.C.; Miriam Kapsinow, Rhode Island State coordinator, NOW, Warwick, R.I.; and Judith Hennessee, media reform task force, NOW, New York, N.Y.

McIntire, Dr. Carl and Rev. James Nichols, 20th Century Reformation Hour, and Freedom Defense Council, Washington, D.C. Prepared statement.

Moore, Earle K., counsel, office of communication, United Church of Christ, New York City.

Schmidt, Nancy, chairperson, St. Louis Broadcast Coalition, on behalf of ACTION.

Wilcher, Marcus G., Joan M. Passalacqua, and Sharon Noguchi, of the Community Coalition for Media Change, Berkeley, Calif.

JUNE 20, 1974

Bennett, Hon. Wallace F., U.S. Senator from Utah.

Bennett, James V., president, National Association for Better Broadcasting; accompanied by John Dalessio.

Brown, Ronald H., director, National Urban League.

Davis, Hugh, station KNDO, Yakima, Wash.; accompanied by Don Bennett, station KREW, Sunnyside, Wash.

Firestone, Charles, Citizens Communications Center, Washington, D.C. Prepared statement. Letter of August 7, 1974.

Gallivan, John W., publisher, Salt Lake City Tribune; accompanied by Morris Levin. Letter of August 7, 1974.

Lang, Anne L., Pennsylvania National Organization for Women; and Kathleen Bonk, broadcast media (FCC) task force coordinator.

McCuller, James, chairman, National Black Media Coalition.

McGannon, Donald H., president, Westinghouse Broadcasting Co., Inc.; accompanied by Wallace Dunlap, vice president; John Lane, attorney, of Hedrick & Land; Ramsey Woodworth, attorney; and Joe Bodino.

Scott, Hon. William L., U.S. Senator from Virginia. Prepared statement.

Stakes, Richard S., executive vice president, Washington Star Station Group.

Townsend, James E., coordinator, Committee for Open Media. Prepared statement.

JUNE 26, 1974

Hargrove, Wade, North Carolina Association of Broadcasters. Prepared statement.

Lindsay, Gladys T., on behalf of the Citizens Committee on Media, Chicago, Ill.

Riddick, Rev. George E., Chicago, Ill.

Sauber, Robert, Providence, R.I.

Stevens, Dr. Paul, president, Southern Baptist Convention, Fort Worth, Tex.

JUNE 27, 1974

Claire, Nola, negotiator, Syracuse Coalition for the Free Flow of Information in the Broadcast Media.

Foreman, Carol Tucker, executive director, Consumer Federation of America.

Frankland, Rev. Herman C., Bangor Baptist Church, Bangor, Maine. Miscellaneous articles.

Franks, John E., president, WHIM, East Providence, R.I.

Helms, Hon. Jesse, U.S. Senator from North Carolina.

Marsh, Henry, vice-mayor, Richmond, Va., chairman, National Black Caucus of Local Elected Officials.

Rauh, Joseph, Americans for Democratic Action and the Leadership Conference on Civil Rights, Washington, D.C.; accompanied by Yvonne Price, executive assistant; and Lynn Pearl, legislative representative. Prepared statement.

Schardt, Arlie, associate director, American Civil Liberties Union.

Suitts, Steve, Civil Liberties Union of Alabama; accompanied by Sue Thompson, staff member.

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

Bentsen, Hon. Lloyd, U.S. Senator from Texas, statement.

Church, Hon. Frank, U.S. Senator from Idaho, statement.

Curtis, Hon. Carl T., U.S. Senator from Nebraska, statement.

Dole, Hon. Bob, U.S. Senator from Kansas, statement.

Grams, Harold, KSD/KSD-TV, Inc., letter of June 21, 1974.

Hansen, Ralph, KTVI 2, letter of July 9, 1974.

Henley, Robert, vice president and station manager, WGN Continental Broadcasting Co., letter of July 3, 1974.

Krelstein, Harold R., president, Plough Broadcasting Co., Inc., letter of August 16, 1974.

Mandel, Marjorie, article in the St. Louis Today.

Marmet, Robert A., Marmet Professional Corp., letter of June 27, 1974.

Packwood, Hon. Bob, U.S. Senator from Oregon, statement.

Scott, Hon. Hugh, U.S. Senator from Pennsylvania, statement.

Vadeboncoeur, E. R., president, Newhouse Broadcasting Corp., letter of July 29, 1974.

Mr. PASTORE. Mr. President, what did we do? The House passed a bill, and I must say very frankly and very candidly here today, it was a bill that, by too many, was considered to be completely an industry bill. It went the whole way in giving the industry most everything that it wanted.

Then, of course, when the bill came over to the Senate, there was a tremendous furor. All of these citizens groups began calling up Mr. PASTORE, Mr. Zapple

Mr. BAKER, and Mr. White, who is the assistant to Mr. BAKER in this matter. They were pretty much aroused, and they came before our committee and we listened to them all at length.

What we did, Mr. President, was put our heads together, and we came out with what we considered to be a balanced compromise. What did we do? We set out criteria and we spelled it all out. We said that if that licensee complied with those criteria in a comparative hearing, he was entitled to a presumption in his favor that he had served the public interest and that the license should be renewed.

That is what we did for the industry, and that was going quite a distance, because in that particular instance, we overruled, more or less, the WHDH case in Boston, channel 5 in Boston and cleared up other rulings. That was the one thing that had disturbed the industry for a long, long time.

At the same time, we left the license duration not to exceed 3 years, which is the present law. We came out with that kind of bill.

We gave the licensee a presumption in order to assure the stability of the industry, which was the important point. At the same time, we left it at 3 years.

Why? Why did we leave it at 3 years? That is the question. Because this is an amendment now pending on this desk that has a multitude of Senators who are sponsoring it, and there will be a lot more who will come here, possibly, and vote for it, I think that this position ought to be made clear.

We left it at 3 years because, in the past, one of the ways that the public ever got any relief was through a petition to deny. A petition to deny is filed at renewal time. If we make it 5 years instead of 3 years, what we are doing is stretching out the period so that the voice of the public cannot be heard within 3 years. We have to wait 5 years. That is the reason we did it.

The Senator from Tennessee (Mr. BAKER) and I agreed on this compromise. I said throughout that hearing that we would never have a good bill until we made both sides unhappy, and that is exactly what we did. If, today, on the floor of the Senate, we want one side to throw their hats in the air in a gleeful exhibition, that is one thing, and allow the other side to shed crocodile tears, we can begin to change the bill that was reported out of committee.

I have no personal interest in this matter. My job and Senator BAKER's job was to serve the public interest, and that is precisely what we tried to do. That is precisely what we tried to do, and that is what we have done.

I am asking the Senate today to adopt the recommendation of the committee and allow us to go to conference and iron out any differences that might exist between the Senate version and the House version. If we begin to change and extend the period, we shall have very precious little or nothing to talk about when we go to conference.

I tell the Senators, we may not hear from our constituents today, but the time will come when we will hear from our constituents, because I am afraid that if we go too far in creating autonomy, it is going to be rather difficult. Not too long ago, we had a program on TV, something to do with innocence, where there was shown an offensive scene in a girls' reformatory. I understand that ABC is going to put on another thing, outrageous, which has to do with the molestation of a teenager by a science teacher.

If we want to keep this industry within the realm of responsibility, and I am not anti-industry and they know it, let us work out an assurance that if they do a good job in the public interest, at least they have a plus for renewal, as against blue-sky competitive applications. At the same time, I beg my colleagues—I beg my colleagues today—do not remove the voice of the public. Do not remove the voice of the public and compel it to wait 5 years before it can make a complaint.

Mr. President, after 9 days of hearings, and 2 days of committee deliberation in open executive session, the Commerce Committee is reporting an amendment in the nature of a substitute to H.R. 12993, the House-passed broadcast license renewal bill.

The committee heard over 100 witnesses, including Members of Congress, the Director of the Office of Telecommunications Policy, the Department of Justice, the Chairman of the FCC, representatives of several citizens groups, representatives of minority groups, representatives of the broadcasting industry, a representative of the AFL-CIO, representatives of religious groups, and many others.

Testimony ranged from the view that no legislation was necessary to support of the House-passed bill. Everyone, however, supported the principle that the public's interest is paramount, and whatever Congress decides to do should rest on that consideration alone.

It was generally agreed that the broadcast licensee who conscientiously serves the public should have some reasonable assurance his license will be renewed. At the same time a licensee who had not fulfilled his commitment to the public should have his application for license renewal denied.

I believe the legislation which the committee has reported affirms the necessity that broadcast licensees have stability in the public interest. It also affirms the necessity for the competitive spur which inheres in the Communications Act. As reported it would do the following:

First. Direct the FCC to establish by rule procedures for broadcast licensees to follow throughout the terms of their licenses to ascertain the problems, needs, and interests of the residents of their service areas for purposes of program service.

These rules could prescribe differently for different classes of broadcast stations.

Second. Direct the FCC at renewal time, in determining whether the public interest had been served, to consider: Whether the licensee during the preceding license term followed the applicable ascertainment procedures; whether the licensee in its program service substantially met the ascertained problems, needs, and interests of his service area; and whether, during the preceding license term, the operation of the station was not otherwise characterized by serious deficiencies. If the Commission determines that the licensee has satisfied the requirements of clauses (1), (2), and (3), a presumption shall be established that the public interest, convenience, and necessity would be served by such renewal.

In a comparative renewal proceeding this presumption, of course, would give way to other compelling factors. In other words a licensee is in no sense of the word given a license in perpetuity.

Third. Require the Commission to conduct a study to determine how it might expedite the elimination of those regulations of broadcast licensees required by the Communications Act which do not serve the public interest, and to make annual reports thereon, including any recommendations for legislation, to the Commerce Committees of the House and Senate.

Fourth. Direct the FCC to complete docket 18110—multiple ownership—by December 31, 1974.

Mr. President, I believe this bill will further the larger and more effective use of radio and television by clarifying the broadcast license renewal standards and procedures in order to better inform broadcast licensees and their challengers of what is required under the public interest standard of the Communications Act. It will also better inform the listening and viewing public of what it may rightfully expect from those who are given the privilege of using the airwaves.

Licensees who have received broadcast licenses and operated stations in accordance with Commission rules, regulations, and policies such as in cross-ownership, integration of management and ownership, should not find these factors injected into the renewal proceeding unless there has been a change of circumstances or a failure to comply or an abuse of the policy or rule.

Under this legislation challenges are entitled to file competing applications at renewal time.

Section 309(e) of the Communications Act provides for a full hearing. Under those circumstances therefore the incumbent and a challenger are afforded an opportunity to submit all relevant data as to all applications and challenge any data that is submitted. After all the evidence is submitted and the hearings completed, the Commission will make a judgment as to whether incumbent has satisfied the criteria established by this legislation. If a finding is in the affirmative then a presumption is made on behalf of the existing licensee. This is a plus of major significance in the renewal proceeding.

However, the FCC must take into account those factors which have a bearing on the public interest even though they are unrelated to program service or operation and consider them alongside the presumption.

Thus, for example, to the extent the FCC has flexibility to deal with media concentration in a unique case, which

is not covered by the Commission rules or policies, such an issue could, if compelling enough have an effect on the presumption.

In any event, in those cases where the presumption does attach, it is the intention of this legislation that it be given great weight short of decisional significance by the FCC. The presumption relates to what a licensee has in fact done, and it rests mainly on the most critical and important ingredient of the public interest concept, that is, actual program service to the public.

Past programing service is, of course, at the heart of the public interest determination; and the amendment gives a strong preference to an incumbent comparative renewal applicant who has substantially met the problems, et cetera, of the residents of its service area.

What happens, however, if the hearing record shows that the renewal applicant has not "substantially met" or served the problems, needs and interests of his area? Under the amendment he would obtain no presumption. On the contrary, if the competing new applicant establishes that he would substantially serve the public interest, he should clearly be preferred over one who was given the opportunity to do so but chose instead to deliver less than substantial service to the public. In short, the past records of the renewal applicant is still the critical factor, but here it would militate against renewal and in favor of the new applicant, provided that the latter establishes that it would solidly serve the public interest.

This amendment thus recognizes that the most important fact in evaluating competing applications is the incumbent's past programing record. Moreover, an existing licensee knowing that its renewal will be judged on its programing record will be encouraged to present programing that is substantially responsive to community problems, needs, and interests. Failure to provide such programing will subject the incumbent to the risk of losing its license to a competing applicant whom the Commission believes will render such service. Under this criteria a reasonable amount of stability is maintained within the industry while at the same time substantial programing performance is promoted and competing applicants are able to challenge those broadcasters who do not provide such service.

I believe that this bill as amended by the Committee on Commerce is a careful blend of the best of all proposals with the public interest dominating. Any amendment may upset this fine balance.

I urge my colleagues to vote for the bill as it was reported from the committee and to reject all amendments.

The PRESIDING OFFICER (Mr. ALLEN). Who yields time?

Mr. PASTORE. I yield whatever time the Senator from Tennessee would like to have.

Mr. BAKER. Mr. President, before addressing myself to this bill, I want to commend the chairman of the subcommittee, Senator PASTORE, for his determined efforts despite immense pressures pro and con to bring this bill to the floor. Many days of hearings were necessary to give all those who wanted to testify on broadcast license renewal legislation an opportunity to do so. After we concluded the hearings, additional time was required to evaluate the testimony and reach agreement on a bill. After lengthy consideration of the record, the chairman and I agreed to propose amendments to the full Commerce Committee in the form of a substitute to H.R. 12993. After 2 days of deliberations in open executive session, the Commerce Committee unanimously adopted an amendment in the nature of a substitute to the House bill which I believe improved the bill.

Mr. President, in the past 5 years many people have felt there are unsettling trends in the broadcast license renewal process which threaten the stability of broadcast stations in the public interest. Many others have disagreed.

The statutory scheme of the Communications Act, among other things, is intended to motivate a licensee to do the best job possible to serve his listening and viewing public.

The rationale being that if a licensee knows he is subject to at least a review of his performance and perhaps a challenge every three years by someone who may claim he is better able to serve the public, that licensee will do his best to establish a record of substantial service during his preceding license term.

On the other hand, there is nothing in the Communications Act or, for that matter in reason and logic, which suggests this competitive spur should be applied by the FCC or the courts in such a way as to defeat its intended purpose, which is, of course, assuring the best possible broadcast service for the public.

The extensive hearings the Commerce Committee held on this legislation made this evident. Every witness—those advocating legislation as well as those opposed—agreed that the conscientious licensee who is keenly responsive to the problems, needs, and interests of his listening or viewing public should have a reasonable expectation his license will be renewed whether challenged or not. This is stability in the public interest. Otherwise how may a licensee be expected to devote the necessary time, effort, and money to furnish quality broadcast service.

Grant of a broadcast license of course expressly confers no property right on the grantee. The law also requires that it be renewed at least every 3 years.

Many licensees have maintained that a 3-year license term is contrary to the public interest, because such a short license term requires them to spend an inordinate amount of time, money, and effort preparing renewal applications. Resources, they say, which could better be expended improving their broadcast service.

On the other hand, it has been persuasively argued that renewal time offers the FCC the only real opportunity it has to assess a broadcaster's performance. After all, the FCC has 8,633 broadcast licensees, and it would be impossible to monitor each of them to evaluate their overall performance.

These competing considerations were thoroughly explored and considered during the committee hearings. We concluded that the license term should continue to be 3 years as provided by the Communications Act.

The committee also heard extensive testimony on the question of how much credit the FCC should give an incumbent licensee in a comparative renewal proceeding for broadcast operations during the immediate proceeding license term. And, this, of course, involves the subsidiary issue of determining the standard of service which is entitled to whatever plus the FCC might give.

While everyone agrees that the public interest dictates that a licensee who is truly responsive, or substantially responsive, or responsive to some other high degree, to the problems, needs, and interests of his constituency should have a reasonable expectation of license renewal in a comparative situation, no one has been able to articulate specific standards by which a licensee's performance may be measured.

Moreover, assuming this can be achieved there is considerable disagreement whether such a high caliber of past performance should absolutely bar consideration of a competing application.

In the bill as reported by the Commerce Committee, we seek to define the public interest standard in section 2(b) but not in such a way as to prevent new parties from demonstrating that they can better serve the public interest. If a licensee: First, complies with applicable ascertainment procedure; second, substantially meets the ascertained problems, needs, and interests of the residents of his service area; and third, his license has not been characterized by any serious deficiencies, a presumption is established that the public interest, convenience, and necessity would be served by the renewal of his license. The effect of 2(b), I believe, will be to emphasize that past programing service is the major consideration in determining whether a licensee should be renewed.

Last, but by no means of least importance, there was considerable testimony on the extent to which issues of cross-ownership and multiple ownership of mass media, as well as integration of ownership and management of broadcast stations, should be significant factors in determining whether grant of a renewal application would serve the public interest. And if so, how significant and whether the Commission should adopt rules or process on a case-by-case basis?

As to the cross-ownership of broadcast stations and other communications media, most witnesses felt the public interest would be better served if the FCC proceeded by rule. Personally, I do not believe the industry should be restructured through the renewal process and that any action the Commission takes with respect to the cross-ownership of broadcast stations and other communications media should be taken through formal rulemaking.

The policy of the United States with respect to ownership and management of broadcast licensees is contained in the Communications Act and the rules, regulations, policies and decisions of the FCC.

The antitrust policies of the United States, on the other hand, are set out in the Sherman Act, Clayton Act, and the Federal Trade Commission Act, and the judicial and administrative interpretations of those acts.

The ingredients of the public interest standard of the Communications Act are one matter.

The ingredients of unfair competition and concentration under the antitrust standard may be quite a different matter.

Inquiries under the Communications Act into broadcast service should be concerned with those matters which go to the public's interest in the larger and more effective use of radio (NBC (319 U.S. 190)).

I was impressed with the statement given us by the Chairman of the FCC to the effect that:

> The licensee should be judged on the basis of that actual performance, not on weaker presumptive factors. . . . if the incumbent licensee's past programming service has been substantially responsive to ascertained community needs and interests, then integration of ownership with management is an irrelevant factor in the comparative renewal proceeding.

I generally agree with that proposal and I believe the committee shares my view in this regard and said so in the report filed with the bill, although we specifically emphasized that in unique cases the Commission will still have the opportunity to raise the issue of media concentration. I hope the legislative language agreed to in conference with the House of Representatives and the statement of managers on behalf of the House and Senate will further recognize and clarify these distinctions and establish a general policy on media concentration for the guidance of the Federal Communications Commission.

I believe our hearings established the necessity for some legislation, but short of what the proponents of H.R. 12993, as passed by the House, urge as minimally necessary to achieve stability in the public interest.

In my judgment the amendment in the nature of a substitute to H.R. 12993 will achieve the objective we all seek, that of assuring the best possible broadcast service for the American people.

I suppose, Mr. President, that as one spends more time in the Senate of the United States, and I have been here only 8 years, a relatively short time compared to many of my colleagues, one comes to realize that the harder one has to work on an issue, the more complex and controversial it becomes. That is not a comforting observation, but one that I am afraid I must make. Certainly, it is true so far as matters relating to the broadcast industry are concerned.

When I became the ranking member of the Subcommittee on Communications, I thought I knew something about the broadcasting industry. I had practiced law for a while, and although it was not communications law, I thought I had a general understanding of that industry. I had a friendly, pleasant relationship with the broadcasters in my State, which I think and I hope I still enjoy. I even beguiled myself with the thought that I had considerable concern for the impact of radio and television on the future of the country and its capacity to resolve the issues that confront us.

I still believe those things, Mr. President, but I must say that after going through, I believe, 103 witnesses——

Mr. PASTORE. 108.

Mr. BAKER. 108 witnesses in hearings before the Communications Subcommittee, which Senator PASTORE chaired and which he and I both attended, after countless efforts with majority and minority staff to set out and understand the several contentions of the adversary parties, and the relationships and the cross-relationships and the subtle shadings of point of view, it suddenly occurred to me that there is no earthly way to satisfy everyone in this respect, and we might as well quit trying.

We did not satisfy everyone. It may be that we did not satisfy anyone except ourselves. But for whatever it is worth, Mr. President, I am ready to represent to our colleagues in the Senate that I believe we have the best bill that it is possible to get under the circumstances, taking into account the diversity of interests and the conflicts which arise in this field.

The Tennessee Association of Broadcasters, no doubt the National Association of Broadcasters, no doubt public interest groups and the several organizations that have appeared and testified or taken an interest in this matter will be variously upset about one thing or another, about the license term, about the presumption established in the case of compliance with the ascertainment provisions, about what the FCC ought to do in the pending rulemaking on cross-ownership, to say nothing about the fairness doctrine and other matters which were discussed by many witnesses and were all carefully considered.

Just to make the stew a little thicker, for the first time the Commerce Committee had a public markup on a major bill and while that was a new experience, it was a good one. Of all the things we do that ought to be subject to the full scrutiny of the public, the regulation, the licensing, and the conduct of the broadcast industry in the United States certainly should be.

Mr. President, it was our objective to do what was best for the most people. We sought to protect the legitimate interests of the broadcasters, who have a great investment, and the obvious legitimate interests of the public, who are the consumers of the product of the broadcasters. We wanted to do a conscientious job of balancing the conflicting interests, taking into account the excellent advice of the majority and minority staffs—and let me digress to pay special tribute to Nick Zapple, who is communications counsel for the Commerce Committee to John Hardy of the majority staff, and to Ward White of the minority staff. They were very patient with the distinguished chairman and with me. We express our opinions energetically, and the staff has a hard time, sometimes, keeping up with us; but they did.

But after all of that, Mr. President, I represent to the Senate that we did a good job, not a perfect job but the best job we think can be done under the circumstances in view of the conflicting viewpoints.

I hope that the Senate will not amend this bill in such a way as to emasculate it. I hope we will go forward with the full thrust of this proposal. I support the bill as reported, and appreciate the role of the Senator from Rhode Island, which has become traditional in this area; and, as I say, I hope the bill will go forward without amendment.

Mr. HRUSKA. Mr. President, these remarks are on H.R. 12993, the Broadcast License Renewal Act. I am pleased to be a cosponsor of an amendment to this bill to extend the license term for AM, FM, and TV broadcasting stations from 3 to 5 years.

For some time there has been a growing interest on the part of the broadcasting industry, the general public and legislators to reform the regulatory process by which broadcast licenses are renewed.

For over 40 years the policy of the Federal Communication Commission and its predecessor, the Federal Radio Commission, was to regularly and routinely make application grants to the existing licensees where they could show that their broadcast operations had been meritorious during the preceding license term. During this considerable period marked by dynamic change, growth, and progress in broadcasting, the Commission followed a consistent policy which recognized that the past performance and programing service of a broadcaster was the most reliable indicator of future performance and service.

Then in 1969, in the WHDH case, the FCC denied that station's renewal application, and totally disregarding the licensee's outstanding record of service to its community, awarded the license to a competing applicant with no prior broadcast experience. Since that controversial decision, there has been a dramatic increase in competing applications filed on top of incumbent applicants seeking to take over or deny the licenses of broadcasting stations. In the view of many observers, the situation facing the broadcasting industry today is one of uncertainty and instability—some even label it chaos—which is neither in the interest of the public nor the broadcasters.

I cannot exaggerate the degree of concern on the part of broadcasters over the desperate situation they now find themselves in as a result of FCC rules and policies.

The Nebraska Broadcasters Association is an organization made up of small town operators of radio and television stations throughout my State of Nebraska. Their everyday regulatory, financial, and administrative problems are typical of the problems of broadcasters across America. At its recent convention the NBA adopted a series of resolutions which reflect the general concerns of broadcasters, and I submit, are representative of the kinds of resolutions being adopted at broadcasters' conventions throughout the country.

Mr. President, I request unanimous consent that a copy of the resolutions adopted by the NBA at its convention

held in Columbus, Nebr., on September 17, 1974, be inserted into the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HRUSKA. Mr. President, my fellow Nebraskans are troubled by the FCC's license renewal process, among other things. In my opinion, legislation is long overdue which would better inform broadcasters what they can reasonably expect at license renewal time and what is required of them during their license terms under the public interest standard of the Communications Act of 1934.

H.R. 12993 was drafted to improve the performance of broadcasters by clarifying and modifying the license renewal policies and procedures followed by the FCC. The Broadcast License Renewal Act was passed by the House of Representatives by an overwhelming vote of 379 to 14. As amended and reported by the Senate Commerce Committee, this bill should provide a meaningful standard by which the general public and competing applicants can properly measure the performance of an incumbent licensee and judge the merits of his renewal application.

It is my belief that the Commerce Committee substitute, which we are to consider, will go a long way to restore stability and confidence in the broadcast license renewal process.

For one thing, the License Renewal Act will direct the FCC in section 2(a) to establish procedures to be followed by broadcasters to ascertain the problems, needs, and interests of the local residents they are licensed to serve. The Commission will set forth these ascertainment procedures by rule, rather than on a case-by-case basis, thereby assuring that explicit requirements will be followed by licensees.

Therefore, the broadcaster will know under the Senate bill, that the FCC expects him to make a diligent, positive, and continuous effort to discover the problems, concerns, tastes, and desires of the listeners and viewers within his service area and then to fashion his station's programing accordingly. But the control of the program service still belongs to the licensee, and the FCC will not attempt to control or second-guess the licensee's decisions on how best to serve his community.

The test of renewal under H.R. 12993, as under existing law, is whether the public interest would be served thereby. Section 2(b) makes clear that the principal consideration of the FCC when it evaluates a renewal application is whether the broadcaster has, in fact, responded to ascertained problems, needs, and interests. In other words, the Commission will place emphasis on the incumbent licensee's past programing and total service record rather than on a newcomer's frivolous and untried promises.

The commerce bill also makes clear that past program service of all renewal applicants—whether contested or contested—will be judged by one standard, namely, whether the programing has "substantially met" ascertained problems, needs, and interests. Under current policies the FCC relies on different standards in contested and uncontested cases. A single standard for all situations should remove some of the confusion and uncertainty now existing in the renewal process.

The Senate bill also establishes in section 2(b) a presumption in favor of the incumbent licensee who has properly ascertained local problems, needs and interests; whose programing is responsive to those problems, needs, and interests; and whose operations are not characterized by character, technical, legal, or other serious deficiencies. In other words, H.R. 12993 will give a preference to the conscientious broadcaster who has provided good service to his community.

In my opinion, the license renewal bill is meritorious in these respects.

It is true that H.R. 12993 does not go as far as either the broadcasters or their challengers would like and it does not cure all the regulatory ills that small broadcasters have complained of. It does not tackle some of the problems discussed in the resolutions of the Nebraska Broadcasters Association.

Still the License Renewal Act will afford some relief to everyone. In my judgment, it will best serve the public interest to amend H.R. 12993 by extending the license term for broadcasters from 3 to 5 years. In any event, this bill will put the broadcasters and the public on reasonable notice of the standards of service to be expected of broadcast licensees. And most importantly, it will provide stability and needed reforms in the license renewal process. Perhaps that is as much as we can hope for at this time.

Accordingly I urge my colleagues to vote for H.R. 12993, and support the bill amended to increase the broadcast license term.

EXHIBIT 1

RESOLUTIONS ADOPTED BY THE NEBRASKA BROADCASTERS ASSOCIATION AT ITS CONVENTION HELD IN COLUMBUS, NEBR., ON SEPTEMBER 17, 1974

Resolved: We urge the Congress to pass and the President to sign a bill which will restore stability to the broadcasting license renewal process. Such a bill should incorporate these features among others:

(1) Minimum license term of five years.

(2) Protection against frivolous actions to intervene or deny.

(3) Reduction of reporting and paperwork.

(4) Licensee responsibility for ascertainment of needs procedures.

(5) Control of programming by the licensee as distinguished from the government or outside groups.

(6) A prohibition against case-by-case consideration of other media ownership interests of the applicant. Government policy should be set by Congressional action or by FCC rule-making.

(7) Dominant weight to the applicant with a demonstrated record of performance and responsiveness to needs of the service area.

Resolved: We condemn the pattern of discrimination against broadcast media which is spreading within certain governmental and quasi-governmental units. Examples that come readily to mind are:

(1) The action of the Federal Communications Commission in banning cigarette advertising in the broadcast media but not in others;

(2) The appropriation of money for paid advertising to encourage military recruiting in all media except broadcasting;

(3) Political campaign legislation which places limits on spending in the broadcast media but not in others;

(4) Use of paid advertising by the Postal Service in competitive media but non-use or belated use in broadcasting.

Resolved: We commend the Congress for its progress in eliminating winter daylight saving time which has failed in its avowed purpose of making significant savings in energy usage, which has added gravely to traffic hazards and which has severely handicapped broadcasters in their efforts to serve the public, particularly in times of disaster and bad weather. We ask the two houses of Congress to reconcile the differences in their respective bills and speed a consensus version to the President for his signature at the earliest possible date, as the days are now getting shorter.

Resolved: Re-regulation:

We commend the Federal Communications Commission for its progress in eliminating obsolete, unnecessary and unduly burdensome regulations over radio broadcasting. At the same time, we point out that many such regulations continue in force, and we request the Commission to push the re-regulation project vigorously, both in radio and television.

Resolved: The FCC is considering a change in its fee schedule for filings and transfer of ownership grants, and in connection herewith is proposing assignment and transfer grant fees determined on the basis of the average annual gross income of broadcast stations. The imposition of transfer and assignment fees based on the average gross income of a broadcast station would be grossly unfair and improper, and would disregard entirely the operating costs which are specifically recognized as proper and necessary by the Internal Revenue Service and by other local and federal authorities.

Resolved: That the NBA recommends repeal of the fairness doctrine because it can only get more involved and unfair as time goes on. The answer is to eliminate the doctrine from the FCC rules. Time has proven the doctrine impractical. The FCC differs with the courts and the confusion reigns. With every change in Commissioners, the fairness doctrine will change in interpretation. This isn't fairness—it's confusion.

Mr. MOSS. Mr. President, will the Senator from Rhode Island yield to me for a few moments for some questions?

Mr. PASTORE. I yield.

Mr. MOSS. Mr. President, let me begin by saying that I certainly commend the chairman of the subcommittee and the ranking Republican member of the subcommittee that produced this bill, because they did indeed work long and diligently, and we had many meetings. I cannot claim that I was present for all of them, because, as a member of the subcommittee, I was in and out of the hearings, but I got in, I think, on most of the discussion and certainly all of the markup of the bill; so I think I am quite familiar with the bill.

I, too, believe that the subcommittee and the full committee have here sent to the floor a very much needed piece of legislation, and one that will both improve the situation for the broadcasting industry and still preserve for members of the public their opportunity to challenge, if need be, those who do not measure up to the standards prescribed for them. The authority is again reiterated to the FCC to control the broadcasting industry so that it is in the public interest.

I have a question that I wish the floor manager would answer, because it is one point that is a little bit troublesome still.

The committee report emphasized that in determining the public interest, newspaper ownership is only one factor to be considered in relation to other factors, with performance and programing the basic test for a license. If common ownership of a broadcast media by a newspaper were used adversely to the public interest, then the presumption resulting from other programing would not be applicable. And if in a given market there were undue concentration to the extent that the sole newspaper owned the only broadcast facility, then the presumption generally resulting from performance may be overcome. It is my understanding that by omitting section 2(b) of H.R. 12993 the committee did not intend to disregard the historic position of the Commission, Congress, and the Judiciary that, in the absence of undue concentration, an applicant for license or renewal may not be discriminated against by the Commission solely because of newspaper ownership. Section 2(b) was omitted simply because the legislative history demonstrated that it was unnecessary.

Is that a correct understanding?

Mr. PASTORE. No, in that it was unnecessary. The House passed a bill saying that until such time as a rule was promulgated by the Federal Communications Commission, they could not consider at renewal time this matter of cross-ownership until that rule was promulgated.

We went a step farther than that, and left it out, because we felt we should not be dictating in what we considered to be at the moment an administrative element.

What we did do was confer with Mr. Wiley, who is the Chairman of the Federal Communications Commission, and he assured us that before December 31, 1974, this year, they would promulgate rules.

We went a step further than that; we not only took his word, but we wrote it in our own bill, that the rule must be promulgated before December 31, 1974.

I have no doubt in my mind that in cases where we have a high concentration of the newspaper community all in the hands of one management, a license would not be granted to that newspaper management. But I am quite sure that in an area like Washington, D.C., for instance, where the Evening Star owns channel 7, where the Washington Post owns channel 9, where RCA owns channel 4, and where Metromedia owns channel 5, I doubt very much that that situation will be changed by any rule. However, I am just at this time stating my own point of view, without knowing what they are going to do.

But we thought we should wait until December 31 and then, if we are dissatisfied, we can call the Commission before us and ask for explanations.

Mr. MOSS. Do I understand, then, that the bill is silent, having required the Commission to act on rule-making by the end of the year; that nothing is said in the bill about what they should contain in the rule or how they should approach it?

Mr. PASTORE. I would assume they would go on for the next 2 months as they have been going on from time immemorial.

Mr. MOSS. There is, consequently, nothing in the bill to indicate that there is any opposition to cross-ownership? It is simply whether we have concentration or not; is that right?

Mr. PASTORE. Concentration, of course, would come under the criteria.

Mr. MOSS. Unless there is concentration and consequent abuse or likelihood of abuse there fould be no basis for refusing a license on cross-ownership.

Mr. PASTORE. That is my point of view.

Mr. MOSS. I thank the Senator.

In determining the purposes and scope of the Communications Act of 1934, resort may be had not just to the context of the act, but to its historical background and legislative history. The purpose of the Communications Act of 1934 has never been considered to empower the Federal Communications Commission to discriminate against and disqualify any class of persons or class of business. In particular, the purpose of the act has never been to discriminate against newspaper owners as licensees under the act.

The best construction of the statute is that which it has received from contemporary authority. A construction sanctioned by long-acquiescence on the part of the Congress and the Commission and judicial tribunals is the strongest evidence that it has been rightly construed. Indeed, the practical construction of the statute and the meaning publicly given it by usage is presumed to be the true construction, which should not ordinarily be disturbed. This is especially true where overturning the construction long and generally accepted, would have far-reaching consequence.

For all these reasons, section 2(b) of H.R. 12993 was omitted because it could only serve to create ambiguities in connection with the clear and unequivocal construction placed on the act by the Commission and the Congress. The Commission's position was made absolutely certain during the hearings on S. 658 held in August 1950 and April 1951 by the House Committee on Interstate and Foreign Commerce, during which the view of the Commission in the case of Hearst Radio, Inc.—WBAL—and Public Service Radio Corp. decided on June 18, 1951, was quoted as follows:

> Newspaper ownership does not automatically disqualify an applicant. It is a factor which is considered, but only in relation with the other aspects of comparative determination and as it bears upon the final decision of whether a grant to the applicant in question is in the public interest. The record does not show that the common control of WBAL and the Baltimore newspaper, has been employed adversely to the interests of the listening public, and an inference can reasonably be drawn that these conditions which have previously obtained will continue.

A so-called newspaper amendment was then omitted from S. 658 and the following statement of congressional intent was substituted, which statement was approved by both the House and the Senate:

> This provision was omitted from the conference substitute because the committee of conference felt that it was unnecessary. It is the view of the conference committee that under the present law the Commission is not authorized to make or promulgate any rule or regulation the effect of which would be to discriminate against any person because such person has an interest in, or association with, a newspaper or other medium for gathering and disseminating information. Also, the Commission could not arbitrarily deny any application solely because of any such interest or association.

Section 2(b) of H.R. 12993 was omitted for the same reasons. It is simply unnecessary and would have created an ambiguity with regard to the established construction and legislative history. Other examples of the consistent construction placed upon the Communications Act of 1934 are set forth in the annexed exhibit.

I make this statement to be certain that our decision to omit section 2(b) is never construed as having a purpose or intent different than the foregoing explanation.

I ask unanimous consent to have printed in the RECORD a summary of portions of the legislative history of newspaper ownership under the Communications Act of 1934.

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

EXHIBIT

SUMMARY OF PORTIONS OF THE LEGISLATIVE HISTORY OF NEWSPAPER OWNERSHIP UNDER THE COMMUNICATIONS ACT OF 1934

(a) In January and May 1937, the FCC transmitted to the Senate and House Committees, respectively, the formal opinion of its first General Counsel concluding that the FCC lacked authority to discriminate against newspaper applicants for broadcasting stations.

(b) When the FCC on January 13, 1944, closed the record and dismissed its inquiry on newspaper ownership of radio stations (Doc. 6051), a summary of the evidence and a copy of the FCC Order was transmitted to the Senate and House Committees. In that proceeding, the Commission concluded not to adopt any general rule with respect to newspaper ownership of radio stations in view of "the grave legal and policy questions involved."

(c) During the period that the Newspaper Investigation was pending before the Commission, 1941–1944, the FCC had deferred acting on newspaper applications and this became a matter of concern to Members of the Congress. During this period, a Bill was introduced in the Senate, the intent of which was to prohibit the FCC from discriminating against newspaper applicants.

(d) Acting Chairman Charles Denny, in testifying before the Senate Committee on June 17, 1947, stated that the antinewspaper discrimination Bill "merely represents present practice." Mr. Denny testified further "we have no rule; a newspaper is qualified to become the licensee of a radio station." Hearings on S. 1333, pp. 44, 69.

(e) Acting Chairman Hyde, in testifying before the Senate Committee on June 16, 1949, on the same anti-discrimination Bill, S. 1973, stated that the Commission had no objection to the amendment and that any such discrimination by the FCC would constitute "class rule making."

(f) Following the 1947 and 1949 hearings and conferences with Commission members, the Senate Committee in S. Rep. No. 741 on S. 1973 explained that the anti-discrimination provision was dropped in reliance upon

the FCC representations that it had no rule or policy against newspaper ownership and no intention of adopting any such rule or policy, and that in any event, it lacked authority so to do.

(g) The House Committee, on April 8, 1952, reported favorably on the adoption of a Newspaper Amendment originating in the House Committee which was subsequently debated and passed by the House and sent to Conference.

(h) On July 2, 1952, the Conference Report was adopted which deleted the text of the House-approved Newspaper Amendment but adopted unanimously a statement of policy to the effect that such anti-newspaper discrimination legislation was unnecessary by reason of the lack of FCC statutory authority.

(i) Thereafter, on January 31, 1956, Chairman McConnaughey, in testifying before the House Committee on miscellaneous bills, stated: "We fully agree with this opinion of the conference committee," that the Commission did not have authority to discriminate against newspaper applicants. He testified further "that legislation was not necessary to protect newspapers from discrimination." (Pp. 83, 84.)

(j) On March 26, 1968, Chairman Hyde, testifying before the Senate Committee in the context of the Newspaper Preservation Act, said "we have not found to date that outside business interests present an overall problem in terms of preserving impartial news and public affairs coverage by broadcast stations, and the Commission does not recommend any limitation upon entry based upon outside interests." Commissioner Hyde testified elsewhere "we should not disqualify any class of persons or any class of business from being eligible" . . . "I am sure that I am speaking Commission policy on this," . . . "whether it be newspaper or manufacturing."

Mr. MOSS. Mr. President, during the hearings on the pending legislation and during the deliberations by the committee, some of the significant questions raised related to cross-ownership, and integration of ownership and management.

The committee met these issues as well as others head-on and has attempted to remove the confusion and uncertainty that pertains at renewal time today.

First, it directed the FCC to complete its rulemaking proceeding involving cross-ownership and multiple ownership by December 31, 1974.

It also adopted specific criteria outlined in section 2(b) of the bill which the FCC must follow at renewal time. If the Commission is satisfied that the licensee has satisfactorily met the criteria, a presumption will attach that the public interest will be served by renewing such a license.

Because of the importance of these provisions, the committee was very careful to explain its position in the committee report. I would like to cite a few of the pertinent provisions from the report:

In order to assure necessary industry stability in the public interest, however, your Committee does not intend that the flexibility given the FCC be used to re-structure the industry on a case-by-case basis. To the extent the dynamics of the medium and the public interest permit, the FCC should adopt rules and policies of general applicability. In this way, the broadcasters will know what is expected of them, and cannot plead surprise or inequity.

If and when the FCC finds additional criteria appropriate for consideration whether it be cross-ownership of other media, integration of broadcast management with ownership of something else, your Committee expects the Commission to move expeditiously in adopting such rules or policy as may serve to put the parties on notice as to what will be considered in renewal proceedings.

It is also expected that licensees will be given reasonable opportunity to come in compliance with changes in the Commission's rules or policies made during the term of license. To this end, the Committee in this legislation is directing the FCC to complete its cross-ownership proceeding in Docket No. 18110 by December 31, 1974.

Licensees who have received broadcast licenses and operated stations in accord with Commission rules, regulations and policies should not find these factors injected into a renewal proceeding unless there has been a change of circumstances or a failure to comply or abuse of the policy and rule.

I know how careful the committee considered this language and that is why I have repeated it because I wish to emphasize that a licensee who has received a broadcast license and operated his station in accordance with Commission rules regulations and policies should not find these factors injected into a renewal proceeding unless there has been a change of circumstances or failure to comply or abuse of policy and rule.

The PRESIDING OFFICER (Mr. METZENBAUM). Who yields time?

Mr. PASTORE. How much time would the Senator like?

Mr. HART. Four minutes.

Mr. PASTORE. I yield 4 minutes to the Senator from Michigan.

Mr. HART. Mr. President, there is a sense of unease, not unreality but unease, at least on the part of some of us, that at a time when many sectors of the economy are suffering perhaps more grievously than any time since the depression, we are culminating many hours of effort to make life a little easier for a sector of the economy which is relatively very healthy.

It is not the situation of the failing-newspaper bill run through here again, but there is in that House bill, I think, a pretty clear demonstration of the effectiveness of a very genteel radio-television influence on the bill, an influence which, Senator Pastore has indicated, goes far beyond any legitimate claim or expression of concern a broadcaster could voice.

I support the committee bill, uneasy though I am, in the belief that by enacting this proposal we will forestall, if you will, Mr. President, an even worse one.

I would hope that we understand that not an inch should be conceded in conference by the Communications Subcommittee, and what the subcommittee and then the Commerce Committee has done is the maximum to which we should yield to the unease of that industry.

As politicians, all of us know how comfortable it would be if nobody could challenge us on a renewal. I can understand why a broadcaster would like very much to have a longer term and fewer uncertainties. But the chances are that each of us as Senators performs a little more effectively because he can be challenged periodically.

So, too, broadcast licensees, I think, will perform more effectively if they are open at the end of a 3-year term—not 5 years—and if while there is some favor given them by reason of establishing adequate performance, it is not a conclusive presumption. Monopoly still can be raised as a legitimate basis for challenge.

Remember there have only been two licenses that have ever been denied on failure of performance. Only two challenges have ever succeeded, in Jackson, Mississippi, and in Boston; and in neither case was a competing application against a regular renewal applicant the cause.

This is a relatively healthy sector of our economy, and they are all friends of ours. But enough is enough. What the committee proposes is what I would hope—and in this I support Chairman PASTORE and Senator BAKER—that we will see that we go no further.

These are license tickets which, on the market, most welfare rights organizations would love to have. Mothers on food stamps would love to have one. We are not talking about feeble, threatened pieces of the economy. Let us not concede any more than is in this bill.

Mr. PASTORE. Mr. President, if the Senator will yield, to give an example of the impossibility of the job we are supposed to do on the floor today, here I have an amendment which takes it from 3 to 5 years. It is sponsored by 17 Senators and, with the exception of Mr. BEALL, not one of those Senators is on the floor.

Mr. ALLEN. The Senator from Alabama is on the floor, and he is a sponsor.

Mr. PASTORE. I do not see his name on here—yes, I am sorry. Mr. ALLEN is on the floor—Mr. BEALL and Mr. ALLEN.

Developing this bill was an agonizing experience; we had many fine people come in from all over the country, people who had complaints to make, and they wanted to be heard. We heard them. I must say that for most of the time just Mr. BAKER and myself were there. I am telling the Senator that stopping this amendment is going to be like stopping the wind today, just wait and see.

Mr. HART. Why?

Mr. PASTORE. I do not know. The word is already around that the industry has 60 votes. How do they know? How does the industry know they have got 60 votes?

Mr. HART. Because we are exposed to that industry every time we want to go to the public.

Mr. PASTORE. I have already said that.

Mr. HART. And every time we go to the industry they say, "What are you going to do about that license renewal?"

Mr. PASTORE. Mr. President, you know what I would like to say. All of this clamor about the rights of the consumer; why does it stop here? Why are those who are interested in the rights of the consumer doing what they are doing, why do they flip-flop on this? But that is all right. As I said before, it is like stopping the wind. Just wait and see what happens.

I yield the floor, Mr. President.

Mr. HART. I think the Senator from Rhode Island has indicated why there may be that many votes.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I understand I have control of the time in opposition, and I will be glad to yield to the Senator from Michigan.

Mr. President, I am prepared——

Mr. BEALL. May I engage in a colloquy with the chairman of the committee?

Mr. PASTORE. Yes, of course the Senator may.

The PRESIDING OFFICER. On whose time?

Mr. PASTORE. On my time. We have got a lot of time here.

Mr. BEALL. As the chairman knows, during the course of the hearings on this we talked with the FCC, and during the course of the hearings I raised some question with the FCC about the question of ascertainment, the methods used in the ascertainment procedures, specifically with regard to the geographical area that is used when they determine primary and secondary areas of ascertainment.

I have been concerned, for instance, if I may be very parochial and use the local area as an example of, perhaps, the process that might be used in ascertainment, that sometimes licensees are inclined to consider their political subdivision in which they are located the area of a primary service for ascertainment purposes.

It is my contention that the FCC should not allow the licensee to determine this primary coverage area on the basis of artifically drawn political boundaries. In other words, using the Washington metropolitan area as an example, it seems to me, for instance, that a television station—and radio station to some degree, but a television station primarily—that is situated in the District of Columbia should not just consider the District of Columbia a primary service area because there are 850,000 people in the District of Columbia. There are a million and a half people in the two neighboring counties adjoining in the State of Maryland and, I assume, there are another million and a half people in the counties across the river in Virginia and, it seems to me, that for purposes of ascertainment as to the quality and viability and suitability of the service that is being rendered by a licensee, the Maryland and Virginia territory are just as primary as is the territory in the District of Columbia.

I would like to ask the chairman if it is his understanding that in the ascertainment procedures we are describing here in this bill is it his understanding that ascertainment is to be considered on the basis of the total population in the area being primarily served, and not being on the basis of some historical political boundary and which has no significance?

Mr. PASTORE. The Senator from Maryland is absolutely right. If he will look at page 6, the bottom two paragraphs on page 6, and the top paragraph on page 7, we say essentially what he has already indicated.

It is true. The service area has to be considered in the ascertainment proceeding, anything else would be discriminatory.

Mr. BEALL. In other words, for the licensees of this area, the service rendered in Montgomery and Prince Georges County is just as important as service rendered in the District of Columbia.

Mr. PASTORE. That is right.

Mr. BEALL. I thank the Senator.

Mr. PASTORE. And I think it extends to either side.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Will the Senator yield me some time, inasmuch as he is controlling the time?

Mr. BAKER. Mr. President, I am happy to yield whatever time the Senator from Alabama wants to have.

Mr. ALLEN. Ten minutes?

Mr. BAKER. I yield 10 minutes to the Senator from Alabama.

Mr. ALLEN. Mr. President, later on in the morning, the amendment the distinguished Senator from Rhode Island referred to will be called up.

It would permit the FCC to grant licenses for 5 years or to extend them for a like period, whereas the present law is 3 years, and the House passed the bill at the 5-year figure.

I was somewhat interested in the remarks of the distinguished Senator from Rhode Island, the chairman of the committee, when he asked the question, "Where are those who are interested in the consumer? Why are they not opposing the 5-year amendment?"

Well, I am also interested in this point as well, and I recall when we had the so-called Consumer Protection bill up before the Senate, the sponsors of that bill had a nice little exemption in the bill that the Consumer Protection Agency would have no jurisdiction in the matter of proceedings before the FCC in the matter of granting licenses or renewing licenses.

The Senator from Alabama did not feel that it was quite right to leave anybody out from under the umbrella protection of the so-called Consumer Protection Agency, so the Senator from Alabama offered an amendment here on the floor seeking to give the Consumer Protection Agency jurisdiction to intervene and represent the consumer in matters before the FCC regarding the granting of licenses and the renewing of licenses.

Just as soon as I can get the rollcall on that, I am going to offer it for the record. But the Senator from Alabama might well ask the question, where were the Senators at that time protecting the interests of the consumer, because that amendment offered by the Senator from Alabama was overwhelmingly defeated.

If the Senator from Alabama recalls correctly, and I will correct the record if I am wrong, the Senator from Rhode Island voted against giving the consumer that protection.

Mr. PASTORE. Now, will the Senator yield?

Mr. ALLEN. Yes, sir.

Mr. PASTORE. In the first place, the Senator from Alabama is the one who does not want that consumer bill at all.

Mr. ALLEN. Well, the Senator from Alabama——

Mr. PASTORE. And filibustered the bill—now, let me answer, you mentioned my name.

I said on the floor at that time that, after all, the public at the grass roots intervenes at the time of renewal and to get some high pressure lawyer down here that does not know what is going on in Rhode Island is not the way to protect the consumer in Rhode Island. That is the reason why I am doing it on this bill, to make sure that little guy in Rhode Island is going to be protected and not a $40,000-a-year lawyer in Washington.

That is the reason why I voted against the amendment of the Senator from Alabama, because his was a parliamentary ploy.

Mr. ALLEN. I thank the distinguished Senator from Rhode Island for this explanation and that shows that the Senator from Alabama and the Senator from Rhode Island both do not feel that the so-called CPA was going to offer protection for the consumers.

The Senator did not think the CPA was going to offer protection for the consumers of Rhode Island and the Senator from Alabama was trying to put everybody under the same great umbrella.

So the distinguished Senator from Rhode Island did not want any consumer protection at that time and now he is calling for consumer protection in just a matter of a few days difference, so that is very interesting.

Mr. HART. Will the Senator yield?

Mr. ALLEN. I will yield at the end of my time, if the Senator can get some time.

So it is very interesting that the distinguished Senator from Rhode Island today is worried about the consumer.

Where were the Senators representing the consumer when the Senator from Alabama tried to give them the protection of the Consumer Protection Agency and they did not want it in this affair?

Where is the consumer more interested than in proceedings before the Federal Communications Commission regarding the granting of licenses or the renewal of licenses?

Certainly, there was no reason for excepting the FCC from the protection, if it be protection, of the Consumer Protection Agency, and the Senator from Alabama and all Senators realize, they were left out from under the bill so as to get the support of the media industry.

The Senator from Alabama has a case in point respecting the Educational Television Commission in his own State where the ETV in the State of Alabama, which I might say is the very first Educational Television Commission setup in the entire country, has been harassed, it has had proceedings brought against it to not renew its license, and even though the conditions that were complained about occurred many years ago, still an effort is being made to revoke the license, or not to renew the license, of this State-operated agency in the State of Alabama.

So to allow pressure groups to come in every 3 years and try to block the renewal of licenses is a burden that should not be placed on public television stations and privately owned television stations.

If we are going to have our media stations under the gun at all times, acting

in such a way as not to offend pressure groups of all sorts, then it would seem to the Senator from Alabama that would not be in the best interest of the public.

If every 3 years they are going to be put on the griddle and charged with unfair practices and to have their licenses taken away from them, I think it is burden that should not be placed upon them. A 5-year term, it seems to the Senator from Alabama, is fair, and the House passed a 5-year provision.

If we adopt this amendment, it will put the sponsors of the bill in such a position that they will not have anything to argue with the House about at this point. They will agree to the 5-year term, so we will be able to give them a bill, a bill that is much needed.

So to say that every 3 years a station has got to respond to the attacks of pressure groups of all sorts that might not be satisfied with their programing is certainly something we should not require.

The investment in these stations, I would say, would run in the hundreds of thousands of dollars, if no the millions of dollars, and to have that subject to the whim or caprice of the FCC with its inability in many cases to withstand pressure, I believe is not in the public interest.

Now, Mr. President, I have here the votes on the consumer protection bill where the Senator from Alabama offered an amendment. We are all concerned about the consumer, the Senator from Rhode Island especially is interested in the consumer in this matter, and when the Senator from Alabama offered an amendment to the Consumer Protection Agency giving the Consumer Protection Agency jurisdiction to intervene in FCC matters, to protect the consumer in these matters, how did the Senator from Rhode Island vote?

He voted no.

The Senator from Tennessee did not vote.

The PRESIDING OFFICER. The 10 minutes have expired.

Mr. ALLEN. The Senator from Alabama, along with 16 other Senators, voted to bring the FCC under the umbrella of protection of the Consumer Protection Agency. So that is where the Senator from Alabama stood.

Mr. PASTORE. May I ask the Senator a question if I give him the time needed for the question?

Mr. ALLEN. Yes.

Mr. PASTORE. If the amendment had been accepted, would the Senator have voted for the bill?

Mr. ALLEN. No.

Mr. PASTORE. That is why I think this is a parliamentary ploy.

Mr. ALLEN. The Senator from Alabama was not for the bill. He took the position, however, that if the bill was to be passed, it should cover the whole economy. He also objected to excluding big labor from the protection of the bill. If the bill is to be passed, it ought to cover everybody alike.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. The Senator from Alabama is trying to accomplish that. I favor the amendment which will be offered at a later time.

Mr. BAKER. Mr. President, I yield myself 2 minutes.

Mr. ALLEN. Mr. President, I ask unanimous consent that the record of the vote on the amendment I offered on the consumer protection bill respecting the bringing of the FCC under the protection of the CPA law be printed in the RECORD.

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

SENATE VOTING RECORD

CONSUMER PROTECTION

Legislation: S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants in order to protect and serve the interests of consumers, and for other purposes.

Vote Analysis: Ribicoff motion to table the Allen motion to reconsider Vote No. 293. (See also Vote No. 299.)

S. 707: Vote Nos. 292–294; 299–300; 313; 318; 321; 329;

Result of vote: Motion rejected. Yeas, 44; nays, 46; not voting, 10.

YEAS (44)

Democrats (34 or 67%):

Bayh	McGee
Bentsen	McGovern
Burdick	Metcalf
Byrd, Robert C.	Metzenbaum
Church	Mondale
Cranston	Montoya
Eagleton	Moss
Hart	Muskie
Hartke	Nelson
Hughes	Pastore
Humphrey	Pell
Inouye	Proxmire
Jackson	Randolph
Johnston	Ribicoff
Kennedy	Stevenson
Magnuson	Tunney
Mansfield	Williams

Republicans (10 or 26%):

Brooke	Pearson
Case	Percy
Javits	Schweiker
Mathias	Scott, Hugh
Packwood	Stevens

NAYS (46)

Democrats (17 or 33%):

Allen	Hathaway
Bible	Hollings
Biden	Huddleston
Byrd, Harry F., Jr.	McClellan
Cannon	Nunn
Chiles	Sparkman
Eastland	Stennis
Ervin	Talmadge
Haskell	

Republicans (29 or 74%):

Aiken	Goldwater
Baker	Griffin
Bartlett	Hansen
Beall	Hatfield
Bellmon	Helms
Bennett	Hruska
Brock	McClure
Buckley	Roth
Cook	Scott, William L.
Curtis	Stafford
Dole	Taft
Domenici	Tower
Dominick	Weicker
Fannin	Young
Fong	

NOT VOTING (10)

Democrats (7):

Abourezk—2	Long—2
Clark—2AY	McIntyre—2AY
Fulbright—2	Symington—2
Gravel—2	

Republicans (3):

Cotton—2	Thurmond—1AN
Gurney—2	

Explanation of absence:
1—Official Business.
2—Necessarily Absent.
3—Illness.
4—Other.

Symbols:
AY—Announced Yea.
AN—Announced Nay.
PY—Paired Yea.
PN—Paired Nay.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I did not think we were going to get into a CPA argument in the course of this debate. However, for 2 minutes I will add something else to it.

I was opposed to the CPA. I guess I still am, in the form it was before the Senate. But I also am opposed to the Allen amendment. In my judgment, the real way to protect consumers is through the agencies designed for certain purposes. They know how to best perform those tasks in the public interest.

The Federal Communications Commission is in the best position to decide how best to protect the public interest. That is all they have, the general public. Even if the Allen amendment had not been offered, I suppose I would have voted against the bill and against cloture because I think the FCC is better equipped to protect the public. But I would have voted against the Allen amendment.

Mr. President, I understand there are one, two, or possibly other amendments to be offered.

I reserve the remainder of my time on the bill.

Mr. ALLEN. Will the Senator yield for 1 minute?

Mr. BAKER. Yes.

Mr. ALLEN. Mr. President, the Senator from Alabama was mistaken when he referred to this amendment on the FCC in the consumer protection debate as having been offered by the Senator from Alabama. Actually, the amendment was prepared by the distinguished Senator from Ohio (Mr. METZENBAUM), who was the author of the amendment, and which I cosponsored.

The Senator from Alabama spoke for it. He had other amendments and he misstated that he introduced this amendment. He supported the amendment. He spoke for it and he is happy to give the distinguished Senator from Ohio credit, credit that he should have, and that the Senator from Alabama applauds him for.

Mr. PASTORE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. What is the time situation?

The PRESIDING OFFICER. The Senator from Rhode Island has 10 minutes, and the Senator from Tennessee has 9 minutes.

Mr. PASTORE. If there are going to be amendments, we should bring up the amendments because there is time on the amendments.

Mr. HART. Could I address two questions to the manager of the bill for clarification?

Mr. PASTORE. Would the Senator wait until after we get the amendments?

Mr. HART. Very well.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 1956

Mr. TUNNEY. Mr. President, I call up amendment No. 1956 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. TUNNEY's amendment (No. 1956) is as follows:

On page 9, between lines 20 and 21, insert the following:

On page 9, between lines 20 and 21, insert the following:

"TERM OF LICENSES

"SEC. 3. Section 307(d) of the Communications Act of 1934 is amended by striking the first two sentences and inserting in lieu thereof the following: 'No license granted for the operation of any class of station shall be for a longer term than five years and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby.'."

On page 9, line 23, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

Mr. TUNNEY. Mr. President, I ask unanimous consent that John Daly and Dan Jaffe, of my staff, be given the privilege of the floor during the debate on this amendment.

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

Mr. TUNNEY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TUNNEY. Mr. President, I would like to indicate that this amendment is being offered by Mr. BENTSEN, Mr. COOK, Mr. BEALL, Mr. HRUSKA, Mr. BAYH, Mr. YOUNG, Mr. ALLEN, Mr. MANSFIELD, Mr. HUGH SCOTT, Mr. HOLLINGS, Mr. NUNN, Mr. MONDALE, Mr. HUMPHREY, Mr. CURTIS, Mr. CHILES, Mr. STAFFORD, Mr. BARTLETT, Mr. MCCLELLAN, Mr. MCGEE, Mr. TOWER, Mr. TALMADGE, Mr. STEVENS, Mr. HATFIELD, Mr. GRAVEL, and myself.

Mr. President, I would like to say, before beginning my remarks on this amendment, that I think that the chairman of the subcommittee, the distinguished floor manager of this legislation, has done an absolutely outstanding job in bringing to the floor after many, many hours of hearings, and much controversy in the Commerce Committee, a bill which I think will represent a significant improvement over existing law.

I recognize that the distinguished Senator from Rhode Island knows more about this subject matter, along with the Senator from Tennessee, than any other Senator.

However, I must say that I have felt for the last 9 years, in the House of Representatives and in the Senate, that the law, as it related to license renewal, was deficient.

I suppose that I reached that point of view having represented a small rural congressional district in southern California in which we had a number of radio stations that were not well financed, that did not have large listening audiences, but, on the other hand, provided a very crucial service to the residents who lived in that sparsely populated area.

I had a chance to meet with the station managers and talked with them about their problems in getting a license renewal. They pointed out the incredibly complex paperwork that was involved, the great cost in trying to get a license renewal; the fact that they had to hire lawyers, occasionally go back to Washington, D.C., and sometimes there would be a delay of as much as 2 to 3 years after they should have had their license renewed before, in fact, they were able to get their renewal.

Mr. President, the wide dissemination of ideas is crucial to the proper functioning of a democratic society. The Federal Communications Commission with its oversight and licensing powers over the airwaves plays a critical role in this process and must be vigilant in assuring the excellence and public service of the broadcast media.

Therefore, I am offering an amendment which I think will provide a greater possibility for particularly the smaller stations to provide consistent programing and to give them a greater degree of assurance over a 5-year period that they will be able to develop a plan for programing which will be of benefit not only to the broadcasters but also to everyone who listens to their programs.

To strengthen what I consider a good bill, I am offering an amendment to allow the Federal Communications Commission to extend the license renewal term to 5 years. I point out that this amendment would not prevent the FCC from renewing licenses for a period shorter than 5 years in appropriate cases.

I believe that this longer license period would significantly improve the license renewal process for the following four reasons:

First, a longer license period would reduce the number of renewal applications processed annually by roughly 40 percent and therefore allow the Federal Communications Commission to scrutinize and review renewal applications more carefully.

Second, this close scrutiny and review will better assure the public that broadcasters are being required by the FCC to meet community needs and to offer excellence in programing.

Third, an extended renewal period would aid the small broadcaster. The license renewal process, which at one time was a fairly simple and straightforward procedure, has become extremely complex, expensive, and time consuming. Enormous amounts of information and filings are now required by the FCC. This burden weighs particularly heavily on the many small broadcast stations on which millions of Americans depend for news and public service broadcasting throughout our Nation.

Fourth, the extended term would create an improved climate for capital expenditures allowing the broadcasters to amortize, over a reasonable length of time, the heavy capital commitments necessary to improve the quality of their transmission and service.

A quick look back at the history of broadcast licensing may be helpful in illustrating the case for a 5-year renewal period.

Early broadcast licenses were issued for 90 days, 6 months, 1 year and finally 3-year terms. This 3-year license term has been in effect since the enactment of the Radio Act of 1927 and the Communications Act of 1934.

In the following 40 years, with television's arrival and radio's continued expansion, there has been phenomenal growth in the broadcast industry. From a mere three stations in 1920, the number has risen, until today there are more than 8,400 broadcasting stations in the United States. But despite the explosive growth of the industry in size and technological complexity, there has been no change in the antiquated 3-year license term,

In this regard, it must be remembered Mr. President, that the great majority of stations in this country are owned by small businessmen, with a staff often numbering only half a dozen people. The mountains of paperwork required by the FCC has put an incredible burden on these stations.

Mr. Earl Morgenroth, of the Rocky Mountain Broadcasters Association, for example, stated in testimony before a congressional subcommittee that—

Thirty pounds of documents is not an unusual package to be sent to the F.C.C. by a station seeking to have its license renewed.

In numerous discussions with broadcasters in my own State, I have been told of the crushing burden of paperwork they face.

But, it must be remembered that the 5-year renewal period would not just benefit the broadcasters; for, as Chairman Wiley of the FCC, stated on June 18 before the Senate Commerce Subcommittee on Communications:

A five year license extension would reduce the number of renewal applications to be processed annually from approximately 2,700 to 1,600. This would enable the Commission to review more thoroughly each application filed and to give closer and more expeditious consideration to those applications which raise questions relating to the licensee's overall qualifications.

It is no wonder to me that Chairman Wiley is concerned over the present renewal burden, for there are close to 130 contested cases presently backlogged in the FCC, some of which may take months and possibly years to decide.

Furthermore, it should be noted that Chairman Wiley pointed out that the extended license period would in no way weaken overall FCC supervision. In fact, he stated:

Should any serious deficiency or question be raised as to the licensee's performance

during its license terms, various administrative remedies and sanctions are available to the Commission, including the levy of forfeitures, issuance of cease and desist orders, institutions of revocation proceedings, and the calling of early filing of a renewal application.

It would seem clear that the 5-year renewal period, along with the proposed legislation which was reported from the Commerce Committee, provides the framework for providing the best possible programing that the American public demands, desires, and should expect.

I hope that the Senate will consider favorably this amendment, which has been accepted by the House of Representatives in H.R. 12993, which was sent to the Senate.

Mr. President, I ask unanimous consent that the names of Senator MCCLELLAN, Senator MCGEE, Senator TOWER, Senator TALMADGE, Senator STEVENS, Senator HATFIELD, Senator GRAVEL, and Mr. THURMOND be added as cosponsors of the amendment.

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

Mr. TUNNEY. I would also like to add that the distinguished Senator from Texas, Senator BENTSEN, one of the main sponsors of this amendment was unfortunately unable to be here today. However, he feels very strongly about this issue and has been very effective in helping bring this issue to the attention of the Senate.

Mr. PASTORE. Mr. President, what we are forgetting in the discussion of this amendment is the fact that we have accommodated the industry and established stability of the industry if they meet the criteria of the legislation.

If we were resting alone on whether or not we should have the 3 years as against the 5 years and nothing else, there would be a great deal of logic in what the Senator from California has said. But as I pointed out when the Senator was not in the Chamber, we struggled with this, and we finally felt that, while we had to assure a licensee who had done a good job a reasonable chance—a presumption, if you will; a rebuttable presumption, if you will—that at least he would have his license. That was the one thing the industry was concerned with most, for the simple reason that the industry was disturbed by the WHDH case.

Also, we are adding this other feature which has been objected to by the interested public witnesses we had before our committee. As a matter of fact, they wanted us to do nothing at all. We had one extreme in which they said, "Leave it alone. The industry is stable enough. It is a multibillion dollar industry. None of them has gone bankrupt yet. They are making a lot of money. They are buying other businesses. Why do you have to bother now? These people are coming in here and shedding crocodile tears."

I think there was one moment when the Senator from California was very receptive to that argument—very, very receptive to that argument. As a matter of fact, I thought I was going to have a little trouble with him at the markup.

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

Mr. PASTORE. I yield.

Mr. TUNNEY. My position on the rebutable presumption has not changed one whit. I would support an amendment, if it were offered on the floor of the Senate. I understand that the Senator from Maine may offer such an amendment.

Mr. PASTORE. Does the Senator mean that all he wants is the 5 years and give them nothing else?

Mr. TUNNEY. No. I say that they should have a rebuttable presumption.

Mr. PASTORE. That is what they have under the bill. It is subject to rebuttal.

Mr. TUNNEY. If the Senator will recall, I offered a rebuttable presumption as an amendment in committee, and I think the distinguished Senator from Rhode Island corralled 11 votes and I was able to get 3.

Mr. PASTORE. As I said earlier, my intuition tells me that the atmosphere that we are operating in this morning is like stopping the wind. If the Senator is ready to yield back the remainder of his time, I am ready to yield back the remainder of my time and vote.

Mr. BAKER. Mr. President, before the distinguished chairman does that, will he yield to me?

Mr. PASTORE. I yield.

Mr. BAKER. Mr. President, I oppose the amendment. I opposed it in committee. I heard the rather extensive testimony of a great number of witnesses as to 3 years, 5 years, and no bill, and on virtually every other concept and variation one could imagine.

I believe that the 3-year term is in the public interest. One could make good arguments for 4 years and for a number of other things. But 3 years is a reasonable time to give a degree of stability, and at the same time to give a reasonably frequent opportunity to people to protest the performance of stations.

Before I yield back the remainder of my time, let me say a word about presumptions.

I got involved in the presumption debate, myself. Maybe it is a carryover from law school but I do not want the bill to be misunderstood.

This bill does provide a presumption. I understand that not to be a mere presumption, and not to be a conclusive presumption, but rather it is a rebuttable presumption. The definition of a presumption is that it stands in the face of evidence, as contradistinguished from a mere presumption, but it disappears if someone proves, by the preponderance of the evidence, something to the contrary. That is what we have. "Don't let's mess it up."

Mr. TUNNEY. It is a presumption, in other words, which may be rebutted if the weight of the evidence is against it?

Mr. BAKER. Yes, that is right.

Mr. TUNNEY. Does it completely disappear, or does it remain as a presumption despite the fact that there is substantial evidence offered against the presumption?

Mr. BAKER. We have "substantial evidence"; we have "completely disappeared." We have words of art involved in that.

Mr. TUNNEY. I agree. That is why I thought a rebuttable presumption was, perhaps, a little bit more detailed in its explanatory value than just "presumption," which is a bit slippery.

I have listened to the Senator and I do not understand what presumption is.

Mr. BAKER. A presumption is a presumption. I am not, as one of the managers of the bill, going to extend that definition beyond the ordinary, accepted definition of what a presumption is.

I shall tell the Senator what is is not: It is not a mere presumption and it is not a conclusive presumption. Beyond that, it is up to the courts and the Commission to decide, and I do not think we ought to spend our time on it.

Mr. TUNNEY. I certainly do not wish to delay debate on this.

Mr. PASTORE. If the Senator will yield, the Senator from Rhode Island takes the very categorical position that it is a presumption which can be rebutted by the contestant. We wrote that into the report.

Mr. TUNNEY. I thank the Senator from Rhode Island.

Does the Senator from Michigan wish time?

Mr. HART. No; I thank the Senator.

Mr. BAYH. Mr. President, last Friday I joined with 17 other Senators in introducing an amendment to H.R. 12993, the Broadcast License Renewal Act which would extend the term of broadcast licenses from 3 to 5 years. While I appreciate the fine work done by my colleague from Rhode Island, as well as the other members of the Senate Commerce Committee in arriving at a substitute to the House-passed version of this legislation, I would like to outline my reasons for feeling that such an amendment is necessary.

When most of us think of the broadcasting industry, we tend to think of the giants of that industry, ignoring the fact that the broadcasting industry is dominated by the small businessman, whether he be the small television station owner or the operator of an AM/FM radio station. These broadcast station owners are bound by the current provision of the law which states:

No license granted for the operation of a broadcasting station shall be for a longer term than three years.

According to statistics supplied to the Subcommittee on Communications and Power of the House of Representatives during their extensive hearings last year, there were 4,385 AM stations; 2,429 FM stations; 701 television stations; 566 educational FM stations; and 223 educational television stations—or a total of 8,295 broadcast stations subject to renewal every 3 years under present law.

Over the years there has been a substantial increase in the amount of preparation and expense necessary for the filing of such license renewal applications. Some applications run into several hundred pages. The impact of such procedures take their toll, particularly on the small broadcaster.

I am particularly concerned as to the burden this imposes upon the 123 FM stations, 87 AM radio stations, and 26

television stations in my home State of Indiana.

In addition to the burden imposed upon the individual station owners, the growth in the broadcasting industry has vastly increased the workload of the FCC. For fiscal year 1963 there were 2,225 renewal applications received by the FCC; for fiscal 1966 there were 2,677; and for fiscal year 1972 there were 2,353.

The FCC has estimated that a 5-year renewal period would reduce the number of renewals that must be processed by the Commission by approximately 1,100 applications. In addition, it stands to reason that the extension of the license period to 5-years would allow the FCC to give closer scrutiny and devote more time to the evaluation of each application without additional expense or manpower.

In addition, I would like to point out that our amendment would not tie the hands of the FCC in granting a shorter license period for a broadcast station. The amendment merely provides that the FCC shall have the authority to grant and renew broadcast licenses for a period not to exceed 5-years—it in no way inhibits the authority of the Commission to grant licenses for a shorter period.

In conclusion, this amendment in no way reduces the obligation of either the individual broadcaster or the FCC to assure that full and comprehensive study is given to whether the needs and interests of the public are being met by granting a renewal. Indeed, the expansion of the period for license renewal to 5 years gives the FCC additional time to meet its obligations in this regard.

Mr. TUNNEY. I am prepared to yield back the remainder of my time.

Mr. PASTORE. I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, is an amendment to the pending amendment in order?

The PRESIDING OFFICER (Mr. HATHAWAY). That is correct.

Mr. GRIFFIN. What time remains?

The PRESIDING OFFICER. There is a time limitation of 15 minutes, to be equally divided.

Mr. GRIFFIN. Mr. President, I send an amendment to the Tunney amendment in the nature of a substitute to the desk.

The PRESIDING OFFICER. The clerk will state it.

The second assistant legislative clerk proceeded to read the amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The amendment is as follows:

"Beginning on page 1, line 3, strike everything through line 5 on page 2, and insert in lieu thereof the following:

"SEC. 3. Section 307 (d) of the Communications Act of 1934 is amended by striking the second sentence and inserting in lieu thereof the following: 'Upon the expiration of any license (other than a broadcasting license transferred or assigned during the immediately preceding license period) a renewal of such license may be granted from time to time, upon application therefor, for a term of not to exceed five years if the Commission finds that public interest, convenience, and necessity would be served thereby.'"

Mr. GRIFFIN. Mr. President, I wish to say briefly that I suspect, as the distinguished Senator from Rhode Island has indicated, that the amendment of the Senator from California would probably be adopted if we were to go to a vote. My amendment, which is taken from a bill that I had introduced on license renewal earlier strikes a more reasonable compromise on this matter.

It is one that will provide, in the case of an initial award of a license, or upon the transfer of a license to a new licensee, that the period before renewal required, in the first instance, would be three years, but that, after the first renewal, thereafter it would be 5 years.

It seems to me that when we have a new licensee operating for the first time, there is good reason, and public interest would be better served, if there were a review and close scrutiny over a shorter period of time, at least. Perhaps this is the kind of compromise that would have been more appropriate to reach in the conference, but I say to the manager and the ranking minority member that I rather suspect that the Tunney amendment would be adopted if I did not offer this. Maybe I am wrong. I think this would be an improvement and would serve the public interest better than a flat 5-year term for all licensees.

I ask for the support of this substitute.

Mr. TUNNEY. May I ask the Senator a question?

Mr. GRIFFIN. Yes.

Mr. TUNNEY. To how many licensees would this amendment apply? Would it apply to every licensee the first time?

Is the amendment one in which a new licensee would have a 3-year license, and then it would be 5 years thereafter, on each renewal?

Mr. GRIFFIN. Yes, it is my understanding that on the first license of a new licensee, whether it is the award of a frequency in the first instance or a transfer to a new licensee, the first period would be a 3-year period. He would have to go back and get a renewal after a 3-year period, but after that, if he succeeds, following the initial 3-year period, it would be 5-year renewals.

In other words, this licensee, in the first instance, has gotten the FCC approval on the basis of certain representations, that he is going to do this and he is going to do that. The principle here would be to take a look at his performance over a 3-year period under those circumstances rather than waiting for 5 years.

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

Mr. GRIFFIN. Yes, I yield.

Mr. BAKER. Do I understand correctly the Senator's amendment to say—and if it does say this, I am inclined to support it—that everybody, after the passage of this act, would get a 3-year license, whether it is a renewal or otherwise, and that after that, they would get 5 years?

For instance, for WRC, WTOP, or WATE in Knoxville the first time out, it would be 3 years, and after that, 5 years?

Mr. GRIFFIN. No, as I am advised by my staff, it would not start everybody, after passage of this, in a new situation. But any transfers from here on, or any new assignments from here on would be for an initial 3-year period.

Mr. PASTORE. Will the Senator yield to me?

Mr. GRIFFIN. Yes, I yield.

Mr. PASTORE. As I understand the Senator's amendment—and while I may be opposed to the whole caboodle, I think it is quite an improvement on the amendment of the Senator from California. What he is saying is this: If the amendment does pass, any licensee who does have a license in any particular location will go under the 5-year rule. But if he sells that license, or transfers that license, and a new ownership or licensee comes in, then, for the first time, he is limited to 3 years. Beyond the 3 years, he can have it for 5 years.

Do I explain that correctly?

Mr. GRIFFIN. That is correct.

Mr. PASTORE. That is the way I understand the amendment.

For instance, WTOP is owned by the Washington Post. If they came in for a renewal, it would be 5 years. If they sold that license to a new licensee and that license was transferred, that transferee would have only a 3-year license?

Mr. GRIFFIN. That is right.

Mr. PASTORE. Until he proved a track record that would justify the 5 years?

Mr. GRIFFIN. That is the principle of it.

Mr. TUNNEY. Mr. President, if the Senator will yield, I cannot bind my cosponsors. I think that we ought to have the vote, because we have never had the opportunity to discuss this particular amendment together.

As I indicated in my remarks, I have over 20 cosponsors of the amendment I have offered, so I think we ought to have a separate vote on the amendment of the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. I yield such time as he may require to the Senator from Alabama.

Mr. ALLEN. Mr. President, I oppose this amendment. I feel it gives a special privilege to those who already have a license. It grandfathers them in. It says that their renewal shall be for 5 years, whereas someone who does not now have a license has to be satisfied with a 3-year license.

So, far from being an improvement, this amendment favors the holders of existing licenses, because their next renewal will be for 5 years. It gives them a guarantee of 5 years, those who already hold licenses, and limits the new blood coming in to a 3-year license.

I do not think it is fair, and it is much worse than the amendment of the Senator from California itself, which gives the new blood coming in, the new licensers, 5 years. That is fair to all.

A two-tiered system is provided by the amendment of the Senator from Michigan (Mr. GRIFFIN). It provides a two-layer establishment. It does not represent equal rights or equal protection, and does give a special privilege to those who

already have licenses. It grandfathers in their special privilege of getting a 5-year license on their next time at bat.

Mr. TUNNEY. Mr. President, I concur with the thought of my distinguished colleague from Alabama. I think he is correct. I think, from the point of view of equity, we should recognize that if we are going to create different classes of citizens, it is a two-edged sword.

I recognize full well that there are many groups now making applications for licenses which are public interest oriented groups—minority groups, for example, and those who are interested in public education, et cetera—and I think that they, too, would be adversely affected by this amendment, as well as the corporate interests which are purchasing a license from an old licensee.

I do not think there is a justification for creating two classes of citizens insofar as FCC licenses are concerned.

Mr. PASTORE. Mr. President, the argument the Senator from California has made is exactly the basis of my opposition to the 5-year license. It amounts to shutting off the minority groups. That is precisely the point I made. We are shutting off the minority groups with the 5-year term.

Now we are shedding crocodile tears that maybe they will only get it for 3 years, but under the old system they are not going to get it at all, let alone for 3 years.

Mr. ALLEN. Mr. President, if the Senator will yield, that is not correct, because under the amendment of the distinguished Senator from California that I have the honor of cosponsoring, the new licensees under the Tunney amendment would get a 5-year term, whereas under the Griffin amendment to that amendment they would get only 3 years.

Mr. PASTORE. Yes, but if my mathematics are correct, they would have to wait 5 years before they could file a petition.

Mr. ALLEN. But this applies to new licensees coming in, who will get only 3 years, whereas under the Tunney amendment they will get 5.

Mr. TUNNEY. Mr. President, the only thing I would like to add, before we vote, is that I think the Senator from Rhode Island and the Senator from Tennessee have done a very fine job in tightening up the procedures for the issuance of a license and for review of applications for license renewal. It would be my hope that if their intent is carried out administratively by the FCC, we will not have licensees able to renew their licenses if they are not providing the public with a valuable service. We will give the public interest groups and the minorities an opportunity to challenge those licenses after 5 years, but if they are successful in their challenge, they will have a license for 5 years themselves, and I think it works both ways.

Mr. President, I am prepared to vote. I have nothing further to say.

Mr. BEALL. Mr. President, will the Senator from California yield?

Mr. TUNNEY. I yield.

Mr. BEALL. With a 4- or 5-year license period, the complication is, we are not going to have an ongoing examination of a licensee in terms of whether he is performing his public service in a reasonable manner.

The reason for extending the license period from 3 to 5 years is, as I understand, to remove an intolerable burden of paperwork from marginal operators, so that they can afford to stay in business. At the same time, the FCC is constantly hearing citizens' complaints against licensees. There is no minimization or reduction in the amount of oversight carried on by the FCC in carrying on these licensing examinations over the country, or the ability of citizens to file complaints against licensees. The procedure will be as it has been in the past, and in fact might be improved a little bit because the time of the FCC will not be taken up in the cumbersome, burdensome job of the FCC in relicensing people every 3 years. I think the FCC themselves feel this is an improvement.

The PRESIDING OFFICER. All time of the Senator from California on the amendment has expired. The Senator from Michigan has 1 minute remaining.

Mr. GRIFFIN. Mr. President, I yield it back.

Mr. HRUSKA. Mr. President, in my earlier remarks on H.R. 12993, I stated that I supported legislation to clarify and modify the regulatory procedures and policies by which broadcast licenses are renewed. In my opinion, the Commerce Committee bill will provide standards by which the general public and competing applicants can properly evaluate the performance of an incumbent licensee and judge the merits of his renewal application.

If enacted, H.R. 12993 will put both the broadcasting industry and the listening and viewing public on notice of what is to be expected of licensees during their license periods. Most importantly, the Broadcast License Renewal Act will restore a measure of stability and confidence in the entire license renewal process.

I also discussed briefly some of the principal features of H.R. 12993 and indicated that I consider the proposed legislation to be meritorious in many respects. However, I am greatly disappointed that it fails to extend the broadcast license term beyond 3 years.

An amendment to H.R. 12993, increasing the license term to 5 years, was offered on the House floor and was approved by a lopsided margin of 308 to 84. The Senate Commerce Committee unfortunately decided to stick to the present 3-year period. The committee report concluded that the public interest would be better served if the length of the license term remains at 3 years. I cannot agree with this, and I do not find the committee's reasoning persuasive. This is why I am cosponsoring the amendment offered by the distinguished Senator from Texas (Mr. BENTSEN) to extend the license term to 5 years.

It should be pointed out that other classes of radio stations—citizens band, amateur, industrial, maritime, aviation, safety and special—operate under 5-year licenses. Both common carriers and cable systems have authorizations for a 5-year period. They, too, must operate to serve the public interest; yet it has been determined that the longer renewal period for them is in everyone's best interest.

AM, FM, and TV broadcasters are being unfairly discriminated against by being limited to license terms of only 3 years. A longer term would still allow for a periodic review of licensee performance while not imposing an undue burden on the industry. In light of the outstanding record of broadcast licensees in serving their local communities—which is often as good or better than other communications industries—I can see no compelling reason to treat broadcasting stations any differently.

Over the years the license renewal process has become quite involved and complicated. It has become, in fact, a major undertaking for the average licensee. The amount of information now being required by the FCC in renewal applications is tremendous. Applications running several hundred pages are no longer unusual. The time, effort, money, and personnel needed to compile the proper filings are excessive. It is little wonder that the Nebraska Broadcasters Association, in one of its resolutions, urged Congress to pass a license renewal bill which would bring about a "reduction of reporting and paperwork."

The burden of processing vast amounts of paperwork involved in the license renewal process is no lighter for the FCC, which must free its personnel from normal regulatory duties to handle and review each renewal application. According to one estimate, the longer term would mean that the Commission would reduce the processing load from 2,800 applications per year to about 1,700. Therefore, it seems to me that a longer license term could be beneficial to both the Commission and the broadcasters. In fact, the Chairman of the FCC has endorsed the 5-year term.

Of course, even if the standard term were increased to 5 years, the Commission would still have authority to grant renewals for a lesser period if it believes that such action would serve the public interest.

Finally, under the proposed legislation each licensee will be required to engage in ascertainment of local problems, needs and interests throughout the license period. This continuous process will be a major undertaking and will entail constant contacts between station management and the community served. It seems reasonable to permit the broadcaster to spend more time and resources on ascertainment and programing, which will benefit everyone in the service area, and less on preparing renewal applications every 3 years.

For these reasons, I support the amendment to extend the license term from 3 to 5 years. With this amendment, the Broadcast License Renewal Act should be a meaningful piece of reform legislation.

The PRESIDING OFFICER (Mr. HATHAWAY). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Michigan (Mr. GRIFFIN) in the nature of a substitute for the amendment of the Senator from California (Mr. TUNNEY). On this question, the yeas and

nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HELMS (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

I also announce that the Senator from Iowa (Mr. HUGHES) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "present."

The result was announced—yeas 23, nays 46, as follows:

[No. 460 Leg.]

YEAS—23

Baker	Long	Pearson
Biden	McClure	Pell
Buckley	McIntyre	Percy
Ervin	Metcalf	Scott, Hugh
Fannin	Metzenbaum	Stevenson
Griffin	Montoya	Thurmond
Hart	Moss	Tower
Hathaway	Pastore	

NAYS—46

Abourezk	Domenici	McGovern
Allen	Eagleton	Muskie
Bartlett	Eastland	Nelson
Bayh	Hansen	Nunn
Beall	Haskell	Proxmire
Brooke	Hatfield	Randolph
Burdick	Hollings	Ribicoff
Byrd, Harry F., Jr.	Hruska	Roth
Byrd, Robert C.	Humphrey	Sparkman
Cannon	Jackson	Stennis
Case	Johnston	Stevens
Chiles	Kennedy	Symington
Clark	Magnuson	Talmadge
Cranston	Mansfield	Tunney
Curtis	McClellan	Weicker
	McGee	

ANSWERED "PRESENT"—1

Helms

NOT VOTING—30

Aiken	Bentsen	Church
Bellmon	Bible	Cook
Bennett	Brock	Cotton
Dole	Huddleston	Scott, William L.
Dominick	Hughes	Stafford
Fong	Inouye	Taft
Fulbright	Javits	Williams
Goldwater	Mathias	Young
Gravel	Mondale	
Gurney	Packwood	
Hartke	Schweiker	

So Mr. GRIFFIN's substitute amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from California. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. HELMS (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

I also announce that the Senator from Iowa (Mr. HUGHES) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) and the Senator from Kansas (Mr. DOLE) would each vote "yea."

I further announce that if present and voting, the Senator from Ohio (Mr. TAFT) would vote "present."

The result was announced—yeas 62, nays 10, as follows:

[No. 461 Leg.]

YEAS—62

Abourezk	Eastland	Mansfield
Allen	Ervin	McClellan
Bartlett	Fannin	McClure
Bayh	Fulbright	McGee
Beall	Griffin	McGovern
Brooke	Gurney	McIntyre
Buckley	Hansen	Metcalf
Burdick	Haskell	Montoya
Byrd, Harry F., Jr.	Hatfield	Moss
Byrd, Robert C.	Hathaway	Nelson
Cannon	Hollings	Nunn
Chiles	Hruska	Pearson
Clark	Humphrey	Proxmire
Cranston	Jackson	Randolph
Curtis	Johnston	Ribicoff
Domenici	Kennedy	Roth
Eagleton	Long	Schweiker
Sparkman	Magnuson	Scott, Hugh
Stennis	Symington	Tower
Stevens	Talmadge	Tunney
	Thurmond	Weicker

NAYS—10

Baker	Metzenbaum	Percy
Biden	Muskie	Stevenson
Case	Pastore	
Hart	Pell	

ANSWERED "PRESENT"—1

Helms

NOT VOTING—27

Aiken	Dominick	Mondale
Bellmon	Fong	Packwood
Bennett	Goldwater	Scott, William L.
Bentsen	Gravel	Stafford
Bible	Hartke	Taft
Brock	Huddleston	Williams
Church	Hughes	Young
Cook	Inouye	
Cotton	Javits	
Dole	Mathias	

So Mr. TUNNEY's amendment was agreed to.

Mr. PASTORE. Mr. President, my prediction was 60 votes. We made it by 61.

AMENDMENT NO. 1961

Mr. METCALF. Mr. President, I call up my amendment No. 1961.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the Act add the following language: "In applying its multiple ownership rules (presently embodied in 47 C.F.R. 73.35, 73.240, and 73.636), the Federal Communications Commission shall consider any bank, or mutual fund, or insurance company that in any manner owns, or that in any manner partially or wholly controls or exercises the voting rights of, more than 5 per centum of the outstanding voting stock of a corporate licensee which has more than fifty voting stockholders as having a controlling interest in such corporate licensee.".

Mr. METCALF. Mr. President, a problem of increasing concern to all Americans is the concentration of economic power in the hands of a few. This problem is especially acute when it becomes applicable to the broadcast media. It is worth repeating a statement by Prof. Robert M. Soldofsky in "Disclosure of Corporate Ownership," a report prepared by my Subcommittee on Budgeting, Managing, and Expenditures and Senator MUSKIE's Subcommittee on Intergovernmental Relations:

The potential implications of concentrated ownership by a group of financial institutions in the broadcasting and publishing industries are so great as to merit special attention. These problems would be potentially more intense if the same group of financial intermediaries held a significant proportion of the outstanding voting stock of two or more large competing companies. Any direct or indirect efforts to limit the diversity, range of programing, or local originations of news and entertainment are a matter of highest national concern. The independence of newspapers, magazines, radio broadcasting, television, CATV, motion pictures, and other media that now exist or that might develop would be better safeguarded by a truly wide dispersion of stock holdings in "widely held" corporations.

The FCC itself has recognized the importance of diversification of control by adopting rules restricting the maximum number of broadcast stations which any one entity can own. No entity may be licensed for more than seven television—five VHF and two UHF, seven AM radio stations, and seven FM radio stations.

In order to enforce these rules, the Commission had to define common ownership or control. In the case of widely held corporations, defined as those in which there are over 50—fifty—voting stockholders, the Commission adopted a rule in 1953 which, as relevant here, provided that any stockholder holding more than 1 percent of the stock would be considered to have a controlling interest in the corporation. This prevented a person from gaining a controlling interest in several large corporations which in the aggregate had more licenses than the maximum permitted by law.

Then in 1969, the Commission amended its rules to acquiesce in the growing dominance of our economy by so-called institutional investors. It raised the benchmark for attributing control of a publicly held corporation from 1 percent of its stock to 3 percent where the entity owning or controlling the stock was a mutual fund. This was a signal to other institutional investors to begin to deluge the Commission with requests for raising the benchmark applicable to them.

The American Bankers Association was first. In 1969, it petitioned the Commission to raise its benchmark to 10 percent. It pointed out that a survey of 19 banks showed that since 1953, their trust departments had acquired, and were still holding almost $1 billion—$976 million—of broadcasting stock in violation of the 1-percent benchmark and FCC rules. They argued that it would be a hardship on them to require divestiture of this stock acquired in violation of FCC rules.

The FCC did not quite give the banks all the relief they requested, only 90 percent of it. In 1972, it set the benchmark for bank ownership at 5 percent, so that only $84 million of the nearly $1 billion of misacquired stock would have to be divested. The FCC then gave the banks 3 years to divest the stock.

That brought the mutual funds back. They were no longer satisfied with the 3-percent benchmark given them in 1969; nor did they merely seek to be put on a par with banks at the 5-percent benchmark. Rather, they requested a 10-percent benchmark. Even before the FCC could act on that petition, along came the insurance industry. It petitioned the FCC to raise its benchmark to 5 percent. so it could be on a par with banks.

The petitions of the mutual funds and the insurance industries are still pending at the FCC. But if past experience is any guide, the FCC is likely to act favorably on them.

The "Disclosure of Corporate Ownership" report documented the widespread concentration of ownership of broadcast stock in bank trust departments, some of it in violation of existing Commission rules. The FCC apparently lacks the will to resist the pressure of financial institutions to allow them to acquire more and more control over the broadcast media.

This is a matter of paramount concern. As I stated earlier, and as the FCC has recognized, there is a great public interest in preserving diversity of ownership and diversity of programing and service. If the FCC will not act to stop financial institutions and institutional investors from gobbling up control of the broadcast media, Congress must.

We must call a halt to the ever-escalating level of stock ownership which the FCC allows before recognizing that a financial institution or institutional investor has control of a broadcasting company. Accordingly, I am proposing an amendment to H.R. 12993 which would limit the percent of stock a financial institution or institutional investor may own in a publicly held corporate broadcasting licensee before the institution is deemed to have control of the broadcasting corporation.

The limit which I propose is the one currently reflected in the FCC's rules—5 percent—5 percent. I have chosen this figure deliberately so as to avoid imposing any hardship on any institution presently in compliance with FCC rules. I would have preferred to roll back to earlier levels the level of stock ownership in broadcasters which financial institutions could acquire. But I realize this would impose a stock divestiture requirement on many institutions. In the current economic climate, this might work a hardship on those who had relied upon the rules in making stock acquisitions.

I would hope that in the future we will be able to reduce the level of permissible ownership of broadcast stocks by institutional investors. But for the moment we are at least obligated to prevent these financial giants from gaining control over all of American broadcasting.

Mr. PASTORE. Mr. President, the Senator from Montana is absolutely correct. This is now the present rule. It really codifies legislatively the existing rule, and I am perfectly willing to accept the amendment. I understand that my colleague agrees with it.

Mr. BAKER. Mr. President, on behalf of the minority, we are willing to accept the amendment. It is in fact a codification of the existing rule, and I think it is a worthwhile addition.

Mr. METCALF. I thank the Senators. I yield back the remainder of my time.

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

AMENDMENT NO. 1960

Mr. METCALF. Mr. President, I call up my amendment No. 1960.

The PRESIDING OFFICER (Mr. HATHAWAY). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. METCALF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

(d) The Federal Communications Commission shall, not later than June 30, 1976, complete all proceedings and take such agency action as it deems appropriate in connection with its inquiry into the ownership of broadcast stations by persons or entities with other business interests (Federal Communications Commission Docket Numbered 18449).

Mr. METCALF. Mr. President, this amendment deals with the FCC's conglomerate inquiry. All that this amendment would require is that the FCC conclude that inquiry by June 30, 1976, or some 20 months from now. A brief statement of the background of this proceeding will help put this amendment in perspective.

The Commission announced an inquiry into the effects of conglomerate ownership on broadcasting in February 1969. Ten months later, in December 1969, the Commission sent out a pilot questionnaire to six conglomerates. Two months later, in response to industry pressure, the Commission narrowed the scope of the questionnaire.

It was not until 6 months later, in August 1970, that the Commission determined to go ahead with a further study. Even this step, however, was taken only after a leak to the press revealed that the responses to initial questionnaires had yielded information regarding certain abusive practices. Finally, in February 1971, after much haggling over details and considerable delay in processing the questionnaire at OMB—at the time, the questionnaire required OMB approval and consultation with an industry advisory committee pursuant to the Federal Reports Act of 1942—the Commission sent the questionnaire to a sample of 31 conglomerates. The questionnaire's scope was subsequently narrowed—I might add with no opportunity for public comment—after objections from the industry.

About 2 years later, in February 1973, the conglomerate task force submitted its report to the FCC. This report has not been made public and the FCC has taken no action with regard to it.

The issue of conglomerate control of broadcasting is a serious one. I need not reemphasize the central role played by the broadcast media in disseminating information to the American public. Yet we know virtually nothing about the effect of such ownership on the content of news. Does the fact that large defense contractors, such as General Electric, Westinghouse, RCA Corporation, General Tire & Rubber, own broadcast properties influence the news? Apart from their effect on program content, what about the economic effort of such ownership?

These are clearly complicated questions affecting the entire structure of the broadcasting industry. We are entitled to some information on this problem. Yet after 5 years, the FCC has yet to produce one single report or proposal for public comment. We have waited long enough. It is our duty to order the FCC to act and act expeditiously.

Nonetheless, in view of the complexity of the issues, and the fact that there has not yet been any opportunity for public comment, we should not act precipitously. We must allow ample time for some public reflection and considered judgment. Accordingly, I have allowed the FCC 20 months to act.

One may ask, "Why is this a legislative matter? Why should Congress intervene and why now?" These are legitimate questions; fortunately they are easily answered.

While we await information about the impact of conglomerate ownership, it is all around us. The FCC has not de-

clared a moratorium on conglomerate ownership; it continues while we wait.

Meanwhile our economy is exploding all around us. I do not expect that we will find the answer to "stagflation" in the conglomerate study. But surely we are entitled to know whether such ownership of broadcast media is having a negative impact, a positive impact, or is neutral with regard to the economy.

But at the moment, we know nothing. All I seek by this amendment is to prod the FCC to give us the relevant information to perform our legislative tasks, even if it will not perform its regulatory tasks. We must act or there will likely be no action.

Mr. President, I have discussed this amendment with the managers of the bill. I believe that a better way legislatively would be for us to hold administrative and oversight hearings on this matter next year. I withdraw the amendment.

Mr. PASTORE. I thank the Senator from Montana. I think this is a matter that should be discussed at the oversight hearings next year.

Mr. METCALF. I thank the Senator from Rhode Island.

The PRESIDING OFFICER. The amendment is withdrawn.

(At this point, Mr. METCALF assumed the chair.)

Mr. HART. Mr. President, will the Senator yield for two questions?

Mr. PASTORE. I yield.

Mr. HART. As the Senator knows, two areas troubled me in committee as we sought to mark up this measure. I ask these two questions for a clarification or an understanding. The first has to do with the phrase "substantially met."

As I indicated in our markup, I felt that we ran the risk of leaving the impression that Congress intends to adopt the standards of the past, some of which were minimal. Reference is always made to the Moline case.

I ask the manager of the bill if it is not correct that "substantially met" is not intended to be a minimal standard nor one which would "rubber stamp" renewal applications but is, in fact, an intent to insure a high standard of the performance.

Mr. PASTORE. Naturally, no law can be justified in Congress that did not encourage the best kind of performance that is possible in serving the public interest.

We keep talking about the Moline case. We are moving away from that case and all other cases in this legislation, for the reason that we are setting up criteria which, if observed satisfactorily, gives a presumption to the licensee.

The word "presumption" is being greatly misunderstood. This is not going to be a two-step procedure or a double procedure. The licensee is not going to come in and establish his side of it, and then the challenger in a separate step do the same thing. It all happens in one proceeding. At the conclusion of the hearing, after the commission has heard both sides, it can find a presumption for the licensee. It can determine that the licensee has performed according to the criteria set forth, and, therefore, his license should be renewed. That is all it means. I cannot put it any different from that.

Mr. HART. There was an earlier exchange in connection with the subject of presumption, and there is the Senator from Rhode Island's comment now. That leads me to the second question.

The Senate bill incorporates three criteria that, if met, by the renewal applicant, would create a presumption that the renewal applicant had served the public interest and therefore should have its license renewed. This presumption can be overcome by evidence presented by a challenger.

My question is this: However, is it our intention that the FCC shall have the discretion, under this legislation, to consider such things as cross-ownership, multiple ownership, or other monopoly factors in individual cases, and, if the evidence warrants, to deny a license on that criteria and thereby overcome or rebut—or call it what you will—the presumption?

Mr. PASTORE. The point is that we are mandating that on the matter of cross-ownership, a rule will be promulgated by December 31. On the question of multiple ownership, that could be a factor in this regard: Let us assume that a newspaper owned a television station and that there was another newspaper in that town, and this newspaper bought the second newspaper, thereby creating a monopoly insofar as the written word is concerned, and at the same time they have a television station. In that case, the FCC could consider that in conjunction with whether or not the presumption should be given to the licensee, and can deny it.

Mr. HART. Do I paraphrase it correctly, then, that while three criteria are established and a presumption derives when the applicant establishes that he has met the three criteria, nonetheless we do not foreclose the commission from considering allegations?

Mr. PASTORE. That is right. We give the Commission flexibility. For instance, if there were any technical defects that he was ordered to correct in order to give a clear picture and he has not done it, that could be taken into account.

For instance, if the owner of a television station, who was, let us say, the president or an officer of the corporation, was indicted for price fixing and was convicted of it, that would be taken into consideration in weighing the presumption.

In other words, we are giving flexibility. We are not handcuffing the FCC. We are saying that, essentially, these are the criteria, and if they are satisfied, there ought to be a presumption for the licensee. That is no more than right.

I have always felt that way. I do not care who misunderstands me for my conduct on the floor today with reference to the 5-year term. That was not the most important feature that the industry was interested in. That was not the most important feature, and that is not the most important feature that the citizens were interested in.

The big thing was how far we were going to go in changing the present system in order to establish an assurance that, where the job was well done, at least a man who had invested his money would be protected and not be disenfranchised.

Mr. HART. I think that there is one thing that some in the industry would like very much to see done by legislation, and that is exclude from renewal hearings the factor of monopoly, in whatever aspect. I hope we are understood as saying "no" to anyone who would seek to do that.

Mr. PASTORE. We are understood by saying at this time that we are not intervening in that regard. I think that, possibly, later on, hearings ought to be held.

The House took the position that it might be construed that the Department of Justice would be precluded in some instances from intervening at renewal time. We have left that out completely. That, with us, is an open question. We have not touched that at all, and I do not think we should, until the FCC establishes a policy in that regard.

Mr. HART. It has always been my understanding that, even with respect to regulated industries, when Congress creates the regulator and charges him with making judgments that will serve the public interest, implicit in that obligation is a consideration of monopoly and concentration. Does the chairman agree?

Mr. PASTORE. I tell the Senator frankly that within the law, the law as written mentioned the word "monopoly." Naturally, if there is a monopoly created, the FCC has a perfect right to do something about it.

Mr. HART. And the three criteria do not bar it? Yes or no.

Mr. PASTORE. I do not know what the Senator means by that. The bill does not bar it.

Mr. HART. That is the answer I was hoping to get.

Mr. PASTORE. That is correct. The bill does not bar it.

Mr. HART. Mr. President, the bill we are considering today, H.R. 12993, comes to the Senate when the problems of our Nation's economy are perhaps greater than at any time since the depression. The Senate is being asked to simplify the life of the electronic broadcasting industry, an altogether understandable desire for that industry to express. While the goal of creating a clear standard of performance that the broadcasters must meet is worthwhile, the economic condition of the industry alone does not suggest the need for any legislation. Given the very difficult financial problems of so many sectors of our economy, congressional attention to the situation of broadcasters may seem strange.

It has been argued that because broadcast licenses have been open to challenges instability has developed in the industry.

First. The fact is that only two challenges for matters relating to station performance have ever been successful; only two.—WHDH in Boston and WLBT in Jackson, Miss.—and in no case has a competing application against a regular renewal applicant been the cause of the denial.

Second. Broadcast properties more than doubled in average price between 1968 and 1972 and are still rising.

Third. 1973 profits for the major networks were high—NBC-TV, 114 percent,

ABC–TV, 62 percent, CBS–TV, 47 percent increase over last year's profits.

Fourth. During the 1971–72 period, while the rest of the stock market was on the decrease, broadcast stocks were rising.

Fifth. In the face of a license renewal challenge to one of its broadcast properties in Florida, the Washington Post-Newsweek group purchased a Hartford, Conn., station for $33 million.

Sixth. Total television industry profits rose from $343.2 million in 1963 to $653.1 million in 1973. The latter was an 18.3-percent increase from the 1972 level of $552.2 million.

Seventh. Rate of return on net tangible investment—original cost minus depreciation—is extremely high. The industry as a whole—including stations losing money—earned $653.1 million on net tangible investment of $749.1 million, or about an 87-percent rate of return in 1973. This represents a 14.5-percent increase in rate of return over 1972, when rate of return was 76 percent—$552 million profit on net tangible investment of $722.5 million.

This picture is not one of industry instability, but rather of growth in profits and market volume in the face of an otherwise sagging economy.

This record establishes no clear economic need for legislation at this time, but the substitute language of Senator PASTORE and Senator BAKER is far more responsible than the House version.

As passed by the House, H.R. 12993 would:

Adopt the standard of "substantial" as the level of performance without properly clarifying the regulatory history of that standard that virtually guarantees renewal of the license. The Senate Committee report attempts to clarify and strengthen this standard.

Prohibit F.C.C. consideration of media monopoly of ideas through cross ownership, multiple ownership or other factors until the F.C.C. makes a rule in the area. The Senate version recognizes the traditional role of regulatory agencies addressing antitrust questions and reserves the jurisdiction of the F.C.C. to apply the rule of reason in individual cases not covered by a general rule.

Change the appellate jurisdiction from F.C.C. decisions from the District of Columbia Court of Appeals to the U.S. Court of Appeals in which the station is situated. This would take jurisdiction away from a court which has the traditional role and expertise in the administrative law field and place it in courts unfamiliar with the area of law and away from the broadcasting law Bar situated in Washington, D.C.

Extend the license renewal period from three to five years, giving less frequent opportunity for regularized challenges and review of performance, when there is no real need for such added invulnerability for the industry.

The Senate version of the bill, proposed as a substitute by the distinguished chairman from Rhode Island and the ranking minority member of the subcommittee (Mr. BAKER) eliminates some of the problems of the unacceptable House bill.

Wisely, the committee has chosen to keep a renewal period of three years to insure that the public will have regular access to challenge the use of the public airwaves by private interests, and further provided for continuous interim review of performance. This 3-year license period should not be extended by amendment today.

Also, the Senate substitute does not violate the tradition of expertise in the administrative law field by changing the jurisdiction of appeals from FCC decisions. It remains in Washington, D.C.

It is with this understanding that I can support this legislation but perhaps even this gives too much isolation to the broadcasting industry from the fresh air of public scrutiny.

To weaken this legislation with amendments that give further protection to the license renewal applicant is to respond unwisely to an economic interest that has, and is, thriving without further Government protection. I urge my Senate colleagues to oppose any amendments that attempt to do that.

And to those Members of the Senate who believe that the bill is too weak in its protection of the public airwaves, I suggest that they offer amendments to make more explicit the limits in this legislation. Such amendments would be given careful consideration by each of us.

The efforts of Chairman PASTORE and Senator BAKER in considering this legislation were both long and arduous, and their patience merits our gratitude.

Mr. BAKER. Will the Senator yield briefly on that point?

Mr. PASTORE. Yes, I yield.

Mr. BAKER. I do not want to prolong this discussion. I think it is a useful one, and I think that the Senator from Rhode Island has answered it accurately.

I refer my colleagues to page 12 of the report. It points out that the FCC must take into account those factors which have a bearing on the public interest, even though they are unrelated to programing service or station operation. The presumption does not bar the consideration of such factors.

I think, in all candor, however, it is important to say that I am very much in doubt that the Commission is lacking in this matter. Until they have completed the rulemaking and the docket mandated under this bill, the Commission retains full flexibility. So the answer, I think, given by the Senator from Rhode Island, is entirely correct.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The bill is open for amendment.

Mr. HATHAWAY. Mr. President, I have an unprinted amendment at the desk. I ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state it.

The assistant legislative clerk read as follows:

On page 9, delete the sentence beginning with the word "If" on line 13 and ending with the period on line 16.

Mr. HATHAWAY. Mr. President, this amendment makes a very simple—but important-change in the reported bill by deleting the sentence which establishes a "presumption" favoring renewal if the licensee "substantially" meets the interests, needs, and problems of its service area. Before going into the reasoning in support of this amendment, I should state my position with regard to the provisions of the bill, generally.

After study of the entire license renewal situation, I have determined that it would be in the public interest as well as in the interest of the broadcast industry to extend the license term from the present 3 to 5 years. This would allow the broadcasters to cut down on the amount of paper work involved in the renewal process while giving the FCC an opportunity to review more carefully renewal applications. This extension of the renewal period would be especially helpful to the thousands of smaller broadcasters—like many of those in Maine—whose 3-year application burden is becoming intolerable. But I have also consistently taken the position that an extension of the renewal term should not be coupled with a dilution of the renewal standard. Unfortunately, such a dilution is one of the prime effects of the bill now before us.

In essence, the bill establishes a "presumption" of renewal if the licensee "substantially" meets the interests, needs, and problems of the residents of its service area. The purpose of this language, as I understand the committee report, is to see that an incumbent licensee who does a good job of serving the public in its area should receive some preference over a competing applicant at renewal time. I have no quarrel with this purpose. What I do question is the actual language in the bill—and the interpretive language in the report—which is used to accomplish this goal. My concern is that through the language chosen, the FCC is being told to focus virtually exclusively on the issue of community service and to ignore all the other factors which have been developed over the years as elements of the "public interest, convenience and necessity," which is the renewal standard in the original act.

Specifically, I refer to the word "presumption" as it is used in the bill and explained in the report of the committee. Black's Law Dictionary tells us that a presumption is—

A rule of law that courts or judges shall draw a particular inference from a particular fact, or particular evidence, unless and until the truth of such inference is disproved. A rule which, in certain cases, either forbids or dispenses with any ulterior inquiry.

Assuming for the moment that this is not one of those cases where all "ulterior inquiry" is forbidden, the crucial question then becomes what level of evidence is necessary to rebut the presumption established.

And I should note here, Mr. President, that the establishment of a presumption by definition shifts the burden of proof. Although the committee report denies this, I do not understand any meaning of "presumption" that does not involve such a shift.

The first place the broadcasters' lawyers will look for the answer to this question of what evidence is required to overcome the presumption will be the report of the Senate committee—and they will find rich pickings. On page 12 of the report, after conceding that the chances of a successful challenge are "remote," the committee speaks directly to the issue of what it will take to make a dent in the presumption:

Thus, for example, to the extent the FCC has flexibility to deal with media concentration in an unique case, which is not covered by the Commission rules or policies, such an issue could, if *compelling* enough *have an effect on* the presumption. (Emphasis added.)

My experience is that "compelling" evidence is what courts and agencies say they are looking for in cases where they know it will never be found. And I would submit that the track record of the FCC does not offer us much hope that any such evidence—compelling or otherwise—will ever be found.

Which brings me to a question about the necessity of this legislation. We are told that the bill is necessary to "stabilize" the industry and provide some assurance to the broadcasters that their licenses are not in imminent danger at the end of each renewal period. This assurance, we are told, is necessary to protect the investment of the licensee and allow him to use his time and resources to serve the public. But Mr. President, the facts indicate that contrary to these assertions, this industry could not be much more stable with regard to the question of renewals. Using figures contained in the committee's report, we learn that in the last 5 years a grand total of one licensee has lost his license because of a competing application or a petition to deny—out of over 14,000 applications. Put another way, the percentages of stations being granted renewals of all those applying in the last 3 years have been 99.32 percent, 99.23 percent, and in 1973, a shockingly low 99.19 percent.

Now Mr. President, these figures, coupled with the tremendous outcry from the industry on the necessity of this legislation, make me a little suspicious. And analyzing the bill with these figures in mind leads me to the conclusion that we—and some of our broadcasting friends back home—are being taken for a ride by the larger interests in this industry. For what this bill actually does is effectively rule out of bounds consideration of those factors most likely to undo a large media owner:

The preference for local ownership, the preference for integration of ownership and management, and the negative inferences from multiple ownership and cross-ownership of various media forms.

By and large, our local broadcasters are not so concerned about these factors; they meet them automatically. But they do want the 5-year term, and it is by linking these two issues—the 5-year term and the dilution of the renewal standard—that the big broadcasters have built the political base for this bill. I repeat: let us give them the 5-year term, but let us refrain from the other changes contained in the bill.

To put this question in perspective, Mr. President, I would like to suggest a second amendment that might be an appropriate addition to this bill; why not apply the criteria of the bill to the present Members of the U.S. Congress?

This would take cognizance of the shocking instability in a profession that is vital to the continued well-being of the Nation. It would also recognize that we have to make substantial investments to enter this business and that a disproportionate amount of our time must be spent preparing for the next renewal challenge.

I would suggest that the terms of this bill would be an ideal solution to our situation: A lengthening of our terms and a slight modification of the renewal standard to provide for a "presumption" of reelection if the incumbent can show that he has "substantially" met the needs of the residents of his service area. Then all of us could forget about the pressure put on us by "cutthroat" competition and turn our efforts to thoughts of greater service.

We would not have the nerve to do this for ourselves, Mr. President. I hope we will have the insight not to do it for others. Competition—or the fear thereof—is one of the mainsprings of our system. I urge my colleagues not to diminish its role in this vital industry.

I reserve the remainder of my time.

Mr. PASTORE. Mr. President, one thing that I just cannot see is why we consider so intolerable the filing of a few papers, and at the same time we feel it is perfectly all right not to give a broadcaster credit for having done a good job.

If we take the language suggested by my good friend from Maine, actually what we are going to end up with is the present system that we have now. If that is what the Senate wants, that is what it wants; but our committee struggled with this for a long time, and we were told there is an uncertainty in the industry, and it is primarily because of the fact that a person who has to perform is placed at a disadvantage as against the promise that is made by an outsider who comes in, and for that reason there has been a tremendous tie-up, and many of these applications have been characterized as blue sky applications.

Our committee struggled with this issue and came out with a 3-year bill, giving a presumption in favor of the licensee who does a good job. We thought we had struck a proper balance, but the Senate has already unbalanced that by going for 5 years.

Now it is suggested that we go the whole loaf. What the Senator is doing is cutting their legs out from under them. If that is what he wants to do, that is what he wants to do, but our committee thought that, in fairness, any licensee who does his job well and lives up to his responsibility in serving the public interest ought to be given a presumption in his favor at renewal time as against an outsider who comes in and merely makes a promise.

The promise may well be a worthy and meritorious one; if so, under this bill it will count, because it can be weighed against the presumption. But I feel that what the Senator is actually doing is ducking the substance of this bill.

I am not going to argue any further.

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

Mr. PASTORE. I yield.

Mr. BAKER. Mr. President, I cannot resist the temptation to extend the analogy made by the Senator from Maine that we ought to extend our senatorial terms to create a presumption in favor of our reelection.

We are the ones who created the Federal Communications Commission, and thus indirectly designate the licensees. There are even some who say that the TV and radio licensees are the ones who select members of the Senate. I do not believe that, but some say that.

If we want to extend the analogy far enough, why not suggest, instead, that we elect the licensees? Would that not be a more exact analogy, to let the State, the city, or the congressional district decide whom they are going to elect, say, for channel 10? What a case of instability that would be.

This is not necessarily a good arrangement. Even government approved monopoly is not necessarily a good thing, but it is the best we can do. I think that this amendment, when coupled with the extension to 5 years, would so distort the purposes and intentions of the committee to bring about, if not stability, then rationality to the emerging body of the communications law, that we will be exactly back where we started from. So I shall vote against this amendment. I hope our colleagues will join with us in defeating it.

Mr. HATHAWAY. Mr. President, I yield the Senator from Michigan such time as he may require.

Mr. HART. Mr. President, the managers of the bill have correctly described the difficulty those of us in the committee found in attempting to present a balanced response to some very strong competing claims. The balance—and no one claims perfection for it—was "We will give you a preference. We will recognize the merits of your performance if you can establish them. You have a presumption, but for 3 years only. We will not give you that presumption plus five."

Like, I suppose, all of us on the committee, I was unhappy with the end product, but have supported it. But now we have lost one end of the balance. It is now the presumption plus five, and that is locked in. The House bill is five, and ours is now five. So the industry comes close to having its cake and eating it, if we do not support the Senator from Maine in this effort.

I would hope very much that we will attempt to restore a measure of the balance by offsetting the five we have now given them, by lessening somewhat the reward that is contained in the bill for satisfactory performance.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. HART. I yield.

Mr. PASTORE. That is precisely the argument I am making. I would have hoped it could have been the other way around, because I think the other way around makes more sense. I am not carried away by this paperwork argument at all. This is a $3 to $4 billion industry. I do not know many who have gone bankrupt. Most are doing pretty well. You get yourself a franchise for a TV station in Providence or in Miami, and you can go to a bank and borrow millions. They sell a license for $20 million today.

I am not carried away by the fact that they have to hire a few girls in order to write out a new report. As a matter of fact, it gives some people a job. I think we are crying about the wrong things.

Mr. HART. If the Senator will yield further, the claim that is made by the industry for relief is the instability that surrounds it, these "blue-sky" challenges, unfair and destabilizing.

Yet within the past few months—and I know this is an exception, but it may prove the proposition—a station owned by the Washington Post and Newsweek that had a license in Miami, Fla., was and is subject to challenge. That is the instability.

The same ownership then went out and paid $33 million to get another license up in——

Mr. PASTORE. Hartford.

Mr. HART. Hartford.

You know, Mr. President, run that around the track. It is an unstable situation and, having said that, the fellow then goes around, buys another and spends $33 million. Now, he has got a measure of confidence in the stability of that industry by a pile of dollars $33 million worth high. Now, who is kidding whom?

Mr. HATHAWAY. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Maine has 2 minutes remaining.

Mr. HATHAWAY. Mr. President, in the brief time left to me, let me just rebut or try to rebut the points made by the Senator from Rhode Island.

The Senator mentioned that if this amendment carries we are going to go back to the present system. But, according to the statistics which I quoted, which are from the committee report, the present system is not all that bad in this regard, with about 99 percent of the licenses being renewed.

The Senator from Rhode Island has pointed out the advantage that the incumbent licensee should have against the promissor. Well, I am sure that any reasonable commission is not going to take every promise that is made by any challenger and weigh that as heavily as it does the actual job that the permanent licensee has done.

I am not arguing against a preference for the incumbent licensee. I am just arguing against the very strong word, the word "presumption," which is explained in the committee report as requiring "compelling" evidence against it before any effect can be made on the presumption whatsoever.

Mr. PASTORE. Mr. President, will the Senator yield? Does he feel the word "presumption" is stronger than "preference"? My goodness, I hope he does not mean that.

Mr. HATHAWAY. I am not necessarily arguing for the word "preference," but we should think of some way of expressing a "plus" for the incumbent licensee if he substantially complies short of giving him a presumption of renewal.

To give him a presumption, it seems to me, is going to knock out just about 100 percent of all the challengers, and I think we need that competition—or at least the threat of it—as a spur to the present license holders.

The ACTING PRESIDENT pro tempore. The time of the Senator from Maine has expired. The Senator from Rhode Island has 10 minutes remaining.

Mr. PASTORE. I am ready to yield back the remainder of my time.

Mr. MOSS. Mr. President, will the Senator yield me 2 minutes?

Mr. PASTORE. Yes.

Mr. MOSS. I would oppose the amendment, Mr. President, This matter was discussed at great length in committee. We talked about the meaning of the word "presumption" and decided that that meant really what we were trying to provide in this legislation.

It really is short of a shifting of the burden of proof. In other words, if a challenger then comes in, he must assume the burden of proving that the licensee has not lived up to his obligation and that he, the challenger, will be able to do it.

Now, I have seen a concrete example of the problem that comes to the licensee seeking renewal, when he did get the renewal, so he would go into this 99 or whatever the percentage was. He got the renewal all right, but because it was what you would call a "blue-sky" challenger, somebody with no background in the industry at all, no resources, somebody who simply put in a bid; it cost the licensee over a half million dollars in assuming the burden of assembling the data, hiring the lawyers, filing the petitions and carrying the matter forward so that he got his renewal. Well, he got his renewal and, as the chairman says, the licensee seemed to be fairly prosperous. But why should they undergo that kind of harassment? Why not have the burden essentially on those who say that the present licensee is not doing all right, "and I can do it better" and have him assume the burden? And that is the only effect I give to this word "presumption."

Now, if the commission has found that the licensee has not lived up to his obligations then there is no presumption. The commission says that. But if he has lived up to it as far as their supervision is concerned there ought to be a tilt in his direction.

The ACTING PRESIDENT pro tempore. Does the Senator from Rhode Island yield back his time?

Mr. PASTORE. I am ready to yield the time back.

Mr. TUNNEY. Will the Senator yield 2 minutes?

Mr. PASTORE. Two minutes. I am perfectly willing to give more time, whatever I have left, which I will give to the Senator from Maine.

Mr. HATHAWAY. I was going to ask for the yeas and nays but there is not a sufficient second.

Mr. BAKER. Will the Senator yield to me for 1 second? I want to say that we ought to take account of the fact that if there is going to be a vote it ought to be deferred until 2 o'clock.

Mr. PASTORE. We may run up to 2 o'clock.

I yield 2 minutes to the Senator.

Mr. TUNNEY. As I understand the Senator's amendment, it would knock out any presumption of any kind. I am sorry I was not here during the earlier discussion of the amendment. I was off the floor.

I have had the opportunity in my own mind to attempt to evaluate what a licensee ought to be able to have to prove in order to get a license renewal. It does seem to me that some benefit or some presumption ought to be shown to the licensee simply because you have a tremendous capital investment that builds up as a result of having a license, particularly with one of those large television stations in major metropolitan areas.

It is my understanding, for instance, that a major network station in New York City can be worth as much as $75 million.

It seems to me that a licensee that has over the past several years demonstrated that he is capable of performing a public service ought to have some presumption in his favor.

Now, in committee I offered an amendment which was rejected by the committee, an amendment to the language on page 9 of the bill, line 15, a presumption which may be rebutted by the weight of the evidence. What this language was designed to demonstrate was that although there was a presumption in favor of the licensee in getting a license renewal, we do not want that presumption to be considered anything like a conclusive presumption.

The Senator wanted the licensee to go into the proceedings with a presumption, but that if the challenger could demonstrate that there had not been an adequate job done that that presumption would be lost.

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

Mr. TUNNEY. Would the Senator give me 1 more minute?

Mr. PASTORE. I will give the Senator 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining. The Senator from California has 2 more minutes.

Mr. TUNNEY. I think the amendment of the Senator from Maine goes too far in knocking out any opportunity for the licensee to have a slight advantage going into the regulatory proceeding for license renewal. When I said "slight advantage," I know I am using words that are slippery.

I recognize the fact that the English language cannot very well express in these matters what is in our mind.

But we rely so much upon the regulatory agency adjudicating these matters to use their best judgment, I suppose it does not make any difference what language we use, that they would bend it to fit what they consider the right outcome.

However, I would like to offer as a substitute for the amendment of the Senator from Maine, my distinguished friend, a language which would read, starting at line 13:

If the Commission determines that the licensee has satisfied the requirements of clause 1, 2 and 3, a presumption—

And then—

—which may be rebutted by the weight of the evidence shall be established—

Well, I would have to work it into the language of the bill, and so I would have to spend a few minutes working out the exact language

Would the Senator from Maine be

prepared to accept that as a substitute to his language, that general concept?

Mr. HATHAWAY. Yes; and let me say to the Senator from California that the idea that he has in mind——

Mr. TUNNEY. Will the Senator from Rhode Island yield to me for a minute?

Mr. PASTORE. How much more time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Did the Senator from California want to submit to the amendment of the Senator from Maine?

Mr. TUNNEY. Yes, I do want to, and unfortunately I have to work out the language; because I was off the floor, I did not have an opportunity to work it out before I came to the floor.

I would like to ask for a quorum call so that I could have a little bit of time to work out the specific language.

The ACTING PRESIDENT pro tempore. A quorum is not in order.

Mr. TUNNEY. I would like to have a quorum call, all time not charged to either side, and I ask unanimous consent.

The ACTING PRESIDENT pro tempore. All the time has expired for the Senator to ask for a quorum call. Does the Senator seek unanimous consent?

Mr. TUNNEY. I was asking for unanimous consent.

Mr. PASTORE. Well, I object at the present moment, but through unanimous consent.

I hope the two Senators will be satisfied with the explanation we have given, and we have made quite a history here with reference to what this presumption is all about. I hope we will not start toying with it on the floor.

I am afraid we will end up with something more disturbing than we think the present language is.

We have given this considerable thought and we have made a record on the floor. The Senator from Maine takes the position that he would like to see things stay exactly the way they are, am I right on that?

Mr. HATHAWAY. I would go along with something on the line of what the Senator from Utah says, a "tilt" in favor of the licensee rather than a presumption.

Mr. PASTORE. That is all we are doing.

Mr. HATHAWAY. I am aware that as a practical matter, there should be a tilt, because the person who has performed is more credible than the person who is just promising.

Mr. PASTORE. That is why we gave them that tilt. It is merely a presumption that can be rebutted—I mean, we have made that clear.

Mr. HATHAWAY. But "presumption" makes it too tough a burden.

The ACTING PRESIDENT pro tempore. All time of the Senator from Rhode Island has expired.

Mr. TUNNEY. Then I would offer a substitute; I now have the language.

The ACTING PRESIDENT pro tempore. The Senator will send it to the desk and the clerk will report.

Mr. TUNNEY. Yes, I send a substitute, starting at line 15, after the word "presumption."

The assistant legislative clerk read as follows:

On line 15 after "presumption" insert "which may be rebutted by the weight of the evidence."

The ACTING PRESIDENT pro tempore. The time on the amendment is 15 minutes, 7½ minutes to the side, the Senator from California is recognized for his time.

Mr. TUNNEY. The only thing I am trying to say is that I think we ought to have a tilt in favor of the licensee and I think that the language I have offered as a substitute indicates that there is a presumption but that it may be rebutted by the weight of the evidence.

I appreciate very much the statements made by the distinguished Senator from Rhode Island, the chairman of the subcommittee and the floor manager, that this is a rebuttable presumption, but I think it would help if it were in the bill.

I recognize that if this amendment of mine is defeated, it will not mean that the committee's position is that this is not a rebuttable presumption.

I appreciate that fact, but I think that it may be better to have it written into the language of the bill rather than have a court or the FCC interpret the floor debate in order to construe the intention of Congress.

Mr. PASTORE. But where the misconception comes in, if the Senator will allow, I think that we are looking at this presumption as we would invoke it in a court of law. That is not intended here at all.

Now, what is going to happen here? No. 1, there is nothing in this bill that precludes the filing of a competitive application and, once that is done, there has got to be a comparative hearing, that is required at the present time.

Now, when the comparative hearing takes place, the licensee will give his side of the story. The new applicant, the opposing applicant, gives his side of the story.

Then the weight of the evidence is considered by the FCC, and if the FCC, after all the evidence is in—it is not a shifting of burden—if it finds that the present licensee has substantially complied with its responsibility of meeting the criteria as spelled out in the law, then the presumption is created that he has served the public interest for renewal purposes.

That is where it comes in and that is where we are getting confused. We are talking about the weight of the evidence. The weight of the evidence leads only to the presumption. It is not the question that the burden of proof shifts. Have I made myself clear?

Mr. TUNNEY. Yes, I understand.

Mr. PASTORE. Now, we are misunderstanding how that word "presumption" works.

Presumption means that after all the evidence is in, if the FCC finds that the present licensee has substantially met the ascertainment responsibility and other criteria, then he is entitled to a presumption in his favor.

Mr. TUNNEY. I understand.

Mr. PASTORE. And that will cut out all the blue-sky applications, it will cut out these applications that are put in for harassment, and then they ask to be paid off.

That has happened before. They asked to be paid off. Under the present system today you find many applications being filed just to harass the present licensee. And then what happens? In order to pull them off, they ask to be paid. In many instances they have been paid.

I think that is scandalous. If a licensee has not done his job, he should lose his license. If he has done his job, he should be given some kind of presumption that he has served the public interest. That is all we are trying to do. I do not know why we are complicating this.

The PRESIDING OFFICER. Who yields time?

Mr. HATHAWAY. Will the Senator from California yield?

Mr. TUNNEY. I yield.

Mr. HATHAWAY. I understand by the substitute amendment that what the Senator intends to do is simply state in the bill what has already been stated on the floor, that the presumption is rebuttable, so that we rebut any inference that this is a conclusive presumption. I do not see any reason why, if that is the meaning of the word "presumption," we cannot simply say so in the bill. At least that warns the FCC that evidence can be brought in and adduced to overcome the presumption that the committee has given to the incumbent licensee by the bill.

Mr. PASTORE. I just got through explaining that the presumption consideration comes in after the evidence is in. It is not a matter that then the adversary begins to submit his proof. The whole proof goes in at one time. When they weigh the evidence, if the Commission finds that the present licensee has substantially lived up to his responsibility in the area of the criteria, then he gets a presumption that he has served the public interest at renewal time.

Mr. BAKER. Will the Senator yield?

Mr. PASTORE. I do not know what other language we can use. After all, we can take out Webster's Dictionary. We can talk until the cows come home. The fact remains, and it is pure and simple, as to what we are trying to do. We are not trying to give a conclusive or vested right to the present licensee. All we are saying is, "If you have done your job and substantially met your responsibility, you ought to get a presumption that you have served a public interest."

Mr. HATHAWAY. If the Senator from Rhode Island will yield, would the Senator from Rhode Island be willing to submit the substantive statement he has made here on the floor for the report language which explains the meaning of the word "presumption" as used in this bill?

Mr. PASTORE. I cannot rewrite the report, but it is in the CONGRESSIONAL RECORD and so help me, I live by it. So help me, I live by it.

Mr. HATHAWAY. The report language has a higher precedent value than the debate on the floor. The report language indicates that you have to have "compelling" evidence to have any weight whatsoever against the presumption. That is what bothers me more than the word "presumption" in this bill.

Mr. PASTORE. Is the Senator speaking about——

Mr. HATHAWAY. I am speaking about the language at the bottom of page 12 of the report. It says:

Thus, for example, to the extent the FCC has flexibility to deal with media concentration in a unique case—

The PRESIDING OFFICER. The time in opposition to the amendment has expired.

Mr. TUNNEY. How much time do I have?

The PRESIDING OFFICER. The time of the Senator from California is 7½ minutes.

Mr. TUNNEY. I yield 2 minutes.

Mr. HATHAWAY. To continue—

which is not covered by the Commission rules or policies, such an issue could, if compelling enough, have an effect on the presumption.

Mr. PASTORE. Then look at page 13 and read that. Read it very slowly, where it starts with "what happens."

Mr. HATHAWAY. It says:

What happens, however, if the hearing record shows that the renewal applicant has not "substantially met" or served the problems, needs and interests of his area? Under the amendment he would obtain no presumption. On the contrary, if the competing new applicant establishes that he would substantially serve the public interest, he should clearly be preferred over one who was given the opportunity to do so but chose instead to deliver less than substantial service to the public.

Mr. PASTORE. Does not that answer the question? That is right on the nose.

Mr. HATHAWAY. It answers it, but also contradicts what is stated on page 12. So we do not know which one is the one that will be the guide. I do not see why the Senator from Rhode Island would not simply accept the substitute, at least, of the Senator from California. Regardless of when the evidence is put in, whether all the evidence comes in at once or comes in first from the licensee and then from the challenger, there is still the word "rebuttable" which is applicable.

The PRESIDING OFFICER. The Senator from California.

Mr. TUNNEY. I think we just ought to have a vote. I think the Senator from Rhode Island has explained his position very clearly. I cannot express myself any more clearly. It is simply that we ought to build into the language of the legislation the rebuttable presumption rather than relying upon floor debate which would then be used by the FCC and the courts to construe what Congress intended.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. TUNNEY. Is the vote that will next arise to be on my substitute to the language of the amendment of the Senator from Maine, or is it to be on the language of the Senator from Maine first?

The PRESIDING OFFICER. The next vote will be on your amendment.

Mr. TUNNEY. Another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TUNNEY. My amendment strikes the language of the amendment of the Senator from Maine and substitutes the language which was read at the desk.

The PRESIDING OFFICER. The Senator's amendment is not a substitute as it was reported by the clerk, as it was drafted. It is not a substitute. The first vote will come on the Senator's amendment.

Mr. TUNNEY. Has my amendment stricken the language of the amendment of the Senator from Maine as it was sent to the desk?

The PRESIDING OFFICER. I am informed by the Parliamentarian that the amendment of the Senator from Maine strikes language and inserts no new language. The amendment of the Senator from California does insert new language. Therefore, it is a perfecting amendment.

Mr. TUNNEY. Another parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. TUNNEY. If my amendment carries, we would still have to vote on the amendment of the Senator from Maine, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. TUNNEY. I am prepared to vote on my amendment.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. All time has expired.

Mr. BAKER. Will the Senator withhold that motion for 1 minute?

Mr. PASTORE. I withhold it.

Mr. BAKER. It is now 3 minutes to 2. If we could have a quorum call or further discussion on this matter for just a few moments there would be a substantial increase in——

The PRESIDING OFFICER. A quorum call is in order even if the Senator makes a motion to table.

Mr. ALLEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Is the motion to table by the distinguished Senator from Rhode Island addressed to the amendment of the Senator from Maine or the amendment of the Senator from California?

Mr. PASTORE. It does not make any difference.

Mr. ALLEN. It makes a great deal of difference.

The PRESIDING OFFICER. It is addressed to the first amendment on which we are going to vote, as I understand it, and that is the amendment of the Senator from California.

Mr. ALLEN. In that case, I would move to table the amendment offered by the distinguished Senator from Maine, which would carry with it the amendment of the Senator from California.

Mr. PASTORE. It will not carry it.

The PRESIDING OFFICER. The Senator from Rhode Island has moved to table the amendment by the Senator from California. That is the vote. If that motion fails, then it will be in order——

Mr. PASTORE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. PASTORE. Even if I withdrew my motion to table and then moved to table the amendment that has been submitted by the Senator from Maine, would that automatically include in the tabling motion the amendment of the Senator from California? As I understand the Parliamentarian, the answer is in the negative.

The PRESIDING OFFICER. The answer is no. The amendment of the Senator from California is not an amendment to the amendment of the Senator from Maine. It is a perfecting amendment. It adds additional language.

Mr. PASTORE. Mr. President, I move to lay on the table the amendment of the Senator from California.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Rhode Island to table the amendment.

Mr. HATHAWAY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

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

The legislative clerk called the roll.

Mr. HELMS (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Illinois (Mr. PERCY) are absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "present."

The result was announced—yeas 57, nays 14, as follows:

[No. 462 Leg.]

YEAS—57

Allen	Bayh	Burdick
Baker	Beall	Byrd, Harry F., Jr.
Bartlett	Buckley	

Byrd, Robert C.	Humphrey	Pearson
Cannon	Jackson	Pell
Case	Johnston	Proxmire
Clark	Kennedy	Randolph
Cranston	Long	Ribicoff
Curtis	Magnuson	Roth
Domenici	Mansfield	Schweiker
Eagleton	McClure	Scott, Hugh
Eastland	McGee	Stennis
Fannin	McGovern	Stevens
Gurney	McIntyre	Stevenson
Hansen	Montoya	Symington
Hart	Moss	Thurmond
Haskell	Muskie	Tower
Hatfield	Nelson	Weicker
Hollings	Nunn	
Hruska	Pastore	

NAYS—14

Abourezk	Griffin	Metzenbaum
Biden	Hathaway	Sparkman
Brooke	Hughes	Talmadge
Chiles	McClellan	Tunney
Ervin	Metcalf	

ANSWERED "PRESENT"—1

Helms

NOT VOTING—28

Aiken	Dominick	Mondale
Bellmon	Fong	Packwood
Bennett	Fulbright	Percy
Bentsen	Goldwater	Scott, William L.
Bible	Gravel	Stafford
Brock	Hartke	Taft
Church	Huddleston	Williams
Cook	Inouye	Young
Cotton	Javits	
Dole	Mathias	

So the motion to table Mr. TUNNEY's amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question now recurs on the amendment of the Senator from Maine (Mr. HATHAWAY).

Mr. HATHAWAY. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the amendment of the Senator from Maine. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on this rollcall.

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

Mr. PASTORE. Mr. President, has all the time been yielded back?

The ACTING PRESIDENT pro tempore. All time has been yielded back; all time has expired.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. HELMS (when his name was called). Present.

Mr. TAFT (when his name was called). Present.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Illinois (Mr. PERCY) are absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The result was announced—yeas 7, nays 64, as follows:

[No. 463 Leg.]

YEAS—7

Biden	Hathaway	Pearson
Brooke	Kennedy	
Hart	Metzenbaum	

NAYS—64

Abourezk	Griffin	Muskie
Allen	Gurney	Nelson
Baker	Hansen	Nunn
Bartlett	Haskell	Pastore
Bayh	Hatfield	Pell
Beall	Hollings	Proxmire
Buckley	Hruska	Randolph
Burdick	Hughes	Ribicoff
Byrd, Harry F., Jr.	Humphrey	Roth
	Jackson	Schweiker
Byrd, Robert C.	Johnston	Scott, Hugh
Cannon	Long	Sparkman
Case	Magnuson	Stennis
Chiles	Mansfield	Stevens
Clark	McClellan	Stevenson
Cranston	McClure	Symington
Curtis	McGee	Talmadge
Domenici	McGovern	Thurmond
Eagleton	McIntyre	Tower
Eastland	Metcalf	Tunney
Ervin	Montoya	Weicker
Fannin	Moss	

ANSWERED "PRESENT"—2

Helms Taft

NOT VOTING—27

Aiken	Dominick	Mondale
Bellmon	Fong	Packwood
Bennett	Fulbright	Percy
Bentsen	Goldwater	Scott, William L.
Bible	Gravel	Stafford
Brock	Hartke	Williams
Church	Huddleston	Young
Cook	Inouye	
Cotton	Javits	
Dole	Mathias	

So Mr. HATHAWAY's amendment was rejected.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. CASE. Mr. President, I call up an amendment which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

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

Mr. CASE's amendment is as follows:

At the appropriate place insert the following:

The Federal Communications Commission shall, not later than December 31, 1974, render a decision and take such other agency action as it deems appropriate with regard to the Petition for Notice of Inquiry Into the Need for Adequate Television Service for the State of New Jersey (RM-2345). In no event shall the Commission render any ad hoc decisions or take any agency action in any individual proceedings which decision or agency action might prejudice the outcome of any proceeding arising out of the Commission's disposition of the Petition for Notice of Inquiry Into the Need for Adequate Television Service for the State of New Jersey (RM-2345) prior to the time it has resolved all proceedings arising out of such Petition.

Mr. CASE. Mr. President, my amendment is a very simple one. It would direct the Federal Communications Commission, by the end of this year, to render a decision on the petition for notice of inquiry into the need for adequate television service for New Jersey which has been filed with the FCC. In fact, it was filed on March 4 of this year—requesting the Commission to conduct an inquiry on the television needs of the people in the State of New Jersey.

The petitioner in that petition is an organization called the New Jersey Coalition for Fair Broadcasting.

I rise to speak on behalf of an amendment to H.R. 12993 that is designed to respond to the special problems faced by New Jersey, but which, as I shall point out, is a burden on all taxpayers. It cannot be gainsaid that New Jersey is an important, self-contained commercial, political, and cultural community with its own problems, needs, and interests and that it requires specific television broadcast service designed to meet these. Yet there is not one VHF commercial television frequency assigned to the State. It receives only a limited amount of television service from the seven UHF channels now on the air—four of which are part of the State operated noncommercial educational television system.

New Jersey's predicament is aggravated by the failure of the commercial VHF channels allocated to the neighboring States to provide adequate New Jersey-oriented service. Neither the New York nor the Philadelphia stations render adequate service to New Jersey.

All of these problems were called to the FCC's attention in a petition filed on March 4, 1974. The petition requested that the Commission conduct an inquiry into the television needs of the people in the State of New Jersey. The petition pointed to the Commission's clear duty under the Communications Act to remedy such an inequitable distribution of broadcast services and suggested several possible methods of addressing the problem.

I am happy to say that Senator PASTORE, the chairman of the Senate Communications Subcommittee, has acknowledged the extent of New Jersey's broadcasting predicament. Because of their concern for how this legislation—H.R. 12993—might affect New Jersey, Brendan Byrne, Governor of New Jersey, Kenneth A. Gibson, mayor of Newark, N.J., and Thomas H. Kean, minority leader, New Jersey General Assembly, all appeared to testify during the hearings held by the subcommittee. As Governor Byrne cited examples of hardship caused

New Jersey citizens by the shortage of broadcast coverage, Senator PASTORE interrupted, saying, in part—

I agree with you whole-heartedly. I don't understand for some reason why that is not being unravelled.

. . . There are practically no grass roots programs being shown. You have to rely entirely upon the networks and most of the programs that come out of New York.

Why they can't break that up and take some of those stations and put them in New Jersey is beyond me. . . . *Transcript of Proceedings*, U.S. Senate Commerce Committee, Subcommittee on Communications, July 25, 1974, pp. 482–83.

That was almost 2½ months ago. Yet the Commission has given no sign of any intention to move expeditiously to act on the petition. On the contrary, it has proceeded to take ad hoc actions that might prejudice the outcome of the overall inquiry which the New Jersey Coalition for Fair Broadcasting—of which I am a member—is seeking. Thus, for example, the Commission recently amended its regulations to include Newark, N.J. in the New York, N.Y.-Linden-Paterson, N.J. cable television market. This action was taken over the objection of the coalition, which pointed out that all problems regarding the New York, New Jersey, Philadelphia corridor should be resolved in the overall inquiry, which the coalition is seeking, into New Jersey's television service problems.

Before further ad hoc decisions affecting the State are made by the Commission, an expeditious overall investigation of the New Jersey situation is warranted. For example, in the spring and summer of 1975 the Commission will be called upon to consider the license renewal applications of those stations which are licensed to New Jersey's neighbors in Pennsylvania and New York, respectively. Some of these stations—clearly those in New York City and Philadelphia—are required to render service to New Jersey. The quality of service of each of those stations to New Jersey will again have to be reviewed. Thus, unless the Commission acts soon to consider the problem as a whole, New Jersey's needs will continue to be addressed in an inadequate, piecemeal fashion.

Accordingly, I am offering an amendment to H.R. 12993 that would require the Commission to take appropriate action to dispose of the petition by December 31, 1974. I want to make clear that this amendment does not direct the Commission to institute any inquiry or dictate any other result. It merely requires that the Commission render a decision on the request for an inquiry. In any event, the amendment would prevent the Commission from taking any other piecemeal or ad hoc actions that would affect the outcome of the inquiry, or any proceeding growing out of it, until the Commission has resolved those proceedings. Again, I wish to make clear that no outcome in any such proceeding is dictated. All the amendment does is prohibit Commission actions which would prejudice New Jersey's opportunity to a fair hearing on its petition.

I wish to make one final point. I believe that this enactment of this amendment is, as Senator PASTORE has recognized, not only equitable; it will also conserve Commission and taxpayer resources. An expeditious overall review of the New Jersey situation will render it unnecessary for the Commission to address this problem each time a license renewal or other decision affecting New Jersey comes before the Commission. Thus expeditious administrative action will relieve not only New Jersey but all taxpayers of the burden created by the short shrift New Jersey has received in the frequency allocation scheme.

Mr. President, I have discussed this amendment with the Senator from Rhode Island, the chairman of the subcommittee and the manager of the bill, and I would be very glad to have his comment on it.

Mr. PASTORE. Mr. President, I can well understand the reason for this amendment. I think that the Senator from New Jersey and the people of New Jersey have just cause. They have to rely almost exclusively upon television that emanates from the city of New York, and perhaps some from Philadelphia.

But I did suggest to the Senator that I think the better way to handle this would be to discuss this matter with the Commission when it comes before us in the early part of next year on oversight hearings, and he has agreed to it. I think that is the better way to handle it. If at that time we do not get satisfaction, then we will put in a bill and I will stand shoulder-to-shoulder with the Senator from New Jersey to see that his objective is carried out.

Mr. CASE. Mr. President, I appreciate very much the assurance that the Senator from Rhode Island has given us. I have had the same assurance from his counterpart on our side of the aisle on the committee, Senator BAKER, who feels the same as the Senator from Rhode Island does.

We in New Jersey could not have greater confidence than we do in these Members of this body, and we are happy indeed to accept their assurances because we know that it will result in amelioration of our condition.

So I am happy on that assurance to withdraw the amendment.

The PRESIDING OFFICER (Mr. BARTLETT). The amendment is withdrawn.

Mr. HOLLINGS. Mr. President, I rise to support the passage of the Committee subcommittee amendment, as further amended, to H.R. 12993, the Broadcast License Renewal Act.

I have long believed that broadcasters ought to be given a reasonable expectation of renewal of their licenses if they are doing a good job of programing. I believe this legislation provides that reasonable expectation and restores the needed stability that any business enterprise requires in order to plan and operate efficiently. I think it is time that broadcast stations be given a clear indication of what is expected of them in order to continue operating as trustees of the air waves. This clarity and stability is essential to assure that the public receives the best broadcast service possible.

Since there appeared to be agreement that a broadcast station ought to be renewed if it does a good job, I offered an amendment in committee that would just say that; namely, that the Federal Communications Commission shall renew a license if a licensee had complied with ascertainment requirements and had not otherwise been characterized by serious deficiencies. That amendment was not voted upon by the committee. Instead, it was unanimously agreed that a compromise amendment be accepted, establishing that there would be a presumption of renewal if those criteria were met.

I was happy to see the committee establish that presumption and I believe the Senate would be serving the public interest by passing the bill.

The presumption would be earned by a broadcast station which had done a good job of programing. This is a competitive spur that should be applied to the industry, because it will encourage broadcasters to do a good job.

On the other hand, there is another kind of competitive spur that would create chaos in this industry, and that is the so-called "blue sky" promise of better service that has been employed by well-financed competing applicants seeking to exploit the current climate of instability of the industry. It is not possible to give a reasonable expectation of renewal to a broadcaster doing a good job, if that broadcaster continues to be exposed to the risk of losing his license to someone who outpromises him.

I, therefore, urge the Senate to provide the right kind of competitive spur, the spur to do a good job—which is the purpose of the compromise amendment—while eliminating the wrong kind of competition; namely, auction bidding for public favor through paper promises of better service on the part of challengers, no matter how good the renewal applicant might be.

I am happy to see the bill direct the Commission to determine what good performance is and in turn to let the broadcaster know ahead of time what is expected of him. I think it would be folly for the Congress to try to write legislation that would set specific guidelines of performance which would be applicable to every kind of broadcaster, big or small. The Commission has been given the flexibility to establish a reasonable standard of service, and with the Congressional direction that the emphasis be placed on responsive programing, I am confident the Commission can administer this act in a way that will serve the public interest. In this connection, I am sure the Commission will not permit itself to become a forum for frivolous petitions filed against renewal applications. I would expect that the Commission will fail to renew only if a broadcaster has either not done a good job of programing or has genuinely serious deficiency, which is documented by a pattern of misbehavior that clearly demonstrates a disregard for the public interest.

It should be noted that the amendment does nothing to curb the legal tools available to the FCC and public in dealing with broadcast licenses. The FCC has the power to issue a rulemaking (§ 303), fine (§ 503), issue cease-and-desist orders (§ 312), short-term license re-

newals (§ 307), denial of license (§ 309) and on its own initiative, at any time during the renewal term, initiate revocations proceedings (§ 312), an inquiry (§ 403) or investigation (§ 404) if actions justify it under the statutes and FCC regulations. Any person at any time can file formal or informal complaints with the FCC or file a complaint directly with the licensee. Any party can also seek court review of a Commission decision, order or renewal (§ 402).

I am also happy to see the committee endorse the rulemaking approach as the best way to deal with the ownership question. It is not fair to broadcast licensees who have satisfied the Commission that they deserve their license in the first place, to repeatedly expose them to challenge at renewal time on grounds other than their programing. Ownership is important at the time of the original application or at the time a station is sold because it is a factor in determining whether the new licensee will be a good one. But at renewal time, the best way to determine whether in fact the licensee is doing a good job is to look at his performance; namely, his program service. Therefore, I applaud the committee in condemning the use of the renewal process to bring about a case-by-case restructuring of the ownership of the broadcasting industry.

Finally, Mr. President, let me point out that language of the amendment has intentionally been left open to interpretation in some respects so that the regulatory agency, the Federal Communications Commission, will have the needed flexibility to deal with all situations as they arise. Because of the need to keep this flexibility in the law, there are those who would have the Senate believe that the intention of the committee was to provide for something other than that which I have supported here this afternoon. I want to clearly state that the committee report interprets this bill in the way that the majority of the committee intended it to be interpreted. I have read the additional views of some of my colleagues and have found their statements open to an interpretation that is contrary to the intention of a majority of the committee. Hence, I think it is necessary for the record to clearly show that the committee report was specifically prepared and approved by a majority of the committee and reflects the intent of that majority, while the additional views only represent the opinion of the three members who prepared and signed them.

In conclusion, I applaud Senators PASTORE and BAKER for their efforts in attempting to deal with this very important piece of legislation. We are all agreed that a broadcast station that is doing a good job ought to be renewed, and this legislation provides that assurance.

ADEQUATE TELEVISION COVERAGE FOR THE STATE OF NEW JERSEY

Mr. WILLIAMS. Mr. President, I would like to take a moment at this time, while the Senate is considering H.R. 12993, the Broadcast Licensing Act, to bring to Senators' attention the unfortunate state of affairs that exists in New Jersey relative to commercial television.

New Jersey is the eighth most populous State in the Nation, and the most densely populated, but it lacks even a single VHF commercial television station of its own. As a result, the people of my State must rely predominantly on the VHF television stations in neighboring New York City and Philadelphia. The result of this inequity is a very serious deficiency in the ability of New Jerseyans to keep informed about news and public affairs subjects in their own State.

It is clear that New Jersey has a distinct and proud identity. We have our own history, traditions, political organizations, governmental operations, and social activities. All of these areas generate news that is of interest to New Jerseyans and important for them to know. It is well-recognized that most Americans get a substantial amount of their news from television. Since New Jersey lacks adequate television service, it follows that New Jerseyans are inadequately informed concerning things which are important for them to know about events in their own State.

In an attempt to correct this situation a group was formed several years ago known as the New Jersey Coalition for Fair Broadcasting. It is a coalition in the truest sense, since it encompasses representatives of virtually every segment of New Jersey society. I have considered it a privilege to serve as a cochairman of the coalition.

On March 4 of this year the coalition filed a petition with the Federal Communications Commission requesting the Commission to conduct an inquiry into the television allocation situation in New Jersey. No response was forthcoming, so on August 2 the coalition filed a notice of intention to file appeal if timely decision is not rendered. Still no response was made, and on September 19 I wrote to FCC Chairman Richard E. Wiley asking for an early and favorable decision on the coalition's request for an inquiry. Unfortunately, my letter has not elicited a response either.

Mr. President, I think that during consideration of H.R. 12993, it is an appropriate time for me to once again urge the Commission to respond promptly and favorably to the coalition's request. I would point out that the Senate Subcommittee on Communications intends to conduct oversight hearings early in the next Congress to explore the whole subject of broadcasting in the United States. The distinguished chairman of the subcommittee (Mr. PASTORE) has already made it clear that he believes the New Jersey situation to be a grossly inequitable one which ought to be remedied. Unless the FCC has by then moved ahead in a meaningful way with the inquiry requested by the coalition, I would certainly seek the subcommittee's assistance in examining the New Jersey situation, and also in determining why the FCC has been reluctant to act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12993) was read the third time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on this vote.

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

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HELMS (when his name was called). Present.

Mr. TAFT (when his name was called). Present.

Mr. METZENBAUM (after having voted in the negative). On this vote I have a pair with the distinguished Senator from Texas (Mr. BENTSEN). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE), and the Senator from Kentucky (Mr. HUDDLESTON) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from New Hampshire (Mr. COTTON), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Vermont (Mr. STAFFORD), and the Senator from Illinois (Mr. PERCY) are absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Kansas (Mr. DOLE) would each vote yea."

The result was announced—yeas 69, nays 2, as follows:

[No. 464 Leg.]

YEAS—69

Abourezk	Fannin	Muskie
Allen	Griffin	Nelson
Baker	Gurney	Nunn
Bartlett	Hansen	Pastore
Bayh	Haskell	Pearson
Beall	Hatfield	Pell
Biden	Hollings	Proxmire
Brock	Hruska	Randolph
Brooke	Hughes	Ribicoff
Buckley	Humphrey	Roth
Burdick	Jackson	Schweiker
Byrd, Harry F., Jr.	Johnston	Scott, Hugh
	Kennedy	Sparkman
Byrd, Robert C.	Long	Stennis
Cannon	Magnuson	Stevens
Case	Mansfield	Stevenson
Chiles	McClellan	Symington
Clark	McClure	Talmadge
Cranston	McGee	Thurmond
Curtis	McGovern	Tower
Domenici	McIntyre	Tunney
Eagleton	Metcalf	Weicker
Eastland	Montoya	
Ervin	Moss	

NAYS—2

Hart Hathaway

ANSWERED "PRESENT"—2

Helms Taft

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metzenbaum, against

NOT VOTING—26

Aiken	Dominick	Mathias
Bellmon	Fong	Mondale
Bennett	Fulbright	Packwood
Bentsen	Goldwater	Percy
Bible	Gravel	Scott, William L.
Church	Hartke	
Cook	Huddleston	Stafford
Cotton	Inouye	Williams
Dole	Javits	Young

So the bill (H.R. 12993) was passed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. MAGNUSON, Mr. PASTORE, Mr. HARTKE, Mr. BAKER, and Mr. STEVENS conferees on the part of the Senate.

Mr. PASTORE. Mr. President, I want to pay a special tribute to my colleague, Mr. BAKER, who worked with me on this legislation. It was a very difficult task, I must say, because the extremes were quite pronounced.

I want to compliment Mr. Nicholas Zapple and Mr. John Hardy on the Democratic side, the Commerce Committee, and also Mr. Ward White who is the assistant to Mr. BAKER.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Rhode Island for his remarks, which I will most assuredly reciprocate.

It has been a great pleasure to work with the Senator from Rhode Island on this very difficult and complex subject and with the staff, to whom I have already paid my high respect and regards.

I think we have a good bill and I am pleased it was passed.

HARPERS FERRY NATIONAL MONUMENT

Mr. RANDOLPH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 605.

The PRESIDING OFFICER (Mr. BARTLETT) laid before the Senate the amendment of the House of Representatives to the bill (S. 605) to amend the act of June 30, 1944, an act to provide for the establishment of the Harpers Ferry National Monument and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That the Act of June 30, 1944 (58 Stat. 645; 16 U.S.C. 450 bb), an Act "To provide for the establishment of the Harpers Ferry National Monument", is amended as follows:

(1) In section 1, the first sentence is amended to read: "That, in order to carry out the purposes of this Act, the Secretary of the Interior is authorized to acquire lands or interests in lands, by donation, purchase with donated or appropriated funds, or exchange, within the boundaries as generally depicted on the drawing entitled 'Boundary Map, Harpers Ferry National Historical Park', numbered 385-40,000D and dated April 1974, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior: *Provided*, That after advising the Committees on Interior and Insular Affairs of the Congress of the United States, in writing, the Secretary may make minor revisions in the boundary, when necessary, by publication of a revised drawing or other boundary description in the Federal Register, but the total acreage shall not exceed two thousand acres: *Provided further*, That nothing herein shall be deemed to authorize the acquisition, without consent of the owner, of a fee simple interest in lands within the boundaries in which a less than fee interest has previously been acquired by the Secretary of the Interior."

(2) In section 3, delete the word "and" at the end of paragraph (1); change the period at the end of paragraph (2) to a semicolon and add "and"; and add the following new paragraph:

"(3) Provide, directly or by contract, subject to the provisions of the Act of June 7, 1974 (88 Stat. 192; 16 U.S.C. 460 1-6a) an interpretative shuttle transportation service within, between, and among lands acquired for the purpose of this Act for such times and upon such terms as in his judgment will best accomplish the purposes of this Act."

(3) Revise section 4 to read as follows:

"In addition to such sums as have heretofore been appropriated, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not more than $1,300,000 for the acquisition of lands and interests in lands, and not more than $8,690,000 for development."

Mr. RANDOLPH. Mr. President, S. 605, to expand and develop the Harpers Ferry National Historical Park, as amended by the House, contains two provisions which were not in the version passed by the Senate. The House placed a limit of $8,690,000 on development funds for the Harpers Ferry National Historical Park, which would include historical restoration projects, development needed for the transportation system, expansion of the interpretive design facilities within the park, and extension of the trails system within the area.

In connection with the shuttle transportation system which is contained in both bills, the House makes reference to the act of June 7, 1974, amending the Land and Water Conservation Fund Act, suggesting a method for the disposition of any fees which might be collected in operating such a transportation system.

Mr. President, for the most part, the provisions in the House-passed measure are not substantially different from those in Senate-passed S. 605. In the two respects mentioned previously, the changes are acceptable to the Senate.

This bill, S. 605, which I introduced last year, is urgently needed in order to preserve the characteristics of the Harpers Ferry National Historical Park and to better accommodate the increasing number of tourists who visit the scenic and historic town of Harpers Ferry, located in the eastern panhandle of West Virginia. Three decades ago President Franklin Roosevelt signed the measure I sponsored in the House designating Harpers Ferry as a National Monument.

To have shared, Mr. President, in the 30-year progress of the unique Harpers Ferry Park has been rewarding.

This measure before us today is the culmination of the historic preservation and recreational and educational benefits of the park. The millions of park visitors will share a richer experience because of this measure.

Mr. President, on Monday of last week, I was privileged to join with the Harpers Ferry National Historical Park and the National Capital Parks in paying tribute to the very able chairman of the Parks and Recreation Subcommittee, my friend from Nevada, Senator ALAN BIBLE. His excellent leadership and personal commitment have brought many parks and recreation areas to the people of the United States to enjoy.

The end of this congressional session will mark 15 years during which about 100 areas have been made national parks under the leadership of Senator BIBLE. Senator BIBLE remarked on that enjoyable evening in Harpers Ferry:

> We must create, preserve, and maintain the open space, the heritage of our land, to make this land a better place to live.

The effective ranking minority member of the Subcommittee on Parks and Recreation, Senator CLIFFORD HANSEN, shares Senator BIBLE's strong commitment in bringing parks to areas of this country which are heavily-populated. I commend Senators BIBLE and HANSEN on their leadership and support of this measure.

I think, also, the members of the Subcommittee on Parks and Recreation and the full Committee on Interior and Insular Affairs and their staffs for valuable assistance and cooperation for the progress of the Harpers Ferry legislation.

The Harpers Ferry Park is a "living park," not only because of the local interpreters dressed in midnineteenth-century-period clothing, who explain the town's heritage and contributions.

For the past two summers, the National Park Service has conducted a day camp for physically and mentally handicapped children. Also the Youth Conservation Corps is a progressive summer program for young men and women. There are many other examples of the social and educational benefits of the Harpers Ferry Park.

This park vividly tells the stories of Harpers Ferry as a center for firearms manufacturing in the mid-1800's and

also John Brown's famous raid on the Federal armory.

I strongly feel that the combination of Harpers Ferry's current limited area and park layout with the increasing number of visitors confirms the additional acquisition of land and construction of development facilities such as an interpretive shuttle system, hiking trails, and picnic areas.

The costs of this bill are small in comparison to the long-range benefits and valuable preservation of Harpers Ferry. Harpers Ferry will be the first town to be restored, in large part, as it was in the Civil War period.

Traffic congestion on the narrow streets with cars and buses is not only noisy and distracting, but also dangerous to the safety of visitors. Visitation on peak days exceeds 20,000 people.

I agree with Senators BIBLE and HANSEN that we must continue to bring the parks to where the people are. The Harpers Ferry National Historical Park is within less than a 3-hour drive of 8½ million Americans. Last year 1.2 million people visited Harpers Ferry.

In my judgment, the needed improvements outlined in S. 605 must be brought into being so that Harpers Ferry can preserve its proud past as a basis for its future—to teach Americans about our heritage and also to provide a place that citizens can enjoy for posterity.

The provisions of the House-passed legislation are acceptable to me and Senator ROBERT C. BYRD, my distinguished colleague, who cosponsored S. 605, and to the members of the Committee on Interior and Insular Affairs.

Mr. President, I move that the Senate concur in the House amendment to S. 605.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, I ask unanimous consent that I be permitted to yield 30 seconds to the Senator from West Virginia.

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

TIME LIMITATION AGREEMENT—DEEPWATER PORT ACT OF 1974

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Nevada (Mr. CANNON).

Mr. President, I ask unanimous consent that at such time as the bill (S. 4076), the deepwater ports bill, be laid before the Senate and made the pending business, there be a time limitation thereon of 2 hours to be equally divided between Mr. HOLLINGS and Mr. STEVENS, that there be a time limitation on any committee amendment of 2 hours, that there be a time limitation on any other amendments of 30 minutes, that there be a time limitation on any debatable motion or appeal of 20 minutes, and that the agreement be in the usual form.

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

The text of the unanimous-consent agreement is as follows:

Ordered, That, during the consideration of S. 4076, the so-called "Deepwater Port Act of 1974," debate on any committee amendment shall be limited to 2 hours, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any other amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. Hollings) and the Senator from Alaska (Mr. Stevens): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—CONFERENCE REPORT

Mr. CANNON. Mr. President, I submit a report of the committee of conference on S. 3044, and ask for its immediate consideration.

The PRESIDING OFFICER. 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 House to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, 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 October 7, 1974, at pp. 34194–34228.)

Mr. CANNON. Mr. President, I ask unanimous consent that Mr. Philip Reberger of Senator HARRY F. BYRD, JR.'s staff and Mr. James Duffy of my staff be permitted to be on the floor.

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

Mr. CANNON. Mr. President, the conference report pending before the Senate on the Federal Election Campaign Act Amendments of 1974, S. 3044, represents many months of hearings, executive sessions, floor debate, and Senate and House conferences.

In my opinion this new law will constitute the most significant step ever taken in the area of election reform and one of the most important legislative actions taken by the Congress this year.

The Senate has been moving toward this action for many years and during each Congress since 1960 has been approving progressively stronger and more far reaching bills.

This bill, S. 3044, however, is more comprehensive than any of its predecessors. It provides for strict limits on contributions and expenditures. It provides for a Federal election commission to administer and oversee and even to enforce the various provisions of the act. It provides for the public financing of national conventions and for Presidential primary and general elections. Limitations on contributions are as follows:

Individuals cannot give to any candidate or political committee supporting that candidate more than $1,000 for each election in which the candidate participates, and no individual may give to all candidates and political committees more than $25,000 in any calendar year, and for purposes of that limitation, any contributions given in a year other than the election year shall be considered to have been given during the election year. No political committee except a principal campaign committee may give more than $5,000 to a candidate or political committee supporting that candidate for each election in which he participates.

A principal campaign committee may contribute to the candidate up to his full spending limit. But, a principal campaign committee is one which has been designated by the candidate, in writing, to be his principal campaign committee and no other committee may be so designated.

Limitations on expenditures are also specifically set forth: A candidate for nomination to the office of President may not spend more in his entire nominating campaign than $10 million. And, he may not spend more in any given State than twice the amount which a candidate for nomination to the Senate may spend in that State. There is an exemption for the cost of fundraising equivalent to 20 percent of the overall spending limitation. In the general election a candidate for election to the office of President may not spend more than $20 million. Again there is a 20-percent exemption for the cost of fundraising.

In Presidential nominating elections, however, as well as in Presidential general elections, public financing is available. In order to become eligible for public financing during the campaign for nomination, a candidate must raise a threshold sum of $100,000. And that sum must be raised in amounts totaling $5,000 in each of 20 States. Only the first $250 of any contribution would be eligible for matching grants from the Government. Once having reached the threshold, the candidate would qualify to re-

ceive an equal amount from the Government and, thereafter, would be able to qualify for additional grants for eligible contributions received. The maximum Federal money which a candidate would or could become eligible to receive for the nominating process would be 50 percent of the spending limit if a sufficient amount of money were designated for the dollar checkoff fund.

In the general election campaign a candidate of a major party could receive public funding up to the full $20 million limit, if there is sufficient money in the fund. If not, then the candidate would receive a reduced amount and would be allowed to solicit private contributions to make up the difference. For both nominating elections and general elections for the office of President, there would be a 20-percent exemption for the cost of fundraising only to the extent that private contributions are needed to reach threshold amounts or other qualifying amount or the difference in the general election between what is available and the spending limitation, assuming that the dollar checkoff fund might not be adequate.

A candidate for nomination or for election to the House of Representatives, except for Representative at Large, could spend $70,000 for the primary and another $70,000 for the general election. He could also spend up to 20 percent of that limit in each election for the costs of fundraising.

A candidate for nomination to the Senate or for Representative at Large could spend up to the greater of 8 cents times the voting age population of the geographic area—the State—or $100,000. And for the general election could spend the greater of 12 cents times the voting age population or $150,000. And, the 20 percent exemption for the cost of fundraising would also apply to each of those campaigns.

In order to preserve the role of the party committees the act allows the national committee of a political party to spend 2 cents times the voting age population of the United States for its candidate for election in the general election only, and 2 cents times the voting age population of a State for candidates for general election to the office of Senator or Representative at Large or $20,000, whichever is greater. Also, the national committee may spend the greater of 2 cents times the voting age population of the congressional district or $10,000 for each candidate for the House.

State committees of a political party, including all branches or subsidiaries, may spend up to 2 cents per voting age population in any given State or $20,000 for Senator or Representative at Large, whichever is greater, and 2 cents times the voting age population of the congressional district, in the case of those Representatives who run in States having more than one Representative, or $10,000, whichever is greater.

No person may make an independent expenditure advocating the election or defeat of a clearly identified candidate in excess of $1,000 other than those committees or agents authorized by the candidate.

Candidates must have principal campaign committee responsible for the control of receipts and expenditures and for the reports of those finances. Candidates must also designate campaign depositories where receipts and expenditures shall be accounted for.

A most important feature of the bill creates a Federal election commission having primary civil authority for violations of the act. The commission would be comprised of eight members. Two would be appointed by the Senate, two would be appointed by the House, and two would be appointed by the President. All six of these would be subject to confirmation by the Senate and the House. Not more than one of those appointed by the Senate, House, or the President would be of the same political party.

The remaining members would be the Secretary of the Senate and the Clerk of the House of Representatives, but they would serve without a vote.

The commission would have the power to examine all records, conduct investigations, and issue subpenas. It could go to court to obtain injunctive relief, declaratory judgments and expedient review of constitutional issues.

The commission also would have the power to attempt to resolve matters by internal administrative procedures after which further remedy could be sought in the courts.

However, the Department of Justice would not be deprived of any of its power to initiate civil or criminal actions in response to referrals by the commission or complaints from other sources. These constitute the major provisions of the act as agreed upon by the Senate and House. There are many other lesser but still important provisions all of which were discussed by both bodies of the Congress and the conferees believe that the measure as reported by the conference to each House is well designed to eliminate the practices so prevalent during the 1972 campaigns and substitute new restrictive provisions covering all facets of Federal campaigns in such a manner as to renew public confidence in the Federal Government and in the elective process.

The act would become effective on January 1, 1975, but the preemption of State law which might be in conflict with the act would take place immediately upon passage, and public finances would not become available as payments to eligible candidates before January 1, 1976.

Mr. President, there are a great number of provisions in this that will require the attention of candidates for Federal office, their committee treasurers, and agents. The intent is to preserve the integrity of the elective process by applying strict controls over the flow of money in political campaigns. I believe that this bill will serve to clear the political atmosphere and will benefit candidates by setting reasonable ceilings on contributions and expenditures.

Mr. President, I urge my colleagues in the Senate to give their approval to this very important election reform legislation.

Mr. HUGH SCOTT. Will the distinguished chairman yield?

Mr. CANNON. I am delighted to yield to my colleague.

Mr. HUGH SCOTT. I thank the chairman of the committee who has done such a magnificent job in shepherding this bill through the conference. It has been a long and hard road. I think we have achieved a reasonably good bill. We have had to make concessions that we did not want to make. I think the Members of the other body felt the same way. I am personally delighted that my own original amendment to provide for an independent Federal Election Commission has been included as part of this bill. The regret I have principally is that we did not extend Federal financing on a matching basis to congressional elections as proposed by the distinguished Senator from Massachusetts (Mr. KENNEDY) and myself. However, we will give the Presidential financing through matching funds a good try in the 1976 election.

I would like to pay tribute to all of the conferees: for the majority, besides the chairman, Senator PELL, Senator PASTORE, Senator LONG, Senator KENNEDY, Senator ALLEN, and Senator CLARK; and to the conferees for the minority: Senator BENNETT, Senator GRIFFIN, Senator STEVENS, and Senator MATHIAS.

I would like to ask a question as to the amount presently available, if the distinguished Senator has it, in the checkoff fund for Presidential elections where the voter can check $1 or if it is a joint return he and his wife can check off $2 to be used for this purpose.

Mr. CANNON. As of July 1 of this year, the amount was roughly $29.5 million. Of course, we would have two more taxpaying periods that would be up before the financing provision would become effective.

Mr. HUGH SCOTT. What projection do we have as to what can reasonably be anticipated as available in the 1976 election?

Mr. CANNON. I do not think we can really make a very accurate projection, but the best guesstimate that we have is roughly $75 million.

Mr. HUGH SCOTT. I thank the Senator.

I have been asked by one Senator to raise a question as regards publication of books as distinguished from magazine articles. There is a limitation here on honoraria of $1,000. I believe there is an exception that does permit Members of Congress to publish books and to receive compensation for that purpose. Is that correct?

Mr. CANNON. The intent is that the publishing of a book does not constitute an honorarium under the language used in the bill. The bill would cover magazine articles and speaking engagements, this sort of thing.

Mr. HUGH SCOTT. I also had a question as to speaking engagements. I think we ought to make some legislative history here, because we have imposed

pretty severe restrictions on this matter in an effort to indicate that there is some sacrifice expected by those who enact the laws as well as others.

If a Member of Congress makes a speech before any sort of group or organization, he is restricted to the honorarium of $1,000, plus legitimate expenses. Is that correct?

Mr. CANNON. That is correct, $1,000 per occasion, plus the transportation expenses, accommodations, and meals.

Mr. HUGH SCOTT. I think it is public knowledge that heretofore honoraria have often been in the amounts of $2,000 or $3,000. I simply point that out.

If a Member of Congress makes two speeches on the same trip at different times, scheduled, programed, and published speeches, for example, to the same organization or to different organizations on the same trip, may those legitimately be considered as separate honoraria?

Mr. CANNON. If they were separate occasions, separate speaking engagements, there would be no reason to consider them other than separate engagements and the $1,000 limit would apply to each one.

I suppose if a person had gone on a particular trip where he had transportation expenses incurred, however, they would have to be prorated between the two.

Mr. HUGH SCOTT. As far as this particular Senator can recall, I do not believe I have ever gone on a speechmaking tour of two, three, four, or five speeches. But I do think it is fair and proper that we should make that clear. I do not think we want to leave anything unrevealed. We do not want to mislead anybody.

I think that does clarify the concerns that have been expressed to me on that point.

I think the reporting functions of this bill have been simplified, and yet they are intended to be very tight as to requiring disclosures of all candidates, whether incumbents or not. Is that not correct?

Mr. CANNON. The Senator is correct. The details under the old law have proven to be quite onerous in that they were more than were really required.

We have tried to simplify that. Yet, the reporting is such that the public will have the full information available if they desire.

One of the ways in which we guarded that was by providing that a person can have only one principal campaign committee and that all the reports from subsidiary committees must come through that principal campaign committee, so that you have a funneling there of all the reports into one place.

Mr. HUGH SCOTT. This is designed to correct any past abuses or the potentiality of abuses.

Mr. CANNON. The Senator is correct.

Mr. HUGH SCOTT. As to the Republican and Democratic National Committees, or the national committees of the major parties, there is a provision for an allocation from the checkoff, if the funds are available, of $2 million to each political party for its quadrennial national convention. Is that correct?

Mr. CANNON. The Senator is correct. That also came out of the abuses in the past, where many charges have been made with respect to the raising of funds and the holding of conventions.

Mr. HUGH SCOTT. I want to make that clear, because there was a good deal of objection to that provision on the part of members of my party, some of them connected with the activities of the national committee and convention groups. I think it is a wise provision. It eliminates the necessity of these convention programs and $25,000 contributions from corporations, and so forth.

So I have to go against what was the view of a number of members of my own party in that regard. I think it is a very good provision.

I thank the distinguished Senator from Nevada.

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

Mr. CANNON. I yield.

Mr. PELL. Mr. President, I, too, congratulate the Senator from Nevada on the fine job he has done in chairing the Senate conferees. As contrasted with many conferences, he had a varied team of horses from several different committees, and he did a marvelous job in keeping them all driving toward the same goal.

I believe it would be valuable if both the basic purpose and the limits of section 308 of title III of the Federal Election Campaign Act, as amended, were stated for the RECORD in some detail.

Mr. CANNON. I say to my colleague that the thrust of this provision is to require organizations that communicate with the general public through advertisements, direct mailings, et cetera, in order to influence an election or to set forth a candidate's position on any public issue, his voting record, or other official acts, for the purpose of electing or defeating that candidate, to report as if that organization were a political committee.

But this section does not reach an organization that limits itself to activities along the following lines: issuing communications directed to its members, making its position known to members of the press and to public officials, or participating in conferences and meetings and other discussions devoted to public issues. In other words, section 308 will cover organizations that use their funds to propagandize the general public but does not restrict internal communications or restrict the flow of news or the discussion of public issues.

Mr. PELL. I thank the Senator.

Mr. CANNON. I thank my colleague for his kind remarks about my work.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Parker be permitted the privilege of the floor during the consideration of this matter.

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

Mr. KENNEDY. Mr. President, first, I commend the chairman of the Committee on Rules and Administration, the chairman of the Senate conferees, the distinguished Senator from Nevada (Mr. CANNON), for his explanation and his successful effort in bringing this matter back to the Senate. I also commend him for the way in which the conference was handled. He was, as always, extremely considerate of the different viewpoints that were held by the conferees. As someone who is extremely interested in this legislation, I appreciated very much the honor of being appointed a member of the conference. As one who is not a member of the Rules Committee but who had been interested in this issue, it was through the support of the distinguished Senator from Nevada that I was included, and for that I am extremely grateful.

Mr. President, it is with mixed feelings that I support the conference report on S. 3044, the Federal Election Campaign Act Amendments of 1974.

There are many eminently worthwhile provisions in this bill. Public financing for Presidential primaries is a genuine breakthrough for decent government in the post-Watergate era, as are the strict limitations set for private campaign contributions and expenditures, and the effective new Federal Election Commission established to oversee and enforce the law.

But there is also a glaring deficiency in the bill—its failure to adopt for Senate and House races the same important and basic reform it adopts for Presidential races—public financing of elections.

Abuses of campaign spending and private campaign financing do not stop at the other end of Pennsylvania Avenue. They dominate congressional elections as well. If the abuses are the same for the Presidency and Congress, the reform should also be the same. If public financing is good enough for Presidential elections, it should also be good enough for Senate and House elections, too.

The people understand the simple logic of that lesson, but the conference bill ignores it. Instead, it adopts a double standard for reform—public financing for Presidential elections, but only a patched-up version of private financing for congressional elections.

As a result, in plain view of the nation, Congress is now adopting a blatant "holier than Watergate" attitude to election reform, in spite of the common knowledge that the need for public financing is probably greater for congressional elections than it is for Presidential elections.

It is no secret that the Senate conferees, in a real bipartisan effort, worked hard to obtain a compromise acceptable to the House, a compromise that would establish at least a beachhead for public financing of congressional elections.

On every other provision in the bill, the conferees were able to hammer out a reasonable agreement on the various conflicting provisions of the bill. But on the overriding issue of public financing, the opposition of the House conferees was total and unyielding. Day after day, session after session, the Senate conferees sought progressively weaker compromises, until finally only token pub-

lic financing for congressional elections was requested by the Senate.

But even this minimal compromise was refused.

In the end, to get a bill at all that the President would be obliged to sign or veto before election day, it was necessary for the Senate conferees to abandon public financing altogether for congressional elections. Reluctantly, we did so.

I like to think that, because we yielded on public financing, the Senate conferees fared better on two other very important issues in the bill—the spending limits for Senate and House races, and the enforcement powers of the new Federal Election Commission.

On the spending limits, the figures in the House bill were so low that, inevitably, the bill was widely stigmatized as an "Incumbents Protection Act." Left unchanged, it might well have prevented any challenger from making any effective race against any Senate or House incumbent.

But on this point, the House accepted a generous compromise that includes the best features from each bill. In essence, the compromise adopts the basic limits of the Senate bill for Senate races—12 cents a voter in general elections and 8 cents a voter in primaries—and it raises the limit for House races from $60,000 in the House bill to a compromise level of $70,000. In addition, a number of other significant provisions are added that affect the spending limit:

An extra 20 percent in spending is made available to offset fund-raising costs.

An extra 2 cents a voter in Senate races—or $10,000 in House races—may be spent by the national committee and also by the State committee of the candidate's party.

A cost of living escalator is included that will probably mean an extra 10 percent boost in spending for the 1976 elections, to offset the inflation likely to occur in 1975.

And, a so-called "meat and potatoes" exemption from the spending limit is also provided, allowing any individual to spend up to $500 per election for invitations, food and beverages for campaign functions at his residence. Any candidate worth his salt should be able to parlay that provision into the equivalent of $5,000 to $10,000 of additional spending for each election.

As a result of these various provisions, the spending levels in the conference bill are entirely adequate. I regard the bill as no longer vulnerable to the "incumbent's protection" label.

On the enforcement issue, the Senate obtained a significant compromise, in which a genuinely independent oversight agency, a new Federal Election Commission, will be established, with substantial civil enforcement powers of its own. This compromise ends one of the most serious loopholes in the existing election laws, the lax enforcement mechanism we have endured so long.

These two areas—the spending limits and the enforcement provisions—represent important victories for the Senate conferees. And they are not the only important provisions of the bill.

Therefore, in spite of our defeat on public financing, I give my support to the final action of the conferees, and I urge the Senate to approve the conference report.

Before closing though, I would like to return once more to the central issue of public financing.

Let there be no illusions about the half-a-loaf approach the conference bill applies to Senate and House elections. To those who say go slow, that limits on spending and private contributions are enough for now, that all we need is full reporting and disclosure, I reply that sunlight is too weak a disinfectant, that we should not be satisfied with timid steps today, when experience proves that bolder ones are clearly needed.

Already, before the ink is dry on the conferees' agreement, let alone before the bill is presented to the President for his signature, we read that big contributors and special interest groups have homed in on the contribution limits, searching for new loopholes and new ways to avoid the law.

I do not doubt they will succeed. To name but one provision, the $5,000 contribution limit for gifts to a candidate by broad-based political committees is an invitation to abuse. From one direction, special interest groups are likely to proliferate into smaller committees, to enable themselves to make multiple $5,000 contributions. From the other direction, individuals and narrow-based political committees—now limited to $1,000 contributions per candidate—are likely to take on new sources of contributions to their own warchests and new candidate beneficiaries in order to qualify for the $5,000 gifts allowed to be made by broad-based committees.

Undoubtedly, all the other restrictive provisions in the bill will receive similar microscopic scrutiny, and other "adjustments" will be made accordingly.

That is the history of the Federal election laws—the evaders are forever a step ahead of the enforcers, because the reformers are forever closing last year's loopholes. Nothing we do in this bill on congressional elections breaks that age-old cycle of corruption chasing reform chasing corruption.

The only effective way I see to break this insidious cycle is to adopt public financing for Congress, as we do today for the President.

Most, and probably all, of the things that are wrong with Congress have their roots in the way we finance campaigns for the Senate and the House. We get what we pay for. As a result, as Mark Twain liked to say, we have the best Congress that money can buy. And in this case, the "best" is obviously not good enough, if we believe in government responsive to all the people, not just the special interest groups.

For years, going back in some cases over many decades, on issue after issue of absolutely vital importance to the country, national policy has been made by Congress under the shadow of a mammoth dollar sign—a sign that is the symbol of the enormous private campaign contributions that are flooding Federal elections and corrupting American politics.

Who really owns America? Who owns Congress? Is it the people, or is it a little group of big campaign contributors and private interest groups? Take six examples that are obviously current today:

Does anyone doubt the connection between America's energy crisis and the campaign contributions of the oil industry?

Does anyone doubt the connection between America's reluctance to enforce effective price restraint and the campaign contributions of the Nation's richest corporations?

Does anyone doubt the connection between America's failure to enact decent tax reform and the campaign contributions by private interest groups who benefit from the endless loopholes in present law?

Does anyone doubt the connection between America's health crisis and the campaign contributions of the American Medical Association and the private health insurance industry?

Does anyone doubt the connection between the transportation crisis and the campaign contributions of the highway lobby?

Does anyone doubt the connection between the demoralization of the foreign service and the sale of ambassadorships for private campaign contributions?

These areas are only the beginning of the list. The problem is especially urgent and pervasive today, because of the soaring costs of running for Senator or Representative. But corruption or the appearance of corruption in campaign financing is not a new phenomenon. I would venture that for at least a generation, few major pieces of legislation have moved through the House or Senate that do not bear the brand of large campaign contributions with an interest in the outcome.

Watergate did not cause the problem, but it offers the last clear chance to solve it. Through public financing, we can guarantee that the political influence of any citizen is measured only by his voice and vote, not by the thickness of his pocketbook.

A caveat is in order here. Public financing is not a panacea for America's every social ill. It is not a cure for corruption in public life. It is not a guarantee that those who enter public service will be any wiser in solving America's current problems.

What it does guarantee is that legislative decisions will be taken by Congress in the future by men and women beholden only to the public as a whole, free of the appearance of special influence and corruption that have done so much in recent years to bring all government to its present low estate.

Make no mistake. Those special interests will keep on corrupting decent government until we finally act.

Even now, the special interest groups are waiting in the wings. In this year of

1974, their campaign war chests are the fattest in their history—tens of millions of dollars of special interest money waiting to be spent, to buy the votes they want in Congress.

They can live with this arrangement. As the conference results make clear, Congress is also prepared to live with this arrangement—for now.

Sadly, the only ones who cannot live with this arrangement are the ones who should not have to—the ordinary people of this country, the 200 million American citizens who have a right to a Congress that represents them too, a Congress that speaks for the public interest, not just the private interest groups.

And so, this conference report turns out to be just a midway station on the climb to real reform. With this bill, we thought we would reach the top, but it turns out we were wrong. And so, as we regroup our forces, we recognize that our effort must go on in the new Congress that convenes next January.

This issue is not settled, as some would hope, until after the 1976 elections. January 1975 will bring a new Congress, and I shall do my best to insure that public financing of elections is one of our top priorities. We did not lose by much this time. Next year, we shall return, and let us hope the answer will be different.

One final word. There are many who deserve great credit for the substantial progress we have made so far in advancing the issue of public financing to its present stage. The history is worth recounting, because the issue is hardly new to the Senate. In fact, this is the 9th year in which public financing of elections has been a live issue for the Senate.

It was in 1966 that the concept of public financing was first enacted into law. Thanks to the brilliant leadership of Senator RUSSELL LONG, the father of public financing, the dollar checkoff for Presidential general elections was signed into law that year.

The year 1967 saw the act delayed and shelved, caught in the crossfire of the emerging passions of the 1968 Presidential campaign. But, in the aftermath of that defeat, the Senate Finance Committee, again under the remarkable leadership of Senator LONG, recommended a broad new version of the dollar checkoff, applicable not only to Presidential general elections, but to Senate general elections as well. No further action was taken on the Finance Committee report in that Congress, but the seed for public financing of congressional elections was clearly planted.

The year 1971 saw the 1966 act revived and again signed into law, under the leadership of Senator LONG and Senator MIKE MANSFIELD and Senator JOHN PASTORE. But, caught again in partisan crossfire, the decision was made in the Senate-House conference to defer the act past the 1972 elections, and the starting date was set at 1976. The "ifs" of history are fickle, but few would deny that there might have been no Watergate, if the decision had been made to allow public financing for the 1972 election.

Today's bill is yet another milestone on the road to full public financing of all Federal elections. In the aftermath of Watergate, it was clear that the present Congress would be an election reform Congress; the bill today is the result of our 2-year effort.

And the effort in this Congress has been genuinely bipartisan. Senators HART, MONDALE, STEVENSON, CRANSTON, CLARK, PELL, and I were joined by Senators HUGH SCOTT, MATHIAS, SCHWEIKER and STAFFORD in introducing various forms of public financing legislation in this Congress and in working to keep the issue in the forefront of debate throughout both sessions.

Last November, as an amendment to the Debt Ceiling Act, we were initially successful in obtaining the approval of the Senate for public financing of Presidential primaries and congressional general elections, only to lose that victory to a Senate filibuster in the closing days of the session.

This year, under the able, leadership of Senator HOWARD CANNON, chairman of the Senate Rules Committee, the progress was even more significant. S. 3044, Senator CANNON'S landmark Rules Committee bill, was approved by the Senate essentially intact. It boxed the public financing compass. It provided public financing, not only for Presidential primaries and Senate and House general elections, but also for Senate and House primaries. Most significant of all, the Senate actually broke a filibuster to get the bill to conference.

Thus, in repeated votes after full debate and committee hearings over the past 9 years, the Senate has gone on record again and again in favor of the principle of public financing for elections; specifically, in the past 2 years, it has gone on record again and again in favor of public financing for congressional elections.

By contrast, the present bill marks the first time the House has had full committee hearings and full floor debate on the issue of public financing.

So there is progress after all. The issue is still advancing, as we slowly begin to overcome the widespread reflex that asking Congressmen to accept public financing for their own elections is like asking them to walk the plank. If we did not persuade the House this time, I am confident that final victory will ultimately be achieved, and I am hopeful that "ultimately" means the next time around.

To Senator HOWARD CANNON of Nevada, I give special praise. As chairman of the Rules Committee, he skillfully guided the hearings that shaped this legislation. With equal skill, he successfully steered the bill through the Senate floor debate. Above all, in conference with the House, he led the Senate conferees with great ability and wisdom, negotiating effectively with the House where compromise was possible, and defending the cause of public financing for congressional elections until the cause was finally and clearly lost.

Senator CANNON'S leadership in the conference was all the more impressive because he saw this conference through, while simultaneously shouldering the Rules Committee's enormous current responsibility in the Rockefeller confirmation hearings. Senator CANNON has done a brilliant job; he has demonstrated once again the reason for the high regard in which the Senate holds him.

In addition, I give special praise to Senator HUGH SCOTT of Pennsylvania. Without his strong cosponsorship, his distinguished leadership, and his vigorous support for public financing at every step of the debate in the present Congress, this vital election reform would probably not have succeeded in the Senate or fared as well in the House. Senator SCOTT'S active and continuing participation was in the highest tradition of the bipartisan Senate at its best. He has ably performed this sort of valuable service on many other issues in the past. The fine record he has compiled over many years in other areas, especially on election reform and on civil rights, is a tribute to his wise and effective leadership. Pennsylvania has an outstanding Senator, the Senate has an outstanding minority leader, and the country is in his debt.

I also give great praise to Common Cause, the people's lobby. For the first time—at least in my service in the Senate, and perhaps for the first time in the history of Congress—a powerful and truly effective representative of the public interest has emerged to speak for the ordinary citizen in the halls of Congress. Now, on campaign financing and many other issues, there is a real countervailing force against the narrow special interest groups that have held unchallenged sway for so long. Things are changing now in Congress, and Common Cause deserves the credit. I hope they keep the pressure on.

Finally, I praise WAYNE HAYS, the chairman of the House Administration Committee and the chairman of the House conferees. In his opposition to public financing, I think he fairly reflected the position of the House of Representatives as a whole. If he was immoveable in his opposition to public financing, he was also generous in the give-and-take on all the other issues in the conference. He was an able advocate and chairman on every aspect of the bill, and I respect his great ability. The measure we approved in conference is a good bill with many good provisions, and he deserves great credit for his effort.

Mr. CLARK. Will the Senator from Nevada yield?

Mr. CANNON. Mr. President, if I have the floor, I yield to the Senator from Iowa.

Mr. CLARK. Mr. President, I, too, wish to take this opportunity to express appreciation to a number of people who played important roles in the passage of this landmark legislation.

Chairman HOWARD CANNON of the Rules Committee, as leader of the Senate conferees, did a superb job of advocating the Senate bill. As the junior member of the conference committee, I

am deeply grateful for the fairness that characterized his conduct of the proceedings. I particularly want to thank him for allowing me to serve on the conference, even though not a member of the Rules Committee.

Senator KENNEDY skillfully and relentlessly led the fight for congressional public financing. And while we lost this battle, I know he will be among those leading the fight in the next Congress.

This conference report could not have been pulled together without the tireless efforts of our staff, especially Jim Duffy of the Privileges and Elections Subcommittee, Lloyd Ator of the Legislative Counsel's office, and Carey Parker of Senator KENNEDY's staff.

In addition, a number of organizations provided valuable support and information, including the Center for Public Financing of Elections and especially Common Cause, whose representatives played a leading role in strengthening this legislation, as Senator KENNEDY has said.

Mr. President, it has been nearly 2½ years since five men were apprehended for breaking into the headquarters of the Democratic National Committee. That incident, and the events that followed, not only forced the first resignation of an American President—they also aroused an unparalleled outcry for overhauling the conduct and financing of American political campaigns.

The conference report on S. 3044, which we bring to the floor today, represents the major congressional response to that demand for reform. It is an historic piece of legislation—it insures that large private contributions will never again dominate Presidential politics, and that future Presidents will be free from dependence on, and obligation to, wealthy individuals and special interest groups.

Unfortunately, because of the intransigence of the other body, the legislation fails to encompass the one provision which could have cleaned up House and Senate campaigns as well—public financing of congressional elections. Our failure to take this opportunity to extend public financing to all Federal elections is a tragic shortcoming, one that will have to be corrected at the earliest possible occasion.

As I stated initially, however, there are still many positive aspects of this legislation. Building on the foundation laid by Senator RUSSELL LONG, this bill extends public financing of Presidential campaigns to cover nominating conventions and primary elections. The major political parties each will receive $2 million to operate their conventions in 1976. Candidates in the Presidential primaries, after demonstrating a broad base of support, will be able to receive Federal payments matching contributions of $250 or less. These candidates will be limited to spending $10 million in the primaries, and $20 million in the general election.

Funding for the public financing provisions will come from the dollar checkoff on Federal tax returns, and will be automatically appropriated to meet the needs of the program.

Another major accomplishment of S. 3044 is the establishment of an independent, bipartisan Federal Election Commission. This Commission, composed of appointees of the President and the congressional leadership, and confirmed by both Houses of Congress, will have broad administrative and supervisory powers. Of special significance is the Commission's civil enforcement authority, which will help insure that correction of election law violations will not depend entirely on action by a Department of Justice that has traditionally ignored such abuses.

The major changes in the conduct of congressional elections will come from the imposition of limitations on contributions and expenditures. In all Federal elections, individuals would be limited to contributions of $1,000 per candidate in each election. The so-called multicandidate committees would be restricted to contributions of $5,000. The bill also includes strict ceilings on the expenditures that can be made by or on behalf of each candidate's campaign.

These limits will help guard against some of the more flagrant abuses we have seen in the past few years. But, in and of themselves, the limitations will do little to correct the two most serious problems in elections for Congress: the tremendous influence and impact of special interest dollars and the almost complete domination of incumbent officeholders.

Let us face it—$5,000 is still a big chunk of money in most congressional campaigns. With the limit applied separately for primaries, runoffs, and general elections, special interest contributions can easily climb as high as $10,000 or even $15,000. Recently, we have seen story after story in the press detailing the huge campaign coffers that these special interest groups have accumulated. With the contribution limits in this bill, there will be little change in their ability to dominate the field where congressional campaign finance is concerned.

Tightening the group contribution limit will not solve the problem—that would only serve to dry up campaign funds entirely, and guarantee incumbents a free ride. The only real solution is to replace these private funds with public financing.

The last few years have seen Members of Congress returned to office 95 percent of the time or more. The reason is simple—challengers have not been able to raise enough funds to be competitive. Incumbency domination has continued in this year's primaries. As reported on NBC News last night, of the 391 House Members in primaries, only 8 were defeated in their reelection bids. As John Chancellor put it, being a Congressman "is not only a good job, it is a job with great job security."

The expenditure limitations in S. 3044 will not solve this problem at all. In fact, by restricting what candidates can spend, the bill may well eliminate some of the effective challenges we have seen recently.

Again, the only real solution lies in guaranteeing that each serious candidate will have the funds necessary to take his case to the public—again, through public financing of elections.

As you know, the Senate version of this bill contained provisions for congressional public financing, but in the conference committee, the House was adamant—we were faced with a choice of this bill, with no public financing for Congress, or no bill at all. What we have been forced to do, in effect, is settle for a double standard in the conduct of Federal elections—public financing for the President but business as usual for ourselves.

The many important provisions of this legislation qualify S. 3044 as a major step on the road to free and open Federal elections. But further steps will be necessary, and soon. I certainly shall introduce legislation at the beginning of the next Congress to extend the excellent public financing program in S. 3044 to cover congressional elections as well.

Mr. President, will the Senator from Nevada yield for one question?

Mr. CANNON. I am delighted to yield for a question.

Mr. CLARK. This bill would impose a $5,000 limit for each election on contributions that a multicandidate political committee could make on behalf of one Federal candidate. Was it the intent of the conferees that the general administrative expenses of legitimate multicandidate committees are exempt from such limitation, so long as these expenditures are not made on behalf of a clearly identifiable Federal candidate?

Mr. CANNON. Yes. Those expenses incurred on behalf of a clearly identified candidate should be attributed to that candidate, obviously. Of course, expenses merely to defray the cost of operation, rent, equipment, clerical salaries, et cetera, should not be counted against the candidates to whom the contributions are given.

In other words, if the candidate cannot be clearly identified—this relates to the multicandidate committees to which the Senator referred—the expenses of the committees to defray the costs of their operation, their rent, their equipment, and their clerical salaries would not be charged against the candidate to whom the contributions are finally given. I do not see that there is any way one could allocate them.

Mr. CLARK. I thank the Senator.

Mr. ALLEN. Mr. President, before I begin my remarks, I would like to ask if the distinguished Senator from Nevada would answer two or three questions that occur to me with respect to the conference report.

Mr. CANNON. Yes.

Mr. ALLEN. The Senator from Alabama understands that the bill would provide no subsidies to candidates except from funds going into the checkoff fund; is that correct?

Mr. CANNON. The Senator is correct.

The public financing provision would go only to the extent that funds were in the pot, so to speak, from the checkoff provision under the income tax laws at the present time.

Mr. ALLEN. Then the first priority would be the Presidential election; is that correct?

Mr. CANNON. The Senator is correct. The first priority would be the Presidential election.

Mr. ALLEN. If there is not enough to go around.

Mr. CANNON. That is correct.

Mr. ALLEN. Then what would follow?

Mr. CANNON. The allocation, then, from that point on, would go to the primary elections and to the national committees on a prorata basis, because that is the lowest priority, and that is in the process of selecting the candidates for the general election.

Mr. ALLEN. And there would be no priority as between conventions and candidates? Would the convention come ahead of the candidates, the $2 million subsidies to each convention?

Mr. CANNON. I think the intent, as we have drawn it here and developed it, was that the conventions would come ahead of the primaries. The general election would come first, to the extent of the moneys available. If more than that is available, then the conventions would come next, and then, if there is more money available, the primaries would come next.

So, in the proration, the low end of the totem pole, so to speak, would be the primaries.

Mr. ALLEN. As I understand it, in the presidential primaries, the contributions, the amounts of which can be matched, must have been made in the year next preceding the year of the convention and the election; is that correct?

Mr. CANNON. That was the intent, that the matching period would be the year preceding the convention and the election for purposes of determining it.

Mr. ALLEN. Of course, taking in the election year as well.

Mr. CANNON. That is correct.

Mr. ALLEN. Then, of course, as to expenditures they are limited as well as are the contributions.

Mr. CANNON. The Senator is correct.

Mr. ALLEN. At what point do the expenditures become limited? Would they become limited as of the year next preceding the election year? In other words, looking forward to the next election, would the expenditures limit start on January 1, 1975?

Mr. CANNON. Yes. The effective date of the act for purposes of expenditures and for the purpose of contributions with the matching provisions of the contributions is January 1, 1975.

Now, the Senator went a little beyond that to speak in general terms as to when the effective date would be with respect to contributions on expenditures. That would be governed by the definition provisions under the act as to when he becomes a candidate. A person might become a candidate within the year prior to the election.

On the other hand, it is conceivable that a person might really become a candidate for Presidential office within 2 years prior to the election. So we would have to look at the definition of the candidate.

The term "candidate" means an individual who seeks nomination for election to be President of the United States. For purposes of this paragraph an individual shall be considered to seek nomination for election if he (a) takes the action necessary under the law of a State to qualify him for nomination for election.

Under that provision in all of the States that would fall in the year prior to the election.

(b) receives contributions—

Mr. ALLEN. No, that would be the year of the election, would it not, the primary?

Mr. CANNON. Excuse me, during the same year prior to the election.

Mr. ALLEN. Yes.

Mr. CANNON (continuing):

(b) receives contributions or incurs qualified campaign expenses; or (c) gives his consent for any other person to receive contributions or to incur qualified expenses on his behalf.

These conditions could exist longer than the immediate year prior to the election in the case of a Presidential campaign.

Mr. ALLEN. Yes, but he would have to be a declared candidate, would he not?

Mr. CANNON. He would have to either solicit contributions for that purpose or have made expenditures for that purpose or have declared that he was a candidate.

Mr. ALLEN. He would have to be an avowed candidate.

Mr. CANNON. Absolutely.

Mr. ALLEN. Yes.

Until that time, or until January 1 of the year preceding the election, the expenditures would not be charged against the total authorized expenditures.

Mr. CANNON. Well, if he had made expenditures for the purpose of seeking a nomination, if he had gone out and spent money for the purpose of getting the nomination as President, then it would go back to that time, except it would not go back beyond January 1, 1975, because that is the effective date of the act.

Mr. ALLEN. So then the expenditures prior to January 1, 1975, would not count.

Mr. CANNON. Those expenditures would not count.

Mr. ALLEN. I see. Very well.

I commend the distinguished Senator from Nevada, the chairman of the Rules Committee for his patience and his hard work with respect to this bill (S. 3044) and I commend him also for his hard work with respect to S. 372 which passed the Senate July 30 of last year and which had reform provisions similar to the reform provisions in this bill but did not have the public financing feature.

This bill, of course, had the House been so inclined, could have been used as the vehicle for the reform package, leaving out or adding to that bill the public financing feature. But that bill, passed long before S. 3044, expressed the will of the Senate at that time as to reform without taxpayer financing; is that not correct?

Mr. CANNON. The Senator is absolutely correct. S. 372 did go a long way down the road toward campaign reform but had no public financing features in it.

Mr. ALLEN. And during the course of consideration of that bill I believe the public financing was offered as an amendment here on the floor and was defeated. I believe that is correct, is it not?

Mr. CANNON. That is my recollection that it was.

Mr. ALLEN. That is correct. The Senator's recollection is correct on that point.

Now, Mr. President, I address my remarks to the conference report on S. 3044—and my remarks will not be overly lengthy, I might say to anyone who might be interested—the conference report on S. 3044, the public financing of elections bill, which is before the Senate, and will unquestionably be approved, and probably be approved this afternoon, possibly not before recess for the President's address.

Due to a strong conviction on my part that taxpayer financing of elections is not in the public interest, I could not, in good conscience, sign the report even though I was a member of the conference on the part of the Senate. And yet the report, composing the differences between the Senate and House versions of the bill, contains much that is good, much that I support, and much that was shaped or influenced by positions that I have advocated—and other Senators on the floor have advocated—on and off the Senate floor and in committee.

There is no stronger advocate of campaign reform than I, for it is a fallacy to feel that anyone who opposes a raid on the Treasury to support political campaigns must be against campaign reform.

Public financing of elections re-forms the campaign laws, it does not reform them. True reform comes from strict limitations of the total amount of permissible campaign contributions and expenditures, full disclosure of all contributions and expenditures, limitation of the size of contributions, limitation on amount of cash contributions and expenditures; and an independent election commission—and which was, of course, the Senate's position—and many other similar reforms in the private sector.

Throughout the time that election reform bills have been before the Senate, the record will show that I have steadfastly supported all of these principles and have afforded leadership in advocacy for them. I have invariably supported the lowest proposed figure, whether it was for an overall limit on contributions or expenditures, or limit on size of contributions or amount of cash contribution or expenditure permitted. And when disclosure provisions were

considered, I have always stood for the strictest possible disclosure rule.

But to use the terms "public financing" and "campaign reform" interchangeably or as synonyms is erroneous.

So the conference report is really divided into two parts—the public financing part and the campaign reform part.

I would prefer that there could be two separate votes on these issues. I would vote for campaign reform and against public financing. But that is not to be, and I must vote for or against the report. There can be no division of the question.

But why do I oppose requiring the taxpayers to pay the cost of elections? Debates as reported in the RECORD are full of reasons that I have assigned.

First, public financing of elections is a raid on the taxpayers' pocketbooks for the benefit of politicians. Subsidizing the candidates with funds from the Treasury only adds to the escalating costs of elections when we should be limiting and reducing election costs.

Second, much of the volunteer spirit of citizen participation in elections will be lost where the public treasury is required to pay the cost; and it deprives the citizens of first amendment rights in depriving them of freedom of expression implicit in the right to contribute to the candidate or candidates of their choice.

Third, it forces a person to contribute to a candidate whose views might be violently opposed to the views of the taxpayer. This objection cannot be met by the contention that only checkoff funds are being used, for these funds belong to all taxpayers and not just to those who participated in the checkoff.

Fourth, Presidential primaries already are spectacle enough without the Federal Treasury adding from $5 to $7½ million more to each candidate's funds.

I have been told that there are some 6, 8, or 10 candidates for the Presidency right here in this Chamber, not here on this floor at this time, but they are Members of this body. I have been told there are some 6, 8, or 10 Members of the Senate who will be candidates for the Presidency.

This bill, of course, would make them a present provided they get enough popular support to get in excess of $5 million, up to as much as $6 or $7½ million, which, if true, each of the candidates from this Senate or from the House, over $5 million for their campaign chest.

Now, the time approaches for the movement of the Senate over to the House Chamber, and I would ask unanimous consent that I might yield the floor at this time, in order that the majority leader may address the motion to the Chair, with the understanding that I retain the right to the floor when we come back.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, with the proviso that the distinguished Senator from Alabama retains the floor, I shall make the following unanimous consent request.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for the purpose of proceeding in a body to the Hall of the House of Representatives to hear an address by the President of the United States to a joint session of Congress.

Immediately after that address has been concluded the Senate will once again resume its deliberations and, the Senate concurring, the distinguished Senator from Alabama will have the floor at that time.

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

The Senate will now stand in recess subject to the call of the Chair, for the purpose of attending a joint session with the House of Representatives to hear the address by the President of the United States.

At 3:42 p.m., the Senate took a recess subject to the call of the Chair.

Thereupon, the Senate, preceded by the Secretary of the Senate, Francis R. Valeo; the Sergeant at Arms, William H. Wannall; and the President pro tempore of the Senate (Mr. JAMES O. EASTLAND), proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Gerald R. Ford.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress appears in the proceedings of the House of Representatives in today's RECORD.)

At 4:57 p.m., on the expiration of the recess, the Senate, having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. BARTLETT in the chair).

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

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

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield to me without losing his right to the floor?

Mr. ALLEN. I yield.

IMPLEMENTATION OF THE PRESIDENT'S RECOMMENDATIONS

Mr. MANSFIELD. Mr. President, I would suggest that in line with the President's request this afternoon the Senate give consideration to the possibility of taking up on tomorrow, after the deepwater ports bill is disposed of, Calendar No. 1164, S. 3979, a bill to increase the availability of reasonably priced mortgage credit for home purchases.

The bill was offered by Messrs. CRANSTON and BROOKE, who were specifically singled out by the President. I believe the President indicated that he would like to have this legislation passed before the Senate recesses on Friday next, possibly.

It is my further understanding that action has been withheld on the Cranston-Brooke proposal until the President had sent up or made his recommendations. I would assume that, in part at least, he has made his recommendations this afternoon. I assure him that the joint leadership and the Senate stand ready to implement what he has said. Hopefully, if any additional information is needed from the White House, it will be forthcoming forthwith, so that we can give consideration to S. 3979, as the President specifically requested this afternoon.

I thank the distinguished Senator from Alabama for yielding to me for this purpose.

Mr. ALLEN. I am delighted to yield.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—CONFERENCE REPORT

The Senate continued with the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3044) to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, I was discussing the reason why I opposed the conference report. I was discussing the item of the financial subsidy not only for the Presidential general election, to the candidates for President of the respective parties, but also to finance the literally dozens of candidates who will seek the nomination of the major parties as well as the minor parties, to some extent.

Mr. President, this bill would provide a subsidy of between $5 million and $6 million—up to that amount—for each candidate for Presidential nomination. Literally dozens of them will be encouraged by the subsidies provided by this bill, as well as any hope of obtaining the nomination.

It has been pointed out that it is reputed that there are some 6, 8, 10, or 12 Members of Congress who will seek the Presidency, or will seek the Presidential nomination, and they will be able to receive $5 million or more each, provided they get the necessary contributions from the public generally. But far from cutting down on the spectacle of these Presidential preference primaries, this would escalate the cost by $5 million or $6 million for each candidate and would run up into astronomical terms.

In addition, it would provide $2 million each—this is something the Senate did not even think of in providing subsidies—for major parties to hold a convention. I suppose some of the conventions are

worth $2 million to the public, as a show or as a spectacle. But I hate to see the taxpayer called on to pay $2 million to each party so that it can meet and hold nominating conventions. That is what this conference report would do. That is a new idea by the House, agreed to by the Senate conferees.

Mr. President, let us examine the record to see whether positions which I and many other Senators of similar views have advocated on and off the Senate floor have had an influence, with an assist from the House, in shaping the final provisions of the bill as set forth in the conference report, both on the true campaign reform and even on the public financing.

To do so it is necessary to go back to August 5, 1971, when the present campaign law—Public Law 92-225—was under consideration in the Senate as S. 372. That bill—that is, the present law—sought only to limit expenditures for media advertising, pretty skimpy proposals—TV, radio, newspapers, billboards—but placed no limit—and the present law does not— on the 101 other necessary expenditures in a campaign, expenditures for which are not covered under the present law and for which the sky is the limit: Brochures, handbills, printing, WATS lines, telephones, postage, stationery, automobiles, trucks, telegrams, campaign headquarters—State and various local ones, unlimited campaign workers, airplane rentals and tickets, buses, trains—special and regular, campaign newspapers—distinguished from the media—movie theatre film advertisements, campaign staffs, public relations firms, production expenses for broadcasts, public opinion polls, paid campaigners and poll watchers, novelties, bumper stickers, sample ballots, and many others that I did not think of. Those were not covered under the present law. Those were not covered when S. 372 was before the Senate.

It was quite obvious to me that this limitation was far from adequate and that there should be a limitation on total expenditures for all purposes. So, on that date I offered amendment No. 306, the purpose of which was to place a limitation on the total amount that could be spent by a candidate for any and all purposes. The amendment failed of passage by a vote of 31 to 60, but for the first time action had been taken on the Senate floor that would have put an effective limit on all expenditures by a candidate in an election. Embraced in the report now is the concept of limiting all expenditures, as provided in my amendment, and not limiting media advertising only. Mr. President, the concept of the amendment that was offered back in 1971 is now carried forward in the conference report, limiting the total expenditures for all purposes and not just media advertising, as the limit is now.

Next came the passage in the Senate on July 30, 1973, by a vote of 82 to 8, of S. 372, which I supported in committee and on the floor. It had most of these desirable campaign reforms in it, but it did not have campaign financing. It did not have public financing. During the course of the consideration of this bill on the Senate floor, a public financing amendment was defeated. So just a little over a year ago, the Senate was voting down public financing. Mr. President, I voted for, and supported in committee and on the floor of the Senate, S. 372, which did provide true campaign reform.

Let us continue examining areas where the position of reform minded opponents of public campaign financing was upheld.

That is the category in which I put myself and those who opposed public financing. We are reform-minded opponents of public campaign financing. So let us continue examining to see where the position of reform-minded opponents of public campaign financing was upheld in the conference or where their efforts influenced the final shape of the bill.

By a vote of 39 yeas to 51 nays, the Senate rejected the Allen amendment—this is while S. 3044 was pending in the Senate—to strike the provisions for public financing of congressional elections. So the reform-minded opponents of public financing did win out.

The position of the 39 Senate opponents of congressional elections financing is now supported by the conference report in the final conference with regard to House and Senate financing and subsidizing of the campaigns of Members of the House and Senate.

I offered an amendment limiting contributions in Presidential contests to $250 and $100 in congressional contests. Of course, there is practically no limit now to the amount of contributions that can be made. There is a limit on the amount that can be contributed through one committee, but we are familiar with the practice, although the Senator from Alabama has never used it, of having multiple committees, with $5,000 payments made by each of those committees. In that way, hundreds of thousands of dollars can be contributed by one person, because the present law does not provide an effective limit on that.

Therefore, during the course of consideration of S. 3044, I offered that amendment.

The theory of that $250 in Presidential races, $100 in congressional races, would always be matched anyhow, so why authorize more? That amendment was voted down here on the Senate floor, that effort by those of us who oppose public financing but favor campaign reform to lower the amount of the permissible contributions. When that failed, I offered another amendment, thinking that surely this would satisfy the public financing supporters, which placed the figures and when this was defeated, I offered an amendment placing the figures at $2,000 for Presidential contests and $1,000 for Senate and House contests, but this also was defeated, and the Senate passed a $3,000 per election figure. However, the conference set the figure at $1,000 contribution per person per election, which is more in line with the views of the reform minded opponents of public financing.

Mr. President, those of us who have sought campaign reform and have opposed just turning the bill over to the taxpayer have had some little success in shaping the campaign reform aspects of the legislation that is now before us.

It is interesting to note that when the distinguished senior Senator from Tennessee (Mr. BAKER) offered his amendment to require candidates to disclose the size and source of all contributions and to provide that no contributions could be accepted after 10 days before the election, the reform-minded opponents of public financing supported this fine amendment that would have provided for disclosure.

By and large, whenever an opponent of public financing of taxpayer-subsidized financing, is found, one finds a person who advocates true campaign reform: cutting down the amount of authorized expenditures, cutting down on the amount of the permissible contribution, providing for more disclosure. This amendment of the distinguished Senator from Tennessee (Mr. BAKER) provided that a candidate had to disclose the size and source of all contributions and that he could not accept any contributions after 10 days before the election. During that period, he could not accept contributions.

It seems to me to be a fine disclosure provision, offered by an opponent of taxpayer-financed and subsidized elections, but a strong advocate of campaign reform.

Mr. President, while this bill S. 3044 was pending, I offered an amendment providing that no Member of the House or Senate could charge or receive any honorarium for speeches, appearances, or writings. The Senate defeated that amendment. They did not want any limitation on honoraria, the supporters of public financing, taxpayer-subsidized financing. They wanted the sky to be the limit, apparently, for contributions. So that was defeated, here, in the Senate.

However, the House grabbed hold of that idea, and provided that the honorarium limitation be $1,000 per appearance or writing or speech, with a total of $10,000 permissible. Well, the conference report comes here with $1,000 for each appearance or writing or speech, and a $15,000 limit. At any rate, there is some limit to it, rather than the sky being the limit, as at present. That is another area in which the reform-minded opponents of public financing did make their influence felt in the final conference report.

Mr. President, here, on the Senate floor, in a rare burst of economy for the taxpayer, the Senate adopted an amendment that I offered reducing by 20 percent the amount which might be spent by each candidate—that is a 20-percent reduction. It was cut from 10 cents per person of voting age to 8 cents in primaries and from 15 cents to 12 cents per person of voting age as the amount that could be spent in a primary or a general election.

Let me hasten to add that the conference provided very well to nullify that fine step toward economy, that would have saved the taxpayers millions of dollars, by allowing as an exemption from this limit 20 percent of permissible expenditures, to be used for fundraising only. The effect of that amendment is to limit the figure to a candidate for the nomination of one of the major parties for the Presidency. The limit is $10 million in the primary for each candidate, half of which can be public. The topped that off with the cream of allowing $2 million, that is not counted, to be added to that for the expense of raising money.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. CANNON. That is not quite correct. The amount of 20 percent for fund raising purposes would be limited only to the private contribution part.

Mr. ALLEN. It would be $1 million.

Mr. CANNON. Yes, sir; $1 million would be the limit.

Mr. ALLEN. Very well. I stand corrected on that.

Instead of adding $2 million to the pot, it would add $1 million, on the theory that the $5 million coming from the government, from the taxpayers, does not have any expense. That is a reasonable provision.

The fact remains that it did add 10 percent overall, 20 percent—on the amount of the individual contributions. So it raised the amount that a candidate for the nomination for the Presidency could spend to $11 million; $5 million of which would be paid by the taxpayers.

Another amendment that the Senator from Alabama offered which remains in the conference report is this: The way the Senate bill was drafted, before a candidate for nomination for the Presidency of one of the major parties could get any matching funds, he would have to receive $250,000 in contributions of $250 or less, but he could get them all from one State. There was no prohibition against that; a popular candidate from New York, Pennsylvania, or Illinois could raise the $250,000 from one State and get all of his funds, including that $250,000 and all other contributions up to the permissible limit, matched by the taxpayers.

It did not seem right to allow that, so I offered an amendment that provided that such a candidate for the nomination would have to get at least $5,000 in matchable funds from each of 20 States, to assure that the candidate would have a nationwide following, since otherwise it would be fairly difficult, in each of 20 States, to get contributions of $5,000 in each from contributors of $250 or less.

The amendment was accepted by the manager of the bill, the Senator from Nevada (Mr. CANNON), and it is a good provision, as I believe all will concede, and would assure that the candidates would have substantial nationwide support.

Another major defect that I pointed out in the Senate debate was that there was no time set prior to which contributions to Presidential nomination candidates would be ineligible for matching. In other words, contributions now or a year ago would be eligible for matching contributions, and next year a person could set his sights on running in 1980, and be receiving contributions now for matching in 1980. There was practically no limit on how far back you could go in getting contributions, making the Government subsidy that much easier to obtain.

That was pointed out here on the Senate floor, and it was conceded by the manager of the bill—I believe at that time the distinguished Senator from Rhode Island was on the floor—that contributions to a candidate would be eligible for matching even if the candidate was running for a Presidential term several years distant. The conference report provides that contributions will be matched only if received on and after January 1 of the year preceding the year of the Presidential election involved. So, taking the next Presidential election for example, a candidate for the Presidency can start out on January 1 of next year receiving contributions. He can work all next year getting these $250 and less contributions. He could receive more, but there is no matching for the amounts over $250. He could work all year getting these matchable contributions, and then, on January 1, or 2—I imagine they would be closed down here on January 1, and he would have to wait until January 2—he could collect matching funds for all the contributions he collected in 1975, and he could match, then, everything he collected in 1976 up to the time of the convention.

Thus there would be a whole year where the candidate would be on his own. He would be eligible for matching, but it would not occur until the first of the next year. Without that provision, as I say, it would be dependent upon years in the past for matching. This would make it a little more sensible.

Strong arguments were made on the floor of the Senate against the $15,000,000 limit allowed for expenditures for Presidential nomination candidates, up to half of which could be matching funds from the Treasury. The conference report cuts this figure to $10,000,000 plus 20 percent for fundraising as to the private contributions, and provides that it must come out of the checkoff rather than out of the General Treasury. I believe that is a step in the right direction. We did not succeed in eliminating the public financing, but this is an amendment that will save many millions of dollars to the taxpayers.

So these are some of the areas in which the opponents of public financing did contribute to making this a better bill. As I say, there is much in the conference report that I favor, much that is good, much that I helped to get put into the bill. But inasmuch as the bill contains the public financing feature, I feel that I must, as a matter of principle, vote "nay" on the adoption of the conference report when it comes to a vote.

I have no intention of engaging in extended debate as to the report. I think if we are to have a taxpayer-financed procedure as to the Presidential election, the general election, it would not be so bad, but adding the cost of the dozens of candidates for the nomination for the Presidency of the two major parties, paying $2 million to each of the parties to put on a convention which is sometimes little better than a vaudeville show, I feel is a pretty high expense for the taxpayers to be called on to pay, $2 million to each party, and then to pay up to $5 million to finance these dozens of candidates who go up and down the land seeking the Presidency. So when the conference report comes up for adoption, the Senator from Alabama plans to vote "nay."

Mr. BIDEN. Mr. President, I wish to congratulate the Senate conferees, and particularly Senator CANNON, the chairman of the Committee on Rules, for the exemplary job done in a very difficult several weeks of trying to work out a compromise bill with the House. There are many features of the bill that I support.

Mr. President, on the first day of this month, conferees of the Senate and the House of Representatives agreed on details of a public financing campaign bill that we hope will eliminate the influence of "big money" and allied ills that characterize our present system of electing Presidents and Members of Congress.

I wish to add my "thank you" to the many others deservedly awarded this afternoon to Senator CANNON, chairman of the Rules Committee, who helped in a major way to work out a compromise between the Senate and the House-passed version.

I share the disappointment of many here in the Senate Chamber that the conference report does not include public financing of congressional primaries and generals. However, it does provide public financing for presidential contests. The bipartisan, 8-member supervisory board, established to enforce the provisions of the bill that I hope President Ford will sign into law, is a key feature of this legislation.

Our political terrain has been sadly sullied these last few years, Mr. President. Abuses have occurred that have shaken the confidence of the American people. But, Mr. President, I think that this compromise bill is a showing on the part of the Congress that it does intend to make amends, does intend to repair the damage to our campaign-financing system, hitherto privately financed.

I, for one, applaud these goals of a financially sane and stable and aboveboard system of campaign financing. In my judgment, this compromise, despite its flaws, should be a major step in that direction.

I do have reservations, just as the Senator from Alabama does, but for almost totally different reasons.

The Senator from Alabama distinguished between the aspects of the bill, which he titles "reform," and public financing which he characterizes as not being reform. I would like to speak to the reform act part which limits spend-

ing that candidates can expend in seeking Federal elective office, particularly with regard to the Senate and House races.

We have been noble in our discussions about the need to get new blood into the political process. We are told that one of the primary reasons for this campaign reform bill is to encourage new persons, women and men, to get involved in running for high public office.

Then we have gone ahead in this bill, it seems to me, Mr. President, and we have severely limited the possibilities of contenders, challengers, to unseat incumbents, which everyone recognizes is a very difficult thing to do at best.

Mr. President, I am very concerned that we not lose sight of the shortcomings of this bill. I may very well be singing a different tune 4 years from now about this bill, with some provisions that may favor incumbents, when I will be eligible for reelection. I, as an incumbent, would be very happy about the fact that a challenger is limited to the same amount of money that I am limited to expend, which is low especially for the most populous States. Yet, in addition, I have a significant weapon in incumbency with the amount that I have available for my staff paid for by the taxpayers; the franking privilege; and other benefits of being an incumbent, which translate directly into immense benefit in an election year in terms of waging a campaign.

I would hope the reformers outside of Congress, the common causes of the world, who spend a good deal of time beating their breasts about what, in fact, is in the best interests of the Nation, also not lose sight of the fact that we, in my opinion, may be going to be locking in many of us on this floor under the terms of this bill.

This bill may perhaps have exactly the opposite effect of what it is designed to do—opening up the process to newcomers. This is because of what I consider, as opposed to the Senator from Alabama, excessively low dollar amounts that are able to be expended or contributed.

When we talk about 12 cents per voter in a general election, and 10 cents per voter in a primary, in a State like California where we have 20 million residents, I suspect unknown candidates are going to have to spend all of that money just to become known as I was when in 1972 I sought the office of U.S. Senator. At that time, I was known by less than 3 percent of the people of my State 6 months before the general election. So an unknown candidate will have to spend every cent of that public-financing money just to get his or her name known. This does not leave money to inform what positions one takes, or to know anything about him or her, but merely to get the voters of that State to identify who the candidate is and that, in fact, he or she is a challenger.

Mr. President, I still am an ardent supporter of partial public financing. I have also been a strong supporter of many other of the provisions that are contained in this bill.

But the American public should be made aware that there is a tendency in the bill to lock-in the incumbents.

For example if, in fact, I had been limited to spending the amount of money set out in this bill in the little State of Delaware for the 1972 general election when I ran, there is a possibility that I would not be standing here today taking the time of the Senate at 5:30 in the evening, when everyone is anxious for me to stop talking and to go home. This bill would have made it more difficult for me to have won that election—not impossible, but more difficult. The bill is much harder on candidates in more populous States. I see my good friend from New York (Mr. BUCKLEY) over there smiling, I am not sure why—but my good friend, the Senator from New York, if he were in the position of having an unknown challenger the next time up, I suspect it would be very difficult for a challenger to mount a campaign whereby he or she gets to the point of being able to be known by 50 percent of the voters in that State. I hope I am wrong about that, but I just want to put the Senate on notice. I have not heard much about this, that if, in fact, I am right about this, that the so-called reformers, and especially we, who call ourselves moderates and liberals, the so-called reformers, will come forward and rectify what may develop into an onerous situation. Good things can be abused as well as bad things remedied.

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

Mr. BIDEN. I yield.

Mr. ALLEN. Well, does this unknown challenger not benefit sometimes by how well known the incumbent is, which sometimes aids the challenger?

Mr. BIDEN. That is true, that often occurs. But the percentages do not back that up. If we look at the numbers over the 70 years of this century it shows that, as bad as some of the incumbents have been, it is easier to perpetuate a bad incumbent than elect a good unknown challenger.

There is an old saying in football: "You have to have somebody to beat somebody." I am not sure you can even convince the voters to beat somebody if that somebody does not get a chance to become known at all.

In sum, I think these spending limits in the bill are low. I think they militate and are weighted in favor of incumbents.

I hope, if I am correct, that, as I said, those who talk most about reform in this body will be prepared to come forward, and, at least, recognize the fact that low limits, in the larger States—not in Delaware—have the effect of diminishing the numbers of good women and men who might want to get into the political process but are unable to do so.

However, Mr. President, I do want to insist on the assets of the bill, too, amid my criticism.

I yield the floor.

The PRESIDING OFFICER (Mr. ABOUREZK). The Senator from New York.

Mr. BUCKLEY. Mr. President, I was smiling when the eloquent Senator from Delaware was talking about the advantages of incumbency and the stringent limits proposed by this bill because this is precisely one of my major complaints, but not the most major. I shall recite some of those later.

I addressed myself a week ago to the frustration of coming to this floor in order to debate legislation and then finding out that the report was not available.

When we began this debate at 3 o'clock the conference report was still not here. But I did, however, prepare some questions based on the earlier versions, and I would like to pose them to the distinguished sponsor of the bill so that I might have some clarification in my own mind and in the record. Perhaps these questions are not relevant to what has actually emerged from the conference and, if so, I am sure I will be so advised.

I would like to ask the distinguished sponsor whether he considers that the subsidy proposal and the limits on campaign contributions are independent proposals or are they integral parts of a comprehensive plan?

Mr. CANNON. I am sorry I was not in good enough attention so that I could hear what the Senator was saying.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

Mr. BUCKLEY. Does the distinguished Senator consider that the subsidy proposal and the limits on campaign contributions are independent proposals or are they integral parts of a comprehensive plan?

Mr. CANNON. Well, no, they are certainly independent. They were arrived at in a completely independent manner.

Mr. BUCKLEY. Did the committee consider proposing these two independent parts as two independent bills?

Mr. CANNON. No. The committee made no such proposal. The bill was enacted here on the floor and contained in the Senate bill the proposal for the public financing for the Presidential elections and also for the congressional elections. In addition, the Senate wrote its will with respect to the limit on contributions and the limit on expenditures. Now, these were not parts of different bills. It was all in one bill, and it was so considered by the House and by the conferees.

It is quite a little different, I may say, as the distinguished Senator from Alabama just pointed out, than it was when it was passed by the Senate.

Mr. BUCKLEY. Do the sponsors of the conference committee bill agree that subsidies to candidates are more necessary in Presidential than in congressional elections to provide for opportunities for participation without regard to the financial resources of individual candidates?

Mr. CANNON. Well, that I assume is what they believed by signing the conference report. The distinguished Senator from Alabama did not sign it. Some who signed the conference report are not overly enthusiastic about the financing part. But it was quite evident that the public financing, at least for Presidential races, was more important than that for congressional races, else the conference would have so indicated.

Mr. BUCKLEY. Should we, therefore, conclude that, in the opinion of the conference, there is a greater need to reduce

the pressure on Presidential candidates from large campaign contributions than there is to reduce such pressure on congressional candidates?

Mr. CANNON. I do not know that that would necessarily follow. But I would say that the recent experiences in Watergate certainly pointed up the dangers of large contributions, of the use of large amounts of cash, and I am sure that had it not been for Watergate, the facts of Watergate, that we would not have been able to have a public financing provision in this bill, just as the distinguished Senator from Alabama pointed out a little earlier, that when this came up in S. 372 this body defeated the public financing features, and that was just a short time ago, the year before last.

Mr. BUCKLEY. I conclude, therefore, that in the opinion of the conference, individuals running for the Senate or House are less subject to these monetary pressures than someone running for the Presidency?

Mr. CANNON. Well, I do not know that that particular issue was considered, as such.

I would just say, the conferees were up against a situation where the House was adamantly opposed to any public financing for congressional races, whatever their reasons may have been.

Among the Senate conferees, a group of us favored public financing for congressional races, but with the House remaining adamant it was not possible to carry that out.

There was no decision made that the Members of Congress were less suspect, or more suspect. That decision was simply not met.

But the Senate conferees were not unanimous in support of public financing for congressional races, that did come out of the Senate bill.

Mr. BUCKLEY. It is my understanding when the Senate originally considered the limitations that it was the conclusion that $90,000 was required to run a minimal, competent House race, yet the bill before us would limit House expenditures to $70,000.

Did the sponsors consider the effect that this $70,000 limit on candidate expenditures in the House would have on the chances of incumbents seeking reelection?

Mr. CANNON. Yes, the conferees did consider that, and the Senator is correct that when we passed the bill in the Senate, we wrote in the $90,000 figure for House Members.

We wrote it in thinking that was probably about the right amount, but, more importantly, we felt that the House itself should make that determination as to what was the approximately correct amount, and we made our own determinations as to what it should be in the Senate.

The House came back with a bill that had only $60,000, and I, for one, thought that was too low, and a number of our conferees did. We thought it was an incumbent bill as far as House Members were concerned with that kind of limit, it favored incumbents.

This was part of our trading package, as we do in conference. We finally got the House to come up by reason of some concessions we had to make to $70,000, plus the fact that one can use up to 20 percent for fundraising purposes.

That means that the total amount that the House Member could then spend is $84,000, which is not much below the $90,000.

There has been some talk about this fund raising limit that was put in that the House had, and I did not think of it here or I would have had it in myself. I do not think it is a proper figure to be included to say that if we are going out to put on a fundraising dinner and it costs $10 a person to put the dinner on and we charge $25 a person, that that $10 we have to pay for the dinner is going to be charged against the overall expenditure allowance in the campaign, because that is not what it is doing. It is helping to raise money, but it has to be shown.

If we were to go out in a mail campaign to solicit funds, as many candidates do, the cost of that mailing is rather substantial. In a Presidential race it is terrifically high, but even in a congressional race it is quite substantial. To say that is part of the expenditure limit for getting elected, I do not think is quite proper.

Therefore, I was very happy to go along with the House provision that one could spend up to 20 percent for fund raising purposes.

We do not get that exemption if we do not spend it for those purposes, and it is all fully reportable.

Mr. BUCKLEY. I thank the Senator.

Do the sponsors of the bill believe, as the Common Cause legal memorandum states, that:

> Campaign contributions are all too often only an attenuated form of bribery.

Mr. CANNON. I am not familiar with that Common Cause memorandum and if the Senator wants to pose a question to me specifically as to what I think, I can give an answer to that, but I do not want to try to second-guess what somebody else is talking about.

Mr. BUCKLEY. Do the sponsors believe that certain forms of political advertising have become too persuasive? If so, do they regard the bill as a means of limiting the persuasiveness of such advertising?

Mr. CANNON. I cannot answer that in that context.

I would assume that all political advertising has some persuasive value, else it would not be used by candidates or by organizations.

I do not remember considering that precisely in the context in which the Senator has advanced it.

Mr. BUCKLEY. But it does not limit the amount of persuasiveness one can put into the atmosphere?

Mr. CANNON. Well, certainly, the amount one can spend, certainly, is going to limit the amount of persuasiveness one can put forward to the public, the overall amount.

That was the intention of these limitations, to limit the overall amount, because we felt that there ought to be a limit beyond which one cannot go in saturating the airways, the radio, the TV, newspapers, and the personnel expenditures, the hiring of people, billboards, and so on, and that is the basic reason to try to limit the cost somewhat and not get into a bought campaign.

Mr. BUCKLEY. Do the sponsors believe that financial contributions are an inherently more dangerous form of political activity than other forms of political action such as demonstrations, rallies, pamphleteering, doorbell ringing and telephone canvassing?

Mr. CANNON. I could not guess between them, I think all of those have some effect. It depends probably on the area one is in, the type, manner in which they are put forth, and the individuals involved.

We made no comparative judgment between those facts.

Mr. BUCKLEY. Do the sponsors believe that the bill will reduce the chances for third party candidates to make effective races for the Presidency?

Mr. CANNON. No. The intent precisely was to insure that this would not reduce the effectiveness of third-party candidates, that they should have a proper opportunity.

Now, all candidates, major and minor, independent or other, are treated alike with respect to matching grants for the primaries. Each must raise his threshold of $100,000 in each of 20 States, with only the first $250 of any contribution eligible for matching grants.

Of course, in the general election, candidates are treated in a different manner, depending upon whether they are the nominated candidates of a major party or a minor party.

A major party is one whose candidate received 25 percent or more of the vote at the last general election.

A minor party is one whose candidate received less than 25 percent but at least 5 percent of the vote at the last general election.

Major party candidates could receive full public financing up to $20 million limit. And minor party candidates could receive an amount reflecting the ratio of the votes cast for the minor party candidate to the average of the votes cast for all major party candidates.

In the case of minor party candidates and new party candidates, if the vote at the current general election is in excess of 5 percent and betters the percentage of votes cast at the last general election then the minor or new party candidate would be entitled to be reimbursed for expenditures made up to the difference as determined by the improved vote.

Now, we did this, specifically, to try to protect other than the major candidate.

Mr. BUCKLEY. But the fact is that, if one is a new party, until the ballots are actually cast there is no right of reimbursement or financing, therefore, to that extent, there is not equality treatment, is that correct?

Mr. CANNON. Well, if the Senator interprets it that way, the facts are correct. They would have to demonstrate a 5-percent appeal to the voters before they would be entitled to reimbursement. They would not be able to get any money before that time.

Mr. BUCKLEY. But they would have to finance the whole campaign before any rights of reimbursement?

Mr. CANNON. Correct.

Mr. BUCKLEY. The bill, therefore, does not enhance third-party efforts.

Mr. CANNON. I do not think one could say it either enhanced or did not enhance. It does not impose any penalty on them, just makes them prove they are bona fide candidates and have some voter appeal.

I think that should be true in the case of any candidate.

Mr. BUCKLEY. What distinction do the sponsors see between endorsing a candidate for the Presidency, on the one hand, and "discussing important issues" during the campaign on the other? I believe that distinction was made, or at least it was in an earlier version of this bill. I have no idea whether it applies to this bill.

Mr. CANNON. I do not quite follow what the Senator is referring to.

Mr. BUCKLEY. My understanding is that at least one version of this legislation—and I have not studied thoroughly this version—made a distinction between expenditures endorsing a candidate versus expenditures for the discussion of important issues during the course of a Presidential or congressional campaign.

Mr. CANNON. If I am interpreting what the Senator is asking correctly, if the question is whether or not the expenditure is made on behalf of the candidate, if its is made on behalf of a particular candidate, then it is going to be chargeable to him. Or, if it endorses a candidate, it is going to be chargeable to him in his overall limit.

On the other hand, if some organization comes out and discusses issues that are not related to an identifiable candidate, that is not chargeable to a candidate.

Mr. BUCKLEY. Let us assume that we were back in the days of the Vietnam war controversy, and in a given election one particular candidate—

The PRESIDING OFFICER. Will the Senator suspend so that we can have order in the Chamber? It is getting difficult to hear.

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

Mr. BUCKLEY. I will.

Mr. MANSFIELD. Does the Senator intend to make a motion to recommit?

Mr. BUCKLEY. Yes.

Mr. MANSFIELD. Does the Senator intend to ask for the yeas and nays?

Mr. BUCKLEY. Yes.

Mr. MANSFIELD. Mr. President, I ask that it be in order at this time to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask that there be a yea and nay vote on final passage of the conference report if the Buckley amendment is defeated.

The PRESIDING OFFICER. That is understood.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUCKLEY. You did not intend to suggest, I am sure, that my motion to recommit would be defeated.

[Laughter.]

The PRESIDING OFFICER. The Chair takes notice of that.

Mr. BUCKLEY. I am not sure we have the answer to the question I was posing, namely the distinguished sponsor states that expenditures on a particular candidate obviously are chargeable. But if a particular candidate is the only one in a campaign identified with a particular issue, and there is a massive expenditure of money to advance that point of view, never mentioning the candidate but just talking about the desirability in the case of withdrawing from Vietnam, that, I understand, the sponsors have unrelated to a campaign and, therefore, not chargeable.

Mr. CANNON. We have not tried to infringe on first amendment rights in this. We have tried to protect first amendment rights. We have permitted an individual himself to go out and spend $1,000 on his own, assuming he does not have the authority of a candidate. There is no way that I can see that we could prohibit somebody from paying money to discuss issues. However, if it is either for the benefit of an identifiable candidate, or if it is to oppose an identifiable candidate, there are requirements in here that would limit them, one, to charge the amounts of the expenditures to his overall limit, if it is for him, and the other to place a limit on what people can spend in attempting to oppose him.

Mr. BUCKLEY. May I ask whether the Senator has considered the case where there are three candidates and funds are used to oppose one candidate? How does one charge that expenditure?

Mr. CANNON. If funds are used to oppose one, I guess it would have to be allocated to the one who is more nearly in tune with the thoughts being advocated. But I cannot foresee that that situation is likely to occur.

Mr. BUCKLEY. I would like to respectfully suggest that it occurred in my campaign, and in the final weeks there were full-page ads and television spots saying, "Don't vote for Buckley." There were two other candidates whose views were indistinguishable. I am not sure how we would handle that situation.

Mr. CANNON. This would be for the commission to develop in their regulations after they are appointed, to develop this sort of thinking. I am sure a complaint to the commission would put a stop to that sort of thing, if it were not in violation of the first amendment rights.

Mr. BUCKLEY. I have just a final question. Do the sponsors regard the communication by an organization to its membership with regard to a particular candidate a different form of persuasion than a similar communication to nonmembers?

Mr. CANNON. Yes, because an organization can communicate with its members. That is quite different from communicating with the general public.

There is a provision in the bill, section 308, that permits an organization to communicate with its members.

Mr. BUCKLEY. Mr. President, This morning I attempted to obtain a copy of the conference committee report on the bill we are now debating. It was unavailable so I have not had a chance to study it. I question the wisdom of voting substantially in the dark on legislation that could alter the way we select our representatives without ever having a chance to see the bill.

When we debated the Senate version of this legislation early this spring, a number of us pointed out practical and constitutional deficiencies in the bill. I said at that time that the bill might accurately be described as the Incumbent Protection Act of 1974.

To offer this bill in the name of reform is an act of unprecedened cynicism.

It is hard to imagine a measure better designed to protect incumbents running for reelection. The artificially low spending limits are demonstrably inadequate and will keep challengers from getting off the ground in House, Senate and, yes, Presidential races. The advantages of incumbency are legendary. According to Common Cause figures, successful challengers for House seats in 1972 spent, on the average, well over $100,000. Yet this bill would limit candidates for the House to $70,000, a sum grossly inadequate to conduct a campaign on a basis of parity.

When enacting legislation that deals with the political activities of American citizens, the Congress is well advised to remember the words of Mr. Justice Holmes, dissenting in Abrams against United States:

> . . . when men have realized that time has upset many fighting faiths they may come to believe even more than they believe the very foundations of their own conduct that the ultimate good desired is better reached by free trade in ideas—that the best test of truth is the power of the thought to get itself accepted in the competition of the market. . . .

The campaign reform bill, as reported by the conference committee, does much to weaken the ideals of Holmes that have now become law. In Yale Law School Professor Ralph Winter's felicitous phrase, these "price controls in the marketplace of ideas" are necessarily violative of the freedoms guaranteed to the citizens by the first amendment. That amendment has long been used to defend the rights of unpopular groups to make their positions known, but it applies with no less force when the rights of the great majority of Americans are threatened and infringed.

Limiting the amounts that candidates can spend in election campaigns offends the first amendment in several ways. As Ralph Winter put it:

> Setting a limit on candidate expenditures sets a maximum on the political activities in which American citizens can engage and is thus unconstitutional. The reasoning that speech which costs money is too persuasive cannot be contained. For one can also argue that demonstrations of more than a certain number of people, extensive voter canvassing, or too many billboards with catchy slogans also "distort" public opinion and also ought to be regulated.

It is particularly disturbing that Senators who had heretofore been considered civil libertarians have rushed to support

this measure without considering alternative means, less drastic in their scope, of accomplishing their purposes. The fear of overly persuasive campaigns, particularly when expressed by incumbent members of Congress, strikes dangerously close to prohibited suppression of speech because of its content. It must certainly give the Supreme Court pause when they see officeholders with vested interests in remaining officeholders passing legislation that restricts the ability of potential opponents and average citizens alike to alter the political makeup of the Congress.

The Supreme Court in numerous cases has held that the first amendment includes within its ambit a freedom of association, and that such freedom is crucial to political activity. By setting limits on individual contributions, whether or not such contributions are to candidates or to independent groups, the conference committee bill directly infringes on the freedom of association. Are we really prepared to tell the American people that they may participate financially in elections only if they work through the candidates' existing organization? After learning of the activities of the Committee to Re-elect the President in 1972, this is truly an amazing "reform" to emerge from Watergate.

At the very least, Mr. President, we should seek equity between challenger and incumbent. To this end, I am moving to recommit the bill to the conference committee with instructions that I will set out. We must insure that elected officials are responsive to their constituents; incumbency—particularly as buttressed by the bill as presently written—does much to destroy responsiveness. At a time when many Americans question their basic political institutions, weakening the consent of the governed is the height of foolishness. As Prof. Alexander M. Bickel has recently noted:

> What is above all important is consent—not a presumed theoretical consent, but a continuous active one, born of continual responsiveness. There is popular sovereignty, and there are votes in which majorities prevail, but that is not nearly all. Majorities are in large part fictions. They exist only on election day and they can be registered on a very few issues. To be responsive and to enjoy consent, government must register numerous expressions of need and interest by numerous groups, and it must register relative intensities of need and interest.

As I have stated, this motion to recommit does not eliminate all of the problems inherent in the bill as written.

One of the several points I make is that there are still some very serious constitutional questions with this legislation and, secondly, with all due deference to the conferees, I believe this bill in the name of reform is an act of unprecedented cynicism.

It is hard to imagine a measure that is better designed to protect incumbents. I say this on the authority of Common Cause which presented figures showing that the only successful challenges in House races 2 years ago were those that spent in excess of $100,000 on the average, to overcome the notorious advantages of incumbency.

At least I shall try not to be negative.

Mr. President, I send to the desk a motion to recommit with instructions that are designed to inject into this some sort of equity as between incumbents and challengers.

Mr. MANSFIELD. Will the Senator yield for 1 minute?

Mr. BUCKLEY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that while the first vote will take 15 minutes, that the second vote, which I understand may well follow, be limited to 10 minutes.

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

Mr. MANSFIELD. Vote.

Mr. BUCKLEY. I would like to say what this motion does, Mr. President. It would merely provide that challengers would be allowed to spend 30 percent more than the limitations that are applicable to incumbent candidates.

Mr. LONG. Mr. President, I wish to congratulate the Senator from Nevada (Mr. CANNON) and his associates for the very fine job that they did under the leadership of the distinguished chairman of our conferees, for their very fine work in moving forward in an attempt to assure that the person who is the President of the United States will be President because a majority of the people agree with the arguments that he has to make, and not because someone is better able to contribute to someone's campaign fund than those available to contribute to the other man.

I have been working in this area for a number of years now, Mr. President, since 1966.

I would like to discuss the background and the history of this, and the contribution made by a number of Senators.

The PRESIDING OFFICER. Does the Senator wish to call up his motion to recommit?

Mr. BUCKLEY. I call up my motion to recommit.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

MOTION TO RECOMMIT WITH INSTRUCTIONS

That the conference report on the bill (S. 3044) be recommitted to conference, with instructions to the Senate conferees to insert the following subsection at the appropriate place in section 608 of title 18, United States Code, as amended by the conference report:

"( )(1) The expenditure limitations under this section apply to incumbent candidates. Nonincumbent candidates are subject to an expenditure limitation of 130 percent of any limitation applicable to an incumbent candidate.

"(2) For purposes of this subsection, an incumbent candidate is a candidate who—

"(A) holds an office to which he seeks reelection, or holds public elective office for which the voting constituency is the same as, or includes, the voting constituency of the office to which he seeks election, or

"(B) has, within the 5 years preceding the election, held such an office.".

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit with instructions. The yeas and nays have been ordered.

Mr. CANNON. Mr. President, I am sure that is subject to a point of order, but I am perfectly willing to have a vote on the matter, on the motion to recommit, because it does suggest matters that were not the subject of either of the bills and therefore could not be permitted for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from North Carolina (Mr. ERVIN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. ERVIN) and the Senator from Indiana (Mr. HARTKE) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "nay."

The result was announced—yeas 17, nays 61, as follows:

[No. 465 Leg.]

YEAS—17

Allen	Chiles	Nunn
Bartlett	Cotton	Thurmond
Biden	Curtis	Tower
Brock	Gurney	Weicker
Buckley	Helms	
Byrd, Harry F., Jr.	Hruska	
	McClure	

NAYS—61

Abourezk	Huddleston	Nelson
Baker	Hughes	Pastore
Bayh	Humphrey	Pearson
Beall	Jackson	Pell
Brooke	Javits	Percy
Burdick	Johnston	Proxmire
Byrd, Robert C.	Kennedy	Randolph
Cannon	Long	Ribicoff
Case	Magnuson	Roth
Clark	Mansfield	Schweiker
Cranston	Mathias	Scott, Hugh
Domenici	McClellan	Stennis
Eagleton	McGee	Stevens
Eastland	McGovern	Stevenson
Fannin	McIntyre	Symington
Fulbright	Metcalf	Taft
Hansen	Metzenbaum	Talmadge
Hart	Mondale	Tunney
Haskell	Montoya	Williams
Hathaway	Moss	
Hollings	Muskie	

NOT VOTING—22

Aiken	Dominick	Inouye
Bellmon	Ervin	Packwood
Bennett	Fong	Scott, William L.
Bentsen	Goldwater	Sparkman
Bible	Gravel	Stafford
Church	Griffin	Young
Cook	Hartke	
Dole	Hatfield	

So Mr. BUCKLEY's motion to recommit the conference report with instructions was rejected.

The PRESIDING OFFICER. The question recurs on the adoption of the conference report. The yeas and nays have been ordered.

Mr. STEVENS. Mr. President, just 1 minute. I should like to clarify something, if I may, with the manager of the bill.

A provision of this bill amends section 1502 of title 5 relating to the activity of State or local employees in Federal campaigns. Specifically, it takes out subsection (a)(3), which prohibits a State or local officer or employee from taking an active part in political management or political campaigns, and substitutes for that a prohibition from being a candidate for Federal office.

It is my understanding, and I should like to ask the manager of the bill, my friend from Nevada (Mr. CANNON), if he agrees that this means that State laws which prohibit a State employee, or local laws which prohibit a local employee, from engaging in Federal campaign activities and Federal campaigns are still valid?

What we are doing is taking out of the Federal law the prohibition against State or local employees from taking an active part in political management or political campaign? Is that correct?

I think it is quite important, because many of our States have the so-called little Hatch Act, and it was not our intent to repeal those "little Hatch Acts," or to modify them, but to take it out of the Federal law so that Federal law does not prohibit those activities, leaving it up to the State to do so.

Mr. CANNON. The Senator is absolutely correct. Section 401 of the House amendment amended section 1502 of title 5, U.S. Code, relating to influencing elections, taking part in political campaigns, prohibitions, and exceptions, to provide that State and local officers and employees may take an active part in political management and in political campaigns, except that they may not be candidates for elective office.

The conference substitute is the same as the House amendment. It was the intent of the conferees that any State law regulating the political activity of State or local officers or employees is not preempted, but superseded. We did want to make it clear that if a State has not prohibited those kinds of activities, it would be permissible in Federal elections.

This would get away from the situation in which the Federal Government gives the State funds toward many different programs, and some of those employees have been fearful that they could not participate in Federal campaigns. This would eliminate that problem.

Mr. STEVENS. It is up to the State to determine the extent to which they may participate in Federal elections?

Mr. CANNON. The Senator is right. The States make that determination.

Mr. JAVITS. Mr. President, I believe S. 3044 represents a real step forward in campaign reform. However, I am disappointed that it does not provide public financing at the very least on a matching basis for Senate and House races. I remain convinced that this is the only way to truly reform political campaigns and I intend to work for that reform.

The bill provides limits on expenditures and on contributions which I support but I am going to work on measures to more nearly equalize incumbents and challengers than under the present bill. A most important feature of the bill is the independent Federal Elections Commission which will enforce the new law. The Commission will have the power to bring civil suits under the new law and will be a great improvement over the present weak system.

I also believe that the extension of the tax checkoff to the Presidential nominating system is useful and at least a step toward total public financing. Finally additional disclosure after an election has been added to the law and it was my amendment in the Senate which was incorporated in the final version in slightly different form.

Congress has now passed its second campaign reform bill in 3 years after no action in this area since 1925. I believe that is progress and shows that Congress is living up to its responsibilities and is trying to reform our campaign practices to avoid the tragedies of Watergate. I intend to dedicate myself to the further improvement of our political system through greater campaign financing changes in the future.

Mr. President, the concern of the legislative leaders of both parties in the State of New York that New York political campaigns be free from the "dirty tricks" and other regrettable incidents of Watergate led the legislature to appoint a Citizens Advisory Committee in 1973 to recommend a revision of the New York State campaign laws.

Among the recommendations of that committee was the enactment of a fair campaign code. Following the issuance of that report, New York State in 1974 adopted a strict new campaign law under the administration of a new State board of elections.

One of the first obligations of the State board of elections was to adopt a fair campaign code setting forth ethical standards of conduct for those engaged in election campaigns in the State. The code is subject to enforcement by the board of elections and includes civil penalties of up to $1,000 for violations of the code. I believe this code is of interest to the entire country.

The code was prepared by the new board of elections and under the chairmanship of former Supreme Court Justice Arthur Schwartz, Vice Chairman Remo J. Acito, and Commissioners Donald Rettaliata and William H. McKeon.

To insure that the proposed code had the broadest input from those best qualified to comment on these issues, the board established a special advisory committee representing a broad spectrum of experts. The advisory committee members were Congressman HERMAN BADILLO; Mrs. Myrna Baron of the New York City League of Women Voters; Ben Davidson, executive director of the liberal party; Seymour Graubard, national chairman of the Anti-Defamation League of B'nai B'rith; William Lawless, former State supreme court justice and former dean of Notre Dame School of Law; Cynthia Lefferts, New York State legislative director for Common Cause; Seraphin Maltese, executive director of the conservative party; Charles G. Moerdler, a New York City attorney; Whitney North Seymour, Jr., former U.S. attorney and president of the New York State Bar Association; Gary Sperling, executive director of the Citizens' Union; Cyrus R. Vance, former Deputy Secretary of Defense, Ambassador, and current president of the Association of the Bar of the City of New York; Charles E. Williams III, assistant counsel of NAACP Legal Defense and Educational Fund; and Judith T. Younger, dean of Syracuse University College of Law, all under the chairmanship of Robert M. Kaufman, my former legislative assistant, who is now chairman of the Special Committee on Campaign Expenditures of the New York City Bar Association.

Mr. President, I ask unanimous consent that the text of the State of New York fair campaign code, together with a forward and related material, be printed in the RECORD.

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

STATE OF NEW YORK FAIR CAMPAIGN CODE

State board of elections: Arthur H. Schwartz, Chairman; Remo J. Acito, Vice Chairman; Donald Rettaliata, William H. McKeon.

SEPTEMBER, 1974.

FOREWORD

The State Board of Elections was changed by law with promulgating and adopting a "Fair Campaign Code" setting forth ethical standards of conduct for persons, political parties and committees engaged in election campaigns.

Publication of the Code, as set forth in this pamphlet, is the culmination of a lengthy developmental process, a process that has included: the holding of public hearings in New York City, Buffalo, and Albany, consultation with various state and national organizations interested in the area of election reform, including the Senate Select Committee on Presidential Campaign Activities, the Fair Campaign Practice Committee, both of which have had experience in the national area, the Secretary of the United States Senate, the Clerk of the United States House of Representatives and the Controller General; recent reports recommending action in the area of reforming campaign practices; examination of pertinent regulations and legislation adopted by our sister states; the aid and advice of a political science consultant of recognized experience and stature in this field; and finally, the opportunity for review and comment by a broad-based citizens' advisory panel.

This is the first Fair Campaign Code which is reinforced by regulations and compliance with which is mandated. It is one which carries with it an obligation by those involved in political campaigns to obey or else run the risk of criticism, denunciation, or a fine, in addition to other penalties, criminal and civil, which may be invoked depending upon the nature of the infraction.

A fundamental purpose of the Code is to protect the public against immoral and unethical activities, and as stated by the Legislature, "to maintain citizen confidence in and full participation in the political process of our state to the end that the government of this state be and remain ever regionable

to the needs and dictates of its residents in the highest and noblest traditions of a free society."

The Board believes that this Code provides an excellent vehicle through which to achieve this purpose. We are well aware, however, that for the Code to be successful, it must receive the active support of candidates, their committees and agents, as well as that of the people of this state. To that end, the Board shall exercise its power to ensure your cooperation and full compliance with both the latter and the spirit of the Code's provisions.

FAIR CAMPAIGN CODE

In order that all political campaigns be conducted under a climate promoting discussions of the issues, presentation of the records and policies of the various candidates, stimulating just debate with respect to the views and qualifications of the candidates and without inhibiting or interfering with the right of every qualified person and political party to full and equal participation in the electoral process, the following is hereby adopted by the New York State Board of Elections pursuant to section four hundred seventy-two of the election law as the Fair Campaign Code for the State of New York.

No person, political party or committee during the course of any campaign for nomination or election to public office or party position shall, directly or indirectly, whether by means of payment of money or any other consideration, or by means of campaign literature, media advertisements or broadcasts, public speeches, press releases, writings or otherwise, engage in or commit any of the following:

1. Practices of political espionage including, but not limited to, the theft of campaign materials or assets, placing one's own employees or agent in the campaign organization of another candidate, bribery of members of another's campaign staff, electronic or other methods of eavesdropping or wiretapping.

2. Political practices involving subversion or undermining of political parties or the electoral process including, but not limited to, the preparation or distribution of any fraudulent, forged, or falsely identified writing or the use of any employees or agents who falsely represent themselves as supporters of a candidate, political party or committee.

3. Attacks on a candidate based on race, sex, religion or ethnic background.

4. Misrepresentation of any candidate's qualifications including, but not limited to, the use of personal vilification, character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his staff or his personal or family life, use of the title of an office not presently held by a candidate, use of the phrase "reelect" when, in fact, the candidate has never been elected to the office for which he is a candidate.

5. Misrepresentation of any candidate's position including, but not limited to, misrepresentation as to political issues or his voting record, use of false or misleading quotations, attributing a particular position to a candidate solely by virtue of such candidate's membership in any organization other than his political party which might have issued a statement advocating or opposing any particular position.

6. Misrepresentation of any candidate's party affiliation or party endorsement or endorsement by persons or organizations including, but not limited to, use of doctored photographs or writings or fraudulent or untrue endorsements. In any case where a person or organization endorsing the candidate has been paid by the candidate or someone on his behalf, a statement signed by the candidate and stating the consideration for the endorsement shall be filed within twenty-four hours of the endorsement in the office in which the candidate is required to file his statements under section four hundred seventy-seven of the election law.

7. Misrepresentation of the content or results of a poll relating to any candidate's election; also, failure to disclose such information relating to a poll published or otherwise publicly disclosed by a candidate, political party or committee as required to be disclosed by rule or regulation of the New York State Board of Elections.

8. Any acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote or voting.

Statutory authorization:

"The State Board of Elections, after public hearings, shall adopt a 'fair campaign code' setting forth ethical standards of conduct for persons, political parties and committees engaged in election campaigns including, but not limited to, specific prohibitions against practices of political espionage and other political practices involving subversion of the political parties and process, attacks based on racial, religious or ethnic background, and deliberate misrepresentation of a candidate's qualifications, position on a political issue, party affiliation or party endorsement."

Penalties:

"In addition to any other civil or criminal penalty which may be provided for by law, the State Board may impose a civil penalty, not to exceed one thousand dollars, upon any person found by the Board, after a hearing, to have violated any of the provisions of such code."

For further information, Contact: New York State Board of Elections, 194 Washington Avenue, Albany, New York 12225.

Mr. HUMPHREY. Mr. President, the election of 1972, and the Watergate revelations since then, have hammered an indelible impression into the mind of every American citizen about the election process and how campaigns are financed. Secret funds, illegal contributions, slush funds, and laundered millions, only begin the long list of affronts to the American people. Mr. Jeb Stuart Magruder, when asked by the Senate "Watergate" Committee what he considered to be the major impetus for his and other questionable election activities, simply replied, "Too much money."

Mr. President, today this Congress has addressed that problem directly with the most comprehensive campaign finance reform measure in the history of the United States, the Federal Election Campaign Act of 1974. Some critics will say that too much money has been compromised by the conferees on this legislation. Personally, I would have preferred the stronger Senate version of the bill. But it is now time to focus upon the progress in reform which will be made through this act. No single piece of legislation before this Congress in this session has more potential for cleaning up American politics and restoring confidence in the integrity of our political system and the individuals who work for it.

All elected public officials know that scrounging for funds to bring your case to the electorate is a demeaning experience. We all dread asking people for money to help us finance our campaigns. As one who has run for mayor, Senator and President, I can appreciate, perhaps more than some others, the importance of the changes which we are making in the campaign finance process here today.

It was out of a strong concern for reform in our campaign finance system that I supported legislation initiating the dollar checkoff and authored the amendment which put it on the front of the income tax form where people could see it and use it.

The amount of money a politician can raise is no measure of democratic responsibility by a candidate for public office. With the passage of the Federal Election Campaign Act amendments, we can help restore the faith of the people in their Government. The linkage between the electorate and elected public officials will be improved by this bill.

Mr. President, it is gratifying for one who has labored long in the vineyard of public campaign finance to see such a progressive and creative reform in our system of election campaigns. I have been a vocal advocate of expanded public financing of Federal elections for many years. I strongly support the provisions of the legislation which calls for the use of public funds for the financing of Presidential election campaigns. I fully agree with provisions setting strict limits on spending and contributions. I also have been a strong advocate of the establishment of an independent supervisory board to administer the law, which is part of this bill.

I think the Federal Election Campaign Act Amendments of 1974 does the job that needs to be done. There is room for improvement, but it permits Congress to take a big step in the right direction of campaign finance reform.

ANOTHER STEP TOWARD A REFORMED POLITICAL SYSTEM

Mr. MATHIAS. Mr. President, I rise to support the conference bill on campaign reform reported by the conference committee on which I served.

This bill will conclude another chapter in our efforts toward a reformed political system for America. It cannot be the last chapter, unfortunately, for the bill before us is not as broad in scope as the problems which Watergate so starkly presented for all Americans.

But this bill does represent a major step forward. For the first time, we will have a strong and independent commission to oversee all Federal elections and enforce Federal laws pertaining thereto. For the first time, we will have reasonable limits on both campaign contributions and campaign spending. For the first time, we have insured that Presidential campaigns, both in the primaries and the general election, will not be dependent on huge gifts of money from special interests.

These are historic reforms. They are possible today only because thousands of Americans cared enough to devote their time and effort to the cause of bringing this bill before us today. Organizations such as Common Cause, the National Committee for an Effective Congress, the Center for Public Financing, the League of Women Voters, and business and labor organizations throughout the country, have all played a major role in giving us the opportunity to vote on this legislation today.

Nor should the earlier voices raised in this cause be forgotten. President Theodore Roosevelt called for public financing in 1907 and a generation later Senator Henry Cabot Lodge renewed the fight that is being won today.

These organizations have been joined by thousands of individual citizens, who demonstrated that they are as dedicated as were our constitutional framers, to a system of free, vigorous, fair, and meaningful elections. Without the support of these citizens, we would not have this bill before us.

In 1971 I was pleased to join many of my colleagues in working for the Federal Elections Campaign Act of 1971. That bill, which contained some 13 amendments which I offered on the Senate floor, established for the first time the principle that all large contributions should be publicly disclosed—that campaigns were public business. It was followed by the "tax checkoff" amendment to the Revenue Act of 1971 which permitted an individual American to express support for a system of public financing for Presidential campaigns by designating $1 of his or her taxes for this purpose. The response to the checkoff has been very encouraging, and it is appropriate that this bill extends the scope of the checkoff to primary campaigns, and insures that all money designated by the taxpayer will be available for candidates, if needed.

In 1972, I cochaired, with Senator STEVENSON, the Ad Hoc Committee for Congressional Reform. During the public hearings of this informal committee, we focused on the need for legislation of the type which we will vote on shortly. As a result of these hearings, and of the widespread concern evidenced throughout Maryland, I introduced a bill with Senator STEVENSON, and another with Senator HART, which together contained the major features of the legislation before us.

The public response to these initiatives was strong and positive. I testified before the Senate Rules Committee last September in favor of this legislation, and joined with the distinguished members of that committee in supporting the bill, S. 3044, which was reported to the floor.

In one major area, however, I feel that the bill before us now is insufficient. That is the area of public financing for congressional campaigns. The Senate expressed its view overwhelmingly in support of such a system when S. 3044 was before us last spring. Gallup and other nationwide polls have demonstrated that the American people support public financing for Congressional races by a majority of almost 2 to 1. And I have found very strong support for this basic reform as I have talked to citizens throughout my State.

Unfortunately, however, the House conferees were adamant that this bill contain no such provisions. As conferees for the Senate, we explored every possible alternative with the House. We offered to reduce the extent of public financing, to limit it to general election campaigns only, to postpone the effective date to 1978 or 1980, and even to limit it to Senate campaigns only. Yet the House conferees unanimously rejected each of these attempts at compromise, and it became clear that the only way to enact the major reforms which this bill contains was to recede from the Senate's position in favor of Congressional public financing. I regret the necessity for such action, but I feel confident that our position will prevail in time.

Finally, I want to thank a number of my colleagues whose support of this legislation has been of vital importance. These include the Senator from Nevada (Mr. CANNON), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Louisiana (Mr. LONG), the Senators from Rhode Island (Mr. PELL and Mr. PASTORE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Illinois (Mr. STEVENSON), the Senator from Michigan (Mr. HART), the Senator from Vermont (Mr. STAFFORD), the Senator from Iowa (Mr. CLARK), and the Senator from California (Mr. CRANSTON). Appreciation should be extended as well to the committee staff headed by Mr. James Duffy.

Mr. PELL. Mr. President, I am pleased to add my firm support to the conference report we are considering.

As a conferee, I had the privilege of sharing in the deliberations between Senate and House which led to the agreements we have reached.

I am disappointed that the Federal Election Campaign Act Amendments of 1974 does not contain stronger provisions for public financing. I continue to believe in this goal as a most important priority for the future.

As chairman of the Senate Subcommittee on Elections, and as the one whose legislation formed the basis for committee consideration of public financing, I worked to extend this significant concept and reform to congressional elections. I believed that the time was especially propitious for this action.

The House conferees, however, were unanimous in their opposition. To me the question was between achieving a bill with some measure of truly meaningful reform and no bill at all.

I am pleased we have achieved some notable success:

First. We have extended public financing to Presidential primaries.

Second. We have agreed to a Federal Election Commission with an ability to act independently, and with some—if not all—of the enforcement authority recommended by the Senate.

Third. We have achieved new, realistic and salutory limits to campaign spending. In so doing we have reduced the possibilities of corruption by special interests, and the possibilities of abuse of power by those subject to such corruption.

The bill may not be a giant stride forward in election reform—I believe the Senate bill could have provided such a major advance. But the legislation which has emerged from our conference, nonetheless, takes very important and history-making new steps in the right direction.

A GIANT FIRST STEP

Mr. MONDALE. Mr. President, this is an historic day for the Senate. The campaign finance reform legislation we will vote on this afternoon represents months and years of work by many dedicated people, both in and out of the Congress. It is our best and most constructive response to the terrible abuses of Watergate.

I am especially pleased that the bill incorporates the provisions for public financing of Presidential primaries sponsored by Senator SCHWEIKER and myself in the Senate, and by Congressman JOHN BRADEMAS in the House.

This blended system of public and private financing of Presidential primaries will encourage small private contributions, and lessen the dependence of candidates on wealthy and powerful special interests. Candidates will be free, as they should be, to serve only their conscience and their constituents.

While I regret that public financing was not extended to House and Senate elections, I believe the legislation we will approve today has laid the needed groundwork for public financing of all Federal elections. It is only a first step, but it is a giant one.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD the following material which has been prepared by the Center for Public Financing of Elections: A summary of the campaign reform bill; an article entitled "Public Financing of the Presidential Campaign"; and a chart showing the spending limits for Senate candidates.

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

THE CAMPAIGN REFORM BILL—A SUMMARY (FEDERAL ELECTIONS CAMPAIGN ACT AMENDMENTS OF 1974)

CONTRIBUTION LIMITS

Limits on individual contributions

$1,000 limit on amount an individual may contribute to any candidate for U.S. House, Senate, or President in primary campaign (Presidential primaries treated as single election).

$1,000 limit on contribution to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $1,000 limit applies).

No individual may contribute more than $25,000 for all federal campaigns for entire campaign period (includes contributions to party organizations supporting federal candidates).

No more than $1,000 in independent expenditures on behalf of any one candidate for federal office per entire campaign is permitted.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on Organization Contributions (to qualify as an organization, must be registered with Elections Commission for six months, receive contributions from more than 50 persons and, except for state party organizations, make contributions to at least five candidates).

$5,000 limit on amount an organization may contribute to any candidate for U.S. House, Senate, or President in primary election campaign (Presidential primaries treated as single election).

$5,000 limit on contributions to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $5,000 limit applies).

No more than $1,000 in independent ex-

penditures on behalf of any one federal candidate during entire campaign period.

No limit on aggregate amount organizations may contribute in campaign period, nor on amount organizations may contribute to party organizations supporting federal candidates.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on candidate contributions to own campaign

President: $50,000 for entire campaign.
Senate: $35,000 for entire campaign.
House: $25,000 for entire campaign.

Limits on party contributions

National and state party organizations limited to $5,000 in actual contributions to federal candidates, but may make limited expenditures on behalf of its candidate in general election [see spending limits].

Spending limits (Existing limits on media spending repealed. Total candidate spending limit includes basic limit, plus 20 percent additional permitted for fund-raising, plus limited spending by parties in general election.)

Party Conventions: $2 million for national nominating convention.

Presidential candidates

Primary: $10 million basic limit; in addition, candidate allowed to spend 20 percent above limit for fund-raising—total $12 million. In any presidential primary, candidate may spend no more than twice what a Senate candidate in that state is allowed to spend. [See chart for Senate limits.]

General: $20 million basic limit. (Presidential candidate not opting to receive public financing would be allowed to spend an additional 20 percent for fund-raising.)

Party: National Party may spend 2¢ times Voting Age Population, or approximately $2.9 million, on behalf of its Presidential nominee in general election.

Senate candidates

Primary: 8¢ x VAP of state or $100,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising. [See attached chart for state by state amounts.]

General: 12¢ x VAP of state or $150,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising.

Party: In general election, 2¢ x VAP or $20,000, whichever is higher, by national party, and 2¢ x VAP or $20,000 by state party. [See attached chart for state totals.]

House candidates

Primary: $70,000. Additional 20 percent of limit allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same amount as Senate candidate in that state.

General: $70,000. Additional 20 percent allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same as Senate candidate in that state.

Party: In general election, $10,000 by national party and $10,000 by state party on behalf of House candidates.

PRESIDENTIAL PUBLIC FINANCING (FROM DOLLAR CHECK-OFF FUND)

General election

$20 million in public funds; acceptance optional. Major party nominee automatically qualifies for full funding; minor party and independent candidate eligible to receive proportion of full funding based in past or current votes received. If candidate receives full funding, no private contributions permitted.

Conventions

$2 million; optional. Major parties automatically qualify. Minor parties eligible for lesser amount based on proportion of votes received in past or current election.

Primaries

Federal matching of private contributions up to $250, once candidate has qualified by raising $100,000 ($5,000 in each of 20 states) in matchable contributions. Only first $250 of any private contribution may be matched. The candidates of any one party together may receive no more than 45 percent of total amount available in the Fund; no single candidate may receive more than 25 percent of total available. Only private gifts raised after January 1975 qualify for matching for the 1976 election; no federal payments will be made before January 1976.

Enforcement

Creates 6-member Federal Elections Commission responsible for administering election law and public financing program, and vested with primary civil enforcement.

President, Speaker of House, and President Pro-Tem of Senate each appoint two members (of different parties), all subject to confirmation by both Houses of Congress. (Such members may not be officials or employees of any branch of government at time of appointment.)

Secretary of Senate and Clerk of House to serve as ex-officio, non-voting members of the Commission, and their officers to serve as custodian of reports for candidates for Senate and House.

Commissioners to serve full-time, six-year, staggered terms. Rotating one-year chairmanship.

Commission to receive campaign reports; make rules and regulations (subject to review by Congress within 30 days); maintain cumulative index of reports filed and not filed; make special and regular reports to Congress and President; serve as election information clearinghouse.

Commission has power to render advisory opinions; conduct audits and investigations; subpoena witnesses and information; initiate civil proceedings for relief.

Criminal violations to be referred to Justice Department for prosecution; provision for advancing cases under the Act on the court docket, and judicial review.

REPORTING AND DISCLOSURE

Candidate required to establish one central campaign committee; all contributions and expenditures on behalf of candidate must be reported through this committee. Also requires designation of specific bank depositories.

Full reports of contributions and expenditures to be filed with Commission 10 days before and 30 days after every election, and within 10 days of close of each quarter unless committee has received or expended less than $1,000 in that quarter. Year-end report due in non-election years.

Contributions of $1,000 or more received within last 15 days before election must be reported to Commission within 48 hours.

Cash contributions over $100 prohibited.

Contributions from foreign national prohibited.

Contributions in name of another prohibited.

Loans treated as contributions; must have co-signer or guarantor for each $1,000 of outstanding obligation.

Requires that any organization which spends any money or commits any act for the purpose of influencing any election (such as the publication of voting records) must report as a politcial committee. (This would require reporting by such lobbying organizations as Common Cause, Environmental Action, ACA, etc., and perhaps many other traditionally non-electoral organizations).

Every person who spends or contributes over $100, other than to or through a candidate or political committee, is required to report.

OTHER PROVISIONS

No elected or appointed official or employee of government may accept more than $1,000 in honorarium for speech or article, or $15,000 in aggregate per year.

Removes Hatch Act restrictions on voluntary activities by state and local employees in federal campaigns, if not otherwise prohibited by state law.

Corporations and labor unions which are government contractors are permitted to maintain separate, segregated voluntary political funds in accordance with 18 USC 610. (Formerly all contributions by government contractors were prohibited.)

Permits use of excess campaign funds to defray expenses of holding federal office or for other lawful purposes.

Prohibits solicitation of funds by franked mail.

Pre-empts state election laws for federal candidates. This section takes effect upon enactment.

PENALTIES

Increases existing fines to maximum of $50,000.

Candidate for federal offices who fails to file reports may be prohibited from running again for term of that office plus one year.

Effective Date: January 1, 1975 (except for immediate pre-emption of state laws).

PUBLIC FINANCING OF THE PRESIDENTIAL CAMPAIGN

Public financing of the 1976 Presidential election is provided under the new Campaign Reform Bill. Here is the way it works:

General election

Each candidate for President is limited to campaign expenditures of $20 million.

Nominees of the major parties are eligible to receive the full $20 million in public funds. Public financing is not mandatory; the candidate may solicit all donations privately. If the candidate "goes private," however, individual contributions are limited to $1,000; organization contributions, $5,000.

Candidates of minor parties (those receiving at least five percent of the vote in the preceding election) are eligible for partial funding based on the percentage of the vote received. A third party receiving at least five percent of the vote in 1976 will be eligible for partial reimbursement of their expenses.

Nominating conventions

Political parties are limited to expenditures of $2 million for their presidential nominating conventions. A major party is eligible to receive the full $2 million in public funds; however, a party may opt to fund its convention privately. The existing law permitting corporations to take a tax deduction for advertisements in conventions program books is repealed.

Presidential primaries

Each candidate for the Presidential nomination is limited to campaign expenditures of $10 million. In each state, he may spend no more than twice the amount permitted a Senate primary candidate. In other words, the candidate may spend no more than $200,000 in the New Hampshire primary; $928,000 in Florida.

To be eligible for public funds, a candidate must declare himself a candidate for his party's nomination and begin soliciting small contributions ($250 or less). When the Federal Elections Commission certifies that the candidate has received at least $5,000 from contributors in each of 20 states—for a total of $100,000 in matchable funds—the Secretary of the Treasury will authorize a matching payment of $100,000 from the Dollar Check-Off Fund. Subsequently, each eligible contribution of $250 or less will be matched from the Treasury.

While an individual may contribute $1,000 and an organization may give $5,000 during the pre-nomination period, only the first $250 will be eligible for matching. No cash contributions will be matched; all contributions must show the taxpayer's identification number.

In addition to the $10 million spending limit, the candidate is permitted to spend an additional 10 percent—$2 million—for fundraising costs.

Only contributions raised after January 1, 1975, will be eligible for matching. No public funds will be given out until January 1, 1976.

Source of public funds

The source of all public funding is the Presidential Election Campaign Fund. No additional appropriations legislation is required of Congress. The Fund was established in 1971 and is funded by taxpayers who check off Line 8 on IRS Form 1040, designating $1 of their taxes ($2 on a joint return) for this purpose.

This Dollar Check-Off Fund now contains $30.1 million. If taxpayers check off Line 8 at the same rate as last year, there will be a minimum of $64 million in the fund in time for the 1976 election, and very likely more.

Early in 1976, $44 million will be earmarked for the General Election and the Conventions. The remaining funds will be designated for the primaries. No more than 45 percent may go to candidates of any political party. No candidate is eligible to receive more than one-fourth of public funds available for primaries.

All spending limits are subject to cost-of-living increases, using 1974 as the base year.

The Fund will be under continuing review by the new Federal Election Commission to insure that eligible candidates receive equitable treatment and that adequate money is available to meet obligations required by the Act.

SPENDING LIMITS FOR SENATE CANDIDATES

State	1974 projected voting age population	Primary limit (8 cents times VAP or $100,000, whichever is greater)	Additional spending for fundraising (primary)	General election limit (12 cents times VAP or $150,000, whichever is greater)	Additional spending for fundraising (general)	Party spending permitted in candidate's behalf [1]	Actual spending limit by candidate (general election)
Alabama	2,392,000	$191,360	$38,272	$287,040	$57,408	$95,680	$440,128
Alaska	206,000	100,000	20,000	150,000	30,000	40,000	220,000
Arizona	1,442,000	115,360	23,072	173,040	34,608	57,680	265,328
Arkansas	1,417,000	113,360	22,672	170,040	34,080	56,680	260,800
California	14,509,000	1,160,720	232,144	1,741,080	348,216	580,360	2,669,656
Colorado	1,719,000	137,520	27,504	206,280	41,256	68,760	316,296
Connecticut	2,124,000	169,920	33,984	254,880	50,976	84,960	390,816
Delaware	391,000	100,000	20,000	150,000	30,000	40,000	220,000
Florida	5,799,000	463,920	92,784	695,880	139,176	231,960	1,067,016
Georgia	3,227,000	258,160	51,632	387,240	77,448	129,080	593,768
Hawaii	571,000	100,000	20,000	150,000	30,000	40,000	220,000
Idaho	519,000	100,000	20,000	150,000	30,000	40,000	220,000
Illinois	7,646,000	611,680	122,336	917,520	183,504	305,840	1,406,864
Indiana	3,603,000	288,240	57,648	432,360	86,472	144,120	662,952
Iowa	2,002,000	160,160	32,032	240,240	48,048	80,080	368,368
Kansas	1,601,000	128,080	25,616	192,120	38,424	64,040	294,584
Kentucky	2,296,000	183,680	36,736	275,520	55,104	91,840	422,464
Louisiana	2,457,000	196,560	39,312	294,840	58,968	98,280	452,088
Maine	700,000	100,000	20,000	150,000	30,000	40,000	220,000
Maryland	2,781,000	222,480	44,496	333,720	66,744	111,240	511,704
Massachusetts	4,086,000	326,880	65,376	490,320	98,064	163,440	751,824
Michigan	6,037,000	482,960	96,592	724,440	144,888	241,480	1,110,808
Minnesota	2,634,000	210,720	42,144	316,080	63,216	105,360	484,656
Mississippi	1,495,000	119,600	23,920	179,400	35,880	59,800	275,080
Missouri	3,296,000	263,680	52,736	395,520	79,104	131,840	606,464
Montana	484,000	100,000	20,000	150,000	30,000	40,000	220,000
Nebraska	1,068,000	100,000	20,000	150,000	30,000	42,720	222,720
Nevada	382,000	100,000	20,000	150,000	30,000	40,000	220,000
New Hampshire	550,000	100,000	20,000	150,000	30,000	40,000	220,000
New Jersey	5,099,000	407,920	81,584	611,880	122,376	203,960	938,216
New Mexico	731,000	100,000	20,000	150,000	30,000	40,000	220,000
New York	12,700,000	1,016,000	203,200	1,524,000	304,800	508,000	2,336,800
North Carolina	3,635,000	290,800	58,160	436,200	87,240	145,400	668,840
North Dakota	431,000	100,000	20,000	150,000	30,000	40,000	220,000
Ohio	7,281,000	582,480	116,496	873,720	174,744	291,240	1,339,704
Oklahoma	1,879,000	150,320	30,064	225,480	45,096	75,160	345,736
Oregon	1,587,000	126,960	25,392	190,440	38,088	63,480	292,008
Pennsylvania	8,336,000	666,880	133,376	1,000,320	200,064	333,440	1,533,824
Rhode Island	691,000	100,000	20,000	150,000	30,000	40,000	220,000
South Carolina	1,831,000	146,480	29,296	219,720	43,944	73,240	336,904
South Dakota	464,000	100,000	20,000	150,000	30,000	40,000	220,000
Tennessee	2,881,000	230,480	46,096	345,720	69,144	115,240	530,104
Texas	8,050,000	644,000	128,800	966,000	193,200	322,000	1,481,200
Utah	746,000	100,000	20,000	150,000	30,000	40,000	220,000
Vermont	316,000	100,000	20,000	150,000	30,000	40,000	220,000
Virginia	3,331,000	266,480	53,296	399,720	79,944	133,240	612,904
Washington	2,377,000	190,160	38,032	285,240	57,048	95,080	437,368
West Virginia	1,238,000	100,000	20,000	150,000	30,000	49,520	229,520
Wisconsin	3,121,000	249,680	49,936	374,520	74,904	124,840	574,264
Wyoming	244,000	100,000	20,000	150,000	30,000	40,000	220,000

[1] State and national political parties are each permitted to spend in behalf of their nominee for the Senate an additional 2 cents times the voting age population or $20,000—whichever is greater.

Note: Voting age population estimates are taken from "Population Estimates and Projections," Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Series P-25, No. 526, September 1974.

SPENDING LIMITS FOR HOUSE CANDIDATES

	Primary limit	Additional spending for fundraising	General election limit	Additional spending for fundraising	Party spending in candidate's behalf [1]	Actual spending limit by candidate (general election)
Each congressional district	$70,000	$14,000	$70,000	$14,000	$20,000	$104,000

[1] $10,000 from State party and $10,000 from national party.

Note: In States with a single congressional district, candidates for the House are subject to the same limits as candidates for the Senate.

Mr. LONG. Mr. President, the significance of this Federal Elections Campaign Act will be that this act moves us one long stride forward in the area of public financing.

The act, makes the appropriations of the money checked off on individual tax returns automatic and implements the action taken already with regard to the Presidential campaign checkoff proposal of $1 optional with each taxpayer. The bill provides also that $2 million would be made available to each of the two major parties, with a formula as is spelled out elsewhere in the checkoff system for

appropriate reimbursement for third parties, to provide for expenses of nominating conventions.

Now, the significant thing about this measure is that it provides that hereafter candidates seeking to be nominated for President of the United States may obtain Federal matching once they have achieved enough individual small contributions to merit the thought that they are serious candidates.

To be specific, a candidate must raise $100,000 in contributions of no more than $250, and that candidate must raise as much as $5,000 in 20 States to demonstrate, in effect, that he is a serious candidate and that he has support beyond the immediate State or region from whence he hails.

As I understand this provision, once a candidate had raised the first $100,000 as stipulated, the amount that is raised under the checkoff system and, thereafter, every small contribution of $250 or less is matched by an equal amount up to $5 million so that the candidate could raise a total of $5 million and have $5 million made available to him through Treasury financing.

Mr. President, that is an extension of what this Senator sought to initiate in 1966, almost 8 years ago now, when the then junior Senator from Louisiana brought in an amendment to a revenue bill suggesting that the general election of the President should be financed by a $1 tax checkoff-type proposal as is now the law. That proposal became law as an amendment to a major revenue measure. In time, I believe, the significance of that amendment will dwarf the bill itself and all other amendments that were on it.

I believe that was a bill which was subsequently referred to as the first Christmas tree bill because it came late in the year and it had so many amendments to it that one of the writers of the Washington Post said:

> When the bill hit the floor it lit up like a Christmas tree.

There were many amendments on the bill that were wanted on behalf of many of their constituents.

In the year 1967 there were some Democrats who felt that they made a mistake in permitting the tax checkoff to finance the Presidential election to become law, and they joined forces with those Republicans who had opposed this proposal in what developed into a rather lengthy debate to prevent this new law from ever going into effect.

It was with considerable disappointment that the Senator from Louisiana saw that there were a lot of good people who should be supporting that first public campaign financing measure because of their liberal background and their political philosophy who were, for one reason or another, opposing it.

There was the then Senator from Tennessee, Mr. Gore, for example, who was one I would have thought would have favored this very strongly and who, in fact, had voted for it in the committee and then saw fit to lead the fight against the proposal.

There was the former Senator from New York, Mr. Robert Kennedy, who saw dangers that aroused his fears that this could be used in an improper manner.

There were quite a few on this side of the aisle who, at that time, had become disillusioned with the then President Lyndon Johnson, who felt that this was something that President Johnson wanted for his own advantage.

Now that, in my judgment, was not the truth. I had discussed this matter with President Johnson on occasion. He told me he thought I was right about it. He said he was capable of raising whatever campaign funds he cared to raise, but that the time would come when the Democrats would have another Harry Truman running for President of the United States. He recalled how difficult it was for President Truman, even as a dedicated President, to raise enough money to pay transportation expenses to move the Truman train around the country in order to take his message to the people in that very difficult election when he fought an underdog race and survived that race to become one of our great Presidents after his reelection.

So, Mr. President, after that long debate of about 7 weeks, the Senate finally voted for an amendment to say that this public financing proposal would not become effective until Congress has provided further guidelines.

Thereafter, President Nixon was elected President of the United States. I have oftentimes thought, had it not been for the support of a number of our liberal Democratic friends who thought this might be something that President Johnson wanted for his own advantage, and therefore voted to negate the provisions of that bill, Richard Nixon would not have been President of the United States because Senator HUMPHREY ran a very close race, very poorly financed, but very close.

Had HUBERT HUMPHREY had the funds to make an equally impressive presentation on television, as that available to his Republican opponent, it is fairly clear to all of us at this point that Hubert Humphrey then Vice President would have been elected President of the United States.

It was, in my judgment, largely because some of our good friends on the Democratic side of the aisle, and I am sure for good conscientious reasons, voted to prevent the public financing checkoff proposal from going into effect, that the Democrats lost the next Presidential election of 1968.

Now, a few years thereafter, with reference to campaign financing and reform proposals, our majority leader (Mr. MANSFIELD) proposed to some of us that we should initiate a proposal to make available equal time to the candidates for both sides running for President of the United States and that we should make some tax deductions and tax credits, to help encourage small contributions to political campaigns.

As chairman of the Committee on Finance at that time, I made it clear that I did not expect to support any proposal of that sort unless we made some forward progress toward justifying some form of public financing under the checkoff proposal, or some similar proposal, because, in my judgment, it is only when we finance campaigns in a way where the outcome of the campaign does not depend in any respect on who has the most money, or who has the greatest appeal to the vested interests, that one can feel that the voice of the public and the people are electing a man not because of the financial power behind him but because what he has to say makes the best sense and appeals most to the hearts and minds of the American people.

So I insisted that if I were to support something of that sort it ought to have at least a $1 checkoff proposal as part of the package.

So, in due course, in considering a debt limit bill, as I recall it, it was agreed that the Senator from Rhode Island (Mr. PASTORE) would offer this package of amendments which would provide a deduction and a tax credit for small contributions and would implement the tax checkoff approach which we had previously enacted and put on the statute books in 1966.

After a really heated and lengthy debate on the checkoff proposal, this provision finally passed. We were alerted at that time that the President of the United States expected to veto the debt limit bill if need be, rather than permit the tax checkoff to pay the expense of the two candidates making their campaigns and expressing their views, as they saw it, to the public in 1972.

So while the Senate had passed the measure intending that it should be effective in 1972, by threat of Presidential veto we were compelled to settle for an effective date in 1976.

Mr. President, the checkoff proposal is on the books and people are marking it in sufficient numbers to make the assurance of adequate financing for the 1976 election a certainty. So much so that we now find we can provide that more than the general election can be financed under a system whereby taxpayers mark their own tax returns that they would like to have $1 of their tax money spent in a fashion that would help to assure us a President beyond the reach of undue influence of large financial contributions.

We will have that kind of election for the first time in 1976.

Mr. President, there are some who have expressed disappointment and will continue to express disappointment that this bill did not extend the public financing concept to the election of Senators and Members of Congress. I voted for that proposal. In the long run, Mr. President, if I am around here another 6 years, I hope to be one of those who help put it on the statute books. It is just as well that it does not happen now.

I say that because these major issues should not be decided based on who is right; it should be decided because we agree on what is right.

We will best know how to implement a public financing approach when we have had experience with the checkoff in the election of a President in the year 1976.

Mr. President, the vote on this measure demonstrates the enormous for-

ward progress as an idea becomes understood by people.

In that long 7 weeks' fight in 1967, with the President of the United States supporting the checkoff approach, most of us who were supporting it, won about half of the votes. On seven rollcall votes one side won four times and the other side won three times.

It was a matter of who had the most troops in town that decided how each vote would go, and on every second vote one group would win and on every alternate vote the other group would win.

Now we see a measure that can muster a margin of approximately 4 to 1 in the U.S. Senate. Some of that margin now represents those who did not think it was a good idea at the time. That is a mark of tolerance and a mark of ability of people to change with changing times and to recognize with experience that there is something to be said for the other fellow's side of the argument.

Undoubtedly, the Watergate scandal contributed to this. We now see, Mr. President, that not just a matter of disclosure that is needed to give us a government of the people and by the people in this country.

The disclosure provisions really have in fact made it difficult for challengers to challenge incumbents. It was well discussed in a very thoughtful article by David Broder a few days ago.

Disclosure has created as many problems as it has solved. While incumbents have been able to raise adequate funds to finance a campaign, the disclosure provisions have made it very difficult, and far more difficult than ever before, for the challengers to raise funds to finance their part of the campaign, but the public financing features properly implemented will, I am sure, make it possible for every Member who enjoys the benefit of the public financing approach to be completely the master of his own conscience; to reject those proposals which are lacking in logic, and to support instead those things which he believes to be best for his nation.

As I say, Mr. President, I am not at all dismayed that this Congress is not at this time implementing the public financing approach to the election of Senators and Members of the House of Representatives. I am satisfied that we will learn something from experience.

The experience that we will have in electing a President of the United States by a public financing approach, where each taxpayer indicates that he wants $1 to be spent in a way where the President will be equally obligated to all citizens and especially obligated to none, will lead us to finance, in time, our congressional campaigns in a way that will have equally as much merit.

With experience, the public will understand it better. In the last analysis, Senators and Congressmen want to do what the public wants. The public will be in a better position to advise us what it thinks about this type of campaign financing when it has had experience with the outcome and with the implementation of what we start in 1976, which, in my judgment, is a very appropriate time to implement the type of suggestion that was implicit in the $1 checkoff proposal. That is that every citizen should have an equal amount of influence, and every person elected to public office should be equally obligated to all citizens; that no one should have any greater influence because of his money, and that no public servant should be in any greater measure beholden to someone because of that money.

This is a red-letter day for our democracy, Mr. President, and I am very pleased to have played a part in the implementation of something that we started 8 years ago.

Mr. CANNON. Mr. President, I would like to express my appreciation to the conferees for the tremendous assistance they gave to all of the conference during the subject under discussion.

We have very divergent views on the conference committee, and we had those who were opposed to public financing, those who favored it, those who wanted tighter disclosure provisions, and so on. However, despite the differing views we had very cooperative people and cooperative staff, and I want to express appreciation to all of the conferees and to our fine staff people who assisted us in developing what I think is a very fine campaign reform bill.

The PRESIDING OFFICER (Mr. ABOUREZK). The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. BUCKLEY (when his name was called). Mr. President, on this vote I have a pair with the Senator from Oregon (Mr. HATFIELD). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. ERVIN) and the Senator from Indiana (Mr. HARTKE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Vermont (Mr. AIKEN), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. HATFIELD), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

I further announce, that if present and voting, the Senator from Tennessee (Mr. BAKER) and the Senator from Kansas (Mr. DOLE) would each vote "yea."

The result was announced—yeas 60, nays 16, as follows:

[No. 466 Leg.]

YEAS—60

Abourezk	Huddleston	Nelson
Bayh	Hughes	Nunn
Beall	Humphrey	Pastore
Biden	Jackson	Pearson
Brock	Javits	Pell
Brooke	Johnston	Percy
Burdick	Kennedy	Proxmire
Byrd, Robert C.	Long	Randolph
Cannon	Magnuson	Ribicoff
Case	Mansfield	Roth
Chiles	Mathias	Schweiker
Clark	McGee	Scott, Hugh
Cranston	McGovern	Stevens
Domenici	McIntyre	Stevenson
Eagleton	Metcalf	Symington
Fulbright	Metzenbaum	Taft
Hart	Mondale	Talmadge
Haskell	Montoya	Tunney
Hathaway	Moss	Weicker
Hollings	Muskie	Williams

NAYS—16

Allen	Eastland	McClellan
Bartlett	Fannin	McClure
Byrd,	Gurney	Stennis
Harry F., Jr.	Hansen	Thurmond
Cotton	Helms	Tower
Curtis	Hruska	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Buckley, against.

NOT VOTING—23

Aiken	Dole	Hatfield
Baker	Dominick	Inouye
Bellmon	Ervin	Packwood
Bennett	Fong	Scott,
Bentsen	Goldwater	William L.
Bible	Gravel	Sparkman
Church	Griffin	Stafford
Cook	Hartke	Young

So the conference report was agreed to.

Mr. HUGH SCOTT. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, the passage of S. 3044, the Federal Election Campaign Act amendments, represents another significant breakthrough in reforming the political processes of this Nation. So many in the Senate have been in the forefront of this great reform effort, but I wish at this time to pay tribute to those who worked so hard on this conference committee under the great leadership of the distinguished Senator from Nevada (Mr. CANNON). All members of that committee are to be commended, but Senator CANNON particularly for the broad representation he solicited even from outside his committee. The great breakthrough in public financing of Federal Presidential proceeds as well as general elections is truly the great first step toward creating a totally changed climate for future elections. The distinguished Senator from Louisiana (Mr. LONG) has been the real champion of the dollar checkoff over the past several years and played such an important role in the conference committee in re-

taining this provision. In future years, with his continued leadership, I am confident that this concept will be expanded to all Federal elections.

My colleague, the distinguished Republican leader (Mr. HUGH SCOTT) is to be commended for his great leadership on the bill and on the overall program of reforms of the political process. He and Senator KENNEDY have provided the leadership to this Congress on public financing and their contributions have been immense. To Senators CLARK, MATHIAS, PASTORE, BYRD, GRIFFIN and STEVENS, the Senate owes its sincere thanks for the completion of this landmark legislation.

The country shall be better for the work the Senate has completed today on S. 3044.

TRANSPORTATION SAFETY ACT OF 1974

Mr. MANSFIELD. During the consideration of S. 4057 yesterday, Senator HARTKE withdrew an amendment to S. 4057. Inadvertently, the incorrect amendment was withdrawn. Thereafter, H.R. 15223 was considered by the Senate and the text of the Senate bill, as amended, was substituted for the language in the House bill. Therefore the bill as passed contains several mistakes. Section 208(d) of the bill should be deleted as should title 4 of the bill.

Therefore, I ask unanimous consent that the Senate reconsider the passage of H.R. 15223 including the third reading and that section 208(d) and all of title 4 of S. 4057 be deleted, and that the bill as thus corrected be repassed.

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

TRAVEL EXPENSE AMENDMENTS ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3341.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 3341) 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, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Travel Expense Amendments Act of 1974".

SEC. 2. Section 5701(2) of title 5, United States Code, is amended to read as follows:

(2) " 'Employee' means an individual employed in or under an agency including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;"

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Per diem; employees traveling on official business

"(a) An employee while traveling on official business away from his designated post of duty is entitled to a per diem allowance for travel inside the continental United States at a rate not to exceed $35. For travel outside the continental United States, the per diem allowance shall be established by the Administrator of General Services, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rates may be allocated proportionately pursuant to regulations prescribed under section 5707 of this title.

"(b) An employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

"(1) $50 per day for travel within the continental United States when the maximum per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707; or

"(2) $20 per day plus the locality per diem rate prescribed for travel outside the continental United States.

"(d) This section does not apply to a Justice or judge, except to the extent provided by section 456 of title 28.".

SEC. 4. Section 5703 of title 5, United States Code, is hereby repealed.

SEC. 5. Section 5704 of title 5, United States Code, is hereby amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to not in excess of—

"(1) 9 cents a mile for the use of a privately owned motorcycle; or

"(2) 18 cents a mile for the use of a privately owned automobile; or

"(3) 24 cents a mile for the use of a privately owned airplane;

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment of a mileage basis is limited to the cost of travel by common carrier including per diem.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

SEC. 6. Section 5707 of title 5, United States Code, is hereby amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.

"(b) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic studies of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such studies to Congress at least once a year.".

SEC. 7. The seventh paragraph under the heading "Administrative Provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

SEC. 8. Item 5707 contained in the analysis of subchapter 1 of chapter 57 of title 5 is amended to read as follows:

"5707. Regulations and reports.".

Mr. MANSFIELD. Mr. President, the Senate, after some effort, passed S. 3341 relating to per diem and mileage expenses on September 19. The House was scheduled to take up a similar bill, H.R. 15903, under suspension of the rules on Monday, October 7. Discussion with House staff indicates that the bill will pass in its present form, and it has passed in its present form.

I ask unanimous consent that the Senate disagree to the amendments of the House, and hereby request a conference on the disagreeing votes.

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

Mr. MANSFIELD. On behalf of the Senator from Montana (Mr. METCALF) I ask unanimous consent that Mr. METCALF, the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Illinois (Mr. PERCY) be appointed as conferees.

There being no objection, the Presiding Officer appointed Mr. METCALF, Mr. HUDDLESTON, and Mr. PERCY conferees on the part of the Senate.

HOUSE JOINT RESOLUTION 898— NATIONAL LEGAL SECRETARIES' COURT OBSERVANCE WEEK

Mr. THURMOND. Mr. President, I send to the desk a joint resolution authorizing the President to proclaim the second full week in October 1974, as National Legal Secretaries' Court Observance Week, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be read for the information of the Senate.

The joint resolution (H.J. Res. 898) was read the first time by title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the second full week in October, 1974, as "National Legal Secretaries' Court Observance Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

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

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

Mr. THURMOND. Mr. President, yesterday the House of Representatives passed House Joint Resolution 898. It has come over to the Senate and is now pending before the Senate.

This resolution honors the secretaries of the Nation, an honor that is justly due.

I am very pleased that the House passed it, and I hope the Senate will see fit to pass it, too.

I have cleared this resolution with the majority leader, Mr. MANSFIELD, the assistant majority leader, Mr. BYRD, the minority leader, Mr. SCOTT, the assistant minority leader, Mr. GRIFFIN, the chairman of the Judiciary Committee Mr. EASTLAND, and the two members of the subcommittee of the Judiciary Committee who handle resolutions of this nature, Mr. MCCLELLAN and Mr. HRUSKA.

Mr. President, I hope that the Senate acts on it at this time.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the reading and passage of the joint resolution.

The joint resolution (H.J. Res. 898) was ordered to a third reading, was read the third time, and passed.

A PROGRAM TO CONTROL INFLATION IN A HEALTHY AND GROWING ECONOMY

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a fact sheet relating to the program to control inflation in a healthy and growing economy which was referred to today in President Ford's address before the joint session of Congress.

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

A PROGRAM TO CONTROL INFLATION IN A HEALTHY AND GROWING ECONOMY

Although our economic system remains sound and strong, with its basic vitality intact, the economy is experiencing severe difficulties. Inflation is far too high. Too many people are having trouble finding employment. The financial markets are out of kilter. Interest rates are exorbitant. Housing is suffering badly. The productive capacity of the economy is expanding too slowly.

The origins of these problems are complex. Part of the problem grew out of several international shocks:

The disastrous world-wide drop in crop production in 1972, which sent food prices soaring.

Two international devaluations of the dollar, which made the United States a more attractive source for other countries to buy scarce materials.

The tripling of crude oil prices, which exerted a powerful and pervasive effect on our entire price structure.

Here at home, a long period of excessively stimulative policies created inflationary pressures that gradually and inexorably mounted in intensity. With that condition prevailing, the economy could not absorb the outside shocks; rather, those have now been built into the system, deepening and extending our problem.

Twice within the past decade, in 1967 and in 1971–72, we let an opportunity to regain price stability slip through our grasp. Thus inflation has gathered momentum and has become the chronic concern of producers and consumers alike. Indeed, today inflation is the primary cause of our recession fears.

Consumer confidence has been shaken, causing most families to hold back on spending, as clearly indicated by the lack of growth in the physical volume of retail sales for the past year and a half.

An "inflation premium" has been added to "true" interest rates, so that we now have mortgages at 9–10 percent and corporate bonds at 10–12 percent. This has warped our financial markets, including the stock market, which were structured for an economy with a relatively stable price level.

Another development that has created a serious economic imbalance is the fact that our civilian labor force has been expanding rapidly. For the size of our labor force, therefore, we are short on capital equipment. During this same period, the effectiveness of price controls in certain sectors—e.g., steel, paper and other basic materials—created specific bottlenecks that limited the production capacity of the entire economy. As a result, unemployment was higher than it otherwise would have been. Also, the dampening impact of price controls on profits held back new capital expansion programs in some of these vital industries.

Thus, because our problems are complex, it is clear that our program to deal with them must be comprehensive. It is also clear that the solution cannot be achieved quickly. There are no simple, instantaneous cures for our difficulties. Discipline and patience are the watchwords.

We must, therefore, have a strong policy of budgetary and monetary restraint to work down the rate of inflation. At the same time, we must provide the means for a healthy long-run growth in the capacity of the economy, correct the imbalances that have developed in recent years, and see to it that the burdens of this effort are shared on an equitable basis. Some further rise in unemployment appears probable, and we will take steps to deal with it. However, we can and will achieve our goals without a large increase in unemployment. There will be no economic depression in the United States.

AMENDING THE EMPLOYMENT ACT OF 1946

The Employment Act of 1946 makes it the policy of the Federal Government to "promote maximum employment, production and purchasing power." Although the words "purchasing power" have sometimes been interpreted as meaning price-level stability, it would nevertheless be helpful to clarify the term and make explicit in the Employment Act the goal of stability in the general price level. The American people have a right to receive from their government stronger assurance that policies will be followed to safeguard the purchasing power of their money in addition to policies that will provide abundant job opportunities and a rising level of living.

We, therefore, suggest that the section of the Act referred to above be amended to read as follows: ". . . for all those able, willing, and seeking to work, to promote maximum employment, maximum production, and stability of the general price level."

INTERNATIONAL COOPERATION

There is much that we and other nations can do to restore the health of the international economy. The economic problems of one nation, as well as its policies for dealing with them, affect other nations. Governments thus have the responsibility not only to maintain healthy economies but also to formulate policies in a way that complements, rather than disrupts, the constructive efforts of others.

This is particularly true for major economic powers such as the United States. Our policies to reduce inflation and restore satisfactory growth are intended to contribute to the strengthening of the international economy. We intend, further, to work with others so that:

We can ensure secure and reasonably priced goods, particularly food and fuel, for all nations.

We can minimize national policy conflicts or distortions that direct resources away from their most productive uses.

We can provide early warning of potential shifts in supply and demand so that nations can avoid potential disruptions.

We can try to harmonize national efforts in such areas as conservation, investment and balance of payments management.

A small delegation led by Ambassador Eberle departed today for Canada, Europe and Japan to discuss the policies described herein and to explore how we can better address and resolve common problems in a mutually supportive fashion.

A cornerstone of our international efforts is the multilateral trade negotiation scheduled to begin this fall. Passage of the Trade Reform Act will provide the United States with an opportunity to help improve the international trading order and to ensure that United States interests are well served therein. Without this bill, the United States will be regarded abroad as lacking the tools or the interest to build multilateral solutions to pressing economic problems. With it, the United States can play a leadership role in negotiating guidelines to reduce distortions of trade and investment that force workers or farmers in one nation to pay for the economic policies of another nation. We can also work toward a multilateral system of safeguards that provide for temporary—but only temporary—limits on imports when there is a need for certain industries to adjust smoothly to economic shifts.

FOOD AND FIBER

Food prices are of major concern in our fight against inflation. Because of weather problems and heavy demands from around the world, food prices are anticipated to increase at an annual rate of 10 percent or more over the next 18 months. Only by expanding farm production, improving productivity, and containing foreign demand can we hope to reduce the rate of increase.

Increased production offers our brightest hope for combating inflation, and we are committed to a program of all-out food production. There are presently no government restrictions on planting of wheat, feed grains, soybeans and cotton (excluding extra-long-staple cotton). To remove restrictions on rice production, we support pending legislation, but with a noninflationary target price. In addition, new legislation, which we support, has just been introduced to remove restrictions on the production of peanuts and extra-long-staple cotton.

Farmers must be assured of adequate supplies of fertilizers and fuel. The Secretary of Agriculture has been directed to work with the interagency Fertilizer Task Force to establish a reporting system. Fuel will be allocated if necessary. Authority will be sought to allocate fertilizer, if that is needed. We will work with fertilizer companies to initiate voluntary efforts to reduce nonessential uses of fertilizer.

Over the past weekend the Federal Government initiated a voluntary program to monitor grain exports. We can and shall have adequate supplies at home, and through cooperation meet the needs of our trading partners abroad. A committee of the Economic Policy Board will be responsible for determining policy under this program. In addition, in order to better allocate our supplies for export, the President has asked that a provision be added to Public Law 480, under which we ship food to needy countries, to waive certain of the restrictions on shipments under that Act on national interest or humanitarian grounds.

The U.S. Department of Agriculture and the National Commission on Productivity have been directed to help reduce the cost of food by improving efficiency in the agricultural sector. The Department and the Council on Wage and Price Stability will review marketing orders to insure that they do not reduce food supplies. Government regulations will be examined to eliminate those that interfere with productivity in the food processing and distribution industries.

Upward pressure on U.S. food prices will be reduced by helping developing nations to become more self-sufficient. We will share our advanced agricultural technology and aid in the construction of new fertilizer plants. We will support food reserve and emergency food aid programs. We are also taking steps to assure that the burden of the current tight feed grain situation is equitably distributed.

While increased food supplies are the only effective weapon against higher food prices in the long run, it takes time to grow those supplies. We cannot expect to see immediate benefits from the initiatives outlined here. We can, however, be confident that policies to maximize food and fiber production and to restrain food price increases are being pursued vigorously.

ENERGY

I. General statement

Expensive petroleum from insecure foreign sources jeopardizes national security, increases worldwide inflation and places strains on the international financial system. Therefore, in order to reduce United States dependence upon foreign supplies of energy, the President has decided upon the following program to meet the current energy challenge.

The immediate objective is to reduce oil consumption one million barrels per day by the end of 1975 below what it would have otherwise been without affecting industrial output. This energy program calls for both mandatory and voluntary action.

If immediate reductions are not achieved through the energy program presented today, the President will seek more stringent means to insure that United States dependence is reduced.

II. Develop a new conservation policy

During the embargo last winter, Americans responded to energy conservation voluntarily. Now, though the crisis is less obvious, Americans must continue to apply voluntary restraint in the use of energy. As part of our continuing effort to conserve energy, the individual American and the American Industry and Government must think and act conservation, of not only energy but also resources and commodities that are used in our day to day life.

III. Specific program

A. Submit Legislation to Require Use of Coal and Nuclear for New Electric Power Generation and Conversion for Existing Plants

The Administration's policy is to eliminate oil and natural gas fired plants from the Nation's mainland baseloaded electric capacity where it is feasible to convert to coal or nuclear without endangering public health. A meeting of representatives from the utilities, the coal and nuclear industries, state regulatory commissions and the relevant Federal agencies will be called by FEA to establish within 90 days a schedule for phasing out enough oil-fired plants to save 1.0 million barrels per day and to provide a list of actions required to ensure that the schedule is met. Any legislation necessary to accomplish this goal will be submitted afterwards.

Relevant considerations inherent in such a program are as follows:

Potential for conversion

Existing oil and gas plants that are convertible, .75 MM b/d.

Future plants (before 1980) scheduled for oil or gas (30,000 MW), 1.0 MM b/d.

Total, 1.75 MM b/d.

(Goal (allowing for cases where conversions will not be attempted), 1.0 MM b/d.

Costs

A. Because future plants are in varying stages of planning and development, total cost of one million barrels per day conversion is not known.

B. However, report from utilities included in "existing plants" category above indicates that 750 thousand b/d conversion costs total $106 million. It should be noted that these costs are considerably lower than what it would cost to continue burning oil at current world prices.

Illustrative comparison of cost of using coal vs. oil (based on 1 million barrels/day)

Cost of coal equals $6 million (at $25 ton).

Cost of residual equals $12.0 million/day (at $12.00 barrel).

Savings equals $6.3 million/day or $2.2 billion/year.

There are approximately 500 coal fired units that will not meet state regulations as of June of next year. However, most of these could meet the primary air quality standards (i.e. standards to protect human health). These plants use 185 million tons (⅓ of the nation's total coal consumption) of coal per year. This program would allow these plants to continue to burn coal, thus easing additional pressure on oil supplies.

B. Defense Production Act

The Defense Production Act will be used selectively to ensure sufficient supplies of scarce materials needed for energy development projects. This Act was recently invoked to give priority to the delivery of supplies to expedite construction of the Trans-Alaskan pipeline terminal facilities.

C. Automobile Industry Must Develop Program for Gasoline Savings

During the past two sessions of Congress, legislation to require fuel saving on new automobiles has been considered. Pursuant to the Energy Supply and Environmental Coordination Act of 1974 a specific study of one aspect of this question is now underway. Unfortunately, the sum total of legislative requirements on automobile manufacturers has often caused confusion, additional cost to the consumer and unworkable deadlines. Therefore, the President is requesting the major automobile manufacturers to submit a five-year schedule of their plans to produce more efficient automobiles. Goals on efficiency for industry to meet will then be established. If necessary, the President will present legislation to the Congress for consideration.

D. Industry Must Conduct Energy Audit and Develop Savings Programs

During the last six months, it has been demonstrated time and again that individual companies can cut energy usage dramatically. Nationwide, the potential savings for all industries under a strict conservation program can be significant. The President has requested the Secretary of Commerce to develop energy use guidelines which will suggest ways for industry to use energy more efficiently. The Secretary will also report on energy savings in specific industries, and communicate that information to businessmen across the nation. In addition, the Commerce Department will monitor to determine areas of energy misuse within industry, and suggest alternatives to stop such waste.

E. More rigid compliance with the maximum speed limit of 55 miles per hour; suggest new traffic control measures

The 55 mile speed limit set by Congress earlier this year has saved at least 250,000 b/d of petroleum. The Administration will emphasize the importance of rigid enforcement of this limit by State and local law enforcement agencies. In addition, the President is directing the Secretary of Transportation to work with State officials to suggest additional traffic control measures for conserving gasoline.

F. Further Conservation Within Government

The effects of energy conservation efforts within government has been dramatic. Most agencies have far exceeded their goals. However, governmental conservation programs will be made stricter, and enforced more vigorously. As a top priority, a review will be made of all governmentally imposed impediments to energy conservation, in so far as they adversely affect the day-to-day programs of both the government and the private industry operations.

Specific actions mandated and underway, or to be taken:

Thermostats lowered to 68 degrees in the winter and raised to 78 degrees in the summer.

Lighting reduced in public buildings.

Speed limits on government vehicles reduced.

Cut backs ordered in the number of trips taken, including miles driven and miles flown.

Car pooling locators to be set up within metropolitan government bases.

Parking spaces to be allocated on a priority basis to car poolers.

Smaller automobiles to be purchased to replace larger cars.

Decorative lighting to be reduced.

Outside lighting to be reduced.

Voluntary Conservation Actions:

G. Reduce Energy Consumption in Commercial Buildings

The commercial sector of the economy accounts for almost 15% of our total energy use. Studies have shown that commercial energy requirements can be significantly reduced by improved efficiency measures, and by taking positive steps to reduce lighting, heating and air conditioning. A 10% reduction in this sector can save the equivalent of approximately 500,000 barrels of oil per day.

H. Reduce Energy Consumption in Residences

Residential consumption of energy accounts for approximately 20% of total energy use. Prudent use of heating and air conditioning, reduced usage of hot water, lighting and appliances, and improved home insulation has the potential for saving the equivalent of well over one million barrels of oil per day. These steps would also, of course significantly reduce energy costs for the consumer.

I. Reduce Gasoline Consumption

About one-third of all automobile travel consists of commuting to and from work. If the average number of passengers per commuter auto were to increase by one, a reduction in gasoline usage of well over 500,000 barrels per day could be achieved. The resulting lower consumption would also reduce the commuters out-of-pocket costs for high priced gasoline.

Regarding specific voluntary actions relating to (a), (b) and (c), the Administration will:

Encourage everyone to lower thermostats in the home in the winter and raise them in the summer.

Ask architects to design buildings with energy conservation in mind.

Ask motorists to keep cars tuned and maintain proper tire pressure.

Ask everyone to reduce temperature settings on hot water heaters.

Ask everyone to turn off pilot lights on furnaces in the summer.

Encourage everyone to use cold water for laundry.

Encourage the use of public transportation.

Urge an increase in the use of car pools.

Urge reduction in use of nonessential home appliances.

Urge reduced use of stoves, refrigerators, televisions, electric lights, washing machines.

Encourage home owners to insulate and install storm windows.

Urge turning off outside gas lights.

Urge measures to increase the load factor on airline flights.

J. Request State and Federal Regulatory Authorities to Eliminate Rate Schedules Which Encourage Excessive Energy Consumption

The utility industry, under both state and federal regulations, have often developed rate structures that encourage increased energy consumption. Regulatory authorities should seek to design rate structures that encourage maximum energy conservation, promote use of generation capacity in off-peak periods, and only charge individual categories of users the cost of the power they actually consume.

K. Natural Gas Supply Act

Natural gas is an invaluable source of clean, environmentally sound energy. For fifteen years, the Federal Power Commission has controlled and kept low its wellhead price, and thus reduced incentives to the development of new domestic supplies. In 1957, new discoveries of natural gas totalled approximately 22 trillion cubic feet. By 1972 this had fallen to less than three trillion cubic feet. In 1955 the U. S. had a 22.5 year supply of gas reserves, and in 1972 only 10.7 years.

The nation is now importing foreign liquefied gas (LNG) at prices three times controlled domestic price. The nation faces continued and increasing rates of curtailment of gas being supplied to current users, including gas for agricultural production.

The only real solution to the supply problem lies in deregulation of new gas, so as to stimulate production.

Legislation to achieve this result has long been stalled in the Congress. This logjam must be broken, so that domestic gas reserves may be identified and brought into production as quickly as possible.

L. Naval Petroleum Reserves—Permit Maximum Production From Reserve #1 (Elk Hills) and Implement Full Scale Exploration and Development of Production Capability of Reserve #4 (Alaska)

At the present time, two Naval Petroleum Reserves, Elk Hills, California (NPR #1), and NPR #4 in Alaska, could, if fully developed, provide significant production capability. Elk Hills is about 50% developed but needs further development to place it in a state of readiness. It is estimated that production capability of 160,000 barrels per day could be achieved within two months, with the long term maximum efficient rate of production at about 267,000 barrels per day. The estimated potential of NPR #1 runs as high as 1.7 billion barrels. The vast tract in Alaska, NPR #4, is largely unexplored but offers a significant potential for development. Recoverable reserves are estimated to be as much as 30 billion barrels.

The statutory authority for the naval petroleum reserves, and oil shale is included in Chapter 641, Title 10, U.S. Code. Key provisions in the authority provide that the reserves shall be used and operated for:

(1) The protection, conservation, maintenance and testing of the reserves.

(2) The production of petroleum, gas, oil shale or products thereof, whenever and to the extent the Secretary of the Navy, with the approval of the President, finds that it is needed for national defense and production is authorized by a joint resolution of Congress.

The President is directing the Secretaries of Defense, Navy and Interior, within the next 90 days, to develop proposals (including any needed legislation) directed toward the exploration and development of NPR #4 as rapidly as possible.

M. Clean Air Act

The Clean Air Act Amendments of 1970 represent a landmark in our progress toward environmental protection, and definite progress is being made in cleaning up the Nation's air.

The Act describes very stringent guidelines for compliance by mobile and stationary sources. Many of these goals are achievable as drafted. In some cases, however, more flexibility is needed to achieve the objectives of the Act and to allow use of coal, the nation's most abundant domestic energy source. The amendments that have been transmitted to the Congress by the Administration would provide this needed flexibility to effectively respond to the nation's energy problems without jeopardizing the Act's health related requirements. Passage of all of these amendments will not diminish continuing efforts for a cleaner environment.

N. Surface Mining

Coal is the nation's most abundant and available energy resource. The Administration has proposed and long supported surface mining legislation that would allow continued and accelerated development of domestic coal reserves with appropriate protection of environment values.

Severe problems still remain with some of the provisions of the legislation which has passed both houses of the Congress. Its enactment as now drafted could involve not only serious production losses but inflationary cost impacts throughout the entire economy.

Secretary Morton and his staff have been working closely with the committee to resolve the most important of these problems, including surface owner protection provisions, funding absolute prohibitions of mining in certain areas, unnecessarily broad statements of purposes, and provisions for multiple litigation that could delay or halt ongoing production efforts.

O. Nuclear Plant Licensing Bill

The 9-10 years now required to bring nuclear power plants on line must be reduced. Towards this end, Congress should pass the Nuclear Plant Licensing Bill which will expedite licensing and construction power costs, and accelerate U.S. enerbgy self-sufficiency.

P. Windfall Profits Tax

Since 1973, the prices that may be charged for domestic crude oil production have been strictly controlled by the Cost of Living Council and the Federal Energy Administration (formerly the Federal Energy Office).

Various measures are available to stimulate production from our existing fields by adjusting these controls. Such adjustments are needed on a priority basis, but they could generate sudden profit increases for companies producing oil.

The Administration has proposed a windfall profits tax that would cushion this shock and reduce such profits, and this requires prompt action by the Congress. Expeditious enactment of this tax measure is necessary to maximize production without undue enrichment of the industry.

Q. Deepwater Port Facilities Act

Pending legislation would authorize the Federal Government to grant permits for the construction and operation of offshore oil terminal facilities. Such facilities would allow imported oil to be transported more safely and economically on very large crude carriers, and reduce tanker traffic in the nation's already overcrowded harbors. It would encourage the construction of domestic refineries and thus lessen U.S. dependence on imported products from foreign refineries. An extensive environmental impact statement already prepared indicates that the amount of oil spilled in the nation's harbors and coastal regions will be reduced by these facilities.

R. Energy Research and Development Administration, ERDA

The President is urging to complete consideration of legislation to create ERDA before the recess. ERDA's mission will be to develop technologies for efficiently using fossil, nuclear and advanced energy sources to meet growing needs and in a manner consistent with sound environmental and safety practices. The agency will have responsibility for policy formulation, strategy development, planning, management, conduct of the energy R&D and for working with industry to assure that promising new technologies can be developed and applied.

S. Accelerate Oil Leasing of Federal Lands on the Outer Continental Shelf

Prospects for large, new discoveries of onshore oil and gas deposits in the lower 48 states are small. For this reason, leasing of the Federal OCS must be greatly accelerated with a target of ten million acreas annually in 1975. This is an amount 5-times larger than the 2 million acres expected to be leased during 1973. To sustain this schedule it will be necessary to lease frontier areas off Alaska, California and the Atlantic coast. The accelerated leasing program will comply with all provisions of the National Environmental Policy Act, and every step will be taken to insure that development will be carried out under environmentally sound conditions. The President has directed the Secretary of Interior to meet with coastal state officials to establish the program needed to rapidly develop Outer Continental Shelf resources.

T. Incentives to Secondary and Tertiary Production

Under current technology, 65 billion barrels of oil would be left in the ground in known reservoirs. Some existing price controls have a tendency to discourage increased production from existing oil fields, especially declining fields. The President has directed the adjustment of these controls so as to maximize incentives to use secondary and tertiary production methods in such cases.

U. Coal Leasing of Federal Lands

The government intends to complete steps to resume leasing of federal lands in 1975 to develop the vast coal resources underlying these lands. Increased world oil prices have forced the nation to look to alternative supplies of energy. The nation's most plentiful resource is coal, with over 1.5 trillion tons beneath the surface of America; public lands alone contain 200 billion tons. The President has directed Secretary of the Interior Rogers C. B. Morton to complete the requisite environmental impact statements and move to establish a program for leasing coal on Federal lands in 1975 that will insure the availability of this resource when needed for immediate production.

V. Leasing Public Lands for Oil Shale and Geothermal Development

Early this year, the government leased 18 tracts in known geothermal areas. Ten of these tracts, located in the Geysers Field of Northern California, can supplement efforts on private lands that have already proven to be of commercial value. The remaining tracts, in the Imperial Valley of California, offer a testing opportunity—tapping hot, mineralized water for commercial use as an energy source.

Early this year, four oil shale tracts were leased in Colorado and Utah which are expected to be of commercial value. Developmental work, already underway, will assess the economic and environmental feasibility of exploiting this vast oil shale resource—estimated as containing 400 billion barrels of oil in the western United States.

The Administration will immediately reevaluate the government's oil shale and geothermal leasing programs with a view toward encouraging more rapid development of these resources.

W. Completion of Plans to Bring Alaskan Gas to Market

Exploration and development of natural gas in Alaska is moving very rapidly. By next

year, the basic information will be available to determine whether Alaskan gas should be brought to the U.S. via a pipeline across Alaska or a pipeline across Alaska and through Canada. In response to a congressional mandate, environmental and economic analysis for each alternative is under way, and should be completed early next year. With the completion of these studies and plans, the President will determine whether and what legislation is needed to expedite access to this large source of environmentally clean energy.

INCREASING THE PRODUCTIVE CAPACITY OF THE ECONOMY

In the long run, the answer to inflation is an economy with sufficient productive capacity to meet the demands of its people. This growth can be accomplished in three interrelated ways: First, through a better-trained, better-motivated and healthier work force. Second, through a larger and more productive stock of plant and equipment. Third, through an increase in the operational efficiency of workers and their equipment—in short, by working smarter.

Increasing investment

To accelerate the growth of capital investment, the President is calling for an increase in and a restructuring of the investment tax credit. The credit will be increased from 7 to 10 percent; for utilities the increase is from 4 to 10 percent. The restructuring of the credit will eliminate existing restrictions that now limit the incentive value of the credit and that discriminate unfairly between types of taxpayers and investments that qualify for the credit. (See Tax Proposals.)

Strengthening the capital markets

The financial markets are the centerpiece of our economic system. Healthy and freely functioning markets to bring together savers and investors are crucial to the expansion of the nation's plant and equipment, which in turn is essential to the creation of new jobs and also to the growth of productivity that permits a rise in our standard of living. Every American has a vital stake in the vitality of our financial markets.

The most important thing that we can do to restore the glow of health to our capital markets is to get control of inflation. A rapidly rising price level is the bitter enemy of savings and investment.

As part of this anti-inflation effort, we will take a step that will also have, of itself, a direct beneficial impact on our financial markets. That step is to move toward a balanced budget, and to end the drain that past deficits have made on our capital markets. This would mean that more of the savings generated by our private economy could be used for new productive investment.

And in this context, we must also take account of the demands of the off-budget agencies of the Federal Government, and Federal credit guarantees (for housing, student loans, etc.) as well.

We must create a better environment in the financial markets for equity capital. In recent years, corporations have been unable to raise adequate new equity capital. They have been adding heavily to their debt, however, and as a result the capital structure of business has been getting out of balance, with too much debt and too little equity. This is especially true for our electric utilities.

As a contribution toward the solution to this problem and also to improve the health of our financial markets and to encourage investment, the President has proopsed tax legislation to provide that dividends paid on qualified preferred stock be allowed as a deduction to the paying corporation.

The Administration also supports strongly the Finnancial Institutions Act of 1973 (see Thrift Institutions), and the securities reform legislation pending in Congress that would authorize the Securities and Exchange Commission to establish a national market system for securities transactions. We are also working with the Congress to revise the treatment of capital gains and losses in such a way as to increase efficiency in the flow of capital.

In addition, we support pending legislation to eliminate the withholding tax on interest and dividend income accruing to foreign holders of U.S. securities. Elimination of this would stimulate a larger flow of funds to capital markets in the United States.

CREDIT ALLOCATION

An issue that has been widely debated in recent years is whether or not the Federal Government should intervene directly into the financial markets to require banks and other credit institutions to make more loans for socially desirable purposes and less for "unproductive" purposes. In our view, allocation of credit by the Federal Government would be highly undesirable. There is no basis for believing that the Government could in fact allocate credit in a way that was acceptable to the American people.

However, the Federal Advisory Council, a statutory body that advises the Federal Reserve Board, has suggested constructive guidelines for credit extension by the banks on a voluntary basis. The Federal Reserve Board has endorsed these guidelines, and expects compliance by the banks.

ANTITRUST

The elimination of outmoded government regulation must of course be accompanied by dedicated and vigorous enforcement of the antitrust laws. Violation of these laws is a serious crime. Only through maintenance of vigorous competition can we realize the benefits of less regulation. Our efforts must be strengthened. We will focus particularly on more effective enforcement of the laws against price fixing and bid rigging. These types of activities which increase prices substantially cannot be permitted.

Illegal fee schedules in the professions and in real estate closings must also be eliminated. Such conduct will be prosecuted to the full extent of the law.

To support this intensified enforcement effort, the President has asked for legislative enactments in two areas. First, we must increase the penalties associated with antitrust violations—for corporations the maximum fine should be increased from $50,000 to $1 million while for individuals it should be increased from $50,000 to $100,000. Second, we must strengthen the investigation powers of the Antitrust Division of the Department of Justice. This can be accomplished by speedy passage of the Administration's legislation now pending before the Congress that would amend the Antitrust Civil Process Act, and to provide laws which would give enforcement agencies greater capability to detect bid rigging.

GOVERNMENT REGULATION

The Federal Government imposes many hidden and inflationary costs on our economy. Laws and regulations have been put into effect with little concern for the underlying costs. These billions of dollars of increased costs are passed on to American consumers in the form of higher prices. A broad program will be undertaken to attack this problem and to identify opportunities for change. These proposals could save billions of dollars, which could then be devoted to more productive investments. They would also reduce the visibility and impact of government on the American people.

The Council on Wage and Price Stability will act as a continuing watchdog on the inflationary actions of the Executive Departments and agencies to uncover laws and regulations that raise costs and stifle economic flexibility and initiative. We need to eliminate or alter many restrictive practices of the Federal Government in areas such as transportation, labor and agriculture—practices that unnecessarily increase the overall costs of goods and services. Both the Conference on Inflation and the Joint Economic Committee recommendations support this approach. The Council will devote a very substantial part of its effort to this function.

National Commission on Regulatory Reform

The independent regulatory commissions, through their broad policy determinations and individual case decisions, create a body of regulatory policy separate and apart from that of the rest of the Executive Branch. The President will submit legislation to create National Commission on Regulatory Reform to examine the policies, practices and procedures of these Agencies and develop appropriate legislative and administrative recommendations. Its membership should include Executive Branch, Congressional, and private sector representation.

Inflation and job impact statement

The President will require all executive agencies to develop Inflation Impact Statements to assess the inflationary consequences of major legislation or regulations prior to the agency taking action. Such an impact statement would sensitize government decision-makers to the broader consequences of government activities, and to the tradeoff of costs versus benefits in government programs.

The President recommends that the Congress set a similar requirement for itself. The proposed Commission on Regulatory Reform should examine the feasibility of legislation requiring independent regulatory agencies to do a similar preanalysis of their actions.

Speedier adjudication and proceedings

New approaches are required to eliminate the interminable delays often created before regulatory matters are resolved. The courts and the independent regulatories are urged to develop new approaches to assure prompt resolution of pending matters. The Executive Branch will undertake a similar effort.

States and local governments

Other governmental units are urged to undertake a similar broad program to bring under control the inflationary influence of government at all levels.

Enactment of pending legislation

There are several important pieces of legislation now pending before Congress, whose enactment would help to reduce the burdens now imposed on the economy by government activities. These include the Surface Transportation Act, the Financial Institutions Act, Trade Reform, and the creation of a Paper Work Commission to review the administrative "bookkeeping" requirements levied by government on the private sector, Congress is urged to move swifty to enact these measures.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability will devote primary emphasis to two functions: First, it will act as a watchdog on the actions of the Executive Departments and Agencies of the Government that raise costs and impede competition. It will recommend needed changes in administrative procedures, and changes in legislation where necessary, to correct these practices.

Second, it will monitor wage and price movements in the private sector. In general, the Council will carry out this function by seeking the full, voluntary cooperation of labor, industry, and the public to solve problems of mutual concern. The Council will cooperate fully with the President's new Labor-Management Committee. In addition, the Council has the power to conduct public hearings and intends to use it to explore the justification for price and wage increases, as appropriate.

Among other duties the Council on Wage

and Price Stability will work with the Cabinent Committee on Food and the Interagency Fertilizer Task Force. Also, in dealing with specific sectors in which price pressures are particularly virulent, efforts will have to be concentrated on food, energy, construction, medical care and primary industrial capacity.

The Council, however, will not be a wage and price control agency. Controls do *not* stop inflation; they did not do so the last time around nor even in World War II when prices increased despite severe rationing.

Indeed, controls can make inflation worse. They often create shortages, hamper increased production, stifle growth and cause unemployment. Ultimately, they can cause the fixer and black marketeer to flourish while decent citizens confront empty shelves and long waiting lines.

NATIONAL COMMISSION ON PRODUCTIVITY

Increased productivity—working smarter to increase the total economic output of our work force and equipment—is a vital component of the drive to increase production. This long-term goal will be pursued by a revitalized National Commission on Productivity. The Commission will also extend and deepen the drive to increase productivity in government—Federal, state and local. It is important that government set a good example of leadership in this effort, and we may be sure that there is no shortage of opportunity for productivity in the operations of government. The rest of its effort will be in the private sector, with primary emphasis on meaningful programs at the plant level. Special attention will be devoted to food, transportation, construction and health-services.

EMPLOYMENT ASSISTANCE

Increases in unemployment have raised the Nation's unemployment rate to 5.8 percent in September. During this period of high inflation and unemployment, there is a need for Federal standby authority with minimal inflationay impact, which will help alleviate the impact of unemployment should unemployment rates rise. Such action is necessary to help alleviate unemployment problems in areas most affected and to assure that the impact of inflation does not unduly burden those workers least able to bear the costs.

The National Employment Assistance Act of 1974 would respond to these needs by authorizing, during the next 18-month period two programs which would begin to operate should the national unemployment rate average 6 percent or more for 3 months:

(1) A temporary program of income replacement known as the Special Unemployment Assistance Program for experienced unemployed workers in areas of high unemployment who have exhausted all other unemployment compensation or who are not eligible for such compensation; and

(2) A program of employment projects for these same areas, known as the Community Improvement Program.

While the primary purpose of the two programs is to alleviate the hardships of unemployment upon individuals, it will also alleviate the adverse impact on those local economies hardest hit by unemployment.

The unemployment assistance benefits serve to cushion the effects of protracted unemployment by providing additional income replacement to workers who have either exhausted their regular unemployment compensation benefits or to individuals with a demonstrated labor force attachment not otherwise eligible for unemployment insurance benefits. Not only does this replace lost income, but it provides workers with the time and opportunity to look for work consistent with their skills and experience.

The table below shows funds and services now available under Unemployment Compensation laws and the Comprehensive Employment and Training Act (CETA). It also indicates how much would become available over a twelve month period for current unemployment programs, and for the two new proposed programs, at average national unemployment levels of 6 percent and 6.5 percent. Title II of the National Employment Assistance Act would make a further $1 billion available if national unemployment exceeded 7 percent on average for three months or more.

	5.8 percent	6 percent	6.5 percent
CETA public service jobs:			
Funds (millions)	$1,015	$1,015	$1,015
Jobs	170,000	170,000	170,000
CETA other training and employment:			
Funds (millions)	$1,700	$1,700	$1,700
Man-years	380,000	380,000	380,000
Unemployment benefits (current law) (millions):			
Payments	$7,775	$8,145	$9,065
Beneficiaries	7.9	8.2	9.2
		(annual rate)	
National Employment Assistance Act:			
Special unemployment benefits (millions):			
Payments		$2,120	$2,550
Beneficiaries		$2.73	$3.31
UI exhaustees		($.83)	($1.05)
Previously ineligible		($1.9)	($2.26)
Community improvement projects:			
Funds (millions)		$500	$1,250
Man-years of employment		83,000	208,000

The initiation of temporary projects by State and local governments is perhaps the least inflationary way of providing jobs for unemployed workers. Jobs provided by these projects help to cushion the loss of income due to unemployment, while enabling State and local governments to provide their citizens with a socially useful product.

Because projects under this program will be generated in and geared to areas with high unemployment in which there exists a substantial amount of available manpower, there should be little or no adverse impact on the regular labor market. There is a limit of $7,000 a year for jobs authorized by this program and therefore the average wages will be considerably less than those earned in the private sector. Most workers will obtain private jobs as the economy grows.

The added cost of Community Improvement Projects may be offset somewhat by reduced demand for food stamps and welfare payments, and by some increase in tax receipts from employees in these projects.

Basic funding provisions of the National Employment Assistance Act

Funds for both the Special Unemployment Assistance Program and the Community Improvement Program become available when the national unemployment rate reaches 6.0 percent on average for three consecutive months. For the Special Unemployment Assistance Program, such funds as are necessary are authorized if unemployment is above this level. For Community Improvement Program, successive increments of funds are authorized if the national unemployment level reaches, for three consecutive months an average of:

6.0 percent—$500 million dollars authorized;

6.5 percent—another $750 million dollars authorized; and

7.0 percent—an additional one billion dollars authorized.

When the national unemployment rate recedes below these respective levels for three consecutive months on average, Federal funds for new projects will cease.

Eighty percent of the available funds for Community Improvement Projects will be distributed by formula among eligible applicants based on (1) the relative number of unemployed residing in areas of substantial unemployment within their jurisdictions, and (2) the severity of unemployment; 20 percent would be expended at the discretion of the Secretary, principally to finance projects in areas which become eligible after the formula distribution is made.

The local labor market area—and balance of State—unemployment rates determine the communities in which both programs will be operating. Both programs are directed to those areas in which unemployment is highest. Both programs come into effect in a labor market area, with a population of 250,000 or more, when it has an unemployment rate equal to or in excess of 6.5 percent for three months on average. The balance of each State not included in such areas will constitute a single area in which the programs will become effective subject to the same unemployment rate criterion. When the local unemployment level recedes below 6.5 percent on average for three consecutive months no new individuals become eligible and no new projects may be started.

Special unemployment assistance program

This new temporary unemployment assistance program will be separate from but supplemental to the existing Federal-State Unemployment Insurance (UI) System, and is designed to extend coverage to experienced persons in the labor force who have exhausted their UI benefits or are otherwise ineligible for such benefits. The program would be operated through agreements with the States. All experienced members of the workforce will be eligible for benefits as follows:

They must have last worked in a labor market area (or balance of State area) with substantial unemployment.

Benefits will be governed by benefit provisions of each State UI law.

Individuals who had exhausted their benefits under State UI programs will be eligible for a maximum of 13 weeks benefits.

Individuals who were not previously eligible for State UI benefits will be eligible for a maximum of 26 weeks provided that they have attachment to labor force as required by the relevant State UI law.

Benefits for UI ineligibles will generally be the amount that would be payable as computed under State law if all work was performed for covered employers.

No new beneficiaries would be eligible after June 30, 1976.

Community improvement program

New program is structured so that as the national employment rate rises, more money is available for community improvement projects.

Projects are limited to areas eligible for the Special Unemployment Assistance Program.

Eligible applicants are prime sponsors under the Comprehensive Employment and Training Act, in areas that qualify.

Projects may be with State or local government agencies.

Each Community Improvement project is limited to 6 months duration.

Not more than 10 percent of a sponsor's funds may be used for administrative costs, supplies, material, and equipment.

Individuals eligible for employment on these projects are those who have exhausted their benefits under the Special Unemployment Assistance Program.

Wages paid project employees must be at least the minimum wage under the Fair Labor Standards Act, or the State or local minimum wage, whichever is higher; however, in no case may the wage exceed an annual rate of $7,000. State or local governments may not supplement wages with their own funds.

Prohibitions against political activities and discrimination apply to the program.

The Community Improvement Program will provide funding for projects such as conservation, maintenance, or restoration of nat-

ural resources, community beautification, anti-pollution and environmental quality efforts, economic development and the improvement and expansion of health, education, and recreation services and such other services which contribute to the community.

INTERIM HOUSING AID

President Ford proposed extending, on a temporary basis, the advantages offered by the Government National Mortgage Association (GNMA or Ginnie Mae) to mortgages which are not Federal Housing Administration (FHA) insured or Veterans Administration (VA) guaranteed—so called "conventional" mortgages. Three billion dollars—an amount sufficient to finance about 100,000 new homes—would be available. The proposed program will be in addition to the over $19 billion of Federal funds that have been made available over the past year for the purchase of mortgages to supplement the buying power of hard-pressed thrift Institutions.

GNMA currently aids in creating a supply of credit for mortgages on new homes insured by FHA or guaranteed by VA—about 20% of the total mortgages—at reasonable interest rates by:

Assuring, through commitments in advance, purchase of mortgages at a pre-determined price.

Subsidizing market interest rates to lower levels in the event interest rates do not fall after commitments are made.

Guaranteeing, on a "full faith and credit basis," obligations secured by such mortgages.

Housing industry situation critical

Over the past 22 months;

Housing starts have dropped from 2.51 million units to 1.13 million units.

Unemployment in the construction industry is 12.4 percent and climbing, with almost a half million construction workers now unemployed.

Many homebuilders are in financial difficulty.

President Ford's proposal for interim housing aid

By making conventional mortgages on new homes eligible for purchase by GNMA, builders and homebuyers will be assisted where home mortgage credit is scarce or nonexistent.

1. Level of commitments. Aggregate amount of commitments and mortgages which GNMA could hold at any time, i.e. have purchased and not resold, could not exceed $7.75 billion. A program of $3 billion of mortgage commitments, or enough to finance about 100,000 new homes, is contemplated. The precise amount would be determined on the basis of market conditions at the time the new authority becomes law, and additional programs would be activated as circumstances require.

2. Mortgage amounts, discounts, interest rates, and downpayment requirements. Subject to Congressional approval the program would provide for a maximum mortgage amount of $45,000. The effective interest rate would be determined on the basis of market conditions at the time the program went into effect and would be somewhat above the rate offered on GNMA tandem programs for FHA/VA mortgages—presently 8¾%. Twenty percent downpayments would be required with an exception for down to 5% downpayments if the additional mortgage amount is covered by a qualified private mortgage insurance contract so as to minimize cost of mortgagor defaults.

3. GNMA disposition of conventional mortgages. Following the precedent of existing law, GNMA could, depending upon market or other factors, sell mortgages to the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC), sell mortgages or commitments with provision for pooling by FNMA or FHLMC or other approved issuers and sale by such issuers of GNMA-guaranteed "pass through" securities or bond type securities on the market or to the Federal Financing Bank or sell guaranteed "pass through" securities to the Federal Financing Bank.

4. Cost and budget implications. Any subsidy would be paid out of corporate funds and ultimately from Treasury borrowing. Dollar amount of mortgages purchased would not be excluded from budget authority, but would appear as outlays in any fiscal year only to the extent they are not offset by sales that year. Assuming (i) all mortgages purchased in a given fiscal year were sold in that year, (ii) a face interest rate of 9¼%, (iii) no discount points on GNMA purchase and (iv) an average market rate at time of GNMA sale of 10%, the budget outlays per each billion dollars of mortgages would be about $50 million.

PUBLIC UTILITIES

The problems of our public utilities are extremely serious. More than anything, they are suffering from the effects of inflation—in particular the explosion in oil prices but also from high interest rates. Their inability to raise all the capital they need is forcing them to reduce construction plans, which causes unemployment today and the real threat of brown-outs tomorrow.

The most fundamental part of the solution to these problems is for increases in the cost of electricity, reflecting high prices for fuel, to be paid by the consumers. This means higher rates, as painful as they are.

In the past, the utilities industry has developed rate structures that encourage excessive energy consumption. These promotional rates are often at lower levels than the cost of the energy provided, and thus give a perverse incentive at a time when conservation is our goal. Regulatory authorities should eliminate such rate schedules promptly.

While the Federal Government will not pre-empt the regulatory functions of the States, the States must meet their responsibilities fully.

In addition, the restructuring of the investment tax credit and its increase from 4 percent to 10 percent for the utilities (the same as for businesses generally) will assist these companies in overcoming their financial problems. The new proposal that dividends paid on qualified preferred stock also be allowed as a deduction to the paying corporation will also help the utilities improve their capital structure, and energy conservation measures, mandatory and voluntary, will hold down future financing requirements of utilities.

THRIFT INSTITUTIONS

Our savings institutions are another victim of the twin scourges of high inflation and high interest rates. To correct this situation, we must bring inflation down. However, we must also provide the means for the thrift industry to restructure itself—to give these institutions the ability to compete on an equal basis in the financial markets and to operate effectively under all interest-rate conditions. To this end, we urge prompt passage of the Financial Institutions Act of 1973.

The Act will reduce the structural differences between commercial banks and thrift institutions, primarily by permitting the thrift institutions to engage in additional deposit and credit activities. Passage of this Act would provide a broader range of financial services for consumers and a higher rate of return for savers. It would improve income and liquidity in the thrift institutions. The Act also contains provisions that will improve and support the mortgage market.

In addition, we support the proposals now under consideration in both the House and Senate to increase Federal insurance on private deposits. We recommend an increase from $20,000 to $50,000. Such an increase will reinforce public confidence in our financial system.

THE BUDGET

Control of the Federal Budget is a vital component of our anti-inflation efforts. Reducing the fiscal 1975 budget is the first step in reducing the powerful momentum of our rapidly climbing Federal budget and thereby gaining the spending control so necessary for 1976 and beyond. And this extended budget control will substantially reduce inflation over the longer term.

This should not suggest that budget control has no short-run benefits. Quite the contrary. A reduction in the deficit for fiscal 1975 would reduce pressures in the financial markets, lower interest rates and provide more credit for housing and other new capital investment. It would mean that monetary policy would not have to bear the full burden of economic policy restraint. And it would reduce inflationary expectations by demonstrating convincingly that the Federal government is putting its own financial house in order.

Our program for fiscal discipline has elements on both sides of the budget. On the revenue side we have proposed a tax surcharge on high-income taxpayers and corporations. The increased revenues from the surcharge will pay for the additional unemployment insurance, the Community Improvement Program, the increased and restructured investment tax credit and the revised tax status of preferred stock dividends.

On the expenditure side, the President has reaffirmed his intention to hold budget outlays for fiscal 1975 to below $300 billion. Cutbacks of over $5 billion will be needed to reach the goal. We are already in the fourth month of the fiscal year; thus reductions of the amount required will be difficult to obtain. There is need for rapid action, and the Congress and Executive together will need to work together quickly and effectively to put expenditures on a long-term track that is consistent with the productive capacity of the American economy and with what the American people are willing to pay for.

The President has asked the Congress to enact a bill setting a spending target for fiscal year 1975 of less than $300 billion. In establishing that target, the bill outlines a plan for developing a set of actions that would result in the necessary spending reductions of FY 1975. These actions would be transmitted to Congress for its consideration when it returns in November. The actions to hold down spending will concentrate on those programs that serve special interests, create inequities, or are less essential at this time when fiscal discipline is so important. Concurrence of the Congress in these proposals before the beginning of calendar year 1975 is essential if the $300 billion target is to be achieved.

The Administration together with the Congress have already begun to take action on this outlay control program in national defense activities. The Congress has passed, and the President has signed, a defense appropriation bill that will reduce defense outlays in FY 1975 by about $2 billion. This is the largest single cut we will be making and is a good start toward the $300 billion goal.

The remainder of the necessary outlay control plan will be carried out in the fullest spirit of cooperation with the Congress. Rapid consideration by the Congress of legislative proposals and budget rescissions and deferrals under the Congressional Budget and Impoundment Control Act of 1974 will be essential if we are to meet our goal. Only through the most careful consultation with

the Congress can we succeed. We must achieve a mutual understanding of the best ways to hold down the budget.

We also have to improve the content of the budget. As now stated, the budget—because it does not adequately show the impact of the Government's credit program—does not present to the American people a complete picture of Federal activities and their effect on the economy. The Federally sponsored credit agencies and the many guarantee programs must be brought into the budget more directly.

The table below shows the estimated impact on budget expenditures and receipts of the proposals in this message.

BUDGET IMPACT

[In billions of dollars]

	Fiscal year—	
	1975	1976
NEW PROPOSALS		
Additional revenues:		
Tax surcharge:		
Corporations	+0.6	+1.5
High-income individuals	+1.0	+1.6
Revenue losses:		
Employment assistance [1]	−.1	−1.3
Housing program	−.1	−.1
Investment tax credit:		
Individuals	−.1	−.5
Corporations	−.7	−2.0
Preferred stock dividends		−.1
Net impact	+.6	−.9
PENDING TAX REFORM BILL		
Pending tax reform:		
Increased oil taxes	+1.3	+2.2
Closing loopholes [2]	+.1	+.8
Simplification		−.4
Other tax reform	−1.0	−.2
Low-income relief	−.9	−1.6
Recommended addition		−.4
Net impact	−.5	+.4
Budget impact of new and pending proposals	+.1	−.5

[1] For fiscal 1975, this assumes that a 6 percent unemployment rate triggers the program into effect on Mar. 1, 1975. Note, however, that the total expenditures for this program in fiscal 1975 will be $900,000,000; $800,000,000 is already included in earlier budget estimates. For fiscal 1976, this assumes that the unemployment rate falls below 6 percent and thus triggers an end to payments as of Dec. 31, 1975.

[2] Minimum tax on income and limitation on accounting losses.

Note: In addition to the above items, new expenditure deferrals and recissions will be proposed to hold fiscal 1975 expenditures below $300,000,000,000.

TAX PROPOSALS

Surcharge

1. Corporations

A 5 percent corporate tax surcharge will be imposed effective January 1, 1975, and continuing through December 1975. The surcharge will be computed by multiplying the corporate tax (before credits against tax, but including the additional tax for tax preferences) by 5 percent. For corporations with taxable years ending in 1975 or beginning in 1975 and ending after 1975, the surcharge will be computed on a pro rata basis according to the number of days of the taxable year in 1975.

2. Individuals

A 5 percent individual tax surcharge will also be imposed for 1975 on income tax liabilities attributable to income above an upper threshold.

In general, the proposal is designed to exclude from surcharge families with adjusted gross incomes below $15,000 and single persons with adjusted gross incomes below $7,500. However, because income tax liabilities are based on "taxable income" rather than "adjusted gross income," it is necessary to translate, on some average basis, the $15,000 and $7,500 into comparable "taxable income" figures. That was done as follows:

	Families	*Single persons*
Adjusted gross income	$15,000	$7,500
Standard deduction	−2,000	−1,300
Exemptions (assuming 4 for families, 1 for single person	−3,000	−750
	$10,000	$5,450

Thus, the surcharge will be expressed technically as a surcharge on tax liabilities attributable to that portion of the taxpayer's "taxable income" in excess of the $10,000 or $5,450, as the case may be. Not all taxpayers have the same deductions and exemptions as those assumed above. For example, there will be married taxpayers with more exemptions and deductions than those assumed, who will pay no surcharge even though their adjusted gross incomes are somewhat greater than $15,000. Conversely, some with fewer exemptions may pay surtax even though their adjusted gross incomes are somewhat less than $15,000.

The computation is straightforward. The taxpayer (1) computes his regular tax, (2) subtracts from that the amount of tax applicable to either his $10,000 or his $5,450 exemption, and (3) then multiplies the balance by 5 percent. For example, a family of four filing a joint return and having $20,000 of taxable income would calculate a regular tax of $4,380 and subtract from that $1,820 (the tax on the first $10,000) to arrive at $2,560 which is subject to the 5 percent surcharge of $128. A single person with $10,000 of taxable income would calculate a regular tax of $2,090 and subtract from that $994.50 (the tax on the first $5,450) to arrive at $1,095.50, which is subject to the 5 percent surcharge of $54.78.

Investment Tax Credit

The proposal to change the investment tax credit has three principal parts: (1) the elimination of existing limitations and restrictions on the credit which tend to discriminate unfairly between the types of taxpayers and investments which qualify for the credit, (2) an increase in the rate of the present credit from 7 percent to 10 percent, and (3) making the credit a reduction in basis for depreciation purposes.

1. Present law

An amount equal to 7 percent of the cost of qualifying property (generally, tangible personal property used in a trade or business) may be offset directly against income tax liability, with the following limitations based on the expected useful life of the property:

Useful Life	*Percent of cost of property qualifying for credit*
0–3 years	0
3–5 years	33–1/3
5–7 years	66–2/3
7 years and over	100

Public utility property qualifies for only a 4 percent credit (The Ways and Means Committee has tentatively decided to remove this limitation).

The maximum credit which may be claimed in a taxable year is limited to $25,000 plus one-half of the excess of tax liability over $25,000.

Excess credits (limited by the above provision) may generally be carried back three taxable years and forward seven taxable years, after which they expire if still unused.

2. Proposed Changes

Increase the rate from 7 percent to 10 percent. This will increase cash flow for all companies in the immediate future. It will be offset in future years by lesser depreciation deductions.

Eliminate the limitations based on useful life so that all property with a life in excess of three years will qualify for the full credit.

Eliminate the discrimination against public utility property so that it will qualify for the full rate and otherwise be treated the same as other qualifying property.

Replace the present limit on the maximum credit which may be claimed with eventual full refundability for the excess of credits over tax liability. Credits in excess of the present limitations may be carried back three years and then to the succeeding three years to offset tax liability, after which time any remaining excess credits will be refunded directly to the taxpayers. This will:

Help growing companies which have present investments which are large in comparison with their current incomes.

Help companies in financial difficulties, which get no benefit from credit because they have little or no income tax liability against which to apply it.

Help small businesses, which under present law are more severely affected by the restrictions and limitations.

The three-year rule postpones adverse budget impact until revenues from basis adjustment are sufficient to offset revenue loss from this refundable feature.

Require the taxpayer to reduce the cost of qualifying property for depreciation purposes by the amount of the investment tax credit. This makes the credit neutral with respect to long-lived and short-lived assets and removes the present discrimination against long-lived assets.

Retain the present $50,000 per year limitation on qualifying used property.

Deduction for dividends paid on certain preferred stock

To encourage expansion of corporate equity capital and increase the effectiveness of capital markets, it is proposed that dividends paid on qualified preferred stock be allowed as a deduction to the payor corporation. The provisions of the Internal Revenue Code providing for exclusions for dividends received by corporations would not be applicable to these dividends.

The deduction would only be available for cash dividends paid on preferred stock issued after December 31, 1974, for cash or preexisting bona fide debt of the issuing corporation. For these purposes, preferred stock would be required to be non-voting, limited and preferred as to dividends and entitled to a liquidating preference. The intention to qualify preferred stock under this new provision of the Internal Revenue Code would be required to be clearly indicated at the time the stock was issued.

The tax reform bill

1. Low-Income Taxpayer Relief

We support the Tax Reform bill now pending in the Ways and Means Committee. It provides about $1.4 billion of tax relief for individuals with incomes of less than $15,000.

In addition, the Tax Reform bill would produce a long-term revenue gain of about $500 to $600 million per year beginning in FY 1976 and we support using those revenues when received also to provide further income tax reductions for lower income families.

The principal individual tax reductions provided in the bill are increases in the minimum standard deduction, the standard deduction and the retirement income credit and a new simplification deduction which for most taxpayers will be larger than the miscellaneous, hard-to-compute deductions which it would replace.

The tax reductions in the bill are made possible primarily by revenues gained from tax reform measures and by increased taxes on oil producers. The tax reform proposals are based on Treasury proposals advanced a year and a half ago. The two main features are: (1) a minimum tax, designed to ensure that all taxpayers pay some reasonable amount of tax on their economic income, and

(2) a provision (known as "LAL," i.e., limitation on artificial accounting losses) designed to eliminate tax shelter devices under which tax is avoided through the deduction of artificial losses which are not real losses.

In December 1973, the Treasury proposed a windfall profits tax on oil, which is now incorporated in the Tax Reform bill in modified form. The Committee has also provided for the phase-out over three years of percentage depletion on oil and gas.

The Committee bill raises less revenue from tax reform and oil taxes for calendar years 1974 and 1975 than the Treasury proposed. The Treasury hopes that Congress will restore some of the reform which the Treasury proposed. However, it is most important that tax reform and tax reduction legislation be enacted as promptly as possible and the Administration will support the bill in its present form.

2. Savings and Investment Proposals

Greater productivity in the next several years will be critical in winding down the wage-price spiral. That will require major new investments.

The Tax Reform bill now pending makes an important contribution by (i) bringing the investment credit for utilities up to the credit generally applicable for other industries, (ii) liberalizing the treatment of capital gains and losses, and (iii) eliminating U.S. withholding tax on foreign portfolio investments, thus encouraging investment by foreigners in the United States.

Tax exemption for interest on savings accounts

Various proposals have been made to exempt interest on savings accounts. We do not support any such proposal for reasons which include the following:

(1) It would initially decrease the aggregate amount of saving. A $750 exemption for interest on time and savings deposits would cost about $2 billion, which the government would have to borrow in the private market to make up. That borrowing reduces the amount of savings available for private investment.

(2) It would not be effective. It would not substantially increase savings deposits because the tax exemption would not be a major benefit to most taxpayers. For a taxpayer in the 25 percent bracket, exemption would make a 5.25 percent account equivalent to a 7 percent taxable account, which is still considerably below the rates available elsewhere. Only high-bracket taxpayers would get major benefits.

(3) Passbook savings may increase some, but total savings will not increase. The principal effect would be some switching. It doesn't operate as an incentive for new savings because it doesn't reward the increase in savings.

(4) It would create new distortions in the credit and investment markets.

CITIZENS' ACTION COMMITTEE TO FIGHT INFLATION

The following Citizens have already agreed to help organize and support a voluntary private sector effort to mobilize all Americans in the fight against inflation:

Mayor Joseph Alioto of San Francisco, Chairman, U.S. Conference of Mayors.

Arch Booth, President, Chamber of Commerce of the United States.

Russell W. Freeburg, White House Coordinator.

David L. Hale, President, United States Jaycees.

Mrs. Lillie Herndon, President, National Congress of Parents and Teachers.

Robert P. Keim, President, The Advertising Council.

Mrs. Carroll E. Miller, President, General Federation of Women's Clubs.

William J. Meyer, President, Central Sprinkler Co., Lansdale, Pennsylvania.

George Myer, President, Consumer Federation of America.

Ralph Nader, Private Citizen.

Leo Perlis, Director of Community Service, AFL-CIO.

Sylvia Porter, National Syndicated Columnist.

Governor Calvin Rampton of Utah, Chairman, National Governors Conference.

Stanford Smith, President, American Newspaper Publishers Association.

Frank Stanton, Chairman, American National Red Cross.

Roger Fellows, 4-H, University of Minnesota.

Vincent T. Wasilewski, President, National Association of Broadcasters.

Roy Wilkins, Executive Director, National Association for the Advancement of Colored People.

Douglas Woodruff, Executive Director, American Association of Retired Persons.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATORS CURTIS, WEICKER, MANSFIELD, AND DESIGNATING A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated: Messrs. CURTIS, WEICKER, and MANSFIELD; after which there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

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

ORDER FOR RECOGNITION OF SENATOR McCLELLAN TO CALL UP THE CONFERENCE REPORT OF HOUSE JOINT RESOLUTION 1131

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business, the Chair recognize the distinguished Senator from Arkansas (Mr. McCLELLAN) for the purpose of his calling up a conference report on House Joint Resolution 1131, making continuing appropriations.

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

ORDER FOR THE RECOGNITION OF SENATOR CLARK ON THURSDAY, OCTOBER 10, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the two leaders or their designees have been recognized under the standing order, Senator CLARK be recognized for not to exceed 15 minutes.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 9 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. CURTIS, Mr. WEICKER, and Mr. MANSFIELD; after which there will ensue a brief period for the transaction of routine morning business, with statements limited therein to 5 minutes each, such period not to extend beyond 15 minutes.

At the conclusion of routine morning business, the Senate will take up House Joint Resolution 1131, making continuing appropriations.

Rollcall votes are expected to occur in relation thereto. Upon the disposition of the continuing resolution it is the intention of the leadership to then call up S. 4076, the deepwater ports bill, on which there is a time agreement. Rollcall votes will occur in relation thereto.

Upon the disposition of that bill, the leadership intends to call up the Veterans Day bill, S. 4081, and S. 3979, a bill to increase the availability of reasonably priced mortgage credit for home purchases.

A good many rollcall votes are in the offing for tomorrow. A busy day is expected.

ADJOURNMENT TO 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 9 o'clock a.m.

The motion was agreed to; and at 6:58 p.m., the Senate adjourned until Wednesday, October 9, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 8, 1974:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be Members of the National Council on Educational Research for terms expiring June 11, 1977:

Larry A. Karlson, of Washington, vice James S. Coleman, term expired.

Arthur M. Lee, of Arizona, vice Vincent J. McCoola, term expired.

James Gardner March, of California, vice Vera M. Martinez, term expired.

Carl H. Pforzheimer, Jr., of New York. (Reappointment.)

Wilson C. Riles, of California. (Reappointment.)

CONFIRMATION

Executive nomination confirmed by the Senate October 8, 1974:

NATIONAL MEDIATION BOARD

Kay McMurray, of Idaho, to be a member of the National Mediation Board for the term expiring July 1, 1977.

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