Chef Boy-Ar-Dee, Woolite, Smuckers Jellies, Helene Curtis, Reynolds Metals Co., Sara Lee, Geritol and Morton Salt.

In 1973, a congressional committee investigating charges that Mr. Monette had made illegal contributions cleared him of the charge. They found that he had made contributions from a personal checking account. They also found that Mr. Monette had neither a personal nor a corporate contract with the federal government because V. H. Monette and Co. acted only as an intermediary for manufacturers dealing with the armed forces.

Mr. Monette, a native of Florida, Mass., was the son of a blue-collar worker. Despite dropping out of school at age 14, he founded a multimillion-dollar business by being an intermediary between the commissary marketing business and the manufacturer.

He is survived by his wife, Mrs. Pamela McCreary Monette; two daughters, Miss Ann Monette and Miss Marcy G. Monette of San Rafael, Calif.; three sons, David G. Monette of Portsmouth, Richard W. Monette of San Antonio, and Alan V. Monette of El Paso; two sisters, and five brothers.

A funeral service will be held at 2 p.m. Tuesday at Colonial Funeral Home here, with burial in St. Luke's Memorial Park.

HOUSE OF REPRESENTATIVES—*Thursday, October 17, 1974*

The House met at 11:30 o'clock a.m.

The Reverend Jack P. Lowndes, pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3: 6.

Our sight is short, our wills are vain, and sometimes our purposes are uncertain. Steady us, O God, that we may walk a straight path and reach the goal Thou hast for us.

Grateful for women and men who serve here in the House of Representatives, we pray that the Speaker and those who serve with him will have Thy strength, guidance, and protection.

We confess our sins and pray for forgiveness. May Thy mercy and grace continue with us today and until we meet again. In Jesus' name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On October 11, 1974:

H.R. 10088. An act to establish the Big Cypress National Preserve in the State of Florida, and for other purposes;

H.R. 11510. An act to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a new Nuclear Regulatory Commission in order to promote more efficient management of such functions;

H.R. 11546. An act to authorize the establishment of the Big Thicket National Preserve in the State of Texas, and for other purposes; and

H.R. 16032. An act to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y.

On October 14, 1974:

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

On October 15, 1974:

H.R. 4861. An act to amend the act of October 4, 1961, providing for the preservation and protection of certain lands known as Piscataway Park in Prince Georges and Charles Counties, Md., and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 65 a bill of the Senate of the following title:

H.R. 14217. An act 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.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Wednesday, October 16, 1974, he did on that day sign an enrolled joint resolution of the House as follows:

H.J. Res. 1163. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

PROPOSED REVIEW OF MILITARY ASSISTANCE AND MILITARY SALES PROVISIONS

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, during the past month, there has been serious debate in the House about violations of our laws governing the provision of military assistance—and military sales.

I believe that laws which are on our statute books should be applied even-handedly—or repealed.

For that reason, I intend to move in our Committee on Foreign Affairs for a thorough review of how the laws on military assistance have been applied in the past.

This means, also, that the Congress should review the exact provisions of the various agreements under which we have provided military aid, and military sales, to different countries.

I believe the Congress must determine whether there are flaws in the law—and whether the intent of the law has been circumvented on occasion by the terms of executive agreements.

I believe it will be informative for all of us to have the full facts in this matter—and then to make a fresh judgment about what should be done about the law as it stands today.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I will be delighted to yield to the gentleman.

Mr. GROSS. Mr. Speaker, I want to commend the gentleman for the statement he has just made, and I sincerely hope that when the recess ends, the gentleman will lose no time in starting hearings on this most vital subject.

Mr. ZABLOCKI. The gentleman from Wisconsin intends to do just that.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON MERCHANT MARINE AND FISHERIES—DEPOSITIONS IN MATTER OF KONIAG, INC., ET AL. VERSUS ROGERS C. B. MORTON

The SPEAKER laid before the House the following communication from the chairman of the Committee on Merchant Marine and Fisheries:

COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, D.C., October 16, 1974.

Hon. CARL ALBERT,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On October 15, 1974, notices of taking of deposition issued by Duncan, Brown, Weinberg & Palmer were delivered to Ned P. Everett, an employee of the House Committee on Merchant Marine and Fisheries, and to Peter Stockton, a former investigator for this Committee, notifying them that their depositions would be taken at the offices of Duncan, Brown, Weinberg & Palmer on Monday, October 21, 1974, in the matter of Koniag, Inc., et al, v. Rogers C. B. Morton.

I previously wrote you on October 7, forwarding copies of similar notices delivered to Frank M. Potter, Jr., who has since received an amended notice calling for his deposition to take place on Tuesday, October 22, 1974. Copies of my previous letter and all of the notices involved are attached for your information.

It is believed that the subject matter of all of these depositions relates to hearings held before my Committee earlier this year.

This material is presented for such action as the House in its wisdom wishes to take.

Sincerely,

LEONOR K. SULLIVAN,
Chairman.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

[In the U.S. District Court for the District of Columbia—Civil Action No. 74–1061]

NOTICE OF TAKING OF DEPOSITION OF NED P. EVERETT

Koniag, Inc., et al., plaintiffs, *v.* Rogers C. B. Morton, Defendant

Defendant is hereby notified that on Monday, October 21, 1974, the plaintiffs will take the deposition upon oral examination, pursuant to Rule 30, F.R.Civ.P., of Ned P. Everett, Counsel to the Committee on Merchant Marine and Fisheries of the United States House of Representatives, at the offices of Duncan, Brown, Weinberg, & Palmer, Suite 777, 1700 Pennsylvania Avenue, N.W., Washington, D.C. 20006, beginning at 9:30 a.m. and continuing until completed.

DUNCAN, BROWN, WEINBERG & PALMER.
WASHINGTON, D.C.
By FREDERICK L. MILLER, Jr.,
Attorney for Plaintiffs.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Taking of Deposition of Ned P. Everett was served by first class mail on this 11th day of October, 1974, on the following:

Herbert Pittle, Esquire, Room 2140, Department of Justice, Washington, D.C. 20530.

Ned P. Everett, Esquire, Counsel, House Committee on Merchant Marine & Fisheries, 1334 Longworth House Office Building, Washington, D.C. 20515.

DUNCAN, BROWN, WEINBERG & PALMER.
WASHINGTON, D.C.
By FREDERICK L. MILLER, Jr.
Attorney for Plaintiffs.

[In the U.S. District Court for the District of Columbia—Civil Action No. 74–1061]

NOTICE OF TAKING OF DEPOSITION OF PETER STOCKTON

Koniag, Inc., et al., plaintiffs, *v.* Rogers C. B. Morton, defendant

Defendant is hereby notified that on Monday, October 21, 1974, the plaintiffs will take the deposition upon oral examination, pursuant to Rule 30, F.R.Civ.P., of Peter Stockton, formerly Counsel to the Committee on Merchant Marine and Fisheries of the United States House of Representatives, at the offices of Duncan, Brown, Weinberg & Palmer, Suite 777, 1700 Pennsylvania Avenue, N.W., Washington, D.C. 20006 beginning at 11:00 a.m. and continuing until completed.

DUNCAN, BROWN, WEINBERG & PALMER.
Washington, D.C.
By FREDERICK L. MILLER, Jr.,
Attorney for Plaintiffs.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Taking of Deposition of Peter Stockton was served by first class mail, postage prepaid, on this 11th day of October, 1974 on the following:

Mr. Peter Stockton, 3909 Woodbine Street, Chevy Chase, Maryland 20015.

Herbert Pittle, Esquire, Room 2140, Department of Justice, Washington, D.C. 20530.

DUNCAN, BROWN, WEINBERG & PALMER.
Washington, D.C.
By FREDERICK L. MILLER, Jr.,
Attorney for Plaintiffs.

[In the U.S. District Court for the District of Columbia—Civil Action No. 74–1061]

AMENDED NOTICE OF TAKING OF DEPOSITION OF FRANK M. POTTER, JR.

Koniag, Inc., et al., plaintiffs, *v.* Rogers C. B. Morton, defendant

On October 1, 1974 plaintiffs noticed the deposition of Frank M. Potter, Jr., Counsel to the Committee on Merchant Marine and Fisheries of the United States House of Representatives for Thursday, October 17, 1974 at 2:00 p.m. In order to accommodate deponent's schedule, that deposition is hereby noticed for 9:30 a.m., Tuesday, October 22, 1974 at the offices of Duncan, Brown, Weinberg & Palmer, Suite 777, 1700 Pennsylvania Avenue, N.W., Washington, D.C.

DUNCAN, BROWN, WEINBERG & PALMER.
WASHINGTON, D.C.
By FREDERICK L. MILLER, Jr.,
Attorney for Plaintiffs.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Amended Notice of Taking of Deposition of Frank M. Potter, Jr., was served by first class mail on this 11th day of October, 1974 on the following:

Herbert Pittle, Esquire, Room 2140, Department of Justice, Washington, D.C. 20530.

Frank M. Potter, Jr., Esquire, Counsel, House Committee on Merchant Marine & Fisheries, 1334 Longworth House Office Building, Washington, D.C. 20515.

DUNCAN, BROWN, WEINBERG & PALMER.
V'ASHINGTON, D.C.
By FREDERICK L. MILLER, Jr.,
Attorney for Plaintiffs.

RECESS

The SPEAKER. Pursuant to the authority previously granted the Chair, the Chair declares a recess, subject to the call of the Chair. Bells will be sounded 15 minutes before the House reconvenes.

Accordingly (at 11 o'clock and 36 minutes a.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 12 minutes p.m.

FURTHER CONTINUING APPROPRIATIONS, 1975, VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93–374)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I greatly regret that for the second time I must return without my approval the Continuing Resolution granting funds for the operation of several departments and agencies and for the temporary continuation of our foreign aid programs, H.J. Res. 1163.

My previous veto message and my public statements on this matter have clearly expressed our objectives with respect to the resolution of the Cyprus dispute as well as the dangers posed b/ legislative restrictions destroying our ability to assist the parties involved. The Congress, despite the best efforts of the bipartisan leaders of both Houses, has for the second time refused to recognize the realities of the situation.

While the language of this new bill is different, its effect is similar to the earlier Continuing Resolution which required my veto on October 14. I need not reiterate the extensive comments which I made at that time and which again compel a veto. The provisions of this bill as they would apply to Turkey would do nothing to bring an end to the suffering of the Cypriot people, would do nothing to encourage the two sides to resolve the dispute peacefully, and would bring a further deterioration of the posture of the NATO alliance in the crucial Eastern Mediterranean. It is for these reasons and those previously stated that I must reluctantly veto the bill before me.

In addition, I am compelled to point out again that should this measure become law, the United States would have lost the ability to play a useful role in this dispute and would in effect have to withdraw from the negotiations. Should the Congress force such an action, it must do so in the clear knowledge that it assumes full responsibility for the situation which would then prevail.

I ask that the Congress not choose that path but that it reconsider its action and provide a bill which will permit the continued execution of United States foreign policy in a constructive and responsible manner.

GERALD R. FORD.
THE WHITE HOUSE, *October 17, 1974.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the message and joint resolution will be printed as a House document.

There was no objection.

The SPEAKER. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, a vote of yea is a vote to override the President's veto. A vote of nay, of course, is to sustain the veto.

I shall vote to sustain the veto, as I did on the previous occasion. I think we have debated this issue at sufficient length, and further debate would be unproductive. It is in keeping with the wishes of the leadership in the House on both sides of the aisle, and the Members of the House on both sides of the aisle, that we now vote on the issue.

Therefore, Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 161, nays 83, not voting 190, as follows:

[Roll No. 623]

YEAS—161

Abzug	Biaggi	Chisholm
Adams	Blatnik	Clark
Addabbo	Brademas	Collins, Ill.
Andrews, N.C.	Breckinridge	Conyers
Annunzio	Brinkley	Corman
Ashley	Broyhill, Va.	Coughlin
Badillo	Buchanan	Cronin
Bafalis	Burke, Mass.	Daniels, Dominick V.
Barrett	Burton, John	Davis, S.C.
Bauman	Burton, Phillip	Delaney
Bennett	Byron	

Dellums	Kluczynski	Regula
Dent	Koch	Reuss
Diggs	Kyros	Riegle
Donohue	Lagomarsino	Rinaldo
Downing	Leggett	Rodino
Drinan	Lehman	Roe
Duncan	Lent	Rogers
du Pont	Long, Md.	Rooney, Pa.
Eckhardt	Lujan	Rose
Edwards, Calif.	Luken	Rosenthal
Eilberg	McDade	Roush
Fascell	McFall	Roybal
Fish	McKinney	Sandman
Flood	McSpadden	Sarasin
Flowers	Madden	Sarbanes
Forsythe	Mathis, Ga.	Satterfield
Fraser	Matsunaga	Seiberling
Frenzel	Mayne	Shoup
Fuqua	Mazzoli	Sisk
Gaydos	Meeds	Smith, Iowa
Glaimo	Mezvinsky	Spence
Gibbons	Miller	Staggers
Gilman	Minish	Stanton, James V.
Ginn	Mink	Stark
Goldwater	Mitchell, Md.	Steele
Gonzalez	Moakley	Steiger, Wis.
Gray	Morgan	Stokes
Green, Pa.	Mosher	Studds
Gude	Murphy, Ill.	Sullivan
Gunter	Murphy, N.Y.	Symington
Haley	Murtha	Teague
Hays	Natcher	Thompson, N.J.
Hechler, W. Va.	Nedzi	Van Deerlin
Heckler, Mass.	O'Brien	Vanik
Heinz	O'Neill	Waldie
Holt	Parris	Whalen
Holtzman	Patten	Wilson, Charles H., Calif.
Hungate	Pepper	Wyman
Jones, Ala.	Perkins	Yates
Jordan	Pickle	Yatron
Karth	Pike	Young, Tex.
Kastenmeier	Price, Ill.	
Kazen	Randall	
Ketchum	Rangel	

NAYS—83

Archer	Frey	Passman
Arends	Goodling	Poage
Bell	Green, Oreg.	Preyer
Bevill	Gross	Pritchard
Biester	Gubser	Quie
Bray	Guyer	Rarick
Breaux	Hamilton	Rhodes
Broomfield	Harsha	Robinson, Va.
Brown, Ohio	Henderson	Robison, N.Y.
Burleson, Tex.	Hillis	Runnels
Butler	Hogan	Sebelius
Camp	Hosmer	Shriver
Casey, Tex.	Hutchinson	Shuster
Cederberg	Jarman	Sikes
Chamberlain	Jones, Tenn.	Slack
Chappell	Landgrebe	Smith, N.Y.
Cleveland	Lott	Stanton, J. William
Cohen	McClory	Steed
Collier	McEwen	Stubblefield
Daniel, Dan	Mahon	Taylor, N.C.
de la Garza	Mann	Thornton
Dennis	Martin, N.C.	White
Dulski	Michel	Whitten
Erlenborn	Milford	Williams
Eshleman	Mizell	Wyatt
Fisher	Myers	Young, Fla.
Fountain	Nelsen	Zablocki
Frelinghuysen	Obey	

NOT VOTING—190

Abdnor	Carey, N.Y.	Esch
Alexander	Carney, Ohio	Evans, Colo.
Anderson, Calif.	Carter	Evins, Tenn.
	Clancy	Findley
Anderson, Ill.	Clausen, Don H.	Flynt
Andrews, N. Dak.	Clawson, Del	Foley
Armstrong	Clay	Ford
Ashbrook	Cochran	Froehlich
Aspin	Collins, Tex.	Fulton
Baker	Conable	Gettys
Beard	Conlan	Grasso
Bergland	Conte	Griffiths
Bingham	Cotter	Grover
Blackburn	Crane	Hammer-schmidt
Boggs	Culver	Hanley
Boland	Daniel, Robert W., Jr.	Hanna
Bolling		Hanrahan
Bowen	Danielson	Hansen, Idaho
Brasco	Davis, Ga.	Hansen, Wash.
Brooks	Davis, Wis.	Harrington
Brotzman	Dellenback	Hastings
Brown, Calif.	Denholm	Hawkins
Brown, Mich.	Derwinski	Hébert
Broyhill, N.C.	Devine	Helstoski
Burgener	Dickinson	Hicks
Burke, Calif.	Dingell	Hinshaw
Burke, Fla.	Dorn	Holifield
Burlison, Mo.	Edwards, Ala.	Horton
Howard	Moss	Symms
Huber	Nichols	Talcott
Hudnut	Nix	Taylor, Mo.
Hunt	O'Hara	Thomson, Wis.
Ichord	Owens	Thone
Johnson, Calif.	Patman	Tiernan
Johnson, Colo.	Pettis	Towell, Nev.
Johnson, Pa.	Peyser	Traxler
Jones, N.C.	Podell	Treen
Jones, Okla.	Powell, Ohio	Udall
Kemp	Price, Tex.	Ullman
King	Quillen	Vander Jagt
Kuykendall	Railsback	Vander Veen
Landrum	Rees	Veysey
Latta	Reid	Vigorito
Litton	Roberts	Waggonner
Long, La.	Roncalio, Wyo.	Walsh
McCloskey	Roncallo, N.Y.	Wampler
McCollister	Rooney, N.Y.	Ware
McCormack	Rostenkowski	Whitehurst
McKay	Rousselot	Widnall
Macdonald	Roy	Wiggins
Madigan	Ruppe	Wilson, Bob
Mallary	Ruth	Wilson, Charles, Tex.
Maraziti	Ryan	
Martin, Nebr.	St Germain	Winn
Mathias, Calif.	Scherle	Wolff
Melcher	Schneebeli	Wright
Metcalfe	Schroeder	Wydler
Mills	Shipley	Wylie
Minshall, Ohio	Skubitz	Young, Alaska
Mitchell, N.Y.	Snyder	Young, Ga.
Mollohan	Steelman	Young, Ill.
Montgomery	Steiger, Ariz.	Young, S.C.
Moorhead, Calif.	Stephens	Zion
	Stratton	Zwach
Moorhead, Pa.	Stuckey	

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the joint resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Carey of New York and Mrs. Boggs for, with Mr. Hébert against.

Mr. Hawkins and Mr. Bingham for, with Mr. Gettys against.

Mr. Boland and Mr. Brooks for, with Mr. Hanna against.

Mrs. Burke of California and Mrs. Grasso for, with Mr. Ichord against.

Mr. Hanley and Mr. Harrington for, with Mr. Jones of North Carolina against.

Mr. Andrews of North Dakota and Mr. Roncallo of New York for, with Mr. Landrum against.

Mr. Del Clawson and Mr. Huber for, with Mr. Melcher against.

Mr. Roncalio of Wyoming and Mr. Rostenkowski for, with Mr. Walsh against.

Mr. Cotter and Mr. Culver for, with Mr. Talcott against.

Mr. Clay and Mr. Dingell for, with Mr. Nichols against.

Mr. Macdonald and Mr. Metcalfe for, with Mr. Ryan against.

Mr. Moss and Mr. Reid for, with Mr. Waggonner against.

Mr. Blackburn and Mr. Hunt for, with Mr. Charles Wilson of Texas against.

Mr. Don H. Clausen and Mr. Railsback for, with Mr. Bowen against.

Mr. Whitehurst and Mr. Conte for, with Mr. Anderson of Illinois against.

Mr. Danielson and Mr. Howard for, with Mr. Devine against.

Mr. Wylie and Mr. Steelman for, with Mr. Hinshaw against.

Mr. Young of Georgia and Mr. Wolff for, with Mr. Johnson of Pennsylvania against.

Mr. Mathias of California and Mr. Hudnut for, with Mr. Martin of Nebraska against.

Mr. Maraziti and Mr. Peyser for, with Mr. Powell of Ohio against.

Mr. Ashbrook and Mr. Towell of Nevada for, with Mr. Rees against.

Mr. Nix and Mr. O'Hara for, with Mr. Ware against.

Mr. Widnall and Mr. Young of Illinois for, with Mr. Steiger of Arizona against.

Mr. Horton and Mr. Edwards of Alabama for, with Mr. Zwach against.

Mr. Stratton and Mr. Alexander for, with Mr. Montgomery against.

Mr. Vigorito and Mr. Helstoski for, with Mr. Ullman against.

Mr. Derwinski and Mr. Brown of Michigan for, with Mr. Baker against.

Mr. Brotzman and Mr. Clancy for, with Mr. Beard against.

Mr. Anderson of California and Mr. Hicks for, with Mr. Kemp against.

Mr. Bergland and Mr. Brown of California for, with Mr. Latta against.

Mr. Burlison of Missouri and Mr. Denholm for, with Mr. McCloskey against.

Mr. Evans of Colorado and Mr. Foley for, with Mr. Minshall of Ohio against.

Mr. Flynt and Mr. Fulton for, with Mr. Quillen against.

Mr. McCormack and Mr. McKay for, with Mr. Price of Texas against.

Mr. Mollohan and Mr. Moorhead of Pennsylvania for, with Mr. Scherle against.

Mr. Roberts and Mr. Shipley for, with Mr. Symms against.

Mr. Aspin and Mr. Holifield for, with Mr. Evins of Tennessee against.

Mr. St Germain and Mr. Tiernan for, with Mr. Schneebeli against.

Mr. Stephens and Mr. Vander Veen for, with Mr. Wiggins against.

Mrs. Schroeder and Mr. Ford for, with Mr. Taylor of Missouri against.

Mr. Johnson of California and Mr. Carney of Ohio for, with Mr. Thomson of Wisconsin against.

Until further notice:

Mr. Davis of Georgia with Mr. Abdnor.

Mr. Dorn with Mrs. Griffiths.

Mrs. Hansen of Washington with Mr. Jones of Oklahoma.

Mr. Long of Louisiana with Mr. Mills.

Mr. Patman with Mr. Owens.

Mr. Rooney of New York with Mr. Roy.

Mr. Stuckey with Mr. Traxler.

Mr. Udall with Mr. Wright.

Mr. Burke of Florida with Mr. Broyhill of North Carolina.

Mr. Collins of Texas with Mr. Carter.

Mr. Conable with Mr. Cochran.

Mr. Crane with Mr. Conlan.

Mr. Davis of Wisconsin with Mr. Robert W. Daniel, Jr.

Mr. Froehlich with Mr. Dellenback.

Mr. Hammerschmidt with Mr. Dickinson.

Mr. Esch with Mr. Hanrahan.

Mr. Grover with Mr. Findley.

Mr. Hansen of Idaho with Mr. Kuykendall.

Mr. King with Mr. Hastings.

Mr. Litton with Mr. Madigan.

Mr. Pettis with Mr. Mallary.

Mr. Ruppe with Mr. Rousselot.

Mr. Moorhead of California with Mr. Ruth.

Mr. Skubitz with Mr. Mitchell of New York.

Mr. Vander Jagt with Mr. Thone.

Mr. Snyder with Mr. Treen.

Mr. Wampler with Mr. Bob Wilson.

Mr. Young of Alaska with Mr. Winn.

Mr. Zion with Mr. Young of South Carolina.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the joint resolution are referred to the Committee on Appropriations.

The Clerk will notify the Senate of the action of the House.

RECESS

The SPEAKER. The chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 12 o'clock and 33 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 7 minutes p.m.

FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1456, Rept. No. 93–1470) which was referred to the House Calendar and ordered to be printed:

H. RES. 1456

Resolved, That immediately upon the adoption of this resolution the House shall consider the joint resolution (H.J. Res. 1167) making further continuing appropriations for the fiscal year 1975, and for other purposes. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1456 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 1456?

PARLIAMENTARY INQUIRIES

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Mr. Speaker, does not consideration of this rule require unanimous consent?

The SPEAKER. The Chair will state to the gentleman from Iowa that it requires a two-thirds vote to consider the resolution. The Chair was about to put the question.

Mr. HAYS. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. HAYS. Mr. Speaker, I am a little curious as to how this resolution got out of the Committee on Appropriations, since I understand the committee did not meet. How did it get before the Committee on Rules?

The SPEAKER. The Chair will state that a request was made that the Committee on Rules consider a rule on the introduced version.

Mr. HAYS. But how did it get before the Committee on Rules?

The SPEAKER. Because House Resolution 1456 was reported by the Committee on Rules, and the Committee on Rules has authority to report as privileged a resolution discharging another committee from a measure referred to that committee.

PARLIAMENTARY INQUIRY

Mr. MATHIS of Georgia. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MATHIS of Georgia. Mr. Speaker, if this resolution is agreed to, no amendments would be in order to the continuing resolution; would they?

The SPEAKER. The Chair is not in a position to answer that question conclusively at this point. In the form of the resolution now, the answer would be "no." The Chair is only going to put the question: Shall the House consider the resolution? That is the question the Chair now puts. Shall the House consider the resolution?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HAYS. I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 210, nays 14, not voting 210, as follows:

[Roll No. 624]

YEAS—210

Adams	Fraser	Moakley
Addabbo	Frelinghuysen	Morgan
Andrews, N.C.	Frenzel	Mosher
Annunzio	Fuqua	Murphy, Ill.
Arends	Gaydos	Murphy, N.Y.
Ashley	Giaimo	Murtha
Aspin	Gibbons	Myers
Badillo	Gilman	Natcher
Bafalis	Goldwater	Nedzi
Barrett	Goodling	Nelsen
Bell	Gray	Obey
Bennett	Green, Oreg.	O'Brien
Bevill	Green, Pa.	O'Neill
Biaggi	Gude	Parris
Biester	Gunter	Passman
Blatnik	Haley	Patten
Brademas	Hamilton	Pepper
Bray	Harrington	Perkins
Breaux	Harsha	Pickle
Breckinridge	Hechler, W. Va.	Pike
Brinkley	Heckler, Mass.	Poage
Brown, Ohio	Heinz	Preyer
Broyhill, Va.	Hillis	Price, Ill.
Buchanan	Hogan	Pritchard
Burke, Mass.	Holt	Quie
Burleson, Tex.	Holtzman	Randall
Burton, John	Hosmer	Rangel
Burton, Phillip	Hungate	Regula
Butler	Hutchinson	Reuss
Byron	Jarman	Robinson, Va.
Camp	Jones, Tenn.	Robison, N.Y.
Casey, Tex.	Jordan	Rodino
Cederberg	Karth	Roe
Chappell	Kastenmeier	Rogers
Chisholm	Kazen	Rooney, Pa.
Clark	Ketchum	Rose
Cleveland	Kluczynski	Rosenthal
Cohen	Koch	Roush
Collier	Kyros	Roybal
Collins, Ill.	Lagomarsino	Sandman
Conyers	Leggett	Sarasin
Corman	Lehman	Sarbanes
Coughlin	Lent	Satterfield
Cronin	Long, Md.	Sebelius
Daniel, Dan	Lott	Seiberling
Daniels, Dominick V.	Luken	Shoup
de la Garza	McClory	Shriver
Delaney	McDade	Shuster
Dellums	McEwen	Sikes
Dennis	McFall	Sisk
Dent	McKinney	Slack
Donohue	McSpadden	Smith, Iowa
Downing	Madden	Smith, N.Y.
Drinan	Mahon	Spence
Dulski	Mann	Staggers
Duncan	Martin, N.C.	Stanton, J. William
du Pont	Matsunaga	Stanton, James V.
Eckhardt	Mayne	Stark
Edwards, Calif.	Mazzoli	Steed
Eshleman	Meeds	Steiger, Wis.
Fascell	Mezvinsky	Stokes
Fish	Michel	Stubblefield
Fisher	Milford	Studds
Flood	Miller	Symington
Forsythe	Minish	Taylor, N.C.
Fountain	Mitchell, Md.	Teague
	Mizell	Thornton
	Moorhead, Pa.	Van Deerlin
	Morgan	Vanik
	Mosher	Whitten
	Moss	Williams
	Murphy, Ill.	Wilson, Charles H., Calif.
	Murphy, N.Y.	Wyatt
	Murtha	Wyman
	Myers	Yates
	Natcher	Young, Tex.
	Nedzi	Zablocki
	Nelsen	
	Obey	
	O'Brien	
	O'Neill	
	Parris	
	Passman	
	Patten	
	Pepper	
	Perkins	
	Pickle	
	Pike	
	Poage	
	Preyer	
	Price, Ill.	
	Pritchard	
	Quie	
	Randall	
	Rangel	
	Regula	
	Reuss	
	Robinson, Va.	
	Robison, N.Y.	
	Rodino	
	Roe	
	Rogers	
	Rooney, Pa.	
	Rose	
	Rosenthal	
	Roush	
	Roybal	
	Sandman	
	Sarasin	
	Sarbanes	
	Satterfield	
	Sebelius	
	Seiberling	
	Shoup	
	Shriver	
	Shuster	
	Sikes	
	Sisk	
	Slack	
	Smith, Iowa	
	Smith, N.Y.	
	Spence	
	Staggers	
	Stanton, J. William	
	Stanton, James V.	
	Stark	
	Steed	
	Steiger, Wis.	
	Stokes	
	Stubblefield	
	Studds	
	Symington	
	Taylor, N.C.	

NAYS—14

Archer	Gross	Mathis, Ga.
Bauman	Gubser	Rarick
Davis, S.C.	Hays	Runnels
Ginn	Landgrebe	Young, Fla.
Gonzalez	Lujan	

NOT VOTING—210

Abdnor	Fulton	Railsback
Abzug	Gettys	Rees
Alexander	Grasso	Reid
Anderson, Calif.	Griffiths	Rhodes
Anderson, Ill.	Grover	Riegle
Andrews, N. Dak.	Guyer	Rinaldo
Armstrong	Hammer-schmidt	Roberts
Ashbrook	Hanley	Roncalio, Wyo.
Baker	Hanna	Roncallo, N.Y.
Beard	Hanrahan	Rooney, N.Y.
Bergland	Hansen, Idaho	Rostenkowski
Bingham	Hansen, Wash.	Rousselot
Blackburn	Hastings	Roy
Boggs	Hawkins	Ruppe
Boland	Hébert	Ruth
Bolling	Helstoski	Ryan
Bowen	Henderson	St Germain
Brasco	Hicks	Scherle
Brooks	Hinshaw	Schneebeli
Broomfield	Holifield	Schroeder
Brotzman	Horton	Shipley
Brown, Calif.	Howard	Skubitz
Brown, Mich.	Huber	Snyder
Broyhill, N.C.	Hudnut	Steele
Burgener	Hunt	Steelman
Burke, Calif.	Ichord	Steiger, Ariz.
Burke, Fla.	Johnson, Calif.	Stephens
Burlison, Mo.	Johnson, Colo.	Stratton
Carey, N.Y.	Johnson, Pa.	Stuckey
Carney, Ohio	Jones, Ala.	Sullivan
Carter	Jones, N.C.	Symms
Chamberlain	Jones, Okla.	Talcott
Clancy	Kemp	Taylor, Mo.
Clausen, Don H.	King	Thompson, N.J.
Clawson, Del	Kuykendall	Thomson, Wis.
Clay	Landrum	Thone
Cochran	Latta	Tiernan
Collins, Tex.	Litton	Towell, Nev.
Conable	Long, La.	Traxler
Conlan	McCloskey	Treen
Conte	McCollister	Udall
Cotter	McCormack	Ullman
Crane	McKay	Vander Jagt
Culver	Macdonald	Vander Veen
Daniel, Robert W., Jr.	Madigan	Veysey
Danielson	Mallary	Vigorito
Davis, Ga.	Maraziti	Waggonner
Davis, Wis.	Martin, Nebr.	Waldie
Dellenback	Mathias, Calif.	Walsh
Denholm	Melcher	Wampler
Derwinski	Metcalfe	Ware
Devine	Mills	Whalen
Dickinson	Mink	White
Diggs	Minshall, Ohio	Whitehurst
Dingell	Mitchell, N.Y.	Widnall
Dorn	Mollohan	Wiggins
Edwards, Ala.	Montgomery	Wilson, Bob
Eilberg	Moorhead, Calif.	Wilson, Charles, Tex.
Erlenborn	Moss	Winn
Esch	Nichols	Wolff
Evans, Colo.	Nix	Wright
Evins, Tenn.	O'Hara	Wydler
Findley	Owens	Wylie
Flowers	Patman	Yatron
Flynt	Pettis	Young, Alaska
Foley	Peyser	Young, Ga.
Ford	Podell	Young, Ill.
Frey	Powell, Ohio	Young, S.C.
Froehlich	Price, Tex.	Zion
	Quillen	Zwach

So (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 1456.

The Clerk announced the following pairs:

The result of the vote was announced as above recorded.

The SPEAKER. The gentleman from Texas (Mr. YOUNG), is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. CED-

ERBERG), pending which I yield myself such time as I may require.

Mr. YOUNG of Texas. Mr. Speaker, the rule provides that immediately upon adoption of the rule, the House shall consider the joint resolution making further continuing appropriations for the fiscal year 1975.

The rule provides that after general debate, which shall be limited to 1 hour, the previous question shall be considered as ordered on the rule.

The applicable part of section 6 of the joint resolution reads as follows: *Provided*, That the President is authorized to suspend the provisions of this section and said acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until December 10, 1974, and only if, during that time, Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

Mr. Speaker, I urge the adoption of the rule in order that we may consider and discuss the joint resolution.

Mr. CEDERBERG. Mr. Speaker, I have absolutely no requests for time. I am not going to take any time.

Mr. YOUNG of Texas. Mr. Speaker, I yield such time as he may consume to the distiguished chairman of the Appropriations Committee, the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I am as surprised as the Members are to be presenting a continuing resolution here without having cleared it through the Appropriations Committee.

There was a meeting of the leadership from both sides of the aisle in the Speaker's office which I attended together with the ranking minority member of the committee, Mr. CEDERBERG. The Speaker and the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) felt that we were threatened with the loss of a quorum, and of course that was true. In the meeting I agreed to expedite this legislative matter as rapidly as possible.

When we met I suggested some compromise language with regard to the Greek-Turkey situation. This language was not accepted by the proponents of the proviso which precipitated the Presidential veto. Additional language was added on to the language which I had suggested and the language I had suggested was altered otherwise.

After considerable discussion, we called the President and read the language to him. He opposed the language on the ground that it prohibited transfers and could be interpreted as an intrusion into the internal affairs of Turkey, a sovereign nation, and a friend of the United States. Nevertheless, the President stated to all of us in the course of telephone conversation while he was not satisfied with the action proposed, he would not veto the bill. He very reluctantly agreed to withhold a veto. So this is the way in which the pending business was expedited.

I had always thought we would call the Committee on Appropriations together and secure approval in an instance of this kind, but I was requested by the leadership to bring the measure immediately before the Committee on Rules. The Committee on Rules convened immediately, in fact before I could get there with the resolution.

I hope no one is offended at the chairman of the Committee on Appropriations or the distinguished majority leader or the Speaker. I want the Members to understand how this situation developed. The matter will be before the Members very quickly.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will read the joint resolution.

The Clerk read as follows:

H.J. RES. 1167

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (c) of section 102 of the joint resolution of June 30, 1974 (Public Law 93-324), is hereby amended by striking out "September 30, 1974" and inserting in lieu thereof "sine die adjournment of the second session of the Ninety-third Congress".

(b) Clause (a) of such section is amended by inserting immediately after "joint resolution" the following: "or, in the case of the United States Information Agency, enactment of authorizations of appropriations for fiscal year 1975 for that Agency".

SEC. 2. Section 101(e) of such joint resolution is amended by striking out "first quarter" and inserting in lieu thereof "quarterly".

SEC. 3. The fourth unnumbered clause of section 101(b) of such joint resolution, relating to foreign assistance and related programs appropriations, is amended by striking out all that follows "as amended" and inserting in lieu thereof ": *Provided*, That in computing the current rate of operations of military assistance there shall be included the amount of obligations incurred in Department of Defense appropriations during the fiscal year 1974 for military assistance to Laos;".

SEC. 4. Such joint resolution is amended by adding at the end thereof the following new section:

"SEC. 112. Notwithstanding any other provision of this joint resolution or any other Act, the President is authorized to use funds made available for foreign assistance by this joint resolution but not to exceed $15,000,000, to provide, on such terms and conditions as he may determine, relief, rehabilitation, and reconstruction assistance in connection with the damage caused by floods in Honduras Bangladesh and by civil strife in Cyprus.".

SEC. 5. Such joint resolution is amended by adding at the end thereof the following new section:

SEC. 113. None of the funds made available for foreign assistance by this joint resolution may be used to purchase fertilizer in the United States for export to South Vietnam.

SEC. 6. None of the funds herein made available shall be obligated or expended for military assistance, or for sales of defense articles and services (whether for cash or by credit, guaranty, or any other means) or for the transportation of any military equipment or supplies to Turkey until and unless the President certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has has been made regarding military forces in Cyprus: *Provided*, That the President is authorized to suspend the provisions of this section and said acts if he determines that such suspension will further negotiations for a peaceful solution on the Cyprus conflict. Any such suspension shall be effective only until December 10, 1974, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

The SPEAKER. The gentleman from Texas (Mr. MAHON) is recognized for 1 hour.

Mr. MAHON. Mr. Speaker, I will not take the entire hour allowed, but the House should know what is before it.

Members of the House are well aware that we have been struggling with the continuing resolution since prior to September 30, and we have had two vetoes of a proposed new continuing resolution. Therefore, we had to do something in order to rectify the situation where several major departments of the Government have been without authority to incur obligation since midnight, September 20.

Mr. Speaker, this is basically the same resolution that has been approved before in two instances. There is a little change with respect to the fertilizer issue, and that change involves new language as follows:

None of the funds made available for foreign assistance by this joint resolution may be used to purchase fertilizer in the United States for export to South Vietnam.

This was the modification which was added to the resolution now before the House.

The only other change in the vetoed measure was that which relates to the Turkish-Cyprus-Greece issue. The House has repeatedly supported what is known as the Rosenthal amendment, and this is the provision which brought about a veto on two occasions. The present resolution before us includes substantially the Rosenthal amendment. It is substantially what has been approved by the House and Senate before, and I add that this was without my support. It is substantially what has been vetoed by the President on two occasions. I agree that some changes were made but not the thrust of the amendment.

Consequently, under these circumstances, the President was contacted today in regard to the problem. I first talked with him along with my colleague on the Committee on Appropriations, Mr. CEDERBERG. Thereafter we joined the leadership in further conversations with the President.

While the President is not in support of this proposal with respect to Cyprus, he has agreed to approve reluctantly the resolution in view of the fact that the business of Government must go on and that the approval of the continuing resolution is long overdue. Neither the President nor Congress can afford to see large segments of the Government come to a grinding halt.

This is generally the information

which I think the Members desire to know in determining how they may want to vote on the pending issue.

Copies of this resolution are available here at the desk and elsewhere in the Chamber.

Mr. Speaker, I yield for debate only to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I concur with the statement of the distinguished chairman of the Committee on Appropriations.

We have spent a long morning in difficult negotiations with those on both sides of this question. We have reached this compromise. It is a compromise not entirely satisfactory to the President, but he recognizes the practicalities of the situation. My own personal opinion is that it is better than what we had before, though worse than what I might have hoped for.

At this time I plan to take no further time whatsoever. I think we ought to get the matter settled.

Mr. MATHIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I will yield to the gentleman for a question.

Mr. MATHIS of Georgia. I appreciate the chairman's explanation of the situation involving Turkey and Greece, but I note that the chairman did not mention anything involving the fertilizer. Would the chairman expound on that?

Mr. MAHON. Yes. I have already expounded on the matter involving fertilizer and explained what the language is and that it prohibits the shipment of any fertilizer from the United States to South Vietnam.

Mr. MATHIS of Georgia. Did the committee restore the $85 million that was in the resolution yesterday?

Mr. MAHON. The committee only added what I have read to the House with respect to it.

Mr. MATHIS of Georgia. Mr. Speaker, I thank the gentleman.

Mr. MAHON. I would like to say, Mr. Speaker, that I think we are taking dangerous action here and I am very disturbed about it. I do not know what effect this action may have on the Middle East.

I do not know how offended Turkey may become. I do not know whether we will jeopardize our continued use of those military bases, and I do not know how this will affect our stature and influence in the Middle East. I do not know to what extent this imperils the security of Greece or Israel.

Nobody can foresee the effect of this resolution, but this was the best that could be done under all the difficult circumstances. The President has agreed to approve the continuing resolution with the new language that is contained in it.

Under leave to extend my remarks let me make further reference to our Middle East problems.

It is unfortunate that this continuing resolution has been used as a vehicle for conducting foreign policy of the United States.

I would warn my colleagues of the dangers involved. We are intruding into the internal affairs of the sovereign nation of Turkey. We are jeopardizing our historic friendship with this country and are imperiling the vital military agreements we have with Turkey.

I would like to point out for the record that I am torn as to what action to take in regard to the final vote on this resolution. I have opposed the Rosenthal amendment throughout this controversy and I will continue to oppose it and I also oppose the modified Rosenthal amendment which is included in the continuing resolution now before us.

On the other hand, as chairman of the Committee on Appropriations, it is my responsibility to help see that the Government is not prostrated and made ineffective and incapable of carrying on the business of the Nation. The continuing resolution provides vital funds for the Departments of Agriculture; Labor; Health, Education, and Welfare; and it provides funds for military construction and for certain activities for the Department of State. While I regret to see the modified Rosenthal amendment incorporated into the resolution, it is absolutely necessary that a continuing resolution be passed and that the business of government be allowed to continue.

Mr. Speaker, I cannot predict the future, of course, but based upon the information available to me I am of the opinion that the Rosenthal amendment will damage the capability of the United States to be a meaningful peace negotiator in the Middle East. It will be damaging in our efforts to be of assistance to Greece and to Israel. Indeed, it may seriously weaken this Nation's ability to be of assistance to Israel in the event of a military crisis. It could tend to weaken our position in the eastern Mediterranean and make much more difficult the continued operation of the 6th Fleet in the Mediterranean.

We have fought these issues out in the House of Representatives over a period of weeks now and my position has not been sustained, but the business of government must go on and the House will undoubtedly approve this resolution.

I do hope, Mr. Speaker, that the Government of Turkey and our Turkish friends—and there is, of course, an excellent relationship between the people of Turkey and the people of the United States—realize that in our own domestic controversy over the Cyprus situation that we did not in any way mean to indicate or show a lessening of our friendship and high regard for Turkey.

Historically, Turkey and the United States have long been allies. The House of Representatives, I believe, does not intend in any way that this relationship should diminish.

So, Mr. Speaker, it seems to me that this is adequate debate on the issue, and I yield back the balance of my time.

Mr. SKUBITZ. Mr. Speaker, I rise in support of the pending resolution providing continuing funding for various Government agencies as well as the compromise language pertaining to the prohibition of military aid to Turkey through December 10.

I feel that the language described in the resolution is such that the President and the Executive Establishment can adequately carry on the difficult task of finding and securing a formula for peace in Cyprus while at the same time the Congress has made clear its strong position regarding this country's part in the Cyprus matter.

Mr. MATHIS of Georgia. Mr. Speaker, I am extremely disappointed that I was not allowed, either during debate on the rule for this continuing resolution, or on this resolution itself, to express my opinions on this item relating to fertilizer for South Vietnam. Yesterday, an amendment was adopted by a voice vote in this House that would have limited funds appropriated in this resolution for purchasing fertilizer for South Vietnam to $1,000. The resolution that is being railroaded here today contains no limitation even resembling the one we adopted here yesterday. The rule under which we are operating allows no amendment to be offered, so there is no opportunity to rectify this blatant wrong. Mr. Speaker, certain Members have tried, in good faith I am sure, to allay my fears, and those of others, by inserting language in this continuing resolution that says, in essence, no money in this resolution may be used to purchase fertilizers in the United States for export to South Vietnam. I appreciate the efforts of the committee members in that direction, but I fear that such language will, as a practical matter, have absolutely no effect on the fertilizer to be exported. Let me cite a hypothetical case—the XYZ Fertilizer Co.—Savannah, Ga., is approached about selling $10 million worth of fertilizer to South Vietnam. XYZ tells the South Vietnamese "I am sorry, we cannot sell to you, but why don't you contact the ABC brokerage firm in Mexico City." ABC then purchases the $10 million worth of fertilizer, sells it directly to the South Vietnamese, and ships it from Savannah. The only thing we have done is to give some foreign broker a commission to handle the sale of the fertilizer, and put a little smokescreen in front of the taxpayers, and the farmers of the Nation. Mr. Speaker, what we should have done is to consider this continuing resolution under an open rule, and amended this section to buy fertilizer for South Vietnam. It is unthinkable that we would even consided spending $85 million to buy fertilizer for South Vietnam, when American farmers do not even know that they can purchase fertilizer adequate for their needs next year; but they do know they are going to pay exorbitant prices.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GROSS. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 33, not voting 210, as follows:

[Roll No. 625]

AYES—191

Adams	Goldwater	Obey
Addabbo	Gonzalez	O'Brien
Annunzio	Goodling	O'Neill
Arends	Gray	Parris
Ashley	Green, Oreg.	Passman
Aspin	Green, Pa.	Patten
Badillo	Gude	Pepper
Bafalis	Gunter	Perkins
Barrett	Haley	Pickle
Bell	Hamilton	Pike
Bennett	Harrington	Preyer
Biaggi	Harsha	Price, Ill.
Biester	Hays	Pritchard
Blatnik	Hechler, W. Va.	Quie
Brademas	Heckler, Mass.	Randall
Bray	Hillis	Rangel
Breaux	Hogan	Regula
Breckinridge	Holt	Reuss
Brown, Ohio	Holtzman	Robinson, Va.
Broyhill, Va.	Hungate	Rodino
Buchanan	Hutchinson	Roe
Burke, Mass.	Jones, Ala.	Rogers
Burton, John	Jordan	Rooney, Pa.
Burton, Phillip	Karth	Rosenthal
Butler	Kastenmeier	Roush
Byron	Kazen	Roybal
Casey, Tex.	Ketchum	Sandman
Cederberg	Kluczynski	Sarasin
Chamberlain	Koch	Sarbanes
Chisholm	Kyros	Sebelius
Clark	Lagomarsino	Seiberling
Cleveland	Leggett	Shoup
Cohen	Lehman	Shriver
Collier	Lent	Slack
Collins, Ill.	Long, Md.	Smith, Iowa
Conyers	Lott	Smith, N.Y.
Corman	Luken	Spence
Coughlin	McClory	Staggers
Cronin	McDade	Stanton,
Daniels,	McEwen	J. William
Dominick V.	McFall	Stanton,
de la Garza	McKinney	James V.
Delaney	Madden	Stark
Dellums	Mahon	Steed
Dennis	Mann	Steiger, Wis.
Dent	Martin, N.C.	Stokes
Donohue	Matsunaga	Studds
Downing	Mayne	Symington
Drinan	Mazzoli	Taylor, N.C.
Duncan	Meeds	Teague
du Pont	Mezvinsky	Thompson, N.J.
Eckhardt	Milford	Ullman
Edwards, Calif.	Miller	Van Deerlin
Eshleman	Minish	Vanik
Fascell	Mitchell, Md.	Williams
Fish	Mizell	Wilson,
Flood	Moakley	Charles H.,
Forsythe	Morgan	Calif.
Fountain	Mosher	Wyatt
Fraser	Murphy, Ill.	Wyman
Frenzel	Murphy, N.Y.	Yates
Fuqua	Murtha	Young, Fla.
Gaydos	Myers	Young, Tex.
Giaimo	Natcher	Zablocki
Gibbons	Nedzi	
Gilman	Nelsen	

NOES—33

Andrews, N.C.	Frelinghuysen	Poage
Archer	Ginn	Rarick
Bauman	Gross	Robison, N.Y.
Bevill	Gubser	Rose
Brinkley	Hosmer	Runnels
Burleson, Tex.	Jarman	Satterfield
Camp	Jones, Tenn.	Shuster
Chappell	Landgrebe	Sikes
Daniel, Dan	Lujan	Stubblefield
Davis, S.C.	McSpadden	Thornton
Fisher	Mathis, Ga.	Whitten

NOT VOTING—210

Abdnor	Brown, Calif.	Daniel, Robert
Abzug	Brown, Mich.	W., Jr.
Alexander	Broyhill, N.C.	Danielson
Anderson,	Burgener	Davis, Ga.
Calif.	Burke, Calif.	Davis, Wis.
Anderson, Ill.	Burke, Fla.	Dellenback
Andrews,	Burlison, Mo.	Denholm
N. Dak.	Carey, N.Y.	Derwinski
Armstrong	Carney, Ohio	Devine
Ashbrook	Carter	Dickinson
Baker	Clancy	Diggs
Beard	Clausen,	Dingell
Bergland	Don H.	Dorn
Bingham	Clawson, Del	Dulski
Blackburn	Clay	Edwards, Ala.
Boggs	Cochran	Eilberg
Boland	Collins, Tex.	Erlenborn
Bolling	Conable	Esch
Bowen	Conlan	Evans, Colo.
Brasco	Conte	Evins, Tenn.
Brooks	Cotter	Findley
Broomfield	Crane	Flowers
Brotzman	Culver	Flynt
Foley	Mallary	Skubitz
Ford	Maraziti	Snyder
Frey	Martin, Nebr.	Steele
Froehlich	Mathias, Calif.	Steelman
Fulton	Melcher	Steiger, Ariz.
Gettys	Metcalfe	Stephens
Grasso	Michel	Stratton
Griffiths	Mills	Stuckey
Grover	Mink	Sullivan
Guyer	Minshall, Ohio	Symms
Hammer-	Mitchell, N.Y.	Talcott
schmidt	Mollohan	Taylor, Mo.
Hanley	Montgomery	Thomson, Wis.
Hanna	Moorhead,	Thone
Hanrahan	Calif.	Tiernan
Hansen, Idaho	Moorhead, Pa.	Towell, Nev.
Hansen, Wash.	Moss	Traxler
Hastings	Nichols	Treen
Hawkins	Nix	Udall
Hébert	O'Hara	Vander Jagt
Heinz	Owens	Vander Veen
Helstoski	Patman	Veysey
Henderson	Pettis	Vigorito
Hicks	Peyser	Waggonner
Hinshaw	Podell	Waldie
Holifield	Powell, Ohio	Walsh
Horton	Price, Tex.	Wampler
Howard	Quillen	Ware
Huber	Railsback	Whalen
Hudnut	Rees	White
Hunt	Reid	Whitehurst
Ichord	Rhodes	Widnall
Johnson, Calif.	Riegle	Wiggins
Johnson, Colo.	Rinaldo	Wilson, Bob
Johnson, Pa.	Roberts	Wilson,
Jones, N.C.	Roncalio, Wyo.	Charles, Tex.
Jones, Okla.	Roncallo, N.Y.	Winn
Kemp	Rooney, N.Y.	Wolff
King	Rostenkowski	Wright
Kuykendall	Rousselot	Wydler
Landrum	Roy	Wylie
Latta	Ruppe	Yatron
Litton	Ruth	Young, Alaska
Long, La.	Ryan	Young, Ga.
McCloskey	St Germain	Young, Ill.
McCollister	Scherle	Young, S.C.
McCormack	Schneebeli	Zion
McKay	Schroeder	Zwach
Macdonald	Shipley	
Madigan	Sisk	

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Culver.
Mr. Rhodes with Mr. Davis of Georgia.
Mr. Rooney of New York with Mr. Dorn.
Mr. Stratton with Mr. Gettys.
Mr. Henderson with Mrs. Griffiths.
Ms. Abzug with Mr. Dulski.
Mr. Moorhead of Pennsylvania with Mr. Hanna.
Mr. Nichols with Mrs. Hansen of Washington.
Mr. Diggs with Mrs. Grasso.
Mr. Denholm with Mr. Holifield.
Mr. Carey of New York with Mr. Martin of Nebraska.
Mr. Ford with Mr. Minshall of Ohio.
Mr. Johnson of California with Mr. Owens.
Mr. Montgomery with Mr. Powell of Ohio.
Mr. Roncalio of Wyoming with Mr. Reid.
Mr. Nix with Mr. Mills.
Mr. O'Hara with Mr. Roy.
Mr. Hicks with Mr. Steele.
Mr. Clay with Mr. Tiernan.
Mr. Carney of Ohio with Mr. Hansen of Idaho.
Mr. Burlison of Missouri with Mr. Brotzman.
Mrs. Burke of California with Mr. Del Clawson.
Mr. Evins of Tennessee with Mr. Abdnor.
Mr. Eilberg with Mr. Johnson of Pennsylvania.
Mr. Dingell with Mr. Ashbrook.
Mr. Jones of North Carolina with Mr. Hinshaw.
Mr. Macdonald with Mr. Brown of Michigan.
Mr. Long of Louisiana with Mr. Baker.
Mrs. Boggs with Mr. Waldie.
Mr. Bingham with Mr. Davis of Wisconsin.
Mr. Alexander with Mr. Beard.
Mr. Cotter with Mr. Ware.
Mr. Danielson with Mr. Zwach.
Mr. Howard with Mr. Blackburn.
Mrs. Sullivan with Mr. Wylie.
Mr. Shipley with Mr. Broomfield.
Mr. Ichord with Mr. Melcher.
Mr. Fulton with Mr. Brooks.
Mr. Flynt with Mr. Burke of Florida.
Mr. Metcalfe with Mr. Mollohan.
Mr. Helstoski with Mr. Robert W. Daniel, Jr.
Mr. Roberts with Mr. Clancy.
Mr. Rostenkowski with Mr. Roncallo of New York.
Mrs. Schroeder with Mr. Stuckey.
Mr. Sisk with Mr. Skubitz.
Mr. Wolff with Mr. Ruth.
Mr. Yatron with Mr. Carter.
Mr. Young of Georgia with Mr. Udall.
Mr. Wright with Mr. Crane.
Mr. Vander Veen with Mr. Schneebeli.
Mr. St Germain with Mr. Ryan.
Mr. Evans of Colorado with Mr. Don H. Clausen.
Mr. Flowers with Mr. Dellenback.
Mr. Litton with Mr. Conable.
Mr. Landrum with Mr. Ruppe.
Mr. Foley with Mr. Snyder.
Mr. Hawkins with Mrs. Mink.
Mr. Rees with Mr. Jones of Oklahoma.
Mr. Moss with Mr. Conte.
Mr. McCormack with Mr. Scherle.
Mr. Riegle with Mr. Coughlin.
Mr. Stephens with Mr. King.
Mr. Traxler with Mr. Rousselot.
Mr. Vigorito with Mr. Latta.
Mr. Waggonner with Mr. Derwinski.
Mr. White with Mr. Madigan.
Mr. Anderson of California with Mr. Collins of Texas.
Mr. Bergland with Mr. Kuykendall.
Mr. Boland with Mr. Rinaldo.
Mr. Bowen with Mr. Kemp.
Mr. Brown of California with Mr. Mallary.
Mr. McKay with Mr. Conlan.
Mr. Anderson of Illinois with Mr. Zion.
Mr. Walsh with Mr. Steelman.
Mr. Railsback with Mr. Quillen.
Mr. Hunt with Mr. Steiger of Arizona.
Mr. Andrews of North Dakota with Mr. Vander Jagt.
Mr. Hudnut with Mr. Symms.
Mr. Whitehurst with Mr. Thone.
Mr. Talcott with Mr. Wiggins.
Mr. Winn with Mr. Price of Texas.
Mr. Peyser with Mr. Huber.
Mr. Horton with Mr. Taylor of Missouri.
Mr. Thomson of Wisconsin with Mr. Patman.
Mr. Widnall with Mr. Pettis.
Mr. Heinz with Mr. Treen.
Mr. Hastings with Mr. Devine.
Mr. Towell of Nevada with Mr. Erlenborn.
Mr. Mathias of California with Mr. Dickinson.
Mr. Edwards of Alabama with Mr. Findley.
Mr. Maraziti with Mr. Frey.
Mr. Esch with Mr. Froehlich.
Mr. McCloskey with Mr. Moorhead of California.
Mr. Grover with Mr. Guyer.
Mr. Mitchell of New York with Mr. Young of South Carolina.
Mr. Whalen with Mr. Hanrahan.
Mr. Wydler with Mr. Bob Wilson.
Mr. Young of Illinois with Mr. Charles Wilson of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the joint resolution (H.J. Res. 1167) just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AUTHORIZING PRINTING BY THE CLERK OF REPORTS FILED BY COMMITTEES AUTHORIZED TO CONDUCT INVESTIGATIONS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that reports filed with the Clerk of the House until November 18, 1974, by committees authorized by the House to conduct investigations may be printed by the Clerk as reports of the 93d Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS AUTHORIZED BY LAW OR BY THE HOUSE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until November 18, 1974, the Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, NOVEMBER 20, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the calendar Wednesday rule on Wednesday, November 20, 1974, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO REVISE AND EXTEND NOTWITHSTANDING ADJOURNMENT OF THE HOUSE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until November 18, 1974, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and also to include therein such short quotations as may be necessary to explain or complete such extension of remarks, but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I would like to ask at this time if the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) will give us the program for the House of Representatives for the week of November 18, 1974.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority leader yield?

Mr. ARENDS. I am happy to yield to the distinguished majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of November 18, 1974, is as follows:

On Monday, November 18, 1974, we will call the Consent Calendar, and we will consider bills under suspension as follows:

H.R. 14349, additional Army Deputy Chief of Staff;

H.R. 871, awards for reservists' suggestions;

H.R. 1959, disposal of excess property to Indians;

H.R. 16225, Joint Funding Simplification Act;

H.R. 14791, wild and scenic rivers;

H.R. 10510, congressional approval of economic census questionnaires;

H.R. 13340, census data for State legislatures;

H.R. 8864, Little League baseball for girls and boys;

H.R. 13054, Naval Sea Cadets Corps for girls and boys;

H. Res. 1399, world food situation;

H.R. 16982, U.S. payment for U.N. peacekeeping forces; and,

S. 1064, judicial disqualification.

On Tuesday, November 19, we will call the Private Calendar, and we will consider bills under suspension as follows:

H.R. 15229, tort claims for Canal Zone;

S. 1227, FCC rulemaking procedures for overcharges;

S. 1479, notifying Secretary of Defense by FCC; and,

S. 2457, alien radio operators licenses.

On Wednesday, November 20, and the balance of the week we will consider the following:

H.R. 16373, Privacy Act, with an open rule, and 1 hour of debate;

H. Res. 1387, place for amendments in CONGRESSIONAL RECORD;

S.J. Res. 40, White House Conference on Libraries, with an open rule, and 1 hour of debate;

S. 3906, Nonpilots commanding flying units, with an open rule, and 1 hour of debate;

H.R. 16074, Nuclear information for Congress, subject to a rule being granted;

H.R. 16609, AEC supplemental authorization, subject to a rule being granted; and

H.R. 8266, requiring radios to receive AM and FM, subject to a rule being granted.

Conference reports may be brought up at anytime, and any further program will be announced at a later date.

That is the program for the week of November 18 when we return. Other items that we will compelled to handle during the period of time when we come back will be Labor-HEW conference appropriations, Agriculture conference appropriations, military construction conference appropriations, supplemental conference appropriations and foreign aid.

Then, we also, of course, have a foreign aid authorization, Rhodesian chrome, strip mining conference. Then, we have the nomination of a gentleman by the name of Rockefeller pending before the Judiciary Committee.

We have the lottery bill, the Offshore Terminals Conference, the Federal-Highway Act, the Urban Mass Transit Conference, which is still before the Rules Committee.

We anticipate a trade conference and whatever other conferences would come along. There is a bill on airline discrimination.

I have read for the most part the complete schedule which we have planned by the time we return. I would anticipate that we would be back the 18th, work through the week of the 18th; be back on the following Monday and what would be agreed to by the leadership with the approval of the House as to whether we would leave on Tuesday or Wednesday to go home for Thanksgiving. Then, we would come back the following week, or as soon as we can complete the schedule we have which, as the gentleman knows, under the rules of reorganization, the matters concerning the 94th session are to be taken up. The committee assignments and whatever caucuses both sides of the aisle are supposed to have will be taken up sometime between the 1st and the 20th.

May I say for the gentleman's information that the Democrats are going to meet December 6, 7, and 8 at Kansas City for a little soiree, in which we make plans for 1976.

Mr. ARENDS. Mr. Speaker, I would like to say to the gentleman that on the 6th, 7th, and 8th of December, I hope he has a merry time. Also, considering all the items the gentleman says we are going to do, would he care to give us an educated guess as to whether we will get out in time for Christmas?

Mr. O'NEILL. There is no question about that. I assume we will be out before Christmas.

THREAT TO NATIONAL SECURITY

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, I rise to express my grave concern over a news report that the FBI does not have enough agents to keep track of the growing number of foreign spies in the United States.

In an informal meeting with members of the news media yesterday, FBI Director Clarence M. Kelley said that he was considering asking Congress for 250 additional agents to work just on internal security. According to Kelley, the FBI is now undertaking an internal readjustment to increase the number of agents working on internal security, but if this readjustment does not supply the necessary manpower, he will have to ask Congress for assistance.

Mr. Speaker, it is a sad commentary on our priorities that foreign agents are able to roam this Nation at will, and at the

same time continual leaks of top secret information make the spies' job even easier. I know of no other Nation in the world where an individual can make public top secret information and go unpunished.

On top of this continual sapping from within, we now find that there are so many foreign agents entering our Nation that the FBI is unable to adequately keep track of them all. This is a truly dangerous situation, and one which should not be allowed to continue. We have maintained our position as defender of freedom and arbiter of world peace only through our position as the No. 1 power in the world, and we can allow no situation which will threaten that supremacy. The continued and unmonitored presence of large numbers of foreign espionage agents in our country clearly threatens our national security.

The Congress must take corrective action immediately. We must set legislative goals which put America first, which tighten up our security, and which punish those who make classified information available to unauthorized persons. We must give the FBI the manpower and funds necessary to protect our national security and monitor those who would disrupt our society. Freedom of speech and press under the Constitution are imperative guarantees, but I do not believe our forefathers meant them to be carried to such extremes as to threaten the very foundations of our national security and give aid and comfort to our enemies.

Mr. Speaker, following is the news report of Mr. Kelley's remarks to which I have referred:

FBI DIRECTOR WANTS MORE ANTISPY AGENTS

(By Bob Kuttner)

FBI Director Clarence M. Kelley yesterday warned that the FBI doesn't have enough agents to keep track of the growing number of foreign spies in the United States, and said he is considering asking for 250 new agents to work just on internal security.

Kelley's comments came at a luncheon for reporters who regularly cover the Justice Department. It was the second such gathering this year.

Covering a wide variety of topics, Kelley told reporters:

The FBI should play a greater coordinating role in local law enforcement by serving as a clearinghouse, but not to the extent of becoming a national police force. He disclosed that the FBI's data banks now have reports on some 60,000 local police projects to exchange among police departments.

The FBI has no explanation for the 16 per cent jump in serious crimes reported during the first half of 1974, but he is certain that the decline reported during 1972 was not an election-year statistical manipulation.

He opposes privacy legislation that would permit federal employees to see comments in their files obtained from informants during pre-employment investigations. He also rejects proposals to expunge arrest records where no conviction resulted, because frequently "the arrest in itself was a good arrest."

The FBI has no new information on kidnaped heiress Patricia Hearst. "I'd like to say 'Patty, come on in,'" Kelley said, gesturing at the doorway.

He still supports efforts to permit the FBI to wiretap without warrants in "domestic subversion" cases, and opposes pending legislation to require court approval for national security wiretaps, which are now allowed without a warrant.

The FBI found no links between the Symbionese Liberation Army and any foreign power, Kelley said. "Had there been any we might have gotten warrantless tapping."

He said his speech last week to the American Legion warning about increased espionage was prompted in part by concern about new restrictions on wiretapping.

Kelley told reporters there is a growing gap in the ratio of FBI agents to Communist diplomats and visitors all of whom he called "potential agents gathering information."

The best system would be "one FBI agent for each espionage agent," Kelley said, but "our budget doesn't allow it." He declined to say whether Communist diplomatic representation should be reduced, terming that a subject "in the area of detente."

As part of the FBI's stated new policy of openness with the public and the press, Kelley invited reporters to interview any of the bureau's assistant directors, and to visit the FBI Academy at Quantico, Va.

CONGRESSMAN JACK KEMP INTRODUCES THE PROPOSED MEDICAL RECORDS PRIVACY ACT OF 1974

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, that Government's involvement in our daily lives stands as a threat to the sanctity and security of the individual cannot any longer be questioned.

Virtually every Federal agency today maintains extensive records about individuals, records which can be retrieved and used in a manner which identifies specific information with a particular person. This information is often exchanged between agencies. And, if there is outdated, erroneous, or irrelevant information contained in the original record, its exchange duplicates and spreads that information, making it difficult—if not next to impossible—for the individual to correct.

And, it is most discouraging when the Federal Government surfaces a proposal, as it recently did, one to construct and operate a combined automated data system for the entire Federal Government, one to be known as FedNet. That proposal would have taken the data systems now held separately by the many Federal agencies and have combined them into one mammoth system. This program apparently rested on the assumption that the best way to protect the privacy of records was to create some sort of 1984-ish master computer network, housed in one place, around which would be Federal guards to assure the privacy of records maintained therein. This assumption has one major flaw: it fails to recognize Government itself as one of the principal threats to the right of privacy. After all, "Big Brother" is synonymous with "Big Government."

PROTECTION OF THE PRIVACY OF MEDICAL INFORMATION

One of the traditional, classic confidential relationships recognized at common law, by modern statutes, and through contemporary rules of evidence and procedure is the confidential relationship between a doctor and his patient. It stands on the same par as that privileged relationship between a lawyer and his client, between a priest and the penitent.

At a time when there are efforts to create new rights of confidentiality—as between a newsman and his source—the confidentiality of those health related matters discussed and dealt with between a doctor and his patient has been recognized for centuries.

This right is the right of the patient to assert—a right precluding with full force of law a doctor either releasing information or testifying in court without the consent of the patient. It is not the doctors' right. And, as such, it is a right personal to that patient.

The right of privacy as to medical information and records—in this sense of an individual patient working with an individual doctor—is fairly easy to protect.

As a matter of practice, these manual records are usually kept under lock and key and are accessible only to the physician and his immediate medical staff. Information is not released from those records except with the consent of the patient—usually written consent so as to protect the doctor, the receiver of the information, and the patient himself. This is true even when the patient is seeking to obtain a benefit through the release of that information—such as health insurance payments for services and medications.

In addition, there are adequate remedies at law for violations of this right—this principle—ranging from disciplinary actions against the doctor to actual and punitive damages.

This confidential relationship is being tested—circumvented—through the proliferation of computerized, automated data networks of medical information.

During the past year I have had the benefit of the views of my colleagues, the professional community, patients, and a special medical privacy task force in my congressional district—the Joint Task Group on Ethical Health Data Centers, chaired by E R. Gabrieli, M.D., on the appropriateness and content of medical privacy legislation.

On October 11, I introduced a bill, H.R. 17323, the proposed Medical Records Privacy Act of 1974. That bill is designed to establish greater safeguards and protections of the right of privacy as it relates to personal medical information—information being held by Federal agencies and computerized and automated medical information held by non-Federal entities, public and private.

The need for this legislation is readily accessible to anyone who examines the volumes now compiled on the interface between data banks and constitutional rights.

As to data banks maintained by Federal agencies, the Subcommittee on Constitutional Rights, chaired by Senator SAM J. ERVIN, JR., of North Carolina, of the Senate Committee on the Judiciary, has recently published an extensive study entitled, "Federal Data Banks and Constitutional Rights: A Study of Data Systems on Individuals Maintained by

Agencies of the United States Government."

This study details the nature of those data banks acknowledged to exist by 54 Federal agencies. The subcommittee feels that not all data banks were acknowledged by the agencies.

According to this study, there are an acknowledged 858 data banks consisting of "countless files and dossiers on individuals." The 765 data banks for which information about the number of records is available contain 1.245 billion—1,245,699,494 records—on individuals. Over 86 percent of the reported data banks are computerized.

With respect to this computerization of records, the subcommittee's study observes:

It is interesting to note that many of the more sensitive dossiers which pose the most serious dangers to individuals are kept in manual files, perhaps because the information is thought to be too sensitive to be entrusted to computers. Nevertheless, the trend appears to be toward more and more computerization of all types of government files in the future.

Under what authority were these data banks compiled and maintained? The study observes:

It is highly troubling, therefore, to find that 84 percent of the 544 data bank responses analyzed are unable to cite specific statutory authority. Fully 18 percent cite no statutory authority whatsoever.

As an example of the kinds of files maintained—relating to medical information—the Social Security Administration stores well over 25 million patient files. The personnel files of the agencies typically contain medical information as it relates to potential or actual employment. The disability files of the Civil Service Commission and the millions of partial and permanent disability files maintained by the Armed Forces contain extensive medical information.

As to non-Federal data banks, Blue Cross/Blue Shield has a similar volume of data in retrievable form. And, the Medical Information Bureau, an information clearinghouse for the life and health insurance industry, acknowledges the existence of over 25 million patient files, but their maintenance of health records obtained through employer-labor health programs is believed, by some, to push that figure to a more realistic 60 to 75 million files.

A recent article in the Washington Post disclosed that the State of Maryland has been collecting and computerizing records on everyone who has had an abortion—and the issue here is not abortions, it is the propriety of a government maintaining records on that medical practice—and also on others who have received psychiatric care in the State. Records on medical matters relating to drug and alcohol abuse and the handicapped are also being maintained in that system.

The Board of Health of the State of Missouri has instituted an extensive health information system which many believe runs counter to the need to further assure protection in this area. Through a ruling this year, the board is requiring all licensed hospitals in the State to submit minimum basic data on each patient discharged from the hospital. The data is to be sent to the Missouri Health Department. The data must include the street address, down the hundreth of the block, which in many cases will actually identify the person, especially in suburban and rural areas.

Perhaps, one of the most interesting abuses—in a computerized network—was revealed by the gentleman from New York, my friend and colleague, ED KOCH. Here is the example he cited during our proceedings of July 9:

When I was a younger man, I made an application for life insurance, and it was rejected. I could not understand why because I felt pretty healthy, and the company did not give me the reason why. Because I pressed and pressed, I finally was able to secure an off-the-record statement from the individual who had solicited the account. He said, "Well, we have information in our records that 10 years ago you had cancer." I said, "Well, that is very interesting, but I am not aware of it." I asked what the nature of this cancer was. The records showed it was leukemia. I asked, "Where did you get that information." The company indicated they had obtained it from a neighbor.

The truth is, I did not have cancer and, of course, would have been dead a long time ago had I had it. Had I not pressed on that matter, I would not have known and I would not have been given an insurance policy. I brought this matter to the company's attention, and demanded that they analyze their file again and finally they agreed that the information that had been provided them had been given maliciously.

Now that there has been press coverage given to my work on medical privacy, my mail is bringing to me many examples of these kinds of problems.

What we are dealing with here is the necessity of attaining a proper balance between the legitimate needs of public and private agencies which maintain records to gather information essential to the delivery of services and the payment of claims on the one hand, and the rights of the individual to assure the privacy and accuracy of that information on the other.

MEDICAL RECORDS PRIVACY ACT OF 1974

The proposed Medical Records Privacy Act is designed to establish greater safeguards and protections of the right of privacy as it relates to personal medical information—information held by Federal agencies and information held by non-Federal public and private entities in computerized or otherwise automated format.

The bill is the product of literally months of work on this issue.

This is a grave, deeply complex issue, requiring the careful attention of the Congress and its committees. I hope that the Committee on the Judiciary, to whom has been referred the bill, will make this matter a top priority as it moves more decisively into the subject area of privacy—as to wiretapping, as to arrest records involving no subsequent convictions, and as to other forms of surveillance.

For the benefit of my colleagues, and because there have been many requests this week for the full text of the proposed Medical Records Privacy Act, I include at this point a sectional outline and the text of that bill:

SECTIONAL OUTLINE OF THE MEDICAL RECORDS PRIVACY ACT OF 1974

Sec. 1. Short title
Sec. 2. Findings and purposes
Sec. 3. Definitions
(1) Medical information
(2) Personal medical record
(3) Board
(4) State
(5) Disseminate
(6) Non-Federal personal medical records
(7) Data subject
(8) Federal agency

TITLE I—THE FEDERAL MEDICAL PRIVACY BOARD

Sec. 101. Establishment of the Board
Sec. 102. Membership of the Board
Sec. 103. Administration of the Board
Sec. 104. Powers of the Board
Sec. 105. Technical Amendment to Title 5
Sec. 106. Annual Report

TITLE II—FEDERAL AGENCY MEDICAL PRIVACY REQUIREMENTS

Sec. 201. Establishment of Federal Agency Requirements
Sec. 202. Federal Agency Compliance
Sec. 203. Enforcement

TITLE III—STATE MEDICAL PRIVACY PROGRAMS

Sec. 301. Authorization for Grants to States
Sec. 302. Requirements for Certification
Sec. 303. Certification of a State Program
Sec. 304. Grants to States

THE PROPOSED MEDICAL RECORDS PRIVACY ACT OF 1974

To establish a Federal Medical Privacy Board with responsibility for promoting protection of the right of privacy as it relates to personal medical information

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Medical Records Privacy Act of 1974".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) privacy is a fundamental individual right of increasing importance in modern society;

(2) the collection, maintenance, use, and dissemination of various types of information about an individual, although often necessary for legitimate purposes, can pose a serious threat to personal privacy;

(3) medical information about an individual is particularly sensitive and should be kept highly confidential;

(4) the increased use of computers and other forms of sophisticated information technology by insurance companies and others associated with the provision of health care services has greatly magnified the potential for invasions of personal privacy;

(5) adequate legal protection does not now exist for personal medical records maintained by Federal agencies; and

(6) although primary responsibility for protecting the right to privacy as it pertains to non-Federal personal medical records rests with the States, the Federal Government should take the initiative in encouraging States to develop comprehensive medical privacy programs.

(b) It is the purpose of this Act to promote the protection of individual privacy by (1) providing for the development of safeguards to insure the confidentiality of medical information contained in personal medical records; (2) establishing a Federal Medical Privacy Board which will be directly responsible for overseeing all Federal activi-

ties that involve the use of personal medical records; and (3) encouraging States to develop comprehensive medical privacy programs of their own.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "medical information" means—

(A) any diagnostic, prognostic, or other medical analysis of an individual;

(B) any medical history of an individual;

(C) any account of medical treatment received by or recommended or prescribed for an individual;

(D) the results of any tests, studies, examinations, or interviews conducted in conjunction with the medical treatment of an individual; and

(E) such other information pertaining to the medical condition of an individual as the Board may, by regulation, designate.

(2) The term "personal medical record" means any record, file, or other collection or grouping of information, whether maintained in writing or in a computer or in other electronic form, which contains—

(A) medical information about an individual; and

(B) information identifying such individual. For purposes of this paragraph, information which identifies an individual includes his name, address, social security number, and such other personal information as the Board may, by regulation, designate.

(3) The term "Board" means the Federal Medical Privacy Board established by this Act.

(4) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(5) The term "disseminate" means release, transfer, or otherwise communicate information orally, in writing, by electronic means, or by any other means.

(6) The term "non-Federal personal medical records" means any personal medical records maintained by any individual or entity other than a Federal agency.

(7) The term "data subject" means the individual who is the subject of the medical information and of the identifying information contained in a personal medical record.

(8) The term "Federal agency" means any agency as defined in section 552(e) of title 5, United States Code.

TITLE I—THE FEDERAL MEDICAL PRIVACY BOARD

ESTABLISHMENT OF THE BOARD

SEC. 101. There is established an independent executive agency to be known as the Federal Medical Privacy Board.

MEMBERSHIP OF THE BOARD

SEC. 102. (a) The Board shall consist of five members, any three of whom shall constitute a quorum. The Board shall conduct business only through the action of a quorum. A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board.

(b) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. No more than three members may be of the same political party.

(c)(1) Except as provided in paragraph (2), members shall be appointed for a term of five years. Upon the expiration of his term, a member may continue to serve until his successor has taken office, except that he may not so continue to serve more than one year after the date on which his terms would otherwise expire.

(2)(A) Of the first five members appointed—

(i) one shall be appointed for a term of one year;

(ii) one shall be appointed for a term of two years;

(iii) one shall be appointed for a term of three years;

(iv) one shall be appointed for a term of fours years; and

(v) one shall be appointed for a term of five years.

(B) If a member resigns, dies, or otherwise vacates his position prior to the expiration of his term, the President shall appoint, by and with the advice and consent of the Senate, a successor to serve the remainder of such term.

(3) No member shall serve more than two terms. For purposes of this paragraph, service as a member for a period of less than three years shall not constitute a term.

(d) No member shall engage in any other business, vocation, or employment.

(e) The President shall designate a member of the Board to serve as Chairman. The Chairman, or a member designated by the Chairman to act in his stead, shall preside at all meetings of the Board.

ADMINISTRATION OF THE BOARD

SEC. 103. (a) The Board may make such rules and regulations as it deems necessary to carry out its duties under this Act.

(b) The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request.

(c) The Board may appoint such staff personnel as it deems necessary. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) The Board may procure temporary or intermittent services of experts or consultants in accordance with section 3109 of title 5, United States Code.

POWERS OF THE BOARD

SEC. 104. (a) The Board, or any member of the Board designated to act in its behalf, may hold such hearings and sit and act at such times and places, and take such testimony, as the Board deems necessary for purposes of carrying out its functions under this Act. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board or before such member.

(b)(1) The Board may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter within the jurisdiction of the Board. The attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Board) order such person to appear before the Board to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules for Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found.

(5) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

TECHNICAL AMENDMENT

SEC. 105. Section 5316 of title 5, United States Code (relating to positions to which level V of the Executive Schedule applies), is amended by adding at the end thereof the following new paragraph:

"(134) Members, Federal Medical Privacy Board."

REPORT

SEC. 106. The Board shall, as soon as practicable after the end of each fiscal year, submit to the President and to the Congress a written report on the activities of the Board during such fiscal year.

TITLE II—FEDERAL AGENCY MEDICAL PRIVACY REQUIREMENTS

ESTABLISHMENT OF FEDERAL AGENCY REQUIREMENTS

SEC. 201. (a) The Board, after consultation with the heads of appropriate Federal agencies, shall by regulation establish medical privacy requirements designed to protect, to the maximum extent feasible, the confidentiality of the medical information contained in personal medical records maintained by Federal agencies. Such requirements shall include requirements that any Federal agency which maintains personal medical records shall—

(1) maintain only such personal medical records as are necessary for carrying out legitimate functions of the agency;

(2) disseminate medical information from such personal medical records only when the recipient of such information has a legitimate need for such information and only when such steps as the Board may require have been taken to protect the privacy of the data subject to whom the information so disseminated pertains;

(3) establish procedures to insure that access to such personal medical records is limited to those individuals who have a specific need for such access in the performance of their duties;

(4) maintain such records as the Board may require of access to, and dissemination of, such personal medical records;

(5) establish procedures for the periodic removal from such personal medical records of medical information which is no longer necessary for carrying out legitimate functions of the agency;

(6) upon request by a data subject—

(A) inform such data subject of the existence and nature of any such personal medical records which pertains to him;

(B) permit such data subject reasonable opportunity to examine and copy the medical information which pertains to him contained in any such record other than medical information the receipt of which the Board has determined by regulation would have an adverse effect upon the data subject;

(C) provide such data subject with an explanation, in terms comprehensible to a layman, of the medical information contained in such record other than medical information exempted under subparagraph (B);

(D) permit such data subject to insert in such record a statement of correction or explanation of any medical information con-

tained in such record which such data subject believes is not accurate, relevant, timely, or complete; and

(E) inform such data subject of (i) who has or has had access to any such record and the reasons for such access, and (ii) any disseminations outside the agency of medical information from such record and the reasons for each such dissemination;

(7) submit to the Board such reports of information pertaining to its maintenance of such personal medical records as the Board may request; and

(8) establish appropriate rules of conduct for all individuals having access to such personal medical records and establish procedures to insure that any individual having access to any such records which are being maintained or processed in any computerized or automated data processing or information retrieval system possesses—

(A) technical competence,

(B) personal integrity, and

(C) an understanding of the legal and ethical bases of personal privacy.

Rights granted pursuant to paragraph (6) to a data subject who is legally incompetent or who otherwise lacks capacity to act in his own behalf because of age, or mental or other disability, may be exercised on his behalf by his guardian or other legal representative, or, in the case of a minor, by a parent.

(b) The Board, after consultation with the heads of appropriate Federal agencies, shall by regulation establish medical access requirements applicable to Federal agencies which have access to non-Federal personal medical records. Such requirements shall be designed to protect to the maximum extent feasible, the confidentiality of information contained in such records and shall include requirements that—

(1) Federal agencies which have access to non-Federal personal medical records file with the Board such reports as the Board may require with regard to—

(A) the authority for such access;

(B) the specific reasons why such access is necessary for carrying out the agency's legal responsibilities; and

(C) how the information obtained from the inspection of such records is used;

(2) employees and agents of Federal agencies inspect non-Federal personal medical records only when and only to the extent that inspection is necessary for a legitimate agency function; and

(3) Federal agencies adopt such procedures as the Board may prescribe to insure that the confidentiality of medical information contained in any non-Federal personal medical records to which the agency has access is protected and that the medical information obtained by such agency from such records is used only for a legitimate agency purpose.

FEDERAL AGENCY COMPLIANCE

SEC. 202. (a) Except as provided in subsection (c), any Federal agency maintaining personal medical records shall comply with the medical privacy requirements established under section 201(a).

(b) Except as provided in subsection (c), any Federal agency having access to non-Federal personal medical records shall comply with medical records access requirements established under section 201(b).

(c) The Board may grant to a Federal agency an exemption from any requirement established under section 201 as it applies to certain personal medical records if the Board determines that compliance with such requirement with regard to such records would be inconsistent with law enforcement or intelligence gathering responsibilities of such agency.

ENFORCEMENT

SEC. 203. (a) Upon its own motion or upon a charge of noncompliance filed under subsection (b)(1), the Board shall commence investigatory proceeding with regard to the issues, raised by such motion or charge, of agency compliance with the requirements established under section 201. If on the basis of such investigatory proceedings the Board finds that there is reasonable cause to believe that the agency is not in compliance, the Board shall institute adjudicatory proceedings in accordance with section 554 of title 5, United States Code. If on the basis of such adjudicatory proceedings the Board determines that the agency is not in compliance, the Board shall issue an order directing agency compliance. The Board may enforce any such order in a civil action in an appropriate United States court of appeals. Any Federal agency to whom any such order is directed may obtain review of such order in an appropriate United States court of appeals. Judicial review of any such order, including review for purposes of enforcement, shall be in accordance with chapter 7 of title 5, United States Code. If at any time after the filing of a charge of noncompliance the Board determines that the agency charged with noncompliance is in compliance, the Board shall issue an order dismissing the charge and terminating any proceedings instituted as the result of such charge. The Board shall take final action on any charge of noncompliance within 90 days after the filing of such charge.

(b)(1) Any data subject aggrieved by the failure of a Federal agency to comply with any requirement established under section 201 as it applies with regard to a personal medical record which pertains to such data subject may file with such agency a complaint, containing such specific information as the Board may by regulation require, requesting compliance. Any Federal agency with whom a complaint is filed shall submit a copy of such complaint to the Board. If, at the end of the 30-day period beginning on the date on which such compliant was filed, the data subject filing such complaint is not satisfied that the agency is in compliance, he may file a charge of noncompliance with the Board. Charges so filed shall contain such information and be in such form as the Board may require.

(2) Any data subject who, having filed a charge of noncompliance with the Board, is aggrieved by Board action with regard to such charge is entitled to judicial review of such action in accordance with chapter 7 of title 5, United States Code, in an appropriate United States court of appeals.

(c) Any data subject who sustains injury as the result of the failure of a Federal agency to comply with any requirement established under section 201 as it applies with regard to a personal medical record which pertains to such data subject may bring an action for damages against such agency in an appropriate United States district court, without regard to the amount in controversy. In any such action in which the court determines that the agency has failed to comply, the individual bringing such action shall be awarded actual damages plus the costs of the action plus reasonable attorneys' fees as determined by the court. If in any such action the court determines that the agency's failure to comply was willful, arbitrary, or capricious, it shall award punitive damages in such amount as it deems appropriate.

(d) If a data subject is deceased, such next-of-kin as the Board may by regulation designate shall have the rights granted under this title to such data subject to the extent that the medical information which pertains to such data subject is such that, as determined under regulation promulgated by the Board, (A) it relates directly to the medical condition of such next-of-kin, or (B) its disclosure would cause serious embarrassment or humiliation to such next-of-kin.

TITLE III—STATE MEDICAL PRIVACY PROGRAMS

AUTHORIZATION FOR GRANTS TO STATES

SEC. 301. The Board is authorized to make grants in accordance with section 304 to States having a medical privacy program which has been certified under this title. Grants shall be for the twelve month period covered by such certification.

REQUIREMENTS FOR CERTIFICATION

SEC. 302. The Board shall certify the medical privacy program of a State if such program provides adequate safeguards to protect the right of personal privacy with regard to all personal medical records maintained in such State other than (1) personal medical records maintained by a Federal agency and (2) such personal medical records maintained by such State and local law enforcement agencies as the Board may designate. Such safeguards shall include—

(1) appropriate private remedies for violations of the right to privacy as it applies to medical information;

(2) a requirement that all individuals licensed by or registered with the State to engage in the delivery of health care services possess an adequate understanding of the legal and ethical bases of personal privacy and of the requirements of the State's medical privacy program;

(3) enforceable requirements that any person, including any agency of State or local government, responsible for the operation of any computerized or automated data processing or information retrieval system in which personal medical records are maintained or processed—

(A) incorporate into such system technological safeguards which will prevent unauthorized access to, or accidental loss or alteration of such records;

(B) established appropriate procedures to insure that any individual having access to the personal medical records in such system possesses—

(i) technical competence;

(ii) personal integrity; and

(iii) an understanding of the legal and ethical bases of personal privacy; and

(C) keep accurate and complete records of who has access to the personal medical records in such system and the reason for such access;

(4) enforceable requirements that any person, including any agency of State or local government, responsible for personal medical records which are maintained or processed in any computerized or automated data processing or information retrieval system—

(A) established appropriate procedures to insure that such personal records include only personal medical records for which a

(B) establish appropriate procedures to insure that medical information from such insure that medical information from such records is disseminated only when there is a legitimate need for such dissemination and only when adequate steps have been taken to protect the privacy of the individual to whom the information so disseminated pertains;

(C) establish appropriate procedures for the periodic removal from such records of medical information which is outdated, inaccurate, or unnecessary;

(D) inform a data subject, upon request, of (i) who has access or has had access to any such personal medical record which pertain to him, and (ii) the reason for such access;

(E) whenever feasible and appropriate, obtain a data subject's informed, written consent to the inclusion in any such record of medical information which pertains to him, and to the dissemination or the alteration of medical information contained in any such record which pertains to him; and

(F) provide a data subject with reasonable opportunities to (i) be informed of the existence of any such personal medical record which pertains to him, (ii) inspect such record, and (iii) where appropriate, insert additional medical information and explanatory statements in such record; and

(5) establishment by the State of adequate procedures to insure compliance with the requirements described in paragraphs (3) and (4).

The Board shall not certify any medical privacy program which fails to provide protection for the right of privacy of minors and other individuals who are legally incompetent or who otherwise lack legal capacity to act on their own behalf.

CERTIFICATION OF A STATE PROGRAM

SEC. 303. (a) A State may file with the Board a request for certification of its medical privacy program, together with such detailed description of the program and such supporting information as the Board may require, at any time unless there is a certification in effect with regard to the medical privacy program of such State, in which case the State may apply for certification with regard to a subsequent period at any time within the six-month period ending on the expiration of the existing certification.

(b) Upon the filing of a request for certification of a medical privacy program, the Board shall publish a general notice in the Federal Register explaining how a description of such program can be obtained and inviting the submission by any interested person of written data, views, or arguments with regard to whether such program meets the requirements for certification. If the Board determines, on the basis of such submissions or of its own examination and investigation, that there exists a significant question on whether such program meets the requirements for certification, the Board shall conduct an adjudicatory hearing in accordance with section 554 of title 5, United States Code. Within 90 days after the filing of a request for certification, the Board shall issue an order either granting or denying certification. An order denying certification may be appealed to the United States Court of Appeals for the District of Columbia by the State which filed the request for certification. Certification of a medical privacy program shall be effective for a twelve-month period beginning on such date as the Board may designate.

GRANTS TO STATES

SEC. 304. (a) Upon issuance of an order certifying a State's medical privacy program the Board shall make a grant to such State for the twelve month period covered by the certification in an amount equal to the sum of—

(1) (A) an amount equal to one percent of the amount to which the State government of such State is entitled under section 107 of the State and Local Fiscal Assistance Act of 1972 for the entitlement period which includes the date on which the period of certification begins, or

(B) $200,000,

whichever is greater; and

(2) if the Board determines that disproportionately large costs will be associated with the administration of such medical privacy program because of the number or nature of the computerized or automated data processing or information retrieval systems covered by such medical privacy program, such additional amount as the Board deems appropriate.

(b) (1) Except as provided in paragraph (2), all funds from a grant made to a State pursuant to subsection (a) shall be used by such State for expenditures associated with the administration of the State's medical privacy program.

(2) If the funds available under a grant exceed the costs of administering such program, the excess funds shall be used by the State for an education program on the right of privacy to be conducted in institutions of higher education in the State.

(3) Any request for certification shall include such assurances as the Board may require that any funds made available to the State upon certification will be used only for the purposes specified in this subsection.

Mr. Speaker, this is an initial bill. I have no pretense that it is in the final form from which it might either emerge from a committee's deliberations or from sessions with my colleagues.

This bill, H.R. 17323, ought, however, to serve as the important vehicle for the expression of comments—for, against, and clarifying—from all interested parties—patients, physicians, surgeons and nurses, medical health data administrators, associations, insurance and data processing companies, educators, attorneys, agencies, and legislators.

I ask the Committee on the Judiciary to which this bill has been referred, not to request official comments of the Federal departments and agencies on this particular bill, deferring those requests until a revised, "clean" bill can be introduced after receipt and review of the comments which I am here inviting.

A revised draft should be available for reintroduction following the October recess.

We have an almost unique opportunity before us: An opportunity for the Congress to deter a problem before it gets out of control. We should avail ourselves of that opportunity.

ENERGY COST PARITY ACT OF 1974 INTRODUCED

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, consumers on the east coast, in New England, and particularly in my own State of Massachusetts have borne the brunt of this year's fearsome electric utility price hikes. New England's heavy dependence on largely imported heavy oil for electric power generation has brought hardship to many, and near disaster to some families in our area. The aged and poor whose incomes have not risen nearly enough to meet the mounting electric bills have been the most severely hit.

It is because of this consumer price squeeze—the squeeze between mounting electric bills and fixed or only slowly rising incomes—that I am introducing the Energy Cost Parity Act of 1974. My objective is to provide meaningful relief to the hardest hit victims of higher electric bills. The legislation I am proposing does this by giving assistance to electric utilities which are then required to pass on every penny of this assistance to their customers through lower electric bills.

My bill would give assistance to utilities using residual oil to generate electricity only so long as residual oil costs are above $7.50 a barrel. Such relief is long overdue.

Between October 1973 and March 1974 the Federal Power Commission shows that residual oil prices rose 176.1 percent, while the fuel costs of utilities using coal or natural gas rose by much less. FPC data show that coal and gas prices rose by 56 percent and 33 percent, respectively, from March 1973 to March 1974. In other words, the fuel cost burden of homeowners on the east coast, where most utilities use residual oil, has gone up 3 to 5 times more than burdens of consumers in other areas and it is this inequity which my legislation would correct.

In dollar and cents terms, oil prices hit Massachusetts consumers so hard through their electric bills because oil prices have risen from about $4 a barrel or less a year ago, to $12 or more at this time. This $8 rise costs New England electric users about $600 million a year despite an estimated 8.5 percent reduction in heavy oil consumption by utilities in 1974 as opposed to 1973. For 12 million New Englanders, this is a cost burden of almost exactly $50 per person per year.

Let me give you a specific example. In Fall River, Mass., in my district, the fuel adjustment charge has jumped from less than 1 cent per killowatt hour in October, 1973 to about 2.8 cents a kilowatt in August—a near 200-percent increase. This reflects an increase in residual oil costs which jumped from $3.80 to $11.79 per barrel over the same period.

The effect on homeowners can be devastating. The average fuel adjustment increase in Fall River, Taunton, and Attleboro has been staggering. In Fall River the fuel adjustment increase alone—apart from food price and other inflationary increases—costs a single retired worker one-third of the 11 percent social security increase which Congress voted this year. The bite for a retired couple is 22 percent of their small social security raise. My legislation aims to roll this burden back so that the impact of New Englanders will be more comparable to the increase in other regions of the country.

Based on present $12-per-barrel oil prices this proposal will bring prices in New England down $3 or to about $9 per barrel. This will trim away 38 percent of the recent fuel adjustment increase and reduce the vastly disproportionate burden which has fallen on our region's electrict consumers. However, it will not make New England fuel and electricity prices lower than those in other areas—in fact our costs will remain higher. So strong incentives will remain to cut costs and fuel use, and where appropriate, to shift to other forms of electric generation.

In addition to this legislation which I am introducing today, I am strongly supporting the effort of the 25-member bipartisan New England congressional caucus and others to bring down energy prices by pressing for product price equalization. The proposals which all 25 New England Congressmen and 12 Senators have supported in this area would lower the region's electric bills, and the two approaches are not inconsistent. They are consistent and they both signify my continuing concern—my basic commitment to a fairer deal for New England consumers.

THE PARTICIPATION OF THE PALESTINIAN LIBERATION ORGANIZATION—PLO—IN THE U.N. GENERAL ASSEMBLY CAN BRING NEW DISASTERS FOR ISRAEL

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, the recognition by the General Assembly of the United Nations of the Palestinian Liberation Organization, PLO, to be an observer and participant in a forthcoming meeting at the United Nations constitutes a totally indefensible legitimizing of the PLO.

Despite the rollcall vote of 105 to 4 with 20 abstentions, the United States remained firm in its alliance of friendship with Israel. Israel stood alone with only three allies—the United States, Bolivia, and the Dominican Republic.

Among the major nations that abstained in this vote were Britain, Belgium, Denmark, Luxembourg, the Netherlands, West Germany, Australia, Burma, Canada, Iceland, and several Latin American states.

The contention of the PLO that it is the exclusive legitimate representative of nearly 2 million Palestinians is challenged by King Hussein of Jordan and his government.

Mr. Speaker, the vote to allow participation in the debate of the General Assembly of the United Nations by people who do not represent a member country is entirely without precedent in the annals of the U.N.

Mr. Speaker, I am distressed that the family of nations has taken what clearly appears to be another step away from peace between Israel and her neighbors. No one can support with any evidence the contention that the PLO represents the Palestinians or the Arabs in the several states surrounding Israel. One could urge, in fact, that the contention of the PLO that it represents the Palestinians is just as absurd as would be the contention by the Black Panthers in America that they represent more than 20 million black people in the United States.

WHAT IS THE PLO?

Before the representatives of the PLO begin to argue their case at the United Nations on November 4, 1974, it is important that people in America and throughout the world recognize the PLO for what it is. The PLO, founded in 1964, embraces most of the guerrilla organizations, all of whom have as one of their central objectives the destruction of the state of Israel.

It is most significant that article 9 of the official charter of the PLO, adopted in 1968, reads as follows:

> Armed struggle is the only way to liberate Palestine. Thus it is the overall strategy, not merely a tactical phase. The Palestinian Arab people assert their absolute determination and firm resolution to continue their armed struggle and to work for an armed popular revolution for the liberation of their country and their return to it. . . .

Article 10 of the same charter reads as follows:

> Commando action constitutes the nucleus of the Palestinian popular liberation war. This requires its escalation, comprehensiveness, and the mobilization of all the Palestinian popular and educational efforts and their organization and involvement in the armed Palestinian revolution.

The chairman of the PLO, Yasser Arafat, is also the founder of al-Fatah.

The PLO is committed to the liquidation of Israel and the present Government of Jordan. Consequently, the recognition of the PLO as a participant in the forthcoming meeting of the General Assembly of the U.N. appears to violate the basic principles of the U.N. General Assembly which on October 24, 1970, adopted a resolution which states that—

> No state organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed toward the violent overthrow of the regime of another state or interfere in civil strife in another state.

DANGER OF MISREPRESENTATION

It is disconcerting to think that in the weeks to come the press and people of America will be presented with the suggestion that the PLO is a moderate group seeking only to bring justice to the Palestinian refugees. The fact is that this organization represents only the approximately 10,000 terrorists who have been trained by the PLO. The highest officials of the PLO, now to be greeted as dignitaries at the United Nations, are the same individuals responsible for the killing of Israeli athletes at the Olympics in Munich, the massacre at the Lod Airport in Israel and the mass murder of children at Ma'alot.

The Arab terrorist operations which have afflicted the citizens of Israel over the past several years are not isolated events that emanate from the minds of deranged extremists. These acts have been the result of a deliberate strategy, the responsibility for which must be attributed to the highest leaders of Egypt, Syria, Lebanon, Libya, and other Arab countries.

TERRORISM MUST CEASE

All experience has demonstrated that when Arab governments so decide, they can put an effective end to terrorist operations. This has been done by Jordan since September 1970. In the same year Egypt demonstrated, at least for a brief period, that it could effectively limit the scope of terrorist activities. Lebanon appears to be the nation which has allowed itself to become a free zone for terrorist operations. To be sure, it may be that Lebanon has almost been victimized in this regard because Egypt and Syria are in a position to insist that terrorist operations for which they are ultimately accountable should take place away from the territory of Egypt and Syria.

It is incumbent upon all Members of Congress and on all leaders of opinion in the United States to insist that the PLO during its participation in the debate at the United Nations does not assume a respectability totally unjustified by anything in the history of this organization. It is incumbent also on all of us to emphasize the fact that Israel, in collaboration with the "Family of Nations" and with all of the countries surrounding Israel, desires profoundly to bring justice and equity to those thousands of refugees who have been victimized by the PLO, and now, it is to be feared, possibly exploited by the United Nations itself.

TAX PROPOSALS BY PRESIDENT, HOUSE WAYS AND MEANS COMMITTEE WOULD CREATE NEW LOOPHOLE, AGGRAVATE RECESSION

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, in a Washington Post column today, October 17, Hobart Rowen pointed out that the comprehensive income tax reform bill now in the House Ways and Means Committee would not reform our loophole-ridden tax system in any meaningful sense, but would instead create new tax loopholes, primarily for business and the wealthy, with the blessings of the administration:

CREATING NEW TAX LOOPHOLES

(By Hobart Rowen)

By endorsing the House Ways and Means Committee tax "reform" bill, President Ford has focused attention—no doubt unintentionally—on what could be one of the major tax giveaways in U.S. history.

As it now stands, the bill is not a tax "reform" bill at all, although it does reduce or eliminate a few special privileges, notably the oil depletion allowance.

But the main thrust of the proposed legislation is to create $3 billion to $4 billion worth of new loopholes for businessmen, and those wealthy individuals whose income is largely derived from capital gains rather than wages.

Thus, although the bill contains $1.6 billion in tax relief for the working poor (not enough to compensate for inflation), it is on balance a bad piece of legislation which benefits upper income brackets in too many ways while leaving what Rep. Henry Reuss (D-Wis.) calls "the old established loopholes" very much alone.

Take the capital gains proposal, which has most true tax-reformers up in arms. At present, 50 percent of a capital gain—say on securities—is excluded from any tax if held six months. The generous Ways and Means Committee would exclude 1 percent in addition for each year the asset is held over five years, but not over 25 years.

That neat trick would increase the exclusion to a potential 70 per cent and presumably make stocks more attractive to buy—as well as persuade those holding stocks over a long period of years and said to be "locked-in" by potential tax liabilities to take their profits (with a minimum tax bite) and buy new stocks.

Economists Roger Brinner and Alicia Munnell point out: "While a declining inclusion ratio would not solve either the inflation nor lock-in problem, such a change would significantly reduced the tax rate on capital gains." For individuals in the 70 per cent top bracket, their tax on capital assets held 25 years would be cut from 35 per cent to 21 per cent.

The Committee's proposal, if it worked to solve the lock-in problem, might be a shot in the arm for the ailing brokerage business. But it would cost the Treasury at least $1 billion a year, while the biggest capital gains loophole of all—the nontaxation of capital gains at death—remains untouched.

The surest way of tackling the lock-in problem, as Brinner and Munnell point out, is to provide a tax on capital gains transferred at death. Tax expert Joseph A. Pechman of the Brookings Institution estimates

the current cost of that loophole, which allows wealth and power to be transferred from generation to generation, at $3 billion a year.

Other bonanzas created by the bill:

Industrial Development Bonds—Presently, private industry has a nice little racket under which it can finance up to $5 million of an expansion in a six-year period at public expense. This is done through issuance of tax-exempt bonds by a state or local government to finance a new facility. Not only does this system provide tax-exempt investment possibilities for high income individuals, but the companies lease the plants at low rents because the construction borrowing costs are less than normal due to the tax-exempt gimmick. But now the committee proposes to take off the $5 million ceiling. With the sky the limit, the potential tax loss is another $1 billion.

Savings Account Interest—The bill would exempt the first $500 of interest in savings accounts ($1,000 per couple) in an effort to help thrift institutions keep deposits, and thus aid the housing industry. Whether new savings would be encouraged is debatable. But what is clear is that high-income families would benefit most (a family would need nearly $20,000 in a 5.25 percent passbook account to accumulate $1,000 in interest), and the Treasury would be out an estimated $1.8 billion.

Tax Simplification—Many deductions presently itemized would be replaced by a lump sum deduction up to $650 whether or not a taxpayer had actually qualified for any. The net result: taxpayers with many and varied expenses which are now deductible would be short-changed, while others would get what amounts to a tax cut from Uncle Sam. Net estimated cost: $400 million.

As mentioned earlier, there are some worthwhile things in the bill, including a heftier minimum tax, a reduction in real estate shelter possibilities, a limitation on tax-free junkets for doctors, lawyers, and other professional groups, and tightening of taxes on salaries earned abroad.

But such welcome steps are as nothing alongside the new loopholes and old ones such as tax-free bond interest, the existing capital gains benefits, and the "DISC" giveaway that allows corporations to avoid taxes on export sales. Better no bill at all than this one!

In testimony yesterday before the Joint Economic Committee, Joseph A. Pechman, director of economic studies at the Brookings Institution, held that President Ford's proposed 5-percent income tax surcharge and the tax changes proposed by the House Ways and Means Committee would not curb inflation but, instead, would aggravate our current recession and reduce even more the rapidly vanishing progressivity of our tax system:

POLICIES TO COMBAT STAGFLATION

(By Joseph A. Pechman)

STATEMENT BEFORE THE JOINT ECONOMIC COMMITTEE, OCTOBER 16, 1974

Tight monetary and fiscal policies have taken their toll in the economy. Assuming Congress does not alter the policies proposed by the President, the real gross national product will decline during the next six months and perhaps even longer. At the same time, inflation will continue at a high rate. The administration's fiscal program will not have a significant effect on inflation, and will aggravate the recession. The proposed tax measures, particularly the surtax on individuals, should not be enacted without substantial modifications.

ECONOMIC CONDITIONS

All categories of demand, except for fixed business investment, are either declining or are growing slowly. Residential construction is in a slump that will not end until long-term interest rates ease; retail sales are not keeping pace with rising prices; inventory investment is falling; net exports are declining as a result of the increases in the cost of oil imports; federal and state-local expenditures are rising, but at a slow pace. Business investment is the only component of the gross national product that is not declining in real terms, and even this component is likely to fall as aggregate demand continues to fall.

These developments indicate that conditions are much more serious than a temporary oil induced recession. Unemployment increased slowly so far this year, because businesses expected the decline in output to be brief and moderate. Now that there is widespread recognition that the recession will be protracted, layoffs will increase as business attempts to cut costs. Estimates of unemployment for mid-1975 are in the neighborhood of 7 percent of the labor force.

Corporate profits have been rising despite declining demand. This is partly a reflection of the attempt to increase profit margins following the termination of price controls. However, much of the increase in profits is due to the large profits made on inventories that will have to be replaced at higher prices. In real terms, corporate profits are still low by comparison with historical trends. Unless the business situation improves, corporate profits will begin to decline soon, even in money terms. Thus, business as well as labor has been hurt by the recession.

Although the economy has been in a recession, prices have risen at double-digit rates throughout 1974. This was due primarily to the diffusion of the increased cost of oil through the price structure and to continued bad luck in agriculture, but some of it could have been avoided if price and wage controls had not been abandoned in the spring. Some easing of the inflation may occur as world commodity prices decline in response to weakened world-wide demand. But this will not be enough to reduce the rate of price increases to satisfactory levels in this country, because the cessation of controls has generated a price-wage spiral that will continue to raise costs and prices even in the face of declining demand.

It should be emphasized that labor cannot be blamed for initiating this spiral. Wage settlements did not reach the 10-percent range until the prices of the products they produce began rising at double-digit rates after price controls expired earlier this year. Now that it is in process, the spiral will not be broken in a reasonable length of time without direct government action. The right policy would be to compensate labor for moderating its wage demands by reducing taxes and to reinstate controls over prices in noncompetitive sectors of the economy. Although labor officially opposes price and wage controls, I believe that it will respond to a genuine effort by the government to establish such a social contract.

However, the administration continues to be adamant in its opposition to government intervention in price and wage decisions. Instead, it is relying on continued restraint of demand to moderate price and wage increases. Inflation must be stopped, but it will not be stopped fast enough by present policies. In my judgment, these policies would work only after great damage has been done to the workers and business enterprises of this country.

THE TAX PROPOSALS

The administration has proposed a fiscal package of tax changes that would roughly balance in 1975 and a cut in expenditures of $5 billion or more during this fiscal year. The economic effect of this package would be to aggravate the recession, with only a minor impact on prices. Congress should cut expenditures only if it finds them to be inefficient, wasteful, or undesirable on social grounds. If any cuts are made from presently projected levels, these cuts should be used to finance other expenditures or to add to the tax reductions. This is a time to loosen the fiscal restraints, not to tighten them.

Aside from the unfortunate fiscal effects, major elements of the administration's tax program are questionable on equity grounds. First, primary reliance for low income tax relief is placed on the increase in the low-income allowance proposed by the House Ways and Means Committee from $1,300 to $1,400 for single persons and $1,500 for married couples. In addition, the standard deduction would be raised from 15 to 17 percent, with an increase in the maximum from $2,000 to $2,500. When the present personal exemptions and the low-income allowance were established in 1972, Congress intended to remove from the tax rolls individuals and families with incomes below the poverty levels. Since prices have risen sharply, the levels of income at which taxes begin to apply are now substantially below the poverty lines and will fall even farther behind next year as prices continue to increase. It would be necessary to increase the per capita exemption from $750 to $900 and the low-income allowance from $1,300 to $1,800 to approximate the presently-projected poverty lines for 1975. As Tables 1 and 2 indicate, the Ways and Means Committee proposal is wholly inadequate on the basis of this criterion: the minimum taxable levels would be 10 to 20 percent below the 1975 poverty lines (Table 1) and the amount of tax relief would be about one-fifth of the amount needed to correct for the erosion of the per capita exemption and the low-income allowance due to the inflation (Table 2).

Second, the administration seems to be embracing all the revisions now in the Ways and Means Committee bill, except for the recent decision to exempt the first $1,000 of interest per couple ($500 for single persons) on savings accounts. There are a number of desirable revisions in this bill, but on balance it will make the tax system less, rather than more, equitable. Perhaps the worst feature is the tax reduction for capital gains from the sale of assets held more than one year, a provision that would increase the preferential treatment accorded to capital gains which accrue mainly to high-income taxpayers.

Third, the administration is proposing to increase the investment credit from 7 to 10 percent in the interest of increasing investment incentives. There would be no lack of investment incentive if demand were not being restrained by fiscal and monetary measures. (The ratio of investment to GNP has remained close to peak levels in 1973 and 1974.) Nevertheless, it would be appropriate to tilt the tax system in favor of more investment, provided the cost is not borne by the general taxpayer but by business, so as to maintain the progressivity of the tax system. The 5 percent surtax on corporations would not have this effect, because it would apply only to a single year—1975—while the increase in the investment credit would be permanent. Thus, over the long run, the role of the corporate tax would be further eroded and the progressivity of the federal tax system would be reduced if the administration's proposal were adopted. The investment credit should not be increased unless the cost is financed by permanent reforms of the corporate tax or by a permanent increase in the corporate tax rate.

Fourth, the 5 percent surtax on individuals with incomes above $7,500 and families with incomes above $15,000 should be rejected for two reasons: As noted earlier, in the economic conditions now foreseen for 1975, the revenue from the surtax is not necessary. With unemployment rising and profits falling, there is no reason to pay lip-service to the balanced budget philosophy. Higher taxes would further reduce demand, without doing anything very much about the price-

wage spiral. Moreover, if additional revenues are needed for the long run, a surtax on those who already pay taxes would be paid by the wrong people. It is true that the surtax itself would be a progressive tax change, but there are numerous tax reforms that could raise the same revenue from people who now avoid paying their fair share of the tax burden. For example, almost the same amount of revenue could be raised by taxing capital gains transferred by gift or at death under present capital gains rates and revising the minimum tax (to eliminate the deduction for taxes paid, to reduce the exemption from $30,000 to $5,000, and to raise the tax rate to one-half the ordinary rates). Yet, 40 percent of the revenues from the surtax would come from taxpayers with incomes above $50,000, while about 80 percent of the revenue from the capital gains and minimum tax reform would come from these income levels. Many other urgently needed tax reforms would have similar distributional effects.

I conclude that the administration's programs will not improve our chances to combat the inflation currently in prospect; that it will aggravate the recession and thus increase unemployment and reduce corporate profits and business incentives; and that it will increase, rather than reduce, the inequities in the federal tax system. The first order of business for the Congress should be to restore the President's authority to intervene in price and wage decisions. It should then turn its attention to real tax reform, which is already long overdue.

TABLE 1.—MINIMUM TAXABLE LEVELS UNDER THE WAYS AND MEANS COMMITTEE BILL AND ALTERNATIVE TO APPROXIMATE ESTIMATED POVERTY LEVELS IN 1975

Family size	Projected poverty level [1]	Ways and Means Committee bill [2]		Alternative to approximate poverty levels [3]	
		Income level	Difference	Income level	Difference
1	[4] $2,747	$2,150	—$597	$2,700	—$47
2	[4] 3,540	3,000	—540	3,600	+60
3	4,206	3,750	—456	4,500	+294
4	5,384	4,500	—884	5,400	+16
5	6,350	5,250	—1,100	6,350	0
6	7,134	6,000	—1,134	7,200	+66

[1] Projected from the official poverty line for 1973, assuming increases of 11 percent for 1973–74 and 7.5 percent for 1974–75.
[2] $750 per capita exemption; low income allowance of $1,400 for single persons and $1,500 for married couples; standard deduction of 17 percent, with a maximum of $2,500.
[3] $900 per capita exemption; low income allowance of $1,800.
[4] Assumes members of the family are under 65 yrs of age.

TABLE 2.—TAX REDUCTION UNDER THE WAYS AND MEANS COMMITTEE PROPOSAL FOR LOW INCOME RELIEF AND PROPOSAL TO RAISE THE MINIMUM TAXABLE LEVELS TO APPROXIMATE ESTIMATED POVERTY LEVELS, BY ADJUSTED GROSS INCOME CLASSES, 1975

[Dollars in billions]

Adjusted gross income classes	Ways and Means Committee bill [1]		Alternative to approximate poverty levels [2]	
	Tax reduction	Percent distribution	Tax reduction	Percent distribution
Under $5,000	—$167	10	—$881	11
$5,000 to $10,000	—366	23	—2,290	28
$10,000 to $15,000	—201	13	—1,427	18
$15,000 to $20,000	—541	34	—1,276	16
$20,000 to $25,000	—193	12	—889	11
$25,000 to $50,000	—125	8	—1,058	13
$50,000 and over	—5	(3)	—315	4
All classes	—1,598	100	—8,136	100

[1] $750 per capita exemption; low-income allowance of $1,400 for single persons and $1,500 for married couples; standard deduction of 17 percent, with a maximum of $2,000.
[2] $900 per capita exemption; low-income allowance of $1,800.
[3] Less than ½ of 1 percent.

Sources: Based on Brookings 1970 tax file projected to 1975. Figures are rounded and will not necessarily add to totals.

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. DULSKI) is recognized for 10 minutes.

Mr. DULSKI. Mr. Speaker, First Secretary Edward Gierek, of the Polish People's Republic, made his first trip to the United States last week. This was also the first occasion of an official visit to the United States by a ruling Polish leader, and the first time President Ford has met with such a party leader since taking office as President.

It seems to have been a mutually advantageous visit for our two nations, with progress on political and trade agreements as evidence of further détente.

During his time in Washington, Mr. Gierek met with President Ford, the Foreign Affairs Committee, many Members of Congress, and with other public officials and private individuals. As part of my remarks, I would like to insert the exchange of remarks between the President and the First Secretary at the welcoming ceremony October 8:

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

(Exchange of Remarks Between the President and the First Secretary at the Welcoming Ceremony on the South Lawn at the White House. October 8, 1974:)

The PRESIDENT. Mr. First Secretary, it is a very distinct pleasure for me to welcome you and Mrs. Gierek to the United States. As you know, Mr. First Secretary, the family ties that bind our two peoples together in a very special way are very, very old, indeed older actually than the United States itself.

You have already visited Jamestown, Virginia, where the first Poles arrived in 1608, only one year after it was first settled. From that day to this day, large numbers of your countrymen have helped to build this country and to mold our great American traditions.

America treasures these contributions to our growth, to our culture, and to our history. During your stay in this country, Mr. First Secretary, you and Mrs. Gierek will be able to see for yourself the character of our country and the role that men and women from Poland have played in America's history.

Our two nations have thus a fine foundation upon which to build. I have watched with very great interest the substantial growth of our bilateral trade in the last 2 years since the establishment of the joint Polish-American Trade Commission. And continuing expansion of contacts between officials and private citizens, in the fields of such activities as science, technology, and the arts is another evidence of the dynamic development of Polish-American relations.

You, Mr. First Secretary, will surely agree with me that we must not allow our satisfaction with past progress to slow our pace or slacken our efforts in the future. We must use the opportunity your visit affords to seek new avenues of bilateral cooperation in many, many fields, including energy and environmental areas.

In many other areas of common interest, for example, our participation in the Conference on Security and Cooperation in Europe and our participation in the force reduction talks, we are engaged in common endeavors for peace.

Today, economic problems almost everywhere are very, very severe. The stability of the world is in danger, and almost everywhere it develops, as well as in developing countries, the welfare of people on a global basis unfortunately is actually threatened.

Mr. First Secretary, Poland knows too well, perhaps better than any other nation, the fearful experience of war and its very painful consequences. A thorough review of all the dangers to peace for ourselves and the world must surely be a matter of highest priority.

We seek a peaceful world and a more prosperous world. Poland is a world leader in coal production and coal research. Poland has a very major role, a role to play in contributing solutions to the world energy problem, and you, Mr. First Secretary, with a lifetime of expertise, are able to make a very important personal contribution in this specific area. I look forward to exchanging views with you on the energy problem.

Mr. First Secretary, we, all of us in America, are pleased that you and Mrs. Gierek are here. I am confident, Mr. First Secretary, that our meetings will deepen the friendship of our two peoples and broaden the cooperation of our two nations.

Thank you very much.

First Secretary GIEREK. Mr. President, Mr. Secretary of State, ladies and gentlemen:

I wish to thank you for your words of cordiality which you, Mr. President, have addressed to me, to Mrs. Gierek, and to members of my delegation. I take these words of yours as being directed to the people of Poland and to the Polish State on behalf of which and upon your invitation I am visiting the United States.

I am pleased to have made this visit, as it adds new testimony to the friendly ties that have linked our two nations since the times of George Washington and Tadeusz Kosciuszko.

I rest assured that it is the desire of both our peoples not only to preserve these traditional relations but also to strengthen them through closer and broader cooperation in the world today.

Indeed, Socialist Poland, dynamically developing her new potential and creating as she does new living conditions for her people is vitally interested in this. I trust that the talks we shall hold and agreements we shall conclude will greatly contribute towards this end, that they will open up broader prospects for cooperation between our countries.

I am pleased to have made this visit, also, because it represents yet another reaffirmation of international détente which my country views as extremely significant and to which we try to make our utmost contribution.

That process which originates from the very essence of the contemporary world, from the need for and necessity of peaceful coexistence among states with differing political systems has been considerably enhanced in recent years.

We of Poland can only welcome it in our profound conviction that it is in the interest of all nations to make that process further extend universal and irreversible. Precisely for this reason there is wide appreciation today that it is you, Mr. President, who is steering the United States policy towards this direction.

I am pleased to have made this visit, as it will enable me to get to know the United States, to acquaint myself with the outstanding accomplishments of the progress of civilization of the American people, whose history and achievements have since the very outset been and continue to be so much enriched by the Americans of Polish extraction.

Mr. President, I am profoundly convinced of the propitious conditions today and the right time for expansion of Polish-American cooperation in its new dimensions and in all fields of endeavor.

Mine is also a firm belief that we can work closer together for the great cause of peace. That is the purpose of my visit here, and I

am happy that you too share these aspirations of ours.

Please accept, Mr. President, the best wishes from Poland to the United States, from the Polish people to the American people.

(NOTE.—The President spoke at 10:43 a.m. on the South Lawn at the White House where Edward Gierek, First Secretary of the Central Committee of the Polish United Workers' Party, was given a formal welcome with full military honors. First Secretary Gierek spoke in Polish, and his remarks were translated by an interpreter.)

On the evening of October 8, my wife and I were privileged to be among the guests at a White House dinner honoring Mr. Gierek. I would like to share with you the exchange of toasts at that time:

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

(Exchange of Toasts Between the President and First Secretary Gierek at a Dinner Honoring the First Secretary, October 8, 1974:)

The PRESIDENT. Mr. First Secretary, and Mrs. Gierek, our wonderful guests:

It is a great privilege and pleasure to have you and Mrs. Gierek here with us this evening. We have had a very delightful dinner, and we had a very helpful and constructive discussion during the day, and I am looking forward to further discussions tomorrow.

Mr. First Secretary, I come from a part of our country where we have roughly 30,000 people with a Polish heritage or background. And as I grew up, Mr. First Secretary, I had many wonderful personal experiences with families that had a Polish background, families that had the same great family strength, families that had a tremendous religious dedication, individuals with a Polish heritage that became leaders in our community, outstanding scholars, athletes, public servants.

And so I had a great exposure to the finest, the best, with individuals who had come from your country to ours.

And then in 1958 or '59, I had the opportunity to go to Poland, and I wondered as I went to Poland whether there would be so many comparable, wonderful people in Poland as I had known in my hometown in Michigan in the United States.

And I found, Mr. First Secretary, that instead of 30,000, there were 30 million. And all of them had the same warmth, friendship, family dedication, deep conviction, and all of them wanted to uplift their community, their state, and make their country a better and finer place in which to live.

So it seemed to me, Mr. First Secretary, that it was very easy for Poland and our country to start building a foundation some years ago which has now developed into a great relationship, a relationship predicated on understanding, a relationship that has a far broader vision.

We want to help one another and we do. But we want to build from our relationship a broader effort to improve world relations between countries that did not understand one another, but who now hopefully will, blocs that did not understand one another, but hopefully will. And the net result is that because of our citizens who came from Poland, settled here, and have become so strong and vital in our society and yours, who are so strong and so vital in Europe, I hope and trust that we can move together in cooperation and economic matters, cultural matters, educational matters, environmental matters, and set an example for all nations because we do understand one another and we can, by history, work together.

And so I ask all of our guests here tonight to rise and join with me in offering a toast to the First Secretary and to Mrs. Gierek and offer them the best from all of us in the United States to the First Secretary, to the Polish people.

First Secretary GIEREK. Dear Mr. President, ladies and gentlemen:

I thank you, Mr. President, for your kind and friendly words. I thank you for the hospitality you have shown us, which both Mrs. Gierek and I greatly appreciate and sincerely hope to heartily reciprocate.

From the outset of our sojourn on the American soil, we have been accompanied by a good, matter-of-fact, and friendly atmosphere. This gladdens us and reaffirms our profound conviction that my visit here will prove fruitful.

Our conversations with you, Mr. President, have above all reassured me in this. We have exchanged, in their course, views on the most important issues of Polish-American relations and on the further development of the process of international détente.

We have reached important conclusions which will be set down on our joint documents. I am confident that the results of our meetings will open up a new stage in the mutual relations between both our countries and nations.

I highly value, Mr. President, this direct contact with you, with the leader of the United States, who, by his own deep understanding of and positive approach to issues of the present-day cooperation between our two nations, confirms the willingness to develop it further in the friendly attitude toward Poland.

I am also satisfied over my meetings with the Secretary of State, Dr. Henry Kissinger, and with all eminent associates of yours.

It is my conviction, Mr. President, that there exist very favorable conditions to a significant expansion of Polish-U.S. cooperation which is the common concern of ours. These conditions, as you have pointed out a moment ago, stem from our longstanding tradition of friendly, mutual bonds, dating back to the times of the founding of the United States begun by the participation of Tadeusz Kosciuszko, Pulaski, and other sons of the Polish people who struggled for the independence of the United States.

These bonds were subsequently strengthened by the sympathy toward and interest of the democratic forces of the American Nation in the cause of Polish independence. And they were amply reaffirmed in our joint struggle for freedom, greatest in history, as it were, conducted by the great anti-Fascist coalition in the years of World War II.

These traditions have remained alive although their early postwar phase has fortunately become a closed historical chapter.

As a result of its own heroic struggle and its cooperation with all other freedom-loving forces, the people of Poland found its road to durable independence, to enviable security, to dynamic development.

The people of Poland found it in its new Socialist homeland, in its consciously chosen alliance with the USSR and other Socialist countries, in its active foreign policy of international security and peaceful cooperation.

Modern Poland, Mr. President, with a more than 1,000-year history and great traditions of love for freedom and progress, is proud of the great historic achievements of the past three decades which have essentially altered the course of our nation's tragic past and verily transformed the country, elevating it onto a new place in Europe and the world at large.

The Poland of today, one of the world's top ten industrial producers, is a country of a dynamic economy, of high cultural and scientific standards, and constantly growing standards of living.

In recent years we have endowed her development with a still greater dynamism and higher quality. We still have much to accomplish. But the decisive stage is behind us and Poland could now enter the phase of accelerated growth of her economy. And the aspirations of my people are indeed in keeping with these vital needs and aspirations of all.

It is from this position and for this purpose that we also desire to eject new impetus and quality to our cooperation with other countries of the world. We are delighted to see considerable progress achieved in Polish-American relations, particularly in recent years. But we take it only as a harbinger of a much broader cooperation.

We therefore attach special importance to development of economic cooperation which establishes most durable of bonds and provides for a material base of cooperation in all other fields.

We conceive of the United States as one of our principal partners in the West. There exist all opportunities that it be so. The essential thing is to create conditions that would make us seize of all those opportunities.

I strongly believe that arrangements we are now adopting and the agreements we are concluding will be a decisive contribution towards this end. In the overall framework of relations between our two countries, a major positive role can no doubt be played by the multi-million strong group of Americans of Polish ancestry as good citizens of the United States and at the same time retaining their emotional ties with their old land.

They have always been one of the important factors of mutual rapprochement between our two nations, and they can further make a substantial contribution to their friendly cooperation.

Mr. President, ladies and gentlemen: Our thoughts constantly turn to the great and common cause of all mankind, the cause of peace.

The Polish nation which paid the highest price for its freedom and is fully cognizant of the value of peace, attaches great importance to the process of détente which has been developing in recent years. We see in it a true road toward the strengthening of international security and development of cooperation among nations on the basis of peaceful coexistence of states with different political systems. This is the prime need and necessity of our time.

Let me say, Mr. President, that Poland fully appreciates the far-reaching and all-round significance of Soviet-American agreements for the cause of world peace and general improvement of international relations.

It was with greatest satisfaction that we welcomed progress already achieved here, and together with other countries we have noted with great appreciation the promise that these propitious trends will be continued.

It is only natural that Poland should attach particular significance to progress of détente and to consolidation of the facts of nearly three decades of peace in Europe. We have been actively cooperating to insure the success of the Conference on Security and Cooperation in Europe. We believe that there exist very realistic conditions for its successful conclusion in the months to come.

We shall continue to make our constructive contribution to the Vienna talks on troops and arms reduction in Central Europe.

We are convinced that the United States is also vitally interested in a lasting peace on our continent and can indeed make a substantial and constructive contribution to that cause. We rest assured of the indivisibility of and the universal need for peace and of the desire common to all nations for security, justice, and a better morale.

I trust that also in the strivings to achieve these great objectives closer cooperation be-

tween both our countries is possible and necessary.

My first day in Washington, and above all, the talks I had with you, Mr. President, reaffirm me in my conviction that together we can open up new, broader prospects for the development of Polish-U.S. cooperation. I am reassured in this also by the good climate in which all our meetings are held and which is typical of the friendly relations obtaining between our two peoples.

Mr. President, I should like to propose a toast. To your very good health and all success in steering the affairs of the great United States, for the speediest recovery of Mrs. Ford, to your good health, ladies and gentlemen, to the development of friendly cooperation between our peoples and states, to world peace.

(NOTE.—The President spoke at 10:12 p.m. in the State Dining Room at the White House. First Secretary Gierek spoke in Polish, and his remarks were translated by an interpreter.)

On October 9, Mr. Gierek addressed Members of Congress at the Foreign Affairs Committee. I believe his remarks are of wide interest, and would like to include them at this point:

ADDRESS OF FIRST SECRETARY EDWARD GIEREK ON THE OCCASION OF HIS VISIT TO CONGRESS, OCTOBER 9, 1974

Mr. Chairman, Gentlemen: I thank you most sincerely, Mr. Chairman, for your warm words of welcome. I accept them with gratitude as an expression of your friendly attitude to my country, to the Polish nation and to the objectives of my visit to the United States.

It is a great honor for me to be able to meet with you gentlemen who here in Congress formulate the law and exert a great influence on the development of the United States and on its international policy. I greatly appreciate this opportunity to talk with you.

As you know, Gentlemen, the principal goal of my visit to the United States is to consolidate the progress we have achieved in recent years and to further expand Polish-US relations. I am pleased to note that the talks we have had with President Ford confirmed the existence of identical attitudes on your side as well as the existence of good conditions for their realization. I am convinced that the joint statements that the President and I are going to sign today, as well as the currently concluded important agreements concerning different spheres of life, will open virtually new prospects for cooperation between the two countries and invest it with greater impetus.

We attach particular importance to the expansion of economic relations. They are mutually beneficial, create the most durable of bonds and provide the material basis for broader cooperation in all other domains. Throughout most of the post-war period Poland has been in first place among America's East European economic partners. In recent years trade between our two countries has trebled and next year it should achieve a level of one billion dollars. We are satisfied with that growth, although it does not fully reflect the existing possibilities. On the part of the United States, with its enormous economic potential, they are virtually unlimited. Today Poland has a new potential as well as one of the world's highest rates of economic growth. We are interested in a basic expansion of trade. Over the next five years it should achieve a level of at least two billion dollars. We have developed a large-scale program of purchasing entire industrial plants, licenses, technologies, machinery and equipment. We also wish to continue purchasing from the United States on appropriately convenient terms agricultural surpluses. In this respect, Poland has been traditionally one of the most stable partners and I trust that that fact will enable her to count on a favorable attitude towards her postulates.

I do not wish to make a secret of the fact the realization of these objectives and the growth of economic cooperation with the United States in general—just like with other countries—is of essential significance to us. It is closely related to the development strategy we have been implementing for several years now, whose over-riding aim is to provide our nation with improved material conditions and a higher standard of living. Much of the work is still ahead of us and we intend to continue that strategy consistently.

In general, we believe that there exist conditions for the United States to become Poland's major western economic partner in the near future. I know that a similar interest exists in the United States, especially among your country's industrial and financial circles with which numerous contacts have been established. The further expansion of economic contacts will certainly prove equally beneficial to both sides.

We have also discussed with President Ford the expansion of cooperation in science and technology, health, and protection of the natural environment. New and important agreements have been concluded yesterday in these and other domains. We also desire to create better conditions for contacts between our two societies, between people. All those things should contribute to the all-around development of Polish-American relations.

I believe, Gentlemen, that there exists a favorable climate for the development of cooperation between our two countries. It is backed by a long tradition of friendly relations between our two nations, which we wish to cultivate and further enrich with closer present-day cooperation. I trust also that it will be welcomed by the millions of Americans of Polish descent who, whilst being good citizens of the United States, continue to retain emotional ties with the old Homeland.

I trust, Gentlemen, that this continued development of Polish-American relations will meet with a favorable attitude on the part of the US Congress. Such an attitude of Congress has on more than one occasion in the past played a significant role in ensuring the hitherto progress. For that I wish to express my appreciation also to your colleagues in both houses of Congress.

In recent years I have had the opportunity to meet with many of you in Poland. I have remembered those meetings. On behalf of our Seym and on behalf of Polish authorities in general, I should like to invite you to visit our country more often. Direct contacts produce better mutual understanding and are always useful.

Permit me, Gentlemen, to draw your attention to one additional matter. My visit in the United States, as well as all the progress achieved in Polish-American relations in recent years are one of the results of the process of international détente. Poland attaches great importance to that process and is actively involved in its intensification and consolidation. This stems from a recollection of our nation's tragic experiences, from the needs of the country's present, dynamic, socialist development, and from all its vital interests.

The already well-advanced improvement of American-Soviet relations has produced particularly beneficial effects on the entire international situation. I emphasize this fact because we can see its essential significance for protecting mankind from a new world war, extinguishing and containing local conflicts, achieving progress in European détente and in general in terms of the favorable development of relations among all countries of East and West. Together with the USSR and other allies we unreservedly declare our support for the continuation of détente and making it an irreversible process.

We have also discussed these matters with President Ford and the Secretary of State, Dr. Kissinger. It was with satisfaction that I learned of the United States' intention to continue its policy of détente. I am convinced that in this process it can play a great and positive role, whilst—through its peace efforts—strengthening its authority throughout the world at the same time.

Mr. Chairman, Gentleman: With all due respect I wanted to tell you, Gentleman, about the matters which I consider the most important. Permit me to once again express my satisfaction at being able to meet with you, to which fact I attach great value.

Before leaving Washington for other scheduling in the United States, Mr. Gierek appeared with President Ford to announce the signing of agreements between our nations. The documents are most significant, and should pave the way for future cooperation and profitable arrangements. I commend to my colleagues the President's statement and Mr. Gierek's response, and I am including the text of the statements:

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

(Exchange of Remarks Between the President and First Secretary Gierek Upon Signing Joint Statements. October 9, 1974:)

THE PRESIDENT. Mr. First Secretary, we have just put our signatures on landmark documents.

The first, on principles of bilateral relations, recognizes the friendly state of those relations. It underlines our joint determination to not only continue this cooperation, but to further expand it for mutual benefit. We will make a joint contribution to peace and security throughout the world.

The second document is more specifically directed to economic, industrial, and technological cooperation. If it is to succeed, cooperation requires the careful and continuing attention of nations, as I am sure you will agree.

Over the past few years, we have made important advances in our economic and trade relations. We have now pledged our countries to even further advances toward realization of the full potential for cooperation that we both see and we desire. Our peoples will benefit and the economic international community will likewise benefit.

These documents should be reassuring to our friends and associates throughout the world. We discriminate against no one, nor do we prejudice any commitments we have already made to others. Indeed, the respect we show for each other and the cooperation that we seek is part of the international spirit we see emerging. This new spirit seeks to solve problems, not to make new tensions.

Mr. First Secretary, my signature on these documents is yet another expression of the deep interest of the people of the United States in the well-being of your nation and its deserved place in the international community. We welcome these documents for the contributions they will make to the spirit of cooperation and peaceful endeavor throughout the world.

THE FIRST SECRETARY. Mr. President, ladies and gentlemen:

I do share, Mr. President, your appraisal of the weight of the documents we have just signed, the fruitful nature of our talks, and the importance of the agreements we have concluded. I greatly appreciate what you have said and wish to express my profound satisfaction over the headway we made and results we achieved during my visit to Washington. I especially enjoyed meeting with you, Mr. President, which I shall cherish in my memories as an important, sincere, and friendly encounter.

We are opening together a new chapter in relations between the Polish People's Re-

public and the United States of America. As of now, these new annals will be recording the future of our relations as well as our broader, closer, and more extensive cooperation. We are opening up that new chapter aware of the entire tradition of the friendly mutual relations between the Polish and American peoples, in the desire of tightening the bonds which we have inherited from the past and continue to maintain at present.

In enhancing the progress made in our bilateral relations in recent years, we are likewise creating a groundwork for expanded economic, scientific, and technical cooperation, for cultural exchanges, and various contacts between our respective peoples. Particularly important in this regard is expansion of reciprocally beneficial economic ties, which form the most durable basis for all other mutual relationships.

I firmly believe that the inauguration of a future-oriented phase of Polish-American relations concurs with the interests and wishes of our two peoples. We are doing it in accordance both with the principles and the spirit of peaceful coexistence among states with different systems. For the United States and modern, socialist Poland are precisely such states. Poland, for 30 years, has been shaping new conditions of life and development of her people. She remains faithful to her alliances and, in the best of her tradition, she is actively involved in striving for progress and peace.

I trust, Mr. President, that the results of our meeting will also contribute to the strengthening of international détente. This latter process, in particular fortified by the improvement of Soviet-American relations which are of exceptional significance to world peace, has already brought about many favorable changes in the international situation; it has reduced dangerous tensions and provided new vistas for constructive cooperation.

We can particularly sense this in Europe where the process has been advanced most. Yet, even there, a great deal still remains to be done in order to ensure peace for the entire future to come. May we all move further along that road to free mankind completely from the nuclear threat, to give the world of today and all its nations a feeling of lasting security, and to resolve successfully the great socio-economic and civilization problems which confront us now and are likely to emerge in near future.

I am happy, Mr. President, that, as has been reflected in our joint statement, we are in agreement as to the need for further action at making irreversible the progress achieved in peaceful relations among states with different socio-economic systems.

Mr. President, ladies and gentlemen, tomorrow I shall be leaving Washington to visit other centers of your great and beautiful country. On behalf of Mrs. Gierek and persons accompanying me, as well as in my own name, I wish to thank you, Mr. President, for the friendly reception and hospitality accorded to us. Permit me at the same time to reiterate my very cordial invitation for you and Mrs. Ford, whom we wish a very speedy recovery, to pay a visit to Poland. With the fresh memories of our Washington encounter, I shall be looking forward to meeting you again, this time in our capital, the city of Warsaw.

I would also like to say once more how happy I was to have met the prominent Representatives of the U.S. Congress. My meeting with them has reaffirmed me of the congressional favorable attitude towards matters concerning further development of Polish-American cooperation.

I take this opportunity to thank the Secretary of State, as well as your other collaborators, for their contribution to the fruitful results of my visit to Washington. I thank all who helped make this visit a success.

Through you, Mr. President, I wish to convey to the American Nation my heartfelt greetings and best wishes which I am bringing from the people of Poland.

The PRESIDENT. Thank you very, very much, Mr. First Secretary. I have enjoyed meeting you, becoming well acquainted with you, and I look forward to the opportunity of visiting Poland.

I told Mrs. Ford on the telephone today of your kind invitation, and she remembers vividly our visit to Poland some years ago. She, as well as I, are looking forward to a return to your nation and to meet again the wonderful Polish people.

I can assure you, Mr. First Secretary, that as you travel around the rest of the United States—and I wish you could stay longer and visit more places—that you will find a great warmth on the part of the American people for the people of Poland, and you will be welcome wherever you go. I know the warmth of the welcome here will be equal wherever you visit in our country.

We hope you will come back. I look forward to seeing you in the future.

The FIRST SECRETARY. I wish to thank you most heartily, Mr. President, and we are expecting you in Warsaw, and Mrs. Ford. We shall be trying to greet you, Mr. President and Mrs. Ford, according to the Polish tradition and our saying, "My home is your home."

The PRESIDENT. Thank you, sir.

(NOTE.—The President spoke at 3:31 p.m. in the Cabinet Room at the White House. First Secretary Gierek spoke in Polish, and his remarks were translated by an interpreter.)

For the texts of the joint statements, see the following two items:

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

(Joint Statement of Principles by President Ford and First Secretary Gierek. October 9, 1974:)

The President of the United States of America, Gerald R. Ford, and the First Secretary of the Central Committee of the Polish United Workers' Party, Edward Gierek—

Having met in a cordial, businesslike and constructive atmosphere, which provided the opportunity for a useful and comprehensive exchange of views;

Mindful of the long-standing and rich traditions of relations between their two peoples and the feelings of friendship and respect toward each other; and

Being convinced that further development of American-Polish relations and the expansion of mutual cooperation serves the interests of both nations and contributes to peace and security in the world,

agreed on a statement of principles of friendly relations and cooperation between the United States of America and the Polish People's Republic.

I

The President and the First Secretary reaffirmed that bilateral relations between the United States of America and the Polish People's Republic are founded on the purposes and principles of the United Nations Charter and international law, and in particular the following inter-related principles:

Sovereign equality;

Refraining from the threat or use of force;

Inviolability of frontiers;

Territorial integrity of states;

Peaceful settlement of disputes;

Non-intervention in internal affairs;

Respect for human rights and fundamental freedoms;

Equal rights and self-determination of peoples;

Cooperation among States;

Fulfillment in good faith of obligations under international law.

II

The President and the First Secretary expressed their determination to develop relations of the two countries in a spirit of cooperation and mutual respect.

They resolved to expand and encourage as appropriate the long range development of commercial, economic, cultural, scientific and technical cooperation of the two countries under conditions of reciprocity of advantages and obligations, in particular in agriculture, industry, transportation, health and environment.

They also resolved to continue to support the development of cooperation through the Joint American-Polish Trade Commission, between organizations, institutions and firms, as set forth in the "Joint Statement on the Expansion of Economic, Industrial and Technological Cooperation between the United States of America and the Polish People's Republic" signed on October 9, 1974. They affirmed that mutually beneficial economic relations are conducive to good political relations.

They will facilitate and support, through all appropriate means, agreements concerning exchange of experts, students, and other persons as well as exchanges in the fields of science, culture, the arts, education, and other fields, between their two governments or directly between research organizations, institutions and firms as well as people.

Being aware of the importance of cultural and scientific cooperation as a means of promoting mutual understanding and trust, they resolve to promote the development of cultural relations providing opportunities for the citizens of both nations to learn the language of each other and to acquire a better knowledge of their respective achievements and values.

They will support the expansion of contacts between citizens of the two countries, including tourism, as well as contacts between representatives of federal and local authorities and youth and vocational organizations.

They reaffirmed their commitment to develop further relations between the two countries through frequent consultations at various levels, on matters pertaining to their mutual relations, including implementation of the principles contained herein, as well as important international issues of mutual interest.

III

The President and the First Secretary welcome the progress in recent years toward the general relaxation of tension and the development of peaceful relations between countries of different socio-economic systems. In this connection they stressed the importance of making that progress irreversible. They are determined to continue efforts aimed at strengthening these positive changes to which all countries, irrespective of their size and potential, can and should contribute in the interest of peace and security of all nations.

They will continue to work toward strengthening European security, in particular by contributing to the success of the Conference on Security and Cooperation in Europe and the negotiations on Mutual Reduction of Forces and Armaments and Associated Measures in Central Europe.

They stressed the importance of achieving effective measures of disarmament conducive to strengthening peace and security in the world.

They expressed their willingness to cooperate on various international matters concerning the consolidation of peace, international security and economic, social and cultural progress, with a view to making their own contribution to the settlement of important international problems in the spirit of good will and mutual trust.

They recognized the necessity of strength-

ening the effectiveness of the United Nations in the maintenance and consolidation of international peace, and in developing cooperation among all nations on the basis of the United Nations Charter.

They acknowledged that this Joint Statement does not infringe upon the obligations of the United States of America and the Polish People's Republic with respect to other states.

WASHINGTON, *October 9, 1974.*

For the United States of America: Gerald R. Ford, President of the United States of America.

For the Polish People's Republic: Edward Gierek, First Secretary of the Central Committee of the Polish United Workers' Party.

(NOTE—The joint statement was signed in a ceremony in the Cabinet Room at the White House. For remarks at the ceremony, see the preceding item.)

VISIT OF FIRST SECRETARY EDWARD GIEREK OF POLAND

(Joint Statement on Economic, Industrial, and Technological Cooperation Between the United States of America and the Polish People's Republic. October 9, 1974:)

The President of the United States of America, Gerald R. Ford, and the First Secretary of the Central Committee of the Polish United Workers' Party, Edward Gierek—

Having held talks on the present state and further development of economic, industrial and technological cooperation between the United States of America and the Polish People's Republic,

agreed on the following statement:

I

The President and the First Secretary expressed gratification with the results achieved in their mutual economic and trade relations in recent years. They endorsed the guidelines for their further development that are set forth in this Joint Statement, and affirmed the positive role of these guidelines for the further development of mutual economic, industrial, and technological cooperation between the United States of America and the Polish People's Republic.

Recognizing further growth of international trade as fundamental to economic development and improved standards of living, and guided by the provisions contained in the Joint Statement on Principles of United States-Polish Relations, they reaffirmed their determination to seek continued expansion of economic and trade relations pursuant to a liberal export and import policy consistent with the legal requirements of each country and with the principles of the General Agreement on Tariffs and Trade, including most-favored-nation treatment. They also expressed confidence that their two countries' bilateral trade relations would be strengthened by the participation of their countries in the multilateral trade negotiations.

They recognize the existence of favorable prospects for further rapid development of bilateral trade in the coming years. They anticipate that their trade may reach $1 billion in 1976 and grow to $2 billion by 1980. They will seek to ensure the existence of proper conditions for economic relations in order that these goals may be achieved. Fields offering particular opportunities for the development of their economic relations include various light industries, food-processing, chemical and petrochemical industry, construction and transportation equipment, machinery, electronic and electrical equipment industries, coal mining and utilization and nonferrous metallurgy.

II

Considering industrial cooperation as a particularly important factor in the development of trade and the diversification of its structure, the President and the First Secretary will facilitate cooperation between American firms and Polish enterprises and economic organizations consistent with applicable laws and regulations of each of the two countries, including long-term understandings in production; construction of new industrial facilities, as well as expansion and modernization of existing facilities; technological cooperation and research including exchanges of know-how, licenses and patents; training and exchange of technicians and specialists; organization of exhibits and conferences; and market and management research; in both countries and in third countries.

They affirmed that favorable consideration should also be given to new forms and methods of industrial cooperation suggested by interested firms and organizations. With a view to the development of economic cooperation, they will examine ways and means for the application of customs and fiscal facilitation for goods assigned to, and resulting from, cooperation projects within the provisions of customs legislation in force in the two countries.

III

Positively evaluating the development to date of scientific and technological cooperation between the United States and Poland, including cooperative projects undertaken in accordance with the United States-Polish Agreement on Science and Technology, the President and the First Secretary expressed the view that further cooperation of this kind in fields of interest to both countries should be pursued.

With a view toward the facilitation of projects for industrial and agricultural development, they, by mutual agreement, will exchange information concerning various fields in which the expansion of industrial and technological cooperation is desirable, and, on the basis of such exchange, will examine areas appropriate for consideration.

They positively evaluated the development to date of mutual financial and credit relations, especially the cooperation between the Export-Import Bank of the United States and the Bank Handlowy in Warsaw, which contributed to the rapid rise of trade and economic cooperation, and pledged continued cooperation in the development of these relations.

Attaching great meaning to the progress achieved in creating reciprocal trade facilities, they will examine ways of resolving administrative, tax, visa, and customs problems which may rise, and will facilitate as appropriate access to information concerning actual and potential markets, operation of business offices, trade promotion and other endeavors which contribute to the development of trade and economic cooperation.

Evaluating positively the work to date of the Joint American-Polish Trade Commission in developing and coordinating action in the area of mutual economic and trade relations, they will continue to work through the Commission to promote economic cooperation and resolve problems arising in the course of their economic, industrial and technological cooperation.

In issuing this Joint Statement, they express the hope that it will become an important practical contribution to utilization of the potential for development of economic, industrial, and scientific and technological cooperation between the United States of America and the Polish People's Republic.

Washington, October 9, 1974.

For the United States of America: Gerald R. Ford, President of the United States of America.

For the Polish People's Republic: Edward Gierek, First Secretary of the Central Committee of the Polish United Workers' Party.

NOTE.—The joint statement was signed in a ceremony in the Cabinet Room at the White House.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. CARNEY) is recognized for 10 minutes.

Mr. CARNEY of Ohio. Mr. Speaker, I would like the RECORD to show that if I had been voting, I would have voted for the Rosenthal amendment to the continuing resolution which would: First, limit the delay in applying the law to Turkey until November 30, 1974; second, require that no U.S. military equipment given to Turkey at any time can be shipped to Cyprus after the continuing resolution becomes law. A violation of this provision by Turkey would cause an immediate cutoff of all military aid to that country.

Mr. Speaker, had I been voting, I would have voted to override the President's veto the continuing resolution containing the Rosenthal amendment.

RHODESIAN CHROME

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 15 minutes.

Mr. MOAKLEY. Mr. Speaker, I would like to express my disappointment that we are recessing without having acted on S. 1868, amending the United Nations Participation Act to ban the importation of Rhodesian chrome.

I urge that this bill be considered a major priority upon our return next month.

In passing this legislation, we can reaffirm our commitment to the right of the Rhodesian people to self-determination and bring an immediate close to our sad position as violators of international sanctions we helped impose.

I wish to commend the gentleman from Minnesota (Mr. FRASER) and the members of the distinguished Committee on Foreign Affairs for their tireless efforts, in the words of the original bill "to restore the United States to its position as a law-abiding member of the international community."

I think it is important to realize that opponents of this measure are not acting in opposition to the intention of the original ban. I doubt any of our colleagues disagree with the importance of bringing the United States into conformity with international law. Surely none disagree that we should firmly withhold our support from the racist regime that holds 96 percent of Rhodesia's population in virtual slavery.

Those who oppose this measure do so in the belief that a reimposition of the ban would place us in a position of reliance on the Soviet Union for our supply of chromium ore, would increase the price of chromium to a point that would endanger U.S. jobs in the specialty steel industry and undermine our defense posture.

After carefully studying this matter, I am convinced that this legislation will do none of these things.

What it will do is knock out one of the important props by which a regime representing only 4 percent of Rhodesia's population denies the basic human rights

and aspirations of Rhodesia's 5.5 million blacks.

It will also, hopefully, end the legitimate resentment now focused on our Government by all free African nations and millions of our own citizens.

NATIONAL SECURITY

Many people are troubled over the prospect of U.S. dependence on the Soviet Union for its supply of chromium ore. While I am sympathetic to this concern, our experience as an importer of Rhodesian chrome does not indicate that the lifting of this ban in any way has lessened this dependence. Since we began importing chrome from Rhodesia, our imports from the Soviet Union have actually increased.

The Department of Defense has provided Congress with estimates that make it clear our present stockpile could meet our defense needs for a war lasting decades. In fact DoD is so certain of the long-term availability of chromium that congressional consent was sought for the disposal of a substantial portion of our current holdings.

In the event of war, the Department of Defense has estimated that the first year of fighting would consume only 2.3 percent of our current reserve of metallurgical grade chromite. Additional supplies would presumably remain available from South Africa, Finland, Brazil, Norway, Sweden, and Turkey.

Not only could we replace Soviet sources from materials on hand but such a cutoff is highly unlikely. The Soviet Union is, in turn, dependent on many U.S. products, particularly aluminum oxides, and it is doubtful they would risk a cutoff under any but the most serious circumstances.

U.S. ECONOMY

The charge has been made that U.S. jobs are placed in danger because we will have to pay significantly more for chromium ores if we reimpose sanctions against Rhodesia.

Yet a close examination of the situation does not bear out this charge. At the end of the first quarter of this year, Rhodesian chrome ore was costing the United States $74 per ton as opposed to $43 per ton for Soviet imports. In addition, only 11 percent of our ore imports now come from Rhodesia. Turning to other sources will not significantly alter the market situation.

On the question of jobs, I. W. Abel, president of the United Steelworkers of America, has clearly pointed out that the reimposition of the embargo would not jeopardize U.S. jobs. Quite the opposite, the lifting of sanctions 3 years ago has cost American jobs. As Mr. Abel said in a letter to the gentlemen from Minnesota:

> You and other members of Congress must decide for yourselves whether to allow continued importation of Rhodesian chrome in violation of the embargo . . . Do not, however, make your decision under the misimpression that American steelworkers will suffer if the United Nations sanctions are enforced. The reverse is true.

For the plain and shocking fact, Mr. Chairman, is that U.S. specialty steel workers who were employed during the embargo are now on unemployment lines while exploited black workers in Rhodesia do their job.

LONG-TERM SUPPLIES

It has been pointed out that the Defense Department stockpiles to be released for public use could meet our entire national need for chromium ore for 6 years even if all other international sources were closed off.

Realizing that our other international sources will not be curtailed, our needs can reasonably be expected to be met for years to come.

The only argument raised against this is that Rhodesia has 67 percent of the world's known reserves of chromium ore. To reimpose economic sanctions against Rhodesia will, at some distant future date, cut us off from this source of supply.

I readily admit that the day may come in the far future when we will desperately need Rhodesian chrome. I think recognition of this requires that we do reimpose economic sanctions against Rhodesia.

At the present time the government of Prime Minister Ian Smith is branded before the community of nations as an outlaw government. One of that regime's few economic props is the U.S. chromium trade which provides Rhodesia with its largest single source of foreign exchange—$43 million. The United States is the only nation beside Portugal and South Africa to openly violate United Nations sanctions against Rhodesia.

And this is the central issue related to our long-range supply of chromium ore. The Smith regime is not the legitimate government of Rhodesia and it certainly is not the permanent one. This government exists solely to exploit a nation of more than 5.5 million people for the political and economic benefit of a quarter of a million whites. Such a government cannot endure for long.

To put it quite bluntly, our chromium supplies are likely to last much longer than the current Government of Rhodesia.

And we would do well to ponder how we would fare at that future date, when we may actually need this supply, if we went, hat in hand, to the future government we had helped the Smith regime suppress.

INTERNATIONAL TRADE

Of equal importance to our future dealings with the legitimate black government of Rhodesia is our current relationship with more than two dozen African nations already free of colonial rule.

In supporting the legislation before us today, Secretary of State Henry Kissinger has pointed to the example of Nigeria. We have investments of more than a $1 billion in this nation, which is an important source of supply for low-sulphur petroleum. I think the evidence makes it clear that we should be far more concerned about jeopardizing our relations with Nigeria than the current regime in Rhodesia.

And, of course, this pattern continues across the continent. Our unique position as a violator of the U.N. imposed embargo—which we supported—has placed our foreign policy on unsure footing throughout free Africa. As Secretary Kissinger explained:

> I am personally convinced that the Byrd Provision is not essential to our national security, brings us no real economic advantages, and is costly to the national interest of the United States in our conduct of foreign relations.

In view of the vital interest at stake in Africa, I believe we should support the Secretary in his efforts to restore respect for the United States by removing ourselves from our uncomfortable position in breach of international law.

SUMMARY

Dozens of people in my district have written to me in opposition to reimposing economic sanctions against Rhodesia. All of the letters have been reasonable and fair, based on honest patriotic concerns. Since my conscience has required me to cosponsor the legislation offered by the gentlemen from Minnesota and to stand in firm support of it, I feel compelled to offer a full explanation of position. I feel I owe it to the people I represent to openly address the issues they have raised. I have considered all the reasons to vote against this legislation but they all fade to insignificance beside the enormous moral question of our continued alinement with the present Rhodesian Government.

EXPLANATION OF PROCEDURE ON ADJOURNMENT RESOLUTION

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. The reason for the delay at the present time is that we understand that the resolution is to originate in the Senate concerning adjournment, and they had notified us as soon as the continuing resolution was received by the Senate they would send it over. We understand it is on its way and we are just waiting until such time as the resolution comes over.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. Is there some reason why we cannot send the adjournment resolution over to the Senate and adopt it here, and go home or wherever we want to go?

Mr. O'NEILL. I see no reason why we cannot.

Mr. GROSS. Why should we always be waiting on the other body to send the resolution over here?

Mr. O'NEILL. I am merely explaining to the gentleman what the situation is at the present time. The Speaker has been talking to the Senate leaders and we are simply waiting here for the resolution to come over.

Mr. MATHIS of Georgia. Mr. Speaker, would the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. Mr. Speaker, perhaps it would help the gentleman from Massachusetts if he would like us to take up 15 minutes and make a point

of order that a quorum is not present so that we could occupy the time.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 120. Concurrent resolution providing for a conditional adjournment of the Congress from October 17, 1974 until November 18, 1974.

PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE TWO HOUSES FROM OCTOBER 17, 1974, UNTIL NOVEMBER 18, 1974

The SPEAKER laid before the House the Senate concurrent resolution (S. Con. Res. 120) providing for a conditional adjournment of the two Houses from October 17, 1974, until November 18, 1974.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 120

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Thursday, October 17, 1974, they stand adjourned until 12 o'clock noon on Monday, November 18, 1974, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

Sec. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

Sec. 3. Ordered, That during the adjournment of both Houses of Congress as provided in Sec. 1, the Secretary of the Senate and the Clerk of the House, respectively, be authorized to receive messages including veto messages from the President of the United States.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid upon the table.

COMMODITY SET-ASIDE ACT OF 1974

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous mater.)

Mr. ALBERT. Mr. Speaker, recently the gentleman from Utah, (Mr. OWENS) introduced legislation providing for the establishment of a new commodity set-aside program. As I understand it, the bill would provide for gradually accumulating certain commodities over the course of the next 3 years, which would then be available for human consumption and seed purposes in the event of some catastrophic depletion of our basic food reserves.

Under the gentleman's bill, the program would begin in 1976. The commodity reserves, consisting of a 1 year's supply of wheat, feed grains, and dried milk products, or nutritionally equivalent substitutes, would only be released when production and imports fall below a minimum level essential to survival, and their release would only be triggered by massive crop failures or some other extraordinary natural disaster.

I applaud the gentleman's attempt to insure that our Nation will be adequately prepared for an extraordinary reduction of our basic food supply. As I understand it, this bill is intended to be a form of disaster insurance, in the best tradition of American self-reliance and preparedness and it is not intended to be a price-support or price-maintenance system.

In introducing his bill, the gentleman from Utah (Mr. OWENS) spoke of the responsibility of the legislature today to provide assurance against the specter of hunger in this Nation. I agree with him that the Government must recognize that our vast agricultural capacity is not immune to natural disaster and must take the necessary steps to assure that hunger caused by agricultural disaster will not devastate this Nation. Mr. OWENS' proposals alert us to the need for preparedness. I congratulate him for his efforts to meet this need.

HEALTH RIGHTS AND COMMUNITY HEALTH SERVICES

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, the question of how to provide adequate health care to all persons obviously will be one of the most critical issues confronting the 94th Congress.

Already there are a number of various proposals pending in Congress calling for various approaches to this key question. I have studied those bills, and in general, I find them lacking what I would endorse as a comprehensive strategy for providing health care.

Recently I received a new proposal—or rather, the basic outline of an overall proposal—that takes a new direction in providing quality health care. Instead of focusing on the intricacies of financing health delivery schemes, this proposal deals with the actual delivery of health services, and it would bring about major changes in the complete health care system as we now know it.

This proposal was put together by a special working group of health workers—the Coalition for Health Rights and Community Health Services, some of whom are members of the Medical Committee for Human Rights. And while at this point, the proposal represents the coalition's ideas and concepts, I see this proposal as the framework upon which future legislation can be drafted.

Yet, there still remains much to be done. Because this proposal builds upon a community-based approach to health delivery, I deem it critical that there be additional input from both communities and health groups throughout the Nation. Only through such a broad, coalition effort will it be possible to draw together the best and most creative ideas into a truly progressive legislative package.

I intend to submit this proposal into the RECORD because I believe that my colleagues in Congress and the many interested persons and groups throughout the country should have this opportunity to comment on it and to offer their suggestions and recommendations about it:

[From the Coalition for Health Rights and Community Health Services]

THE NATIONAL HEALTH RIGHTS AND COMMUNITY HEALTH SERVICES ACT

Following is a summary of a proposal which would restructure the health care system of the United States to provide for the delivery of community-directed health care services. This proposal is based upon these concepts:

1. An optimal level of health enhances the quality of life by promoting an individual's well-being, dignity and human potential.

2. Health care, which contributes to attaining an optimal level of health, is a human right.

3. It is the responsibility of the national government to implement a community-based national health care system to guarantee this right.

4. Provision of health care should not be dependent upon profit-making.

In order to implement these concepts, comprehensive health care will be offered without charge in facilities under the direction of Community and Regional Health Councils. The delivery of health care services will be restructured to ensure equitable distribution of health care to both rural and inner-city areas, and there will be equal access to these services. There also will be equal access to educational preparation for health workers. Services and educational preparation will be available without regard to race, sex, religion, income, national origin or citizenship. In addition, health care services will be available in all work and institutional settings—including prisons. In these settings, as well as in all health care facilities, utilization of preventive health services will be encouraged.

Restructuring of health care delivery in this manner will require that all public and private resources related to the provision of health care be reorganized so that these resources are under the cooperative direction of all health workers and are ultimately accountable to the public.

ELIGIBILITY

All persons within the United States and its territories will be entitled to receive the health services provided in this proposal without regard to race, sex, age, religion, income, national origin or citizenship.

BENEFITS

1. Comprehensive health care including services for the prevention, diagnosis, treatment and rehabilitation of health problems, all medical supplies and drugs approved by the National Pharmacy and Medical Supplies Formulary Administrative Board, and all services rendered by clinics, hospitals, long-term facilities and other health institutions under the control of Community and Regional Health Councils.

2. All persons will be entitled to the rights enumerated in the Health Care Bill of Rights presented later in this proposal.

3. Health services will be offered in occupational settings as determined by Community Health Councils.

4. Child care services will be offered without charge to health workers during working hours, and to recipients of health care services during the time services are being provided.

5. Transportation services will be provided for recipients of health services to and from community and regional health facilities.

6. Comprehensive health services, as enumerated in this proposal, will be provided for all persons within local, state and federal residential and penal institutions.

COMMUNITY HEALTH SERVICES

A community will be an area which provides a suitable organizational base and possesses the commonality of interest needed to support and maintain a community health services program as described in this proposal. In general, a community should be no larger than 50,000 persons.

Community Health Council

Each designated community will elect a Community Health Council. The Community Health Council will have one representative for each 4,000 residents of the Community, but no Community Health Council will have less than 3 members. The members will serve limited terms.

Functions of the Community Health Council will be:

A. Health Planning and Evaluation—

1. Determine policies for health facilities in the community.

2. Determine location and number of community health facilities.

3. Determine the need for health workers in the community.

4. Plan for additional health programs to meet community needs.

5. Evaluate results of utilization and quality-of-care reviews.

6. Evaluate adherence of facilities to the "Health Care Bill of Rights."

B. Oversight—

1. Oversee activities between health facilities.

2. Provide and inspect health programs in working places and in community institutions.

3. Develop and implement preventive health programs.

4. Develop and implement health education programs.

5. Collect health statistics for the community.

C. Personnel—

1. Determine personnel policies for community health facilities.

2. Serve as hiring authority for all health workers in the community.

3. Hire administrative staff to manage these functions.

D. Financial—

1. Distribute funds to community and regional facilities.

2. Serve as contracting authority for all services, supplies and equipment.

Community Health Clinics

Each designated community will provide health care services through community health clinics. Residents of the community may choose the clinic they wish to attend. The internal policy of the clinic will be determined by workers in that clinic with all workers having an equal voice in decision-making.

Each community health clinic must provide the following in addition to general health care services:

1. Maternal health services, including abortion services;

2. Family planning services;

3. Mental health services;

4. Dental health services;

5. Health education and nutrition counseling;

6. Basic rehabilitative services;

7. Emergency services available 24 hours a day;

8. Home health services;

9. Quality-of-care and utilization reviews;

10. Referral services to other health facilities and community resources;

11. Access to legal services;

12. Maintenance of health records and statistics;

13. On-the-job training programs and a program of upward-job-mobility;

14. Transportation services for persons who attend clinics;

15. Child care services for health workers in the clinic and for persons who attend clinics.

Community Advisory Board

Each community health clinic will have a Community Advisory Board to ensure that the clinic is providing all health services enumerated in this proposal. The Community Health Council will appoint residents served by the clinic to become members of the Community Advisory Board, and these appointees will compose one-third of the total Community Advisory Board membership. The health workers in the clinic will select the remaining representatives proportionately from all types of health workers in the clinic. The Community Advisory Board will:

1. Submit regular reports and recommendations pertaining to clinic policy and administration. All such reports will be available to the general public and will be submitted to the Community Health Council and to the residents served by the clinic.

2. Hold regular meetings open to the public.

3. Hear complaints from residents of the community who attend the clinic and from workers.

REGIONAL HEALTH SERVICES

A region will be an area containing a number of communities and which provides a suitable organizational base and possesses the commonality of interest for regional health programs as described in this proposal. In general, a region would cover between one to ten million persons. Regional health facilities will be all hospitals, specialized medical care and rehabilitation centers and health worker schools within the region.

Regional Health Councils

Each region will have a Regional Health Council. The Council will be composed of one representative from each Community Health Council. Each Community Health Council will have one vote on the Regional Health Council. Primary functions of the Regional Health Council will be to oversee regional health facilities and health worker education and to facilitate community health programs. Specific functions of the Regional Health Council will be:

A. Health Planning and Evaluation—

(1) Insure availability and adequacy of regional facilities.

(2) Determine the need and budget for development of new facilities.

(3) Determine the need for health workers in the region.

(4) Conduct quality-of-care and utilization review for regional health facilities.

(5) Collect, analyze and report on health statistics for the region.

(6) Coordinate regional environmental programs.

B. Personnel—

(1) Serve as contracting authority for all services, supplies and equipment at the regional level.

(2) Set regional wage/salary levels for health workers.

(3) Hire administrative staff.

C. Educational—

(1) Ensure that national standards for heath worker schools are met.

Regional Health Facilities

In addition to their specialized service, each regional health facility will provide the following services:

1. Health education;

2. Quality-of-care and utilization reviews;

3. Referral services to other health facilities and regional resources;

4. Access to legal services;

5. Maintenance of records and statistics;

6. On the job training programs and upward job mobility;

7. Transportation services for those who visit the facility;

8. Child care services for health workers in the facility and for those who use the facility.

Regional Advisory Board

Each regional health facility will establish a Regional Advisory Board to insure that the regional facility is providing the health services enumerated in this proposal. The Regional Health Council will appoint residents of the region to comprise one-third of the members of the Regional Advisory Board. The remaining two-thirds will be representatives of health workers in the regional facility. The Regional Advisory Board will:

1. Submit regular reports and recommendations pertaining to facility policy and administration. All such reports will be available to the general public and will be submitted to the Regional Health Council.

2. Hold regular meetings open to the public.

3. Hear complaints from residents of the region who use the facility and from workers in the facility.

PROVISIONAL NATIONAL HEALTH COMMISSION

A Provisional National Health Commission will be appointed by the President and approved by Congress to oversee and manage a transition period. The Commission will be composed of consumers, health workers and union representatives with equitable representation of women and minorities. Terms of office of Commission members will be limited and one member will be chosen by the Commission to be chairperson.

The Commission will be responsible for establishing community and regional boundaries and for overseeing the elections of community, regional and national representatives within given time limitations. While Community, Regional and National councils are being established, existing health delivery mechanisms will remain intact. However, upon completion of this transition all health functions will be assumed by the national health service outlined in this proposal. The Provisional National Health Commission will be dissolved upon the election of the permanent National Health Commission.

NATIONAL HEALTH COMMISSION

The National Health Commission will insure that objectives of this proposal are implemented in all communities and regions. The Commission will develop minimum standards to assist communities and regions with implementing this proposal. Each region will have one vote on the National Health Commission. Members will serve limited terms which will be staggered.

Functions of the National Health Commission include:

A. Health planning and evaluation—

(1) Compile health data from community and regional levels to determine the number of health workers needed throughout the country.

(2) Coordinate health research.

(3) Establish minimum national standards for:

(a) Quality control programs;

(b) Community and regional facility maintenance;

(c) Prison and institutional health programs;

(d) Environmental health quality programs;

(4) Maintain national health statistics.

(5) Prepare an annual health report to the nation containing evaluation of delivery services and future plans.

B. Personnel policy—Hire National Health Commission administrative staff.

C. Financial responsibility—Project health needs and costs for long and short term periods.

D. Educational responsibilities—

(1) Recommend minimum national standards for health worker schools.

(2) Develop a national clearinghouse which makes information available to community and regional levels and would encourage information sharing between regions and communities.

E. Appointment functions—

(1) Appoint members of the Board of Trustees of the National Health Care Trust Fund.

(2) Appoint members of the National Pharmacy and Medical Supplies Formulary Administrative Board.

(3) Appoint members of the National Health Legal Rights Commission.

OCCUPATIONAL HEALTH

All duties and responsibilities of the Occupational Safety and Health Act of 1970 will be assumed by the Occupational Safety and Health Committee of the National Health Commission. This Committee will assure the performance of the duties of functions currently implemented by the Occupational Safety and Health Administration of the Labor Department and shall continue the activities of the National Institute of Occupational Safety and Health.

The Committee shall be composed of the National Health Commission with an equal number of health/scientific workers and worker representatives.

The basic function of the Committee will be as stated in the preamble of the OSHA Act—

"To assure safe and healthful working conditions for working men and women; by authorizing enforcement of the standards developed under the Act; by assisting and encouraging the States in their efforts to assure safe and healthful working conditions; by providing research, information, education and training in the field of occupational safety and health. . ."

FINANCING

Health services, facilities and programs will be centrally and collectively financed. There will be no third parties, no claims-filing activities. Health revenues will be generated by a series of health surtaxes consisting of:

1. Taxes on personal income;

2. Taxes on personal wealth;

3. Taxes on corporations and other business enterprises based upon excess profits calculations.

A probable cost of the *full* program outlined in this proposal may be estimated from approximately $100-$110-billion in its first year. This sum is an aggregate of these components which are based upon data from the Department of Health, Education, and Welfare and from estimates compiled by the authors of this proposal: $34-$40-billion=current private sector outlays; $36-$40-billion=current total government expenditures; $30-$40-billion=induced costs of new system, including increased demand for health services, new facility costs, first year costs for assumption of private sector facility assets (including hospitals and schools), administrative costs, and receivership costs.

Even so, only approximately between $5-$10-billion may be needed in additional tax revenues to finance this proposal because elimination of (1) the current fee-for-services system and (2) health insurance costs would free approximately $64-$68-billion of resources which would then become additional personal income and corporate revenues. Health taxes would be established so as to transfer *all* those resources (less whatever excess costs are contained within the current system) to government, and whatever new taxes would be set would make up the difference between estimated program costs, and (1) transferred resources and (2) current government expenditures.

NATIONAL HEALTH CARE TRUST FUND

Funds for the health care system will be maintained by a special trust fund established within the Treasury of the United States. A Board of Trustees, named by the National Health Commission, will administer the Fund, with the majority of the Board members to be chosen from the general public and from among those persons with low-or-middle incomes.

Based upon studies and proposals by its staff, the Trustees will provide:

1. Estimates of health system costs to the National Health Commission;

2. Recommendations for changes in health taxes to the Congress;

3. Recommendations for changes in health fund allocation formulae to the National Health Commission.

The transfer of funds from the Trust Fund to communities and regions will be based upon demographic data, including per capita income, with priority given to those areas with the greatest needs as shown by a series of social and economic indicators.

NATIONAL PHARMACY AND MEDICAL SUPPLY FORMULARY

A National Pharmacy and Medical Supply Formulary will have the following functions:

1. Determination of standards and regulations regarding quality, price and distribution of all drugs, medical appliances and equipment produced, imported or exported from the United States;

2. Certification of drugs, equipment and suplies to be used by the health facilities in this proposal;

3. Recommendation of legal sanctions to be taken against unauthorized manufacture, distribution, import, export and use of drugs equipment and supplies. Such sanctions will include the possibility of government seizure and receivership of such violaters.

National Formulary Administrative Board

This Board will be selected by the National Health Commission to carry out the objectives listed above. A majority of Board members will be chosen from the general public, with approximately half of the non-public representatives being health workers, and one-half representatives of manufacturers, distributors and/or importers of drugs, equipment and supplies and of elected employee representatives of those industries. The Board shall select professional and managerial staff for the Formulary.

All funds for the Formulary shall be allocated by the National Health Commission.

HEALTH WORKER ORGANIZATION

The goal of this section is to restructure the present heirarchical organization of health services into one which distributes technical discretionary and care-giving (nursing) tasks among all health workers, in which activities are democratically planned and critiqued by collective worker effort, and in which new workers are selected by the community. This goal will be implemented by:

1. Encouraging all workers to expand and exercise discretionary expertise, so that no workers are limited to nursing or technical tasks without participating in patient evaluation and decision-making, and no health workers monopolize the decision-making to be carried out by others.

2. Encouraging physicians, dentists and other doctoral level personnel to take increased responsibility for care-giving and technical tasks, particularly in patient and community health education.

3. Encouraging experimentation with new health workers' roles.

4. Organizing regular health worker meetings in each ward, clinic or other division, to democratically discuss, plan and critique patient care, task allocation and worker relationships.

5. Working toward a salary ratio not greater than 1:3 between the lowest and highest paid workers.

HEALTH WORKER EDUCATION

The goal of this section is to integrate and decentralize health worker education, to increase its responsibility for regional and community needs by provisions of services during and after education, and to increase the community's role in educational decisions concerning recruitment, selection and curriculum for health workers.

Schools of medicine, dentistry and other doctoral levels will be integrated with schools for middle level personnel in nursing, technical, non-physician practitioner and other fields. These units shall be referred to as health worker schools, and placed under the guidance of the Regional Health Council. Joint classes, clinical and community experiences will be actively encouraged.

Health worker schools will be responsible for developing continuing education programs for all presonnel in their community or region. They shall also assist Community and Regional Health Councils in planning educational programs for their members as well as for interested community persons. Further, they will help communities to develop materials and programs for use in health education.

Each health worker school will be responsible for the direct delivery of health services to a defined regional population.

Teaching in health worker schools will be done by multi-disciplinary teams of student, faculty, health workers and community representatives, who would work collectively to plan courses and field experiences. The classes and field work will be open to all categories of students and health workers.

The financing for health worker education, including faculty salaries, will come exclusively from the National Health Care Trust Fund.

LEGAL SERVICES

Any consumer of health services rendered under this proposal, or any community group having a demonstrated interest in health care, shall have the right to commence a proceeding for redress before the Community Health Council in the community where alleged violations have occurred. All parties shall have the right to counsel. Any party shall have the right to appeal an unfavorable decision to the Regional Health Council for the region where the proceeding originated, and to appeal an unfavorable Regional Health Council decision to the United States District Court for the district in which the proceeding originated.

National Health Legal Rights Commission

The NHLRC will be responsible for provision of legal services, and will be named by the National Health Commission. NHLRC membership will be composed of health workers, attorneys and the general public, with its composition reflecting the race, sex, and economic characteristics of the overall population.

The Commission will establish legal services centers for each region, and will hire a director for each such center. The center director shall then hire the legal services workers for the region, so as to provide representation for consumers and community groups empowered to commence proceedings.

The Commission will also establish special task forces at regional levels to deal with alleged acts of discrimination or expressed attitudes of prejudice. These task forces may institute actions following requests from consumers or they can act independently without a complaining party.

In addition, the Commission will set up a national health law reform program. This program will examine existing and proposed

health laws to determine if such laws are consistent with principles in this proposal.

All funds for the operation of health legal services shall be appropriated by the Congress from the general revenues.

HEALTH CARE BILL OF RIGHTS

All persons will have the following rights:

1. To be treated with dignity and respect at all times.

2. To receive all benefits proposed in this Act.

3. To have unrestricted access to a copy of their complete health record at any time, without charge.

4. To have unrestricted access to any and all libraries containing health related materials.

5. To have a personal copy of a comprehensive dictionary of terms used in health records and services. This reference shall explain terms related to symptoms, signs, diagnosis, etiologic agents and conditions, diagnostic procedures, and the treatment, prevention and rehabilitation of illness. It shall also extensively cite lay and professional sources of additional information.

6. To receive—prior to any treatment—procedure or admission, a careful and intelligible explanation of the indications, the likelihood of benefit and risk and the nature of possible side effects or risks.

7. To refuse any treatment, procedure, admission, or continued hospitalization whenever such refusal does not directly endanger the physical health of others.

8. To receive a prompt and intelligible answer to any question about their health, available health services and resources, and health conditions in their community and workplace.

9. To receive translation of all communications into their native language.

10. To have complete confidentiality of information regarding their health. No written or verbal information which discloses any person's identity may be released without their voluntary, written consent.

11. To confer with any person or group, at any time, including family friends, persons of similar interest, and legal counsel.

12. To have legal recourse as presented in this proposal for negligent conduct by any person. The use of forms which request release from liability for negligent conduct will be prohibited.

13. To be informed of all the above rights at the time of any institutional admission and when receiving health services. In case of a life-threatening emergency—or loss of consciousness, a family member or accompanying adult must be so informed.

14. To full exercise of any and all of the above rights, by means of a prompt, effective complaint mechanism and full recourse to legal assistance as described in this proposal without loss of service.

Health Care Rights For Mental Patients, The Aged and Retarded

Mental patients, the aged and retarded will be accorded all the above rights. Because of past violations of Constitutional rights of these groups, the following rights, which apply equally to all other persons are explicitly stated:

1. No one can be institutionalized against their will.

2. To have all protections guaranteed by the Constitution.

3. To have an alternative to hospitalization offered and to have a choice of hospitals.

4. To have facilities which are clean comfortable, adequately heated, cooled and ventilated, adequately staffed, and which provide sufficient opportunity for creative activity and recreation.

5. To have a social and sexual life according to their sexual preference while under institutional care.

6. To have the opportunity to freely communicate by phone, letter and in person.

7. To retain private property without threat of confiscation.

8. To refuse compulsory work, to chose the type and extent of work, and to receive at least the minimum wage for such work while in hospital care.

9. To not be subject to regimentation of activities or dress.

10. To not be subject to physical abuse or any form of physical or psychological harassment.

11. To not be physically restrained except when such action is decided by patient representatives to be required for physical safety.

12. To decline treatment and medication at any time, and to receive full explanation of benefits, risks, and side effects of any therapy.

13. To decline participation in any experiment or teaching experience.

14. To complete confidentiality of records and to see any personal health record at any time.

15. To full participation, personally and through a patient council, in any decisions involving patient well-being.

16. To exercise all of the above rights, and to have access to legal counsel and full recourse at any time for the violation of these rights.

It is recommended that a program of community/patient advocacy be established in which community persons acquire basic legal knowledge and skills and then have the opportunity to work in each health facility with patients, community persons and health personnel to ensure the realization of health care rights.

In addition, health personnel in each facility will become familiar with the "Health Care Bill of Rights" and will regularly meet with advocates and the Community Health Council and other community persons to discuss ways of ensuring these rights through activities of that facility. It will be the responsibility of all health facilities to ensure that personnel are adequately informed of this "Health Care Bill of Rights."

ARTICLES BY JAMES McCARTNEY ON LIFE IN CUBA UNDER CASTRO

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, James McCartney, of the Knight Newspapers Washington Bureau, has recently returned from a rare 6-day visit to Cuba. He has written a series of articles based on his impressions of life in the island nation under Castro. His observations are astute and incisive and I commend them to the attention of our colleagues:

HINT OF FEAR—CASTRO BUILDING NEW SOCIETY OF MARXIST ZEALOTS

(By James McCartney)

HAVANA.—Fidel Castro has built his own brand of Marxist socialism into the very fabric of Cuban society—the schools, the textbooks, the newspapers, even the social life.

And there are many signs around Havana to suggest that it is here to stay.

The evidence now is that he has made it. He has consolidated his power, with no serious opposition from within.

But he also has desperate problems, particularly with food. And there are questions about what would happen if the Soviet Union should decide to make him stand on his own feet, although that does not appear to be a likely possibility.

In 15 years since his 1959 revolution, Castro has turned this country upside down.

On the drawing boards, his new Cuba is a Cuba of collective farms, more modern and more imaginative than those pioneered in the Soviet Union—farmers in model cities, living in sleek apartment buildings.

It is a Cuba with planned cities, designed for as many as 150,000 persons, with every kind of modern convenience—hospitals, schools, day-care centers. Some are already built.

But Castro's new Cuba is already a Cuba of fear:

A Havana University student ran after me for 100 yards, to beg with me not to use his name in a story, after he had blurted out a criticism of Castro.

A 60-year-old woman said she could not run the risk of being seen riding in a car with a reporter.

"Of course they are following you," she said. "They will know everybody you have talked to. I don't want to get in trouble."

In six days in Cuba I did not hear a Cuban official so much as mention a concern about civil liberties.

What's happening in education illustrates the depth of the Communist penetration.

A modern, new, rural school 25 miles west of Havana has a faculty of which 39 are members of the Communist Party.

Of a student body of 526 between the ages of 11 and 15, about 90 are already members of the Young Communists, and others are eager to join.

The history textbook used in the school is a basic Russian history book, written in Moscow, translated into Spanish. A picture on the front of the book shows V. I. Lenin, the founder of Soviet communism, in a sympathetic pose.

One chapter in the book is entitled "The Aggressive Foreign Policy of the United States." Another is headed "Imperialism and the Revolution of the Proletariat."

An illustration in the book shows a bloated pig, labeled "Capitalism," being slain by a small man, labeled "the workers," carrying a sword, which is labeled "collective ownership."

Benito Urra, who teaches the ninth grade, says a major objective of the school is to teach students their role in a socialist society.

In order to have maximum political impact on the student, the school is designed as a boarding school. Students live with their teachers and fellow students Monday through Friday, and go home only on weekends.

One reason, officials explained, was to separate students from "reactionary" ideas they might get from their parents.

And the new government has involved itself deeply in social life as well, particularly through the Committees for the Defense of the Revolution, block organizations to which almost all adults belong.

The CDRs originally were created as spying mechanisms to watch for counter-revolutionaries. Today they do good works—like seeing that children get vaccinations. They also throw parties to celebrate important anniversaries of Castro's revolution.

You get the idea that if a person wants to get along in life, without trouble, he'd better show up at CDR functions.

Says a Cuban who has watched the CDR's role evolve over the years:

"Anybody who doesn't belong to the CDR has a tough time getting things done. You have to do 'voluntary' work to remain in good graces politically.

"The CDR knows, intimately, where everybody is, how they live, whether they eat well. They know everything."

A government official confirmed that observation, perhaps unwittingly, when asked how he could be sure that burglary rates were down in Havana, when the controlled press does not report crime news.

He looked me squarely in the eye and said: "We know everything."

Those functions in domestic spying that are not carried on by the CDRs are assigned to what everyone in Cuba calls the "G2"—the Ministry of the Interior.

The designation "G2" has been stolen from U.S. military parlance, where it refers to intelligence functions.

"The G2 is the only thing in Cuba that is magnificently organized," says a long-time student of such matters.

The new Cuba is run by the Communist Party. A Senate Foreign Relations Committee report has estimated that it has fewer than 200,000 members, and its function, officially, is "to direct" the government.

Members are elected by their co-workers, in unions and in other organizations formed by workers.

It is a social honor to be a member. Membership automatically brings certain kinds of privileges, such as the right to own a car.

I asked one bright young man in the Foreign Ministry if he aspired to membership and he said, "Of course." But he said he doubted if he was worthy of the honor.

"I don't think I work hard enough," he said.

And of course membership in the party means power in a society in which wealth is far more evenly distributed than in the United States.

Modern Cuba is highly dependent upon the Soviet Union for its very existence. The Soviets have poured billions of rubles into Cuba to keep it running. The current rate of Soviet spending has been authoritatively estimated at between $550 and $600 million a year.

Soviet trucks, tractors and other equipment are everywhere. So are Soviet technicians, although nobody seems quite sure how many technicians there are.

But they live well. The restaurant on the top of a modern apartment building in downtown Havana that houses Soviet technicians is one of the best in town. A reporter paid $71 to take three friends to lunch there last week.

The liquor store in the apartment house was far more elegantly stocked than the liquor store in the Havana Libre Hotel, which houses visiting Americans, as well as many Cuban honeymooners.

The Marxist orientation of Cuban Communism is visible on streets of Havana, in posters and banners, and in photos hung in buildings, lobbies and offices.

It is not unusual to see pictures of Lenin. He is often quoted.

There is, however, no Castro cult—although Castro clearly dominates the government as a living legend.

If there is a Cuban Communist hero for whom a cult has developed it is the legendary Che Guevara, who was slain in 1967 while seeking to export Cuban socialism to Bolivia.

Guevara's photograph is exhibited far more often around Havana than Castro's. Three huge photos of Guevara greet VIP visitors in the first reception room they enter on arrival at Havana airport.

But Castro and Cuba have developed their own peculiar and distinctive brand of Communism. Although it is Marxist, it is not the same as what one finds in the Soviet Union, although there are chilling similarities. Nor is it quite the same as in the Communist-bloc states of Eastern Europe.

This reporter has visited the Soviet Union twice.

The Cuban system, as it has evolved to date, appears more egalitarian than either the Soviet system or the systems of Eastern Europe.

Wealth appears to be more evenly spread around, with a far less rigid caste system than in the Soviet Union.

Fewer special privileges seem to be accorded to those in power.

In Cuba, almost everyone appears to be equally impoverished in a kind of shared shabbiness. There are no rich, and few poor. Almost everyone suffers with the same poor diet, the same tough rationing system for food and clothing.

You do not see big black limousines at all in Havana.

And a truly well-dressed person, of either sex, is not just a rarity; it is non-existent.

What is common among the Cubans is zealots—the enthusiasm for Marxism of the newly converted. They exhibit shining eyes, pounding fists, and bitter hatreds of those who have seen the promised land of anti-imperialism, and adopted it as their religion.

They display the kind of a zealotry rarely seen nowadays in the Soviet Union, or in eastern Europe—and will lecture you about it for hours.

It could be that the limited exposures of a six-day trip were misleading on this point, and that it was only accident that this reporter encountered so many Marxist enthusiasts. But the schools have been turned into factories to produce zealots, if they can.

And the serious expressions of 10th and 11th graders, as they stood rigidly at attention, in their neat blue school uniforms, in Havana and in the countryside, produced memories not easily forgotten.

At the very least, the depth of penetration of Marxist ideology in Cuba raises questions about the future of U.S.-Cuban relations.

It has become a widely accepted notion that if the United States can produce "detente" with the Soviet Union, and a relaxation of tensions with China, it should also be able to effect a "normalization" of relations with Cuba.

That now looms as one of the major questions in Cuba's immediate future.

CAN UNITED STATES ACCEPT CASTRO BASED ON HIS TERMS?

(By James McCartney)

HAVANA.—The date was June 5, 1958, and Fidel Castro, Cuban guerrilla leader, was in the Sierra Maestra.

He had just seen a friend's home blown up by rockets he believed to be American, smuggled into Cuba through the U.S. Guantanamo Naval Base.

"I have sworn to myself that the Americans are going to pay very dear for what they are doing," he wrote to a woman friend Celia Sanchez, who is active today as a minister in the Cuban government.

"When the war is over, a much longer and bigger war will begin for me, the war which I am going to wage against them (the Americans). I realize that is going to be my true destiny."

The scrawled original letter hangs today on a wall here in a new "Museum of the Revolution," once a palace for Cuban presidents.

It raises a basic question about whether new talk of "normalization" of relations between the United States and Cuba should be taken seriously, and what it means.

Can Kissinger and Castro kiss and make up?

There is, in fact, little reason to believe that Castro, in 16 years, has changed his vision of his true destiny.

But that doesn't mean that he wouldn't like to see changes in the U.S.-Cuban relationship, a relationship of total estrangement since the Organization of American States, under fierce U.S. pressure, voted an economic embargo against Cuba in 1964.

And there are signs that the United States is willing to toy with the idea of changes, too.

Change, in fact, is in the air in U.S.-Cuban relations.

As matters now stand, the embargo against Cuba will, in all probability, be lifted in November, when OAS foreign ministers meet in Quito, Ecuador. Renewed trade between the United States and Cuba could follow.

Nevertheless, most of the signs are that trade will develop slowly, and that other changes of importance will also be slow in coming.

Sen. Jacob Javits (R., N.Y.), who visited Havana last week with Sen. Claiborne Pell (D., R.I.), declared at the close of the visit that "the ice clearly has been broken."

A more accurate metaphor would be that a few cracks have developed in the ice.

Sen. Pell was publicly enthusiastic, along with Javits, while in Havana, at the end of the visit. But after returning to Washington he lost some of his enthusiasm.

"We came away from our meeting with the view that there will be no abrupt return to normal relations between our countries," he said in Washington.

What is actually happening is that Cuban officials are privately, and not so subtly hinting that Cuba is ready to listen if the United States wants to make a first move.

And Secretary of State Kissinger is actually reluctant to make a first move, but is being dragged along by pressures from Latin American countries. Kissinger doesn't want to appear to be the perpetual Latin American dragon.

What's important are the fundamental issues separating the two countries. They are deep.

It is often said by those promoting improvements in U.S. relations with Cuba that if the United States can relax tensions with China, and build "détente" with the Soviet Union, it ought to be able to "normalize" relations with Cuba.

But the comparison is imprecise. Cuba is neither the Soviet Union nor China, and is not in the same position as either on the world scene.

The Soviets, for example, have wanted to improve relations with the United States primarily because their economic system has failed and they want access to western technology.

The Chinese undoubtedly have been looking to the United States as a potential ally in their continuing big-power confrontation with the Soviets.

Cuba fits into neither of these roles.

Cuba had a brisk trade with the United States before Castro's revolution in 1959. In those days the United States was Cuba's only trading partner.

The Cuban revolution was in part a revolution to divorce Cuba from that trade, and that dependency, as characteristic of American "imperialism."

Today Castro's independence-seeking Cubans are almost as dependent on the Soviet Union as they were dependent on the hated U.S. "imperialists" before 1959.

In 1974, for example, Cuba-Soviet trade is expected to reach $1.6 billion.

The Cubans are totally dependent on the Soviets for precious oil, and their accumulated deficits in trade with the Soviets are believed to run more than $5 billion.

They also have relied on the Soviets for armaments—estimated to add up to something like $3 billion by Morris Rothenberg of the University of Miami.

Castro undoubtedly prefers to survive. But he can hardly be expected to enjoy the prospect of dependence of this sort indefinitely.

It is in trade that the self interests of the United States and the Cubans may coincide.

As matters now stand, U.S. policy has all but forced Castro into the hands of the Russians.

The United States might well wish to lessen Cuban dependence on the Soviets. And at the same time, there is pressure from some U.S. businessmen eager to find new markets in Cuba, which has a population of some 9.5 million and a shortage of consumer goods.

But Castro will be wary. He showed his hand during the visit by Sens. Javits and Pell when he seized the occasion to deliver a diatribe against the United States.

He was seeking to convey a diplomatic message. Translated, it was: "I may accept an improvement in relations, but it's going to be on my terms."

Castro, obviously will not want to become heavily dependent on the United States once again. Nor is he likely to abandon his efforts to line up Latin America against the United States.

But he may very well find it handy to open up the gates to trade a little bit.

That would help to solve problems in his economy, and could help him to work his way back toward better relations with Latin American countries.

As for the United States, it is in danger of becoming isolated in Latin America itself, if it does not relax its policies toward Cuba.

The United States still does not cherish the thought of a Marxist state, heavily armed, across 90 miles of the Florida Straits.

Nor does the United States wish to go so far as to help Marxism survive and flourish in Cuba, to create a success story for Marxism that could be copied elsewhere in the hemisphere.

Cuba needs all the help it can get to solve some of its economic problems, particularly the problem of food.

Castro would profit almost immediately if spare parts started flowing into Cuba to operate cars, machines and even toilets from the pre-revolutionary era.

Diplomatic relations? Not likely soon.

Visits to Cuba by exiles in Miami? That is probably one of the last things, at this point, that Catsro would like to see. His system flourishes best behind closed doors.

FERTILE CUBA'S MOST SERIOUS PROBLEM—FOOD

(By James McCartney)

HAVANA.—Fidel Castro's most serious problem is food.

Consider this unforgettable scene:

It is 10:30 on a soft Sunday night in the park opposite the old Havana Hilton Hotel, now the Havana Libre, and thousands of Cubans are standing in line.

They stand patiently for one, two and sometimes as long as three hours to buy ice cream at a government-operated stand, popularly called a "copelia."

There are six long lines, none with fewer than five or six hundred persons. Couples, or whole families, edge forward, slowly, under the trees, to buy an ice cream cone, or sundae, or just a dish of ice cream.

"They are hungry," a long-time Havana resident explains. "They don't get enough to eat. They come from all over the city, by bus, and they wait, because they are empty inside."

Cuba is a land so fertile that nearly anything will grow, and grow fast. But after 15 years in power, Castro still has his hands full in trying to feed his growing population, and the end of his problem is not in sight:

You can't buy an orange in a grocery store, in an ideal climate for growing citrus fruits.

All basic foods are rationed.

There is an active black market.

Grocery stores have a sterile, warehouse look as bleak as anything in the Soviet Union. There are long waiting lines, unattractive displays of unattractive foods, and many counters that are simply empty.

The weekly meat ration for adults is less than the amount of beef in two good-sized U.S. hamburgers.

One restaurant in old Havana charged $7.20 for two medium-sized hamburger patties.

And even loyal government officials are all but willing to openly admit that the handling of the food problem has been botched.

"The revolution has had, and is still having, many difficulties in distribution" of food and other basic items, says Arnaldo Vega, a rationing official whose title is director of sales systems for the ministry of internal trade.

In a sense, the handling of the food problem dramatizes the kinds of successes the government has had, as well as the kinds of failures.

Through rigid rationing, the government has eliminated starvation as a threat. That is no mean achievement in Latin America.

But no one would describe the resulting national diet as appetizing.

For most Americans, a visit to a Cuban grocery store, or supermarket, would be a depressing, even shocking, experience.

From the outside, a supermarket in a vast model housing project called Alamar, east of Havana, looked modern and attractive.

Inside, it looked like a warehouse. More than 50 persons were waiting in a ration-ticket line on a mid-week afternoon. There were other lines of 50 or so at each of several checkout counters.

Meat counters at the back of the store, modern in design, were empty. A clerk explained that meat was delivered only once a week, on Thursdays.

There were no fresh vegetables in the store, and only two kinds of fruit. There was a pile of tiny, green beat-up bananas, which did not look edible. And there were green lemons.

Even sugar, the major agricultural product of Cuba, is rationed. Each person is permitted four pounds a month.

Each person is also permitted six pounds of rice a month, 1½ pounds of fat, and 15 eggs.

An adult is entitled to three quarters of a pound of meat every nine days. That used to be the ration for seven days, but it became the ration for nine days last May—indicating that meat is getting scarcer.

Food prices for rationed items, however, are low.

Rice is only 19 cents a pound—a price fixed by law in 1962, and unchanged since, even though the price of rice has gone up sharply in world markets.

Beef costs only about 50 cents a pound.

Most Cubans exist on a diet of rice and beans, as they have traditionally. Anything beyond a very basic diet is likely to be very expensive, indeed.

In the Alamar supermarket a one-pound tin of rather ordinary crackers—an unrationed item—was priced at about $4.50.

But the great question in Cuba is, why, so many years after the Castro revolution, are food problems so serious?

When rationing was imposed in 1962 the government said it was a temporary expedient, and would soon end.

But Arnaldo Vega, the rationing official, acknowledges that he can't see an end to rationing. He declines to predict a time when it might end, or to predict that it ever will.

The government is now attempting to boost production of citrus fruits, for example, for Cuban consumption.

But a farm manager for a major new collective farm predicted that it would be about three years before fruit would be available on a regular basis in stores.

The food problem is dramatically visible in the exorbitant prices in restaurants. In addition, a complex reservation system is in force, which makes it almost necessary to have friends in high places to get a seat in a restaurant.

Visiting journalists found it necessary to go through the Cuban Foreign Ministry to make restaurant reservations. Sometimes, the Foreign Ministry didn't have enough influence.

A pedestrian lunch in a downtown Havana restaurant can easily cost $7 to $10 and an equally pedestrian dinner $12 to $15, or more.

Yet almost all restaurants in downtown Havana can be spotted by long waiting lines, any night of the week.

"Working families will save their money carefully so that they can have one good meal in a restaurant a month," one Cuban explained.

The man in the street in Cuba is convinced that the government has mismanaged the food problem if a random sampling of opinion on the subject is correct.

The government exports much of the food that is produced in Cuba to get hard currency to support other parts of the economy. But it has not been a popular program.

Government officials insist that many of their food problems are a result of the U.S. blockade against Cuba and the fact that the population has grown by more than three million since Castro took power.

A leading Cuban intellectual, the poet Roberto Fernandez Retamar, was asked whether Cubans joked about food, as they tend to joke about many of their problems.

"No," he said, "that is not a matter for humor in Cuba. That is reality."

HAVANA RUSTS AND MOLDERS—EVEN "HILTON'S" ROOF LEAKS

(By James McCartney)

HAVANA.—Fifteen years after Fidel Castro's Marxist revolution, Havana is a city that doesn't quite work.

Along the famed Prado, a main street of Old Havana, drinking water frequently has to be delivered in big, green Russian-built trucks.

Housewives line up with buckets and tin cans to carry it up to their apartments.

Telephones are free in Castro's socialist state, but often when you pick up the receiver to make a call nothing happens. No dial tone, no operator, no nothing.

There are few automobiles and, as a result, almost the entire population depends on bus transportation.

But buses are often so crowded that they pass you by, unable to accept more passengers and are often behind schedule.

Long queues for buses are a familiar sight any time of the day.

The socialist planners of this country decided some years ago to abolish bank checking accounts for individual citizens.

This makes it necessary for everyone to pay electric light bills in person—which means getting on a bus and going to the proper government office to pay.

Many Cubans believe that this requirement alone has contributed to overloading the bus system.

Bus transportation may be shoddy and slow, but there is at least a system. The same cannot be said for taxis, which are almost nonexistent.

Thus people stay put, sticking to their own neighborhoods. There are few ways to get out of them.

A visitor from outside the country is dependent on the government for transportation. He can go where the government wants to take him—or he can walk.

Over-all, the life of a Cuban today is almost totally regulated by the government. The government controls where he can live, what he can buy, where and how he is going to work.

And there are major problems for individuals trying to make a go of it in each of these areas.

Salaries, of course, are carefully controlled by the state. Almost all basic food is rationed, and so is all basic clothing.

Housing is still tight, with many families of eight or 10, or even more, crowded into a single room, or few rooms.

You do not see the kinds of tin-roofed slum shacks clearly visible in many other Latin American cities—Caracas or Rio, for example—along main thoroughfares in Havana.

But housing is so scarce that the government is continuing to permit operation of "posadas"—hotels that rent rooms to couples, no questions asked, on an hourly basis.

The official reason for permitting "posadas" is to allow husbands to make love to their wives, when so many have to share rooms with children and other relatives.

The rental rate for use of a "posada" in Havana: 2.40 pesos for three hours, or about $3.

The rationing systems for food and clothing impose major limitations on everyone's life.

Each family, for example, is assigned the grocery store from which it must buy food. You buy at that store or you don't buy.

If you move to a new neighborhood, you must go through a complex procedure to get permission to buy from the grocery store in the new neighborhood.

Rules are different for buying clothes. Clothing-ration tickets may be used at any clothing store where they have the clothes to sell.

As one woman explained the rationing system:

"You have a number and you watch for your number to be published in the paper. This will tell you that the stores will have, let's say, shoes for you (your number) on a certain day.

"Sometimes people will stay up all night standing in line to try to be sure that they'll be able to get what they want.

"But then you may find after you get to the front of the line that they don't have your size, or a style that you want."

This same woman said that she had given up wearing nylons altogether "because it was just too much trouble."

"I found I was spending half my life waiting in lines. I'd rather not wear stockings at all."

Nor is the quality of clothing something to write home about.

In one downtown store I visited in Old Havana, male buyers had a choice of the kind of dress shirts—blue, Polish-made shirts, for about $10 each, and white Cuban-made shirts, for about $4.50 each. The Polish shirts would have sold for about $4 in the United States. The Cuban shirts wouldn't have sold at all. The material was visibly inferior.

Each male in Cuba has been permitted to buy two dress shirts in the last 13 months.

As in any other socialist state, there is one good thing to say about the job situation—there is no unemployment. The government guarantees everyone a job.

Some complain, however, that the government constantly shifts people from one job to another to prevent the forming of strong friendships—a means of trying to guarantee government "security."

Says a Cuban with long experience who is in a position to study the government carefully:

"They have sacrificed everything to security. They shift people who work in shops and stores and factories to prevent them from making friends and to try to prevent the black market.

"They don't want people to be friends. The first consideration is always security."

One of the major reasons that Havana doesn't quite work is that so many things are wearing out.

Before the Castro revolution Cuban traded exclusively with the United States, and almost everything in the country was made in the United States.

But all those things stopped coming in after the revolution and after the Organization of American States imposed a diplomatic economic embargo on Cuba in 1964.

The result is that a visit to Cuba today for an American is in many ways a kind of adventure in nostalgia—a trip back into the 1950s.

Many of the cars on the streets are models from the 1950s, still miraculously running. There are even many models from the 1940s and 1930s.

But it's not just the cars.

Cuba is a country of old fashioned narrow neckties, relatively short haircuts, shirts with old-fashioned collars and suits with narrow lapels.

For women, slacks still haven't caught on.

The miniskirt has made it in Havana, apparently in part because socialist planners appreciate its economy of material.

Nevertheless, women in Havana are not dressed nearly as stylishly as women in most other major cities of the world. They appear rather dowdy.

The Havana Hilton hotel, now called the Havana Libre (Free Havana), is a case study of a building that is wearing out.

It was once one of the splashiest hotels in the hemisphere, with broad lobbies, thick carpets, elegant furnishings.

Today the roof of the lobby leaks when it rains, the carpets are so moldy that the hotel literally stinks, and the furnishings are showing notable signs of wear.

Mirrors are chipped, toilet seats gone, plumbing fixtures corroded.

Many of Havana's troubles can be traced either directly or indirectly to the breaking of trade relations with the United States and the economic embargo.

The water system in old Havana, for example, was built with American materials. The Soviet Union, Castro's great friend and loyal supporter, doesn't have the spare parts to keep water flowing. Only the United States does.

Replacement items for the Havana Libre would also have to come from the United States.

So would parts to keep U.S.-built cars running.

But not all of Havana's troubles are caused by a need for replacement parts.

Other troubles are simply a result of socialism at work—situations caused by a government that has had to make tough choices, and has opted to spread a little a long way.

A result is that there is probably more equality in Cuba today than in any other nation of the Western Hemisphere—equality in salary, in standard of living, and in some ways an equality of semipoverty.

No one is really well off by American middle-class standards. But then, no one is starving, either.

You could say that Castro has done well enough to survive and to entrench himself in power. But Havana has a long way to go.

DO-IT-YOURSELF HOUSING WORKING

(By James McCartney)

HAVANA.—Fidel Castro's Marxist society has produced success stories as well as failures—and no success is more striking than Cuba's experiments with housing.

Fidel, as everyone calls him, has got Cubans building their own apartments and homes.

Nuclear scientists, food processors, shoe factory employes—even newspapermen—are given time off from their regular jobs to build homes for themselves.

At first blush, it sounds like a nutty idea, and you wonder when roofs might start caving in.

But it's working in Cuba in a way that is fascinating other governments throughout Latin America because it is providing modern, attractive low-cost housing to thousands of Cubans who were jammed into slums.

The most massive project in the country—a showcase for the socialist government—is the so-called "Alamar" project, 10 miles east of Havana, on the sea.

It is a completely planned, integrated city designed to house 150,000 when completed in 1980. Enough of it is already finished to show that the plan is working.

The construction boss for the project, Maximo Andion, 34 a metal technician educated in Poland with no previous construction experience says with a smile.

"It sounds crazy but when we came in here, none of us had any experience in building. But look around you, the buildings aren't falling down."

He is right.

In fact, the buildings in the project are modern and attractive, prefabricated concrete, and sometimes brick—white, trimmed with bright yellows, greens and oranges.

At this point 139 buildings have been completed, housing about 15,000 persons.

Most are apartments, but carefully interspersed among them are schools, hospitals, health centers, day-care centers—everything necessary to make a city.

Construction at Alamar first began in 1960 after Castro's revolution. But the idea of having workers build their own homes didn't evolve until the early 1970s.

The idea was to form small brigades—called "micro brigades" of workers.

They are given a year or two, and sometimes more, off from their regular jobs and are actually housed during the period at Alamar.

The designs of the buildings are kept deliberately simple, so that those unfamiliar with building techniques can master them.

Andion, who has been construction boss for three years, says: "We started with simple things, and learned as we went along. As time has gone on, we've become more expert."

There are four basic apartment-building designs in the project, with 13 to 16 apartments per building.

Each of the apartments is identical, with identical furnishings, provided by the government.

Antonio Sanchez de Castro, 42, a shoe factory worker, lives in a first-floor apartment in an attractive, green and white building he helped to build.

He said he joined a micro brigade formed in his factory and worked on the apartment he lives in, and other buildings, for three years.

Previously he and his family of four lived in a wooden shack in Havana. "This is a palace," he said with a wide grin, compared to the faimly's earlier home.

A small group of American reporters visiting the project chose the de Castros' apartment at random and asked if they could see it.

De Castro, a small, mustached man, invited them in and willingly answered questions.

He said he made 120 pesos a month (about $151) in his shoe factory job, and paid six per cent of his salary ($9 a month) in rent.

He is a stronger supporter of Castro and the revolution. "The revolution gave me a chance to study," he said.

The three-bedroom apartment was neat and spotless, maintained by his wife, who works in a texile factory in the project.

The apartment was furnished with a small gas stove, but had no refrigerator and no television. De Castro said he was saving for both.

A refrigerator will cost 600 pesos ($720) and a Russian-built 21-inch black-and-white TV set will cost 650 pesos ($780).

The De Castros' building was started in 1971 and completed in 1972.

About 2,600 workers are involved in building in Alamar today.

It would be impossible for an outsider to assess, on the basis of a brief visit, whether life is pleasant for those who live in Alamar—but it looks as though it would be. Certainly conditions are far more comfortable in the project than they are for most Cubans on the outside.

SUCCESSES IN CUBA CARRY A PRICE TAG

(By James McCartney)

HAVANA.—Over-all, Fidel Castro's Cuba today is a mixed bag of showcase and shoddy.

Ten miles to the west of Havana, in the open countryside, you come upon a cluster of clean-lined, attractive, four-story buildings—the multimillion-dollar V. I. Lenin Institute.

Financed by the Soviet Union, it is a high school for some 4,000 specially chosen Cuban youths.

Two years ago the land here was scrub growth.

Fifteen miles farther out in the country and to the south is the headquarters of the "Plan Ceiba"—a collective farm of 17,600 acres.

Some 346 farm families, who have lived there for generations, have "joined" the farm.

A new town of about 700 buildings is under construction to house them in modern apartments, with television, radio and other conveniences.

More than 100 buildings have been completed, and families are expected to start moving in in October.

According to Gusavo Cruz, the farm's manager, it will be the first time most of the families will have been exposed to much of modern civilization.

On the outskirts of Havana stands the Havana Psychiatric Hospital, a model for its thoughtfulness in patient care that compares favorably with some of the better U.S. mental institutions.

All these represent success stories in Castro's 15-year-old Marxist Revolution, showcases proudly displayed to foreign visitors.

And there are other aspects of success, too, in such fields as education and medicine.

At the time of the Cuban Revolution the illiteracy rate among adults was 23 per cent—more than a million illiterates.

Today, according to United Nations figures, the rate has dropped to less than 4 per cent.

In 1962, according to Dr. Francisco Rojas Ochao, professor of preventive medicine at Havana University, the number of "medical consultations" in Cuba was about 16 million—meaning meetings between patients and doctors.

That figure, says Dr. Rojas, has risen to 40 million by last year.

The number of children in school has more than tripled in Cuba since the revolution.

The number of students in universities increased from about 2,000 in 1958 to more than 55,000 today.

Health care of all kinds is free for everyone. Unemployment has been virtually wiped out. Notable improvements have been made in relations between the races.

Marxism socialism has not failed here. It may even have taken firm root. The experiment is certainly being watched carefully elsewhere in Latin America.

As Castro said earlier this year: "The fact remains that today nobody has any doubts about the reality and irreversibility of the Cuban Revolution. The only thing that can possibly happen now is for the revolution to become even stronger . . ."

That may or may not be true, but it is certainly widely accepted as gospel in Cuban officialdom.

And it is the essential view of those in the U.S. Senate Foreign Relations Committee who are arguing for "normalization" of relations with Cuba.

But however one wishes to evaluate Cuba's successes, there can be little doubt that they have been purchased at a high price.

For Cuba today is a totalitarian state, a rigid Marxist dictatorship with chilling resemblances to the Soviet Union.

The country is riddled with fear and with spies.

Castro has paid lip service to the desirability of elections, but there is no reason to believe authentic national elections are in the cards at any point in the foreseeable future.

There are political prisoners in the thousands—no outsider knows how many. The government does not deny they exist.

Government officials and intellectuals here believe Cubans traded a phony kind of freedom, in a country dominated by U.S. "imperialists" before 1959, for a new kind of Marxist state.

Many appear happy with the trade.

Nor has the rigid dictatorship produced notable prosperity.

The Castro government has improved the distribution of wealth, but almost all basic commodities—food, clothing, fuel—are rigidly rationed in systems that leave little individual choice. It is not inaccurate to say that there is a kind of equality of impoverishment.

Havana is shoddy from outward appearances, and so are most of its people.

Thus the picture here is not black and white; it is a mixture of accomplishment and failure.

But over almost all issues here hang larger questions about Cuba's present-day role in the worldwide competition of political systems between the United States and the Soviet Union, Marxism and modern capitalism.

The Soviet Union is underwriting the Cuban experiment as part of this competition.

The total size of the investment is unknown but it has been estimated currently at between $550 million and $600 million a year.

Cuba clearly would be in deep trouble without it.

For the United States the immediate issue is whether continuations of an economic boycott against Cuba is helping, or hurting, in the larger struggle.

THE LATE HONORABLE JOIIN SHELLEY

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, those of us who knew and served with John Francis Shelley were saddened a few weeks ago when word came of his death in his home State of California.

John Shelley came to this Chamber, as I did, during the 81st Congress—a class of which only 10 Members now remain. During the 15 years of his service here, we all came to know him for his leadership, his ability, and his fine personal character.

He loved California and Californians, and he never lost sight of the people who sent him to Washington to represent them. Their problems were his problems, and his interest in those problems never flagged, no matter what the national and international concerns were at any given moment.

It is fitting that when he left this Chamber, it was to go back home to be mayor of his home city of San Francisco, to take an even more active role in the administration of his people's affairs.

John Shelley was a good congressman, a good mayor, and a good man.

Those of us who were privileged to know him and work with him were enriched by the experience. And I am very sorry indeed that this House will know him no more.

ADMIRAL HOLLOWAY DEFINES THE NAVY'S FOUR MAJOR TASKS; DISCUSSES THEIR ACCOMPLISHMENT IN THE FACE OF FUTURE GLOBAL REALITIES

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, I would like to commend to the attention of my colleagues in the House of Representatives the very fine remarks of the Navy's new Chief of Naval Operations, Adm. James L. Holloway III, to the New Orleans Council of the Navy League Navy Day Luncheon last Friday, October 11.

Speaking before a record Navy Day Luncheon audience, Admiral Holloway stressed the Navy's continued mission to contribute to deterrence of strategic war, to keep our sea lines of communication open, to be able to protect U.S. power ashore to protect our vital interests, and maintain an overseas presence. He went on to provide his assessment of future global realities and the operational environment in which the Navy would strive to accomplish its tasks. Keying on the challenge posed by the rapid growth of the Soviet Navy, Admiral Holloway concluded calling for the Nation to face its responsibilities squarely, to do more with less, and to devise a strategy which will extract every ounce of potential from each ship, each aircraft, and each person in the Navy.

I think all Americans should be cognizant of the tasks, realities, and recommendations outlined in his address which follows:

REMARKS BY ADM. JAMES L. HOLLOWAY III

About two thousand years ago, the Greek philosopher Seneca noted that, "If a man does not know to what port he is steering, no wind is favorable."

As we meet here today to celebrate the 199th birthday of the Navy, we can do one of two things.

We can view this ceremony as a pleasant ritual, of form but no substance . . .

Or we can use this moment to review our past and gain some insight into our future. To choose our ports wisely and our paths with care.

I hope you will select the latter course, despite the fact it will mean facing some difficult realities.

Today, we face a world whose power balance is changing—no longer do the rigid bipolar assumptions meet the needs of the day.

Today, we must realize we are not a country of endless spaces and limitless resources—no industrialized nation enjoys independence from the rest of the world.

Today, we face great pressures to reduce military expenditures—mistakes are beyond our means; we must plan with the clearest vision.

Today, even the physical seas our ships sail are undergoing change—the very definition of "high seas" is being redefined.

What effect will these realities have on our Navy? The answer lies in what our Navy is expected to do.

In my estimation, the Navy will have four major tasks in the future:

First, in this age of nuclear weapons, it must contribute to deterrence of strategic war. In the time ahead, as enemy weapons become more accurate, our sea-based missile systems will continue to increase in importance as a part of our nation's arsenal.

Second, our Navy must be able, in event of war, to control the areas of the sea that we wish to use—in short, to keep our sea lines of communication open. To do this, sea control forces are composed of a complex of weapons systems, including submarines, patrol aircraft, aircraft carriers and surface combatants.

Third, when it is our national policy to do so, the Navy must be able to project U.S. power ashore to protect our vital interests. These forces include aircraft carriers with planes capable of moving hundreds of miles inland and amphibious ships with their ability to land Marines on distant shores.

Fourth, perhaps the most important mission of the Navy for the era of peace we seek, is that of overseas presence. The existence of our Navy demonstrates to those who would deny us free use of the seas that hostile challenges to our interests, or those of our Allies, may result in a confrontation with U.S. armed force.

With these tasks before us, let us now look at the world of the future in which our Navy will most likely be operating—it is not a comforting scene.

Even in a period of growing detente, it is clear that uncertainty and change are hallmarks of the international situation. We see no diminution in the strength of Soviet armed might. The fragile truce between the Arabs and Israelis continues the Middle East as a source of deep concern. Greece has announced it will withdraw militarily from NATO. Italy's vast economic problems threaten the stability of her political structure.

In spite of the cease fire in Viet Nam, the fighting rages there at the highest levels in more than two years. The battles go on in Cambodia. Finally, Communist China continues to expand her Navy and appears to be building a nuclear arsenal.

If you will reflect briefly on this catalogue of problem areas, you will realize that this is virtually the same array of trouble spots that we have reacted to with regularity since World War II.

But, for the future, for the Navy, there are two new and significant differences. With a decline in our overseas base structure, the Navy must be prepared to shoulder a larger share of the responsibility in responding to our national interests in these areas.

For example, we are in the process of renegotiating our base rights with both Spain and Portugal. And in Southeast Asia, there has been a steady decrease of U.S. forces based in Thailand.

The second significant element affecting the Navy's role in the future is the continued growth of the Soviet maritime capability. The Russian Navy is demonstrating on a day-to-day basis a new and growing ability to operate powerful naval forces in open ocean areas far away from their home bases.

Last month, a Soviet task force cruised around one of these United States—Hawaii—and then steamed home along the Alaskan coastline. Today, not more than 500 miles from this very room a Soviet task force of missile equipped cruisers, escorted by submarines, operates in Caribbean waters.

It is in the face of this expanding Soviet naval threat that the U.S. Navy must be prepared to meet an undiminished scope of worldwide commitments. How well prepared are we?

This year, the Navy consisted of 508 ships, a number which becomes more meaningful when you consider that six years ago we could boast of a 976 ship Navy.

It is clear that our challenge is formidable. What is the answer? First, we must increase our force levels and acquire new ships at a greater rate.

But numbers alone is not the answer. We must have capable ships which can defeat our enemies.

With the shipbuilding programs endorsed by the Department of Defense, and with the approval of Congress, we are in the process of building up the balanced forces of carriers, submarines, surface combatants, amphibious ships, and support vessels we require to carry out our maritime tasks in response to a complex of possible contingencies spread across the varied geography of the globe.

But as force levels shrink, as we wait for the shipyards to produce, we cannot call "time out" and ask the Russians and world affairs to wait for us.

We must face our responsibilities squarely.

We must find a way to do more with less.

We must devise a strategy which will extract every ounce of potential from each ship, each aircraft, and each person in the Navy.

Our strategy will rely on flexibility such as we will achieve in the multi-purpose carrier concept, which enables a carrier to serve in an anti-submarine or strike warfare role by carefully tailoring the complement of embarked aircraft.

Our strategy will emphasize an increased offensive capability for all units. With the reduction of carrier force levels, the surface combatants will carry a larger share of the sea control mission in independent operations; a new offensive potential made possible by the fleet introduction of the Harpoon anti-ship missile and the development of another long range tactical cruise missile.

Our basic force composition in high threat areas, however, will remain the integrated task force in which carriers, surface combatants and submarines will operate in mutual support with the common mission of conducting offensive operations to destroy hostile forces which threaten the security of sea areas vital to our national interests.

In spite of new strategies and renewed efforts, however, we still need ships to be a Navy. And we must have new ships, of the proper kinds and in the correct balance of numbers and types if we are to carry out our undiminished level of commitments against the threat of a steadily expanding Soviet Navy. We have been decommissioning ships faster than we have been building new ones. And although today we can accomplish the naval tasks of our national strategy, in some areas it is only at the barest margin of success. As Soviet maritime capabilities continue to increase, it is clear to me, as it must be apparant to you that it is necessary to reverse the declining trend of the force levels of the U.S. Navy.

With the shipbuilding plans we now have programmed, we can reverse that downward trend.

But the key to the success of any strategy is the human element. No matter how new the ships, how modern the aircraft, how sophisticated the weapons systems, we cannot realize their full potential unless we have a dedicated corps of true professionals to maintain and operate them.

Although we ask the Navy League for help, need the support of the Department of Defense, and require Congressional approval to build our forces, the responsibility for making a navy out of hardware rests squarely on our shoulders, for it is people alone who can make the hardware work.

It is in recognition of the people factor in our formula for success that I have put my initial emphasis and greatest stress on personnel programs—and this includes Reserves. And paramount among our efforts in this areas is a concentration on our leadership.

We must return to fundamentals.

Technology is expanding at a mind boggling rate, reducing weapons systems to obsolescence virtually as they leave the drawing board. But those human qualities of dedication, loyalty, integrity and compassion have not lost one shred of their basic value since the dawn of history, and it is upon continued recognition of the part these human values play in any military organization that we must focus our attention.

I have tended to range widely today in my remarks, from international politics to human ethics, from hardware to geography, but I can sum up the substance of our policy for the charting of the Navy's course through these immediate years of trial and concern in a single phrase: fleet readiness.

Fleet readiness is our primary objective. For no matter how tough the task, how severe the threat, and how sparse the resources, the United States Navy must—and will—always be ready to carry out that mission upon which the security of the American people so profoundly depends.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JONES of North Carolina (at the request of Mr. O'NEILL), for today, on account of offiicial business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MARTIN of North Carolina) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 15 minutes, today.

Mr. MILLER, for 15 minutes, today.

(The following Members (at the request of Mr. THORNTON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. DULSKI, for 10 minutes, today.

Ms. HOLTZMAN, for 10 minutes, today.

Mr. CARNEY of Ohio, for 10 minutes, today.

Mr. MOAKLEY, for 15 minutes, today.

Mr. KOCH, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $903.50.

Mr. FASCELL, and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,112.

(The following Members (at the request of Mr. MARTIN of North Carolina) and to include extraneous material:)

Mr. WYMAN in two instances.

Mr. HOSMER in three instances.

Mr. SHRIVER in two instances.

Mr. O'BRIEN.

Mr. STEIGER of Wisconsin in two instances.

Mr. PARRIS in two instances.

Mr. RHODES.

Mr. KEMP in two instances.

Mr. ROBISON of New York.

Mrs. HECKLER of Massachusetts.
Mr. BUCHANAN in two instances.
Mr. BRAY in three instances.
(The following Members (at the request of Mr. THORNTON) and to include extraneous material:)
Mr. FOLEY in three instances.
Mr. ANDERSON of California in four instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. MOORHEAD of Pennsylvania.
Mr. FISHER.
Mr. LONG of Maryland.
Mr. MATHIS of Georgia in two instances.
Mr. JONES of Tennessee.
Mr. FRASER in five instances.
Mr. HARRINGTON in five instances.
Mr. FLOOD.
Mr. LEGGETT.
Mr. HAMILTON in two instances.
Mr. MOAKLEY.
Mr. VANIK.
Mr. MADDEN.
Mr. ZABLOCKI in three instances.

ENROLLED BILLS AND A JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 13157. 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 Villages 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, District of Columbia; and for other purposes;

H.R. 15736. An act to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes; and

H.J. Res. 1163. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On October 16, 1974:

H.J. Res. 163. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

On October 17, 1974:

H.R. 6624. An act for the relief of Alvin V. Burt, Jr., Eileen Wallace Kennedy Pope, and David Douglas Kennedy, a minor;

H.R. 6642. An act to suspend the duties on certain bicycle parts and accessories until the close of December 31, 1976, and for other purposes;

H.R. 7768. An act for the relief of Nolan Sharp;

H.R. 7780. An act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk, and for other purposes;

H.R. 11221. An act to increase deposit insurance from $20,000 to $40,000, to provide full insurance for public unit deposits of $100,000 per account, to establish a National Commission on Electronic Fund Transfers, and for other purposes;

H.R. 11251. An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as fuel, and for other purposes.

H.R. 11452. An act to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes;

H.R. 11830. An act to suspend the duty on synthetic rutile until the close of June 30, 1977;

H.R. 12035. An act to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts, and for other purposes;

H.R. 12281. An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper, and for other purposes;

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

H.R. 13631. An act suspend for a temporary period the import duty on certain horses, and for other purposes;

H.R. 14225. An act to extend the authorizations of appropriations in the Rehabilitation Act of 1973 for 1 year, to transfer the Rehabilitation Services Administration to the Office of the Secretary of Health, Education, and Welfare, to make certain technical and clarifying amendments, and for other purposes; to amend the Randolph-Sheppard Act for the blind; to strengthen the program authorized thereunder; and to provide for the convening of a White House Conference on Handicapped Individuals;

H.R. 14597. An act to increase the limit on dues for United States membership in the International Criminal Police Organization;

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

H.R. 15427. An act to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes;

H.R. 15540. An act to extend for 1 year the authorization for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972;

H.R. 15643. An act to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes;

H.R. 16857. An act to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1974 in certain disaster areas in North Carolina; and

H.R. 17027. An act to amend the National Visitor Center Facilities Act of 1968.

ADJOURNMENT

Mr. THORNTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER. In accordance with Senate Concurrent Resolution 120, the Chair declares the House adjourned until 12 o'clock noon on November 18 next.

Thereupon (at 4 o'clock and 15 minutes p.m.), pursuant to Senate Concurrent Resolution 120, the House adjourned until Monday, November 18, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2877. A letter from the Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting the financial statement of the Legion of Valor for the fiscal year ending April 30, 1974, pursuant to section 14(b) of Public Law 224, 84th Congress; to the Committee on the Judiciary.

2878. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to make advances of money to chiefs of field parties; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1456. Resolution providing for the consideration of House Joint Resolution 1167. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Report No. 93-1470). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 17426. A bill to provide for the establishment of a national advisory commission to develop a national plan for the control of epilepsy and its consequences; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE:

H.R. 17427. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 17428. A bill to provide financial assistance to regulated electric utilities to reduce the increases in electric utility rates caused by increases in the price of residual oil; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSHER (for himself, Mr. MOORHEAD of California, and Mr. O'BRIEN):

H.R. 17429. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. SPENCE:

H.R. 17430. A bill to amend the Solid Waste Disposal Act to authorize the Administrator of the Environmental Protection Agency to make loan guarantee and interest subsidy payments to certain governmental units to assist them in carrying out projects for the generation of energy from solid wastes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 17431. A bill to suspend until the close of June 30, 1976, the duties on poly-

vinyl chloride resins; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 1167. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

By Mr. QUIE:

H.J. Res. 1168. Joint resolution to require the Watergate Special Prosecution Force to make available to the public a report on all information it has concerning Richard M. Nixon in offenses against the United States; to the Committee on the Judiciary.

By Mr. LEGGETT (for himself, Mr. JOHN L. BURTON, Mr. HECHLER of West Virginia, and Mrs. SULLIVAN):

H. Con. Res. 678. Concurrent resolution expressing the sense of Congress with respect to decontrol of certain domestic crude oil; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JARMAN:

H.R. 17432. A bill for the relief of Ammeneh Amir-Bagheri; to the Committee on the Judiciary.

By Mr. CHARLES WILSON of Texas:

H.R. 17433. A bill for the relief of Jung Shin Yu; to the Committee on the Judiciary.

SENATE—*Thursday, October 17, 1974*

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

PRAYER

Rev. Dr. C. Ralston Smith, Washington, D.C., special assistant to Rev. Billy Graham, offered the following prayer:

Before we pray let us hear the words of the prophet Jeremiah:

It is of the Lord's mercies that we are not consumed, because His compassions fail not. They are new every morning, great is Thy faithfulness. The Lord is my portion, saith my soul; therefore will I hope in Him.—Lamentations 3: 22–24.

Let us pray. Thus, our Gracious Heavenly Father, we are reminded of the generous and constant care You extend to each of us. When we pause to consider our state, we recognize that we depend upon Thee for life itself, mercifully measured out to us breath by breath. Help us carefully to husband this treasure. May its strength be consecrated to the furthering of things of eternal value. Deliver us from squandering life upon those things which fade with the passing of a day.

Now we commit to Thee all within these walls. Senators and secretaries; Presiding Officer and pages; visitors and those who guide them; and all others who here have the opportunity to serve Thee with gladness. May each of us have the spiritual sensitivity to know Thy will, and the moral courage to do it. In the name of the Saviour Jesus Christ. Amen.

MESSAGES FROM THE PRESIDENT

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, October 16, 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.

THE STATUS QUO

Mr. HUGH SCOTT. Mr. President, first, I congratulate the Presiding Officer and myself on being present.

Second, I wonder who else is.

Third, I am afraid to count. [Laughter.]

Fourth, there may be a quorum.

Fifth, as the late General Eisenhower used to say, the obvious we confuse immediately. The crystal clear takes a little longer. [Laughter.]

ORDER OF BUSINESS

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

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

The ACTING PRESIDENT pro tempore. On whose time?

Mr. MOSS. I ask unanimous consent that the time not be charged to Senator WILLIAM L. SCOTT's time.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRIFFIN. 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.

Under the previous order, the Senator from Virginia is recognized for not to exceed 15 minutes.

THE NOMINATION OF NELSON A. ROCKEFELLER TO BE VICE PRESIDENT

Mr. WILLIAM L. SCOTT. Mr. President, some days ago I reported to the Senate on the mail our office was receiving regarding the nomination of former Gov. Nelson Rockefeller to be Vice President of the United States. Pursuant to a request for the views of constituents in a newsletter sent throughout Virginia, 85 percent of the citizens responding indicated that they opposed his confirmation for a variety of reasons. Many of these letters were quoted in a floor statement on October 3, 1974, and I ask unanimous consent that this statement be printed in the RECORD at the conclusion of my remarks so that colleagues may know the great variety of reasons for this opposition.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. WILLIAM L. SCOTT. Mail has continued to come in with substantially the same degree of opposition since that date and other information has come to light regarding gifts to public officials and friends and alleged "dirty tricks" practiced in his latest campaign for Governor. In view of the opinions expressed by my own constituents and the additional information which has been brought to our attention, I wrote to the President on October 15, reiterated my highest personal regard and affection for him but expressed the opinion that the Rockefeller nomination could revive much of the Watergate atmosphere and suggested that it be withdrawn from consideration by the Congress. I believe the elevation of Jerry Ford to the Presidency restored a high degree of confidence in the White House and believe it would be a mistake to push for the confirmation of someone when questions have arisen regarding his moral and ethical standards.

To me, many questions have arisen which cast doubt upon the competence of Mr. Rockefeller to be Vice President. One of which, of course, is his ability to deal with our serious economic problems in view of his own record as Governor of New York State. Two is his own personal moral standards. Three is his rejection by the people of the country of his candidacy for the Presidency on past occasions. Four is his own controversial nature which would tend to divide the country at a crucial time when unity is very much needed. These are questions that are not raised by me for the first time but have been raised by constituents and others in the past. I not only intend to vote against his confirmation based upon the known evidence but would hope and urge that others in Congress will carefully examine his overall background, experience, and personal character before voting on this nomination.

Shortly after President Ford indicated his preference for Governor Rockefeller, the Congressional Quarterly published a statement entitled "Rockefeller's 15-Year Quest for the Presidency," and reviewed his personal and political life. I ask unanimous consent, Mr. President, that this article from the August 24 edition of the Congressional Quarterly be printed at this point in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

ROCKEFELLER'S 15-YEAR QUEST FOR THE PRESIDENCY

Ford's choice for Vice President had turned down the job twice, in 1960 and 1968. Rockefeller's goal since boyhood had been the White House, and when he was mentioned as a vice presidential possibility in 1968, he had rejected the office as "standby equipment" and had proclaimed, "I don't think I'm cut out to be a number two type of guy."

But, over a public career spanning more than 30 years, Rockefeller had earned a reputation of being, above all other things, a pragmatist. Reversals of position were not uncommon to him. Accused of shifting rightward on social issues during the last years of his record 15-year tenure as governor of New York, he had this answer to his critics: "What I have done is a reflection not a shift in my political spectrum, but it is a shift in public thinking in relation to their concerns."

Ford's selection of Rockefeller won widespread praise both from Republicans and Democrats. But not all reactions to the Rockefeller nomination were enthusiastic. Over the years as governor and presidential aspirant, he had become anathema to a large share of the conservatives in his party. Republican Sen. Barry Goldwater of Arizona, whom Rockefeller refused to support for president in 1964, said he could support the nomination and described Rockefeller as "very well qualified." But he went on to say: "The problem I have as a conservative Republican is going out before the Republicans of this country and extolling him," and he said he did not want the New Yorker on the Republican ticket in 1976.

The reaction of Goldwater and other conservative leaders—many of whom favored Goldwater for the vice presidency—underscored a paradox in Rockefeller's political career. He had been an unparalleled success in scoring an upset victory for the New York governorship in 1958 and in winning four terms. But he had been a rather spectacular failure in his stumbling tries for the presidency in 1960, 1964 and 1968.

Despite his 66 years, Rockefeller appeared, before his vice presidential nomination, to be readying himself for a fourth attempt at the White House. He resigned from the governorship in December 1973, one year short of completing his fourth term, and organized the Commission on Critical Choices for Americans for the purpose of developing national policy proposals.

Rockefeller denied repeatedly that the commission was a launching pad for the presidency. But political observers were quick to note that his action freed him from a possibly unsuccessful run for a fifth term in Albany. And the commission would deal with the kind of broad policy issues on which he could build a candidacy.

PRESIDENTIAL CAMPAIGNS

"You want something and work for something and you can't win it. Then you make up your mind you're not going to have it, you relax about it—and then it comes up again." So said Rockefeller in a 1967 newspaper interview.

Few persons knew exactly how relaxed he was about the presidency in the summer of 1974, when Ford tapped him for the vice presidency.

The 1960 campaign

As the newly elected governor of the country's then largest state, Rockefeller became the immediate subject of presidential speculation after he took office in 1959. His opponent for the nomination would have been Richard M. Nixon, then the Vice President.

In November 1958, Rockefeller dismissed the speculation as "pure fantasy." His denials continued into 1959. But later that year, he traveled widely around the country to collect what he called a "cumulative series of impressions" on which to base a decision on whether or not to run.

In December 1959, Rockefeller said he had reached a "definite and final decision" not to seek the nomination. His travels had shown, he said, "that the great majority of those who will control the Republican convention stand opposed to any contest for the nomination."

Rockefeller declined an offer to be one of the key officers of the 1960 Republican national convention and said he was not sure he would even attend. Nixon said on May 15, 1960, that Rockefeller's decision "should be respected and is consistent with his attitude, since he has made it clear that he does not want to be considered for vice president."

Rockefeller's attitude toward Nixon's candidacy was cool. He did not endorse him before the convention. Late in May, he said he would accept a draft for the nomination. In June he called upon Nixon to tell the public his program and policies, and he criticized the Eisenhower administration's defense and foreign policies. "We are all just completely baffled by what he is up to," commented Republican National Chairman Thruston B. Morton.

The 1960 convention opened up the first break between Rockefeller and Goldwater. Rockefeller let it be known that if the convention's Platform Committee ignored his program, he would take the fight to the convention floor. He emerged as the unofficial spokesman for party liberals. Goldwater spoke for the conservatives.

Nixon, assured of the nomination but anxious to avoid a floor fight, agreed to meet with Rockefeller at Rockefeller's New York City apartment. They reached agreement on 14 platform positions, most of them liberal in nature, that were labeled "the compact of 5th Avenue." Goldwater referred to the meeting as "the Munich of the Republican Party." After the platform, containing many provisions of the compact, had been adopted, Rockefeller threw the New York delegation behind Nixon.

The 1964 campaign

After Nixon's narrow defeat to John F. Kennedy in 1960, Goldwater said he did not want Rockefeller to be the Republican presidential candidate in 1964. But Rockefeller emerged as the clear favorite after his reelection as governor in 1962. His popularity declined in public opinion polls in 1963 after his divorce and remarriage.

On Nov. 7, 1963, Rockefeller announced his candidacy for the Republican presidential nomination. "I believe that vital principles are at stake," he said. He campaigned hard against Goldwater in the primaries, charging him with offering "impetuous answers to the most senstitive and complex issues." He exhorted the voters to choose a candidate who "will represent a consensus of a great segment of the American people who believe in progress, in moderation and in responsibility" rather than "a militant minority, mesmerized by a mythical yesterday and devoid of programs for today's and tomorrow's problems."

Thirteen days after he had lost the California primary to Goldwater, Rockefeller withdrew. He gave his support to William W. Scranton, then the governor of Pennsylvania, who had become a last-minute "stop Goldwater" candidate.

Goldwater swept on to a first-ballot victory for the nomination—and suffered a stinging defeat in November. Rockefeller's efforts to have the convention adopt a moderate platform were shouted down by Goldwater's conservative supporters, who were in tight control of the convention. Rockefeller spoke for an amendment condemning extremist groups, which he called "a radical, high-financed, disciplined minority . . . wholly alien to the middle course." His words were all but drowned out by booing from the floor.

The 1968 campaign

Rockefeller's third run for the presidency resulted in failure caused at least partly by his appearance of indecisiveness. At the beginning of 1968, he was a supporter of George Romney, then the governor of Michigan. Romney withdrew Feb. 28 in the backlash of his famous "brainwashing" statement after a trip to Vietnam.

Less than a month later, Rockefeller announced that he would not be a candidate for the nomination. "Quite frankly," he said, "I want it clear . . . that the majority of [Republican] leaders want the candidacy of Richard Nixon at this time. It would therefore be illogical and unreasonable that I would try to arouse their support."

Rockefeller said he would accept a convention draft if ordered, but he said he did not expect one to materialize. Once again he would concentrate on national and foreign policy issues for the Republican platform.

But 40 days later, on April 30, Rockefeller announced that he had changed his mind and would become an active candidate because of "the gravity of the crisis that we face as a people." He said, "I frankly find that to comment from the sidelines is not an effective way to present the alternatives."

The Rockefeller announcement came after the last filing deadline for presidential primaries had passed. It coincided with his surprise write-in victory in the Massachusetts Republican primary.

Rockefeller never recovered from the party response to his apparent vacillation. Despite an expensive advertising campaign and personal appearances in 42 states, he did not seriously weaken Nixon's hold on a majority of national convention delegates. Nixon easily won the nomination on the first ballot. But Rockefeller could take some comfort from the moderate tone of the party platform adopted that year, reflecting some of his views.

CAMPAIGNS FOR GOVERNOR

Rockefeller's public career began in 1940, when he held a succession of appointive jobs under Presidents Roosevelt, Truman and Eisenhower.

At age 50, in 1958, he turned toward elective office after Eisenhower's plan to make him under secretary (and later secretary) of defense came apart because of conservative opposition within the cabinet.

The 1958 campaign

Although the public-opinion polls early in 1958 showed Rockefeller losing to incumbent Averell Harriman (D 1955–59), Rockefeller nevertheless launched a campaign for the New York governorship. As in all of his campaigns, he spent vast sums from his personal fortune.

After a hard primary campaign, Rockefeller's chief rival for the Republican nomination, former Republican National Chairman Leonard W. Hall, withdrew. Rockefeller was nominated by the state party convention.

Starting as an underdog, he launched a tireless campaign of handshaking and blintz-eating. He visited every one of New York's 62 counties and pledged to end bossism in state government. He took liberal positions on welfare issues.

Personal politicking came naturally to the plain-spoken, gravel-voiced millionaire. In a year of Democratic landslides elsewhere in the nation, he defeated Harriman with nearly 55 per cent of the vote.

The 1962 campaign

Rockefeller was nominated for a second term in 1962 by acclamation of the state Republican convention. His opponent that year was Robert M. Morgenthau, U.S. attorney for southern New York, who had the nominations of both the Democratic and Liberal Parties.

Morgenthau charged Rockefeller with secretly planning to raise taxes the next year. Rockefeller called the charge "utterly false and malicious" and campaigned vigorously on his "pay-as-you-go" fiscal policy, the improved economic climate of the state and advances in state aid to education.

His plurality over Morgenthau was 53.1 per cent, a slight decrease from that of his first victory.

The 1966 campaign

New York Republicans nominated Rockefeller for a third four-year term, again by acclamation, at their 1966 convention. That year he had opposition from three parties: Democrat Frank D. O'Connor, New York City Council president; Liberal Franklin D. Roosevelt, Jr., and Conservative Paul L. Adams.

Rockefeller was rated an underdog at the start of the campaign, largely because of state tax increases in 1959, 1963 and 1965—the 1963 increase after his 1962 campaign promise not to raise taxes the next year.

Rockefeller responded by charging Democratic bossism and by pointing to increased aid to local schools and improvements in the state university system, which had been made possible by his tax increases. He won easily with a plurality of 44.6 per cent.

The 1970 campaign

Rockefeller's principal opponent in his campaign for a fourth term in 1970 was Arthur J. Goldberg, a former secretary of labor, U.S. Supreme Court justice and ambassador to the United Nations. Running against a Jewish candidate who had been active in liberal circles, Rockefeller turned to the right and went after the votes of alienated blue-collar Democrats.

He supported President Nixon's Indochina policies and sided with construction unions against black militants seeking to halt some construction projects until their demands for new jobs were met. He moved to clamp down on welfare spending. The conservative thrusts won Rockefeller the endorsement of some groups, such as trade unions and fraternal organizations of policemen and firemen, that had not supported him before.

His plurality over Goldberg, the Liberal-Democratic nominee, Conservative Paul Adams and three others was 52.4 per cent.

CHRONOLOGY OF ROCKEFELLER CAREER

Following are highlights of the 44-year business, political and public service career of Nelson A. Rockefeller, nominee for Vice President:

1930

After graduation from Dartmouth, Rockefeller is named to the board of directors of Rockefeller Center, becoming president in 1938. Despite the Depression, he holds positions in various family businesses.

1940

Aug. 16—President Roosevelt names Rockefeller coordinator of inter-American affairs. In the post, he conducts a cultural and economic program aimed at Latin America. He resigns in December 1944 to accept a State Department post.

1944

Dec. 20—Rockefeller is sworn in as assistant secretary of state for American republic affairs. During his tenure the Act of Chapultepec is formulated. A reciprocal nonaggression pact among the nations of the Americas, it is a forerunner of the North Atlantic Treaty Organization (NATO) and other regional alliances. He resigns Aug. 25, 1945, to return to private business.

1946

July—The Rockefeller brothers establish the American International Association for Economic and Social Development, a philanthropic organization intended to work with local governments in South America in the fields of agriculture and nutrition.

1947

January—The International Basic Economy Corporation is formed by the Rockefeller brothers as a profit-making organization to encourage private investment in underdeveloped areas. Nelson Rockefeller serves as president until 1958.

1950

Nov. 24—President Truman appoints Rockefeller chairman of the International Development Advisory Board, which reviews the U.S. "Point Four" program of technical assistance abroad. He resigns Nov. 5, 1951, to return to private business.

1952

Nov. 30—President Eisenhower appoints Rockefeller chairman of the President's Advisory Committee on Government Organization. Among 14 reorganization plans submitted by the committee are proposals for a new Department of Health, Education and Welfare, and a U.S. Information Agency, as well as changes at Defense, Justice and Agriculture. He remains chairman until Dec. 29, 1958.

1953

June 11—Rockefeller is sworn in as under secretary in the new Department of Health, Education, and Welfare. He resigns in late 1954 to accept a White House position.

1954

Dec. 16—Rockefeller becomes Eisenhower's special assistant for foreign affairs. He resigns Dec. 31, 1955, to return to private business.

1956

Returning to New York, Rockefeller is appointed to the Temporary State Commission on the Constitutional Convention, which subsequently makes recommendations for changes in the New York constitution. The state's voters later reject convening a special constitutional convention.

1958

Nov. 4—Rockefeller defeats Averell Harriman for the governorship of New York state with 54.7 per cent of the vote. It is a year of Democratic landslides and Rockefeller takes liberal positions on welfare and other issues.

1959

Jan. 1—Rockefeller is sworn in as governor of New York. He holds that office until Dec. 18, 1973.

1960

July 27—After reaching agreement of key platform issues with rival presidential contender Richard Nixon, Rockefeller throws his New York delegate strength at the Republican National Convention to Nixon, who becomes the party's nominee.

1962

Nov. 6—Rockefeller wins his second gubernatorial campaign with 53.1 per cent of the vote, while stressing New York's improved economic climate and advances in state aid to education.

1963

Nov. 7—Rockefeller announces his candidacy for the 1964 Republican presidential nomination.

1964

Campaigning vigorously for the presidency, Rockefeller wins the West Virginia and Oregon primaries, but loses the important California primary to Sen. Barry Goldwater (R Ariz.). On June 15 he withdraws from the race, throwing his support to Pennsylvania Gov. William W. Scranton.

1966

Nov. 8—Rockefeller is re-elected for a third term as governor of New York with 44.6 per cent of the vote.

1968

April 30—Rockefeller announces his candidacy for President. After losing the nomination to Richard Nixon Aug. 8, he supports Nixon in the fall campaign, appearing with him in New York.

1969

March 20—Rockefeller is one of nine appointees to President Nixon's Foreign Intelligence Advisory Board.

Feb. 17—The Nixon administration announces that Rockefeller will travel to Latin America for consultation with leaders.

Nov. 10—Rockefeller's report to Nixon on his violence-marred Latin American fact-finding mission is released. The report recommends increased military aid to Latin America, renegotiation of foreign debts, and major trade and aid concessions.

1970

April 11—Rockefeller signs into law a controversial abortion reform law that would allow a woman and her physician to terminate a pregnancy for any reason up to the 24th week. The measure is one of the most liberal in the country.

Nov. 3—Rockefeller is re-elected to an unprecedented fourth four-year term as governor of New York by 52.4 per cent of the vote.

1971

Jan. 3—Insisting he will not consider a vice-presidential bid from Nixon, Rockefeller says, "I have had that opportunity on various occasions."

Aug. 18—Rockefeller calls Nixon's new economic policy "the most significant and exciting . . . in the history of our country."

Sept. 13—With the approval of Rockefeller, police storm the New York state prison at Attica where inmates are holding hostages. Nine of the hostages die.

Dec. 30—Rockefeller says he is seriously considering running for a fifth term as governor, ". . . because I've invested 13 years in trying to make the state a better place to work and live . . . ."

1972

May 13—Rockefeller vetoes a bill to repeal New York's liberal abortion law.

Aug. 22—Renominating Nixon at the Republican national convention, Rockefeller says, "We need this man of action, this man of experience, this man of courage."

Sept. 12—An official New York state report on the Attica uprising criticizes Rockefeller for not visiting the prison before ordering the armed assault.

1973

July 17—Rockefeller tells the State Broadcasters Association he is not surprised that Nixon taped his conversations—"I've assumed that always with every President."

Sept. 5—Speaking to the American Political Science Association, Rockefeller says the country's "agony" shows Americans want "government leadership that will place enduring moral principle over immediate political advantage."

Sept. 28—After a round-about answer to a question about Nixon's Phase 4 economic controls, Rockefeller tells Chicago businessmen, "That's not a very good answer, but it's not a very good program either."

Oct. 7—Rockefeller defends Nixon's impoundment of federal funds, saying, "I don't see he had any choice."

Oct. 21—Rockefeller urges Congress to "move quickly" and appropriate the $2.2-billion in military aid to Israel requested by Nixon.

Oct. 30—Denying he is "moving to the right" to please Republicans, Rockefeller claims that "I'm just dealing with problems as they come up."

Dec. 18—Rockefeller resigns as governor of New York after 15 years, to devote his time to two commissions of which he is chairman—the Commission on Critical Choices for Americans and the National Commission on Water Quality. Though critics charge he is leaving the governorship to have a better presidential campaign base in 1976, Rockefeller insists, "This is not a gimmick . . . or a

political trick." (The Critical Choices Commission was begun by Rockefeller in 1972 as a New York state effort, but was announced on May 14, 1973, to be expanded into a national commission at Nixon's request. It intends to study the quality of life in America and major national goals and trends for the next 30 years.)

1974

Feb. 11—After stating, "I don't defend Watergate. I deplore Watergate," Rockefeller is asked if he favors impeachment proceedings against Nixon. His answer: "I think at this point it's the only thing that's going to satisfy the American people."

Aug. 9—Rockefeller praises the new President, Gerald R. Ford, as a man of "integrity, dedication and abiding faith in America."

Aug. 20—President Ford nominates Rockefeller as Vice President.

NELSON ROCKEFELLER: A POLITICAL PROFILE

Profession: Businessman, philanthropist, government official.

Born: July 8, 1908, Bar Harbor, Maine.

Home: Pocantico Hills, North Tarrytown, New York.

Religion: Baptist.

Education: Lincoln School of Columbia University Teachers College, 1917–26; Dartmouth College, A.B., 1930.

Offices: Coordinator of Inter-American Affairs for President Franklin D. Roosevelt, 1940–44; Assistant Secretary of State for American Republic Affairs, 1944–45; Chairman of President Truman's International Development Advisory Board, 1950–51; Under Secretary of Health, Education and Welfare, 1953–54; Chairman of President Eisenhower's Commission on Government Organization, 1953–58; Special Assistant to President Eisenhower, 1954–55; Governor of New York, 1959–73; members of the Advisory Commission on Intergovernmental Relations, 1965–69; Chairman of the Governors Conference Committee on Human Resources, 1967–72; personal representative of President Nixon to Latin America, 1969; member of President Nixon's Foreign Intelligence Advisory Board, 1969–1974.

Affiliations: Trustee, Museum of Modern Art, Museum of Primitive Art, Rockefeller Brothers Fund Inc.; director, University of the Andes Inc.; director, American International Association for Economic and Social Development; Psi Epsilon; Phi Beta Kappa; Order of Merit of Chile; National Order of the Southern Cross (Brazil); Order of the Aztec Eagle (Mexico).

Author: *The Future of Federalism*, 1962; *Unity, Freedom and Peace*, 1968; *Our Environment Can be Saved*, 1970.

Family: Married Mary Todhunter Clark, June 23, 1930; five children; divorced in 1962; married Mrs. Margaretta Fitler Murphy, May 4, 1963; two children.

Career Highlights: The grandson of Standard Oil Company founder John D. Rockefeller Sr., Nelson Rockefeller served his business "apprenticeship," as he called it, with the Chase National Bank. Shortly after his graduation from college, he became a director of the new Rockefeller Center, serving on the Board and as an officer until he was elected governor of New York in 1958.

In 1935, he made a substantial investment in a Venezuelan subsidiary of Standard Oil, and a subsequent business tour to the area led to a lifelong interest in Latin American problems. He and his brothers founded the American International Association for Economic and Social Development in 1946, a philanthropic organization to help local governments, particularly in Venezuela and Brazil, in agriculture and nutrition. The next year, the Rockefeller brothers founded a profitmaking organization to foster private investment in underdeveloped countries.

Rockefeller began his government career in 1940, when President Roosevelt named him to the newly created post of Coordinator of Inter-American Affairs. He was responsible for coordinating government activities involving hemisphere defense, as well as cultural and commercial programs. He held the position until 1944, when Roosevelt appointed him Assistant Secretary of State for American Republic Affairs. In that capacity he helped formulate the Act of Chapultepec, a mutual defense pact of the American nations declaring that an attack against one was an attack against all.

Rockefeller left the government that year but returned in 1950 to chair President Truman's International Development Advisory Board. The board reviewed the U.S. "point four" program for technical assistance abroad.

In 1953, President Eisenhower named Rockefeller chairman of the President's Advisory Committee on Government Organization. The board recommended 14 reorganization plans, including those for a new Department of Health, Education and Welfare and the U.S. Information Agency and changes in the departments of Defense, Justice and Agriculture. Rockefeller remained on the board until 1958 and personally helped implement some plans, serving twice on Defense Department reorganization projects. In 1953, he also was appointed by Eisenhower as Under Secretary of the new Department of HEW. There he helped develop broader Social Security coverage and vocational rehabilitation programs.

During the 1940s and 1950s, Rockefeller was active in New York city and state government, particularly as an adviser on state constitutional revision. In 1958, he made his first run for elective office, challenging incumbent Democrat Averell Harriman for the governor's office. He staked out a liberal position on welfare, and, without soliciting help from President Eisenhower or Vice President Nixon, he defeated Harriman.

LATIN AMERICAN CONNECTION

Vice President-designate Nelson Rockefeller has long had a special interest in Latin American affairs.

In 1935, he made a substantial investment in the Creole Petroleum Co., a Venezuelan subsidiary of Standard Oil. He undertook an extensive business tour of Latin America in 1937, which resulted in a lasting interest in the problems and potentials of that region.

In July 1946, he and his brothers founded the American International Association for Economic and Social Development, a nonprofit philanthropic organization that works with local governments, primarily Venezuela and Brazil, in agriculture and nutrition. Six months later, the Rockefellers created the International Basic Economy Corp. (IBEC), a profit-making organization designed to foster private investment in underdeveloped areas.

Rockefeller's political career began with Latin America. In 1940, President Franklin D. Roosevelt established the Office of Coordinator of Inter-American Affairs (CIAA) and named the 32-year-old Rockefeller, who had done a study of the area's economic problems, as coordinator.

Mr. WILLIAM L. SCOTT. I know, Mr. President, that the Republican leadership, Senator HUGH SCOTT of Pennsylvania, and Senator GRIFFIN of Michigan, have requested prompt hearings on the additional information that has been brought to the public attention within the last few weeks and I believe the distinguished majority leader, Mr. MANSFIELD, has also urged the prompt resumption of hearings. However, in my opinion, the Senator from Nevada (Mr. CANNON), the chairman of the Committee on Rules and Administration is very wise to obtain a complete audit of the tax records of the nominee and to have an investigation made of any other pertinent matter before hearings are resumed.

We must remember that only a short time ago we considered a Congressman from Michigan to be Vice President of the United States, just as we now have Nelson Rockefeller under consideration for the Vice Presidency. Mr. Ford, elected only by the people of one congressional district of Michigan, became President of all of the people of the country and Mr. Rockefeller, if confirmed, would be only a heartbeat away from assuming this same high office without his name being submitted to the electorate as is the usual case.

Therefore, in my opinion, it is incumbent on each Member of the House and Senate to ascertain as many facts as possible and to then exercise his best judgment as to whether the nominee is the proper person to be President of the United States. In my opinion, the one requirement most desired by people throughout the country is unquestioned integrity and honesty. This to me is the key to restoring confidence in public officials. If there is doubt in the mind of a Member of Congress, I believe he should vote against confirmation of the nominee.

This does not mean that any of us should assume a pious or holier-than-thou attitude. But after the revelations of the last 2 years I believe that a careful review should be made of financial holdings, tax records, and personal as well as official life of a nominee.

Let us look at some of the information which has been brought to public attention and which I believe should be investigated very thoroughly by our own Rules Committee and the Judiciary Committee of the House.

According to the October 21 issue of Time magazine, in an article entitled "A Little Help for His Friends," Nelson Rockefeller gave $176,389 to Edward J. Logue; $50,000 to Henry Kissinger, then an assistant of his but now our Secretary of State; $625,000 to William J. Ronan; and $86,313 to L. Judson Morhouse.

These were not campaign contributions but funds to be used for personal purposes. I believe the committee should inquire as to each of these gifts from Mr. Rockefeller himself and from the recipients of the gifts, as well as to make an independent investigation of why the gifts were made. Of course every Member of this Senate has received political contributions usually made to a committee, and most of us attempt to separate even the knowledge of political contributions from our private and public life insofar as possible.

The Rockefeller gifts were of a different nature. They were made so that the recipient could use them for personal purposes to increase his standard of living, to purchase some of the material possessions most human beings like to acquire.

I ask unanimous consent, Mr. President, that this item from the October 21, 1974, issue of Time magazine be printed in its entirety at this point in the RECORD.

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

A LITTLE HELP FOR HIS FRIENDS

For a politician as wealthy as Nelson Rockefeller, money can be a curse as well as a blessing. His millions have convinced some people that because he has everything, he is incorruptible; but those same millions inevitably arouse suspicion among other people that he may be buying political support or unduly influencing public policy for his family's benefit. There is no evidence that the vast Rockefeller family fortune has been so used; nor is Rocky's confirmation as Vice President yet in serious trouble. Nevertheless, the normally chipper and confident Rockefeller was embarrassed and distressed when news of his lavish gifts to a variety of people leaked out last week.

Several gifts seemed wholly innocent acts of compassion, such as covering medical expenses or easing the financial problems of retiring aides. At least one gift came perilously close to violating New York State's conflict-of-interest laws, however, and others raised questions of propriety. Hugh Morrow, Rockefeller's chief press spokesman for 15 years, said that most of the gifts went to longtime employees. "Many of these friends have been in public service where the pay is not always commensurate with what these people could earn elsewhere," said Morrow. A Senate aide described the practice more picturesquely: "It's like the old lords of the manor giving Christmas purses to the retainers." The circumstances surrounding Rocky's gifts varied widely:

Henry Kissinger, $50,000. While a member of the Harvard faculty, Kissinger worked for Rockefeller and advised him on world and national issues for 13 years. On Jan. 17 1969, as Kissinger was about to become President Nixon's top national security adviser, Rockefeller told him in a letter that he was arranging a $50,000 gift "as a token of my friendship and my appreciation for the work you have done in service to the people of this country. It comes from Happy and me, with our warmest best wishes." Kissinger consulted White House attorneys, who made no objection to his accepting the money, then put the funds into a trust account for his two children. Rockefeller paid a gift tax on the money.* Kissinger paid a tax on the trust. Still, North Carolina's Republican Senator Jesse Helms complained in the Senate: "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 who is about to become a senior public official."

William P. Ronan, $625,000. While serving in high transportation posts during Rockefeller's 14-year governorship, Ronan borrowed heavily from his boss. Neither Rockefeller nor Ronan would detail the purposes of the loans and gifts further than vaguely citing real estate purchases and financial responsibilities. Ronan in 1968 became the $75,000-a-year chairman of New York's Metropolitan Transportation Authority, which owns and operates the New York City area public transit system. He quit last May when Rocky was no longer Governor. Apparently in the few days before Ronan was appointed by the Governors of New York and New Jersey as the unsalaried head of the Port Authority of those two states, Rockefeller canceled the Ronan loans, which then totaled $510,000, and paid a gift tax of $331,000 on this debt cancellation. Both the Transit Authority and the Port Authority, which operates more than 20 bridges, tunnels, airports and freight terminals, do multimillion-dollar business with New York banks including Chase Manhattan, headed by David Rockefeller. Asked what, if anything he did in return for the gift, Ronan jauntly told reporters: "I said thank you."

The Ronan gift was clearly troublesome. It is illegal in New York State for anyone to give or for a state employee to accept any "gratuities . . . for having engaged in official conduct which he was required or authorized to perform and for which he was not entitled to any special or additional compensation." New York State Attorney General Louis Lefkowitz, a Republican in a difficult race for reelection, said he was investigating the Ronan gift.

L. Judson Morhouse, $86,313. Long one of Rockefeller's closest political associates, Morhouse had served for eight years as the unsalaried New York Republican Party Chairman. In 1960 he borrowed $100,000 from Rockefeller to acquire commercial real estate on Long Island. Six years later, Morhouse was convicted of bribery in a liquor license scandal. Rockefeller commuted the sentence for Morhouse, then ill of cancer, in 1970. By then the loan had been reduced to $86,313, which Rockefeller canceled. Senate Rules Committee Chairman Howard Cannon, a Democrat, said that he was bothered by such a gift to "a convicted felon."

Edward J. Logue, $176,389. A top urban planner, Logue was lured to New York in 1968 by Rockefeller to organize and direct the New York State Urban Development Corp., which oversees urban renewal and low-income housing in the state. One incentive was a $31,389 gift. In 1969 Rocky also loaned Logue $145,000 to buy a cooperative apartment. Logue has since repaid $45,000 of this loan and said he intends to pay it all. The cash apparently was given before Logue went on the New York State payroll.

At week's end, in a letter responding to a request for more information from Senator Cannon, Rockefeller named other recipients of his generosity and placed the total funds given to 18 present or former public officials and staff members since 1957 at $1,1778,878. Rockefeller paid about $840,000 in taxes on those gifts. Another $326,790 was bestowed on nongovernmental associates, including $155,000 to Emmet John Hughes, an author, journalist and former adviser to President Eisenhower.

Among the state officials who benefited: Alton G. Marshall, Rockefeller's executive officer and secretary when Rocky was Governor, and later president of Rockefeller Center in Manhattan, $306,867; James W. Gaynor, whom Rockefeller attracted to New York from Colorado to become state commissioner of housing and community renewal, $107,000; Henry L. Diamond, a conservation and ecology expert, head of the Department of Environmental Conservation under Rocky and now executive director of his Commission on Critical Choices for Americans, $100,006; Victor Borella, a special assistant on labor issues in Rockefeller's administration, $100,000; Hugh Morrow, $135,000; and Mr. Anne Whitman, onetime secretary to President Eisenhower and assistant to Rockefeller, $48,000 in gifts and loans.

In the case of all the state officials, Rockefeller said in his letter, "We had identical objectives, there was no conflict of interest involved, and there was nothing illegal or immoral about either the loans or gifts."

CURIOUS GIFT

Rocky's largess was also demonstrated in smaller ways. When Meade Esposito, a Brooklyn Democratic leader, admired a Picasso lithograph in Rockefeller's offices in Albany, Rocky sent one to him as a gift. It was "only worth about $2,000," Esposito recalled, and when he hung it at home, his wife complained: "Christ, you're spoiling my color scheme!"

It was also revealed that the Rockefeller family has given campaign contributions to at least 22 members of the House and Senate since 1968, including $28,750 to New York's Republican Senator Jacob Javits. The contributions were completely legal. Curiously, Rockefeller's letter listed one donation of $139,090 to a trust "for the benefit of a longtime personal friend and associate on private affairs"—the only gift whose recipient he declined to identify.

Most of Rockefeller's gifts appear to have been motivated by his praiseworthy desire to keep able men in government. Nonetheless, private financial support of public officials is obviously open to wide abuse and to the appearance, if not the fact, of improper influence. Rockefeller will undoubtedly face stern questioning when the House Judiciary Committee holds confirmation hearings and when as seems likely, the Senate Rules Committee recalls him for further testimony.

Rockefeller will be grilled, too, about a matter that smacks more directly of questionable political tactics. In 1970 his brother Laurance put up $60,000 to produce a critical biography of former Supreme Court Justice Arthur Goldberg, who was running against Rocky for Governor at the time. It was written by Political Hatchet Man Victor Lasky, who had previously collected and pasted together every anti-Kennedy rumor he could find in his 1963 book, JFK: The Man and the Myth.

West Virginia Democrat Robert Byrd, when asked about the financing of the Goldberg book, said it was "reminiscent of the dirty tricks of the Nixon era." Rocky contends unconvincingly that he had known nothing about his brother's investment in the book until FBI agents raised questions about it during their confirmation investigation. Disingenuously, he adds that it was purely a money-making venture and that Brother Laurance lost about $62,000 in the ill-conceived project. Actually, copies of the book never received general distribution, and even the author claims that the book was used only by the Rockefeller campaign committee.

In a deftly worded wire to Goldberg, Rocky apologized, accepted "full responsibility for the whole regrettable episode" and termed it "utterly alien to and incompatible with the standards I have always tried to observe in my political life." Rockefeller said that he should have stopped the book project as soon as he learned about it but did not say when that was.

Mr. WILLIAM L. SCOTT. It might be of interest for the committee to inquire as to whether Mr. Kissinger who received $50,000 as a personal gift made any recommendation to the President regarding the Rockefeller nomination; whether General Haig, the protege of Mr. Kissinger who rose very fast from a colonel to a four-star general as an assistant to Mr. Kissinger, made any recommendation favorable to Mr. Rockefeller.

Inquiry might be made as to any possible conflict of interest between the Governor of New York making a gift of $625,000 to a man who became chairman of the New York Metropolitan Transportation Authority which did business with the Chase Manhattan Bank, headed by David Rockefeller. I ask unanimous consent to have printed at this point in the RECORD an article from the New York magazine regarding one trest account it holds for Nelson Rockefeller, valued at more than $126 million.

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

INSIDE CHASE MANHATTAN: FIRST LOOK AT ROCKY'S NET WORTH

(By Dan Dorfman)

New York Magazine has come into the possession of recent documents detailing the

*The donor, rather than the recipient, in excess of $3,000.
must in most cases, pay a federal tax on gifts

assets held by the Chase Manhattan Bank for the "Nelson A. Rockefeller Trust." With the Senate settling down this week to pass on Rockefeller's nomination as the next vice president of the United States, the material makes for interesting, and obviously timely, reading.

The documents, actual bank statements, don't conclusively show "how much Rocky is worth." It is possible, for example, that Nelson A. is not the sole beneficiary of this trust. But the documents do provide solid evidence, in close detail (see next page), for the beginnings of a good guess. If you were surprised by the modest estimate of Rockefeller's net worth leaked to the press earlier this month—a mere $33-million—you had every right to be. Counting just the assets in this account alone, the Nelson A. Rockefeller Trust was worth, as of June 28, 1974, at least $126,776,331.

Rocky is obviously worth more than that, much more. The "Nelson A. Rockefeller Trust" is, we're told, only one of two trusts administered for him by Chase Manhattan. The second trust is said to be not so diversified in the number of holdings but larger in the total value of assets managed. If so, that would tend to confirm my earlier report ("The Botom Line," September 2) estimating Rocky's net worth at some $300 million. And to these portfolios must be added, of course, Rockefeller's interests in various family trusts, other substantial food and oil interests, still other investments in closely held venture capital prospects, plus real estate in Venezuela, Maine, and Westchester County.

It is for Congress to decide whether a man's holding of 308,200 shares of Exxon would get in the way of his faithfully executing the duties of the vice-president. I had my hands full just wondering whether holding a big chunk of any international oil company made *investment* sense for anyone these days. How well, in short, had Rockefeller's money managers been doing by the man and his millions?

Well, the first thing that's clear is that the trust has done tolerably well over the years. Judging by the bargain prices paid for some of the securities held, we'd guess that the Nelson A. Rockefeller Trust was set up in the late thirties or early forties. As of June 28, 1974, there was an indicated paper profit of over $75 million on securities acquired for $51 million. However, with the stock market having tumbled a sickening 22 percent in the last three months, Rockefeller—like everybody else—has taken a beating. In its eight largest equity holdings alone, assuming they're still intact, the trust had shrunk by more than $13 million between the end of June and mid-September.

Eighty-six percent of the trust assets were in common stocks. The biggest loss in this period came in Rockefeller's substantial holdings in International Business Machines—over $5 million. But Rocky had no reason to panic. The 83,922 I.B.M. shares he held on June 28 had been acquired at an average purchase price of $15.62 a share. I.B.M. common traded last week at 152—a paper profit of almost $11.5-million.

Rockefeller also lost over $4 million on his Eastman Kodak holdings in the last three months. But sitting on 130,300 shares at an average cost of slightly over $8 a share, he's still got a handsome profit on the stock—over $8 million. (Eastman Kodak sold last week at about 71.)

Things being what they are on Wall Street, I got to wondering about what a disinterested observer at Chase might think of the general look and the specific shape of the assets in Rocky's trust.

So, I put some questions last week to a Chase portfolio manager. I didn't tell him the portfolio I had in mind was Rockefeller's. Nor did I mention that it was in Chase's care. I simply told the manager that the trust belonged to an extremely wealthy individual who had almost 25 per cent of his holdings in just two international oil stocks—Exxon Corp. and Standard Oil of California. I also said that another 17 per cent of the equity base was in just one stock, I.B.M., followed by nearly 12½ per cent in Kodak.

Rocky might not have liked the response. "An absurd portfolio for this day and age," the money manager told me. "You'll never ever find a portfolio like that at Chase. I can only assume the man whose portfolio it is must be out of touch with the outside world . . . or, maybe, that's what I should say about the people running it. It must be run by First National City."

My man at Chase called attention to the international oil holdings. "A 25 per cent holding is ridiculous," he said. "Exxon's a great company, but the international oils face some big problems. You've got Congress raising the roof about windfall profits. There's possible tax problems for the industry. And you have the continuing threat of confiscation of foreign properties by the Middle East countries."

The Chase portfolio manager was deeply critical, too, of the 17 per cent equity position in I.B.M. "Here, you also have a great company, and its price is way down," he said. "But there's the overhanging threat of antitrust problems, the stock looks like it's in a technical downtrend with lots of sellers, and it could go nowhere for the next six months. On any rally, I'd cut down on that 17 per cent drastically—at least in half for starters." He also thought "Kodak should be reduced hard." His reasoning: "You're entering a recessionary period, people are going to spend less on 'extras,' and Kodak could easily have flat earnings for the next year or two."

Rockefeller would obviously run into hefty capital gains headaches, considering his income, if he decided to be an aggressive seller of equities. Nevertheless, the Chase official was by no means alone in his dim view of the portfolio. The chief criticism I heard was that the equity holdings weren't diversified enough. Another was that the weighting was too heavily in favor of growth stocks at a time when securities such as I.B.M. and Kodak are under great pressure and when the investment tide appears to be turning decidedly in favor of companies in basic industries, like U.S. Steel, Alcoa, and International Paper.

"A typical bank list of dull, high quality blue chips that shows no imagination in investing," said one leading money manager, in describing the Rockefeller portfolio. "It's fine when everything is wonderful. But when it's not, the guy owning it will lose his ass, and in this case, he undoubtedly has. . . ."

He's right. From their highs of only last year, Rockefeller's four largest holdings in the growth stock sector—I.B.M., Minnesota Mining & Manufacturing, Kodak, and Merck—had, as of September 13, plummeted more than $34 million in market value. And Rockefeller's largest holding. Exxon, is down more than $12 million from its high of a year ago. (As of last June 28, however, Rockefeller was still way ahead on Exxon. His 308,200 shares, with a market value of $21.6 million, sported a paper profit of more than $19.5 million.)

So, although Rockefeller's portfolio strategy may well be second-guessed, no one capable of taking a long view can argue about results. His advisers, presumably at Chase itself, were obviously investing for the long term and it has paid off big. However, a a Chase source tells me that even the managers of the Rockefeller portfolio, becoming concerned about so much of the total assets in so few securities, have lately done some selling.

This Rockefeller trust, which was generating income at midyear at the rate of just under $4 million a year, has like the rest of us, gone on speculative binges. Two noteworthy examples are the purchases of $400,000 in notes of Farrington Manufacturing Co. and another $400,000 in notes of Photon, Inc., These companies were what Wall Street liked to characterize in the late sixties as "hot technology plays." Alas, neither turned out to be another Xerox and the stocks of both companies collapsed. So too, did Rocky's investment in them, which is carried in the trust portfolio at a $700,000 loss.

Another lemon, at least right now, is Rocky's investment in International Basic Economy Corp., a venture capital firm headed by his son Rodman, designed to set up programs to help underdeveloped countries. Rockefeller's original investment in IBEC of nearly $3.7 million was recently worth $1.2 million.

Just about every city dweller is a familiar with Rockefeller Center, an it was almost automatically assumed that Rocky owned a big chunk of it. Well, this trust does—325,000 shares, to be exact, recently worth $32,175,000. The June 28 market price reflected a near $14 million profit on Rockefeller's purchase price of $18.5 million. That may seem a very small reward for an investment that may be 40 years old. But because the stock is closely held, the current market value may be greatly understated.

About 11.2 per cent of the trust is in fixed-income state and municipal bonds, which are exempted from federal income taxes. Such investments, currently yielding income of close to $1 million, seem to be of recent vintage, with the market value ($14.2 million) pretty close to the face value ($14.7 million). In light of the drubbing the bond market has taken in recent years, Rocky is lucky the trust's purchases were made later, rather than sooner.

There is no way of knowing how closely Rockefeller himself follows this trust and how it's managed. But quarterly statements are sent to all trust accounts advising them of the amount of income received and portfolio changes in the period.

Whether Rockefeller himself thinks that Chase is managing the portfolio effectively is anybody's guess. But there are, I imagine, a fair number of fund managers out there eager to persuade him otherwise. Indeed, the Chase portfolio manager I spoke to had a piece of blunt advice for that unidentified rich man whose portfolio I told him about: "Take it away from the boobs running it before the guy goes broke."

A First Look at Rocky's Portfolio

The stocks and bonds reprinted on these pages are taken from an "asset report" for the "Nelson A. Rockefeller Trust" rendered by the Chase Manhattan Bank's trust department and dated June 28, 1974. The descriptions of the securities, abbreviations, punctuation, and format follow Chase usage.

Despite a somewhat forbidding appearance, the list is really self-explanatory. Where a bond is listed, the first column notes the face amount in dollars. Where a stock is listed, it's the number of shares. The "market price" shows what the security was worth, and the "market value" shows its total value in the portfolio, on June 28, 1974. The "accounting value" is the acquisition cost. The "estimated annual income" shows what each security earns for the portfolio.

Some compulsive reader may discover that the column titled "market value" doesn't add up. We show there a total of $126,776,331, which is the total reported by Chase Manhattan's computer. However, one of our researchers added that column using a Bowmar Brain and came up with a slightly different total, $126,776,335—a four-dollar discrepancy. It may be that the mistake is ours; some of the numbers in our material were hard to read. But if I were Nelson Rockefeller, I wouldn't tell Chase Manhattan about it. It's their lookout.

Description	Amount or shares	Market price	Market value	Accounting value	Estimated annual income
FIXED INCOME SECURITIES					
State and municipal bonds:					
Metro Water Dst, Southern California—D Mar. 1, 1984, due Mar. 1, 2020	700,000	98.000	686,000	700,000	41,300
Sacramento Munic Utility District, California—electric revenue series A OPT, Feb. 1, 1982, due Feb. 1, 2011	150,000	89.500	134,250	144,000	[1] 8,250
Florida Turnpike Department of Transportation—RV November 1975, due Nov. 1, 2010	750,000	102.000	765,000	771,977	[1] 53,250
Florida Turnpike Authority—REV OPT November 1975, due Nov. 1, 2010	1,750,000	102.000	1,785,000	1,761,408	[1] 124,250
Hartford, Conn.—Pha 4th, due Jan. 1, 2006	185,000	89.890	166,297	180,271	[1] 9,481
Hartford, Conn.—Pha 4th, due Jan. 1, 2007	200,000	89.510	179,020	194,824	[1] 10,250
Hartford, Conn.—Pha 4th, due Jan. 1, 2008	205,000	89.270	183,004	199,633	[1] 10,506
Hartford, Conn.—Pha 4th, due Jan. 1, 2009	215,000	88.900	191,135	209,309	[1] 11,019
Helena, Mont.—Pha 1st, due July 1, 2003	100,000	90.450	90,450	98,260	[1] 5,125
Helena, Mont.—Pha 1st, due July 1, 2004	110,000	84.250	92,675	108,057	[1] 5,638
Helena, Mont.—Pha 1st, Opt July 1, 1988, due July 1, 2005	110,000	89.810	98,791	108,030	[1] 5,638
New Jersey Highway Authority Pky—Improvement revenue opt Jan. 1, 1982, due Jan. 1, 2011	1,000,000	99.000	990,000	1,000,000	65,000
New York State Housing Finance Agency—Hosp and nursing home proj antic note issues 130-1-115, due Dec. 16, 1974	600,000	98.709	592,254		[1] 29,400
New York State Housing Finance Agency—Urban rental pros amt W-20, due Dec. 16, 1974	100,000	99.620	99,620	1,001,860	[1] 4,900
New York State Housing Finance Agency—Nonprofit housing project antic note issues 74-1-81, due Dec. 16, 1974	300,000	99.620	298,860		[1] 14,700
Poplar Bluff, Mo.—Pha 10th, due July 1, 2003	145,000	84.435	122,431	142,477	[1] 7,431
Poplar Bluff, Mo.—Pha, due July 1, 2004	145,000	90.190	130,776	142,477	[1] 7,431
Poplar Bluff, Mo.—Pha 10th APT, due July 1, 2005	155,000	89.810	139,206	152,224	[1] 7,944
New York State Power Authority—Rev A-1-81, due Jan. 1, 2010	3,200,000	101.000	3,232,000	3,320,792	[1] 220,800
New York State Housing Finance Agency—Hospital and nursing home proj A, Nov. 1, 1987, due Nov. 1, 2012	800,000	88.550	796,950	885,275	[1] 52,775
New York State Housing Finance Agency—Hospital and nursing home project A, Nov. 1, 1986, due Nov. 1, 2013	900,000	73.130	658,170	777,375	[1] 45,000
Port of New York Authority-Cons 35th, August 1980—due Aug. 1, 2005	1,000,000	86.000	960,000	1,017,742	[1] 66,250
Puerto Rico Water Resources Authority—Electric rev series 1971, opt Jan. 1, 1981, due Jan. 1, 2001	1,750,000	103.830	1,817,025	1,750,000	118,125
Total			14,208,912	14,666,091	923,763
EQUITY AND EQUIVALENTS					
Corporate bonds convertible:					
Farrington mfg. conv sub note fr op, due Oct. 1, 1983	400,000	5.000	20,000	400,000	
Photon, Inc., conv, prom note fr 6.25 rate, due Sept. 1, 1983	400,000	20.000	80,000	400,000	
Total			100,000	800,000	
Preferred stocks convertible: Allis Chalmers Corp.—Cuml conv A pfd investment letter	22,500	40.000	900,000	2,250,000	90,000
Common stocks:					
Chemicals: E. I. DuPont de nemours & Co.—Common	4,100	161.750	663,175	285,189	23,575
Electrical and electronics: General Electric Co.—Common	72,598	49.250	3,575,452	1,972,042	116,157
Financial service: Investment letter, Realty Growth Investors Bene Int	7,500			750,000	
Fuels:					
Exxon Corp.—capital	308,200	70.125	21,612,525	2,090,521	1,402,310
Standard Oil Co. of California—Common	206,350	26.750	5,519,863	495,547	412,700
Total			27,132,388	2,586,068	1,815,010
Health and personal care: Merck & Co. Inc.—Com 2 7/9 cts par	93,000	78.500	7,300,500	332,317	130,200
Leisure and education: Eastman Kodak Co.—Common	130,300	103.875	13,534,913	1,065,502	285,357
Machinery: Caterpillar Tractor Co.—Common	67,392	58.750	3,959,280	273,605	107,827
Office equipment:					
International Business Machines—Cap	83,922	212.750	17,854,406	1,311,267	429,681
Minnesota Mining & Mfg. Co.—Common	21,600	73.500	1,587,600	102,619	27,000
Total			19,442,006	1,413,886	456,681
Miscellaneous:					
International Basic Economy Corp.—Common	409,900	3.000	1,229,700	3,689,100	
Rockefeller Center, Inc.—Common	325,000	99.000	32,175,000	18,454,279	
Total			33,404,700	22,143,379	
SHORT-TERM INVESTMENTS					
U.S. Treasury bills, due Dec. 1, 1974	500,000		476,290	476,290	[1] 23,710
U.S. Treasury bills, Jan. 17, 1974, due July 18, 1974	1,150,000		1,139,790	1,139,790	[1] 10,210
U.S. Treasury bills, Jan. 31, 1974, due Aug. 1, 1974	465,000		460,996	460,996	[1] 4,004
U.S. Treasury bills, Feb. 7, 1974, due Aug. 8, 1974	465,000		460,071	460,071	[1] 4,929
Total			2,537,148	2,537,148	42,852
Principal cash			17,860	17,860	
Grand total			126,776,331	51,093,487	3,991,422

[1] If the asset was purchased for more than the face value, a portion of the income may be considered a return of principal.

THE CHASE MANHATTAN BANK, N.A. (NELSON A ROCKFELLER TRUST)

	Market value	Approximate percent of total	Estimated annual income	Return on market
Fixed income:				
State and municipal bonds	14,208,912	11.2	923,763	6.5
Total fixed income	14,208,912	11.2	923,763	6.5
Equity and equivalents:				
Corporate bonds, convertible	100,000	.1		
Preferred stock, convertible	900,000	.7	90,000	10.0
Common stocks	109,012,412	86.0	2,934,807	2.6
Total equity and equivalents	110,012,412	36.8	3,024,807	2.7
Total permanently invested funds	124,221,324	98.0	3,948,569	3.2
Short term investments	2,537,148	2.0	42,852	
Principal cash	17,860	0		
Total fund	126,776,331	100.0	3,991,422	

Short form: This print-out summarizes the state of 1 of Rocky's trusts last June. The itemized list covered 4 more pages.

Mr. WILLIAM L. SCOTT. The Rules Committee might also make inquiry regarding the details of the gift of $86,313 to the New York Republican Party chairman who, the Times article indicates, was convicted of bribery at a later date.

Inquiry might also be made of the gift of $176,389 to the organizer and director of the New York State Urban Development Corp.

I believe, Mr. President, a thorough investigation should be made regarding any and all other gifts given by this nominee to public and private individuals which the committee feels may have a bearing on his fitness to serve as Vice President of the United States. Many others are mentioned in the Times article, but I am sure committees of Congress can make a more complete investigation than a reporter for a news magazine.

I doubt that any Member of the Senate had any advance knowledge of the matters identified under the heading of Watergate but here we are put on notice of questionable action by a man now under consideration for the high office of Vice President of the United States. If we do not make a thorough check of his background before casting our vote, in my opinion, we will not be performing the duties of our office.

The New York Times, in another article dated October 10, compared the Rockefeller gift to William J. Ronan with real or imaginary gifts made by other public officials and raised a question as to whether the use of money by a very rich person should be considered differently from use by some not so rich.

I ask unanimous consent, Mr. President, that this item entitled "The Best and the Richest," be printed at this point for the information of the Senate.

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

[From the New York Times, Oct. 10, 1974]

THE BEST AND RICHEST

(By Anthony Lewis)

WASHINGTON, October 9.—Suppose President Johnson had made personal loans totaling $550,000 to an associate in public life, then appointed him chairman of a Federal regulatory agency and written off the loans. When the facts became known, would leading Senators and other weighty voices have said that there was nothing wrong in the arrangement—that it was just a way to keep a man of modest means in the public service?

Or suppose it were discovered that the Transport Workers Union had secretly given half a million dollars to the head of a public agency dealing with transportation. Or that General Motors had. Or an oil company. Would such Republican "liberals" as Jacob Javits and Hugh Scott rush to their defense? Would that crusty conservative, Senator Jess Helms of North Carolina, be the only outspoken critic?

The immunity of Nelson Rockefeller from criticism or even serious scrutiny is an amazing phenomenon. He can do things that would cause an explosion if done by anyone else, and still keep Establishment opinion purring.

There must be an implicit assumption that a man as rich as Mr. Rockefeller, with so impressive a history of family philanthrophy, will use his money in the public interest. We take him on trust.

That notion is staggeringly naive. It smacks of the misplaced faith in great men that got us into Vietnam, only in this case it is faith in the Best and the Richest. Nelson Rockefeller has many achievements to his credit. But to take him on trust is dangerous nonsense.

Consider those huge loans to William J. Ronan, chairman of the New York-New Jersey Port Authority. Even if we grit our teeth and assume that the money was meant as mere kindly largesse, it surely had an effect. Do human beings receive $550,000 without feeling some special relationship to the source? Even generousity creates obligations.

And Mr. Ronan is in a much more powerful position than most Federal agency heads. The Port Authority makes its decisions largely in secret, with little by way of democratic control. It plays a crucial role in the planning and economics of the New York area—specifically including the financial interests of the Rockefellers.

The cover is just starting to come off the Rockefeller largesse and its real effects in the political world. It was only a gesture when he gave a Picasso to a Democrat who helped with necessary votes in the Legislature, but who else can make such gestures? The salaries and loans and investments for his staff are generous, but they also are likely to buy lifelong loyalty in a way others can't afford.

As Governor, Mr. Rockefeller was equally adept in using state money to serve his interests. His great concrete elephant, the Albany Mall, provided jobs for his friends the building workers. It just happened, too, that the Democratic leader of Albany, Dan O'Connell, and Mayor Erastus Corning wrote the insurance on those buildings. When the ill-planned World Trade Center encouraged by David Rockefeller proved a commercial flop, Nelson ordered state agencies in as tenants.

Why does almost no one pay any attention to these things, or ask hard questions? Where are the journalistic bloodhounds who tracked down every scent in the career of Richard Nixon? Where are the voices that thundered at a $100,000 gift from Howard Hughes or use of campaign money to buy jewelry for Pat Nixon?

Nor is it the use of money alone that seems to escape probing curiosity. Consider the massacre at Attica.

When Edward Kennedy seemed headed toward the Democratic nomination in 1976, various newspapers and magazines began new investigations of his role in the death at Chappaquiddick, and properly so. But there were 39 deaths at Attica, and Mr. Rockefeller's responsibility is right there, waiting to be scrutinized.

He refused to go to the prison when a visit by the Governor might have averted tragedy. And then, when state police killed prisoners and hostages by shooting into the crowd, Mr. Rockefeller had nothing to say—except to try to obscure what had happened. He has not yet acknowledged, much less criticized, the horror.

Of course prison rioters do not evoke much public sympathy. Nor should officials have to sympathize with them. But cold-blooded murder is something else. When a politician by his silence condones official murder, the calculation or cowardice that led him to that position must say something about his values. Is no one interested?

There are many other questions. Does no one care about his far-out advocacy of military power, or his opposition to the nuclear test-ban treaty? Why has he never said a critical word about the war in Vietnam? How many fall-out shelters has he built for himself?

President Ford, asked at his press conference about the gifts, suggested that Mr. Rockefeller had to be considered in a different way from other men because he is so very rich. Are editors and politicians and other shapers of opinion going to accept that dangerous doctrine, and go on suspending their natural disbelief in the case of Nelson Rockefeller?

Mr. WILLIAM L. SCOTT. Another article in the New York Times, dated October 13, entitled "Rockefeller's Largesse," relates to a scurrilous biography of former Justice Arthur J. Goldberg, Rockefeller's opponent for the Governorship of New York which I ask unanimous consent to have printed at this point in the RECORD.

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

[From the New York Times, Oct. 13, 1974]

ROCKEFELLER'S LARGESSE

The Rockefeller family's prestige as patrons of arts and letters has not been enhanced by the disclosure that Rockefeller money financed a scurrilous biography of Arthur J. Goldberg, brought out in 1970 when the former Supreme Court Justice was unsuccessfully campaigning against Nelson A. Rockefeller for Governor of New York.

Even graver damage is done to respect for the family's candor by the effort of Nelson Rockefeller and his brother, Laurance, to pretend that the latter underwrote publication of this book in the hope of making a business profit. The "biography" was an attempt at personal defamation of a kind familiar in political campaign before and since; and Laurence Rockefeller evidently recognized the point by his failure to claim his reputed $52,000 loss for tax purposes.

More disturbing still, in the light of Nelson Rockefeller's designation as Vice President, are authoritative reports that the whole deal was handled by funneling laundered funds from Rockfeller family accounts through a dummy corporation, a device that preceded similar dirty tricks by the Nixon Administration in the 1972 Presidential campaign. The Rockefeller apology to Mr. Goldberg does not erase the outrageousness of these tactics.

Mr. Rockefeller would do well to clear up all the obscurities about the book's inspiration and financing in exactly the same manner he has now wisely decided to do about his lavish gifts and loans to close associates in high public office. His detailed list of some $2-million in benefactions to a score of present and former aides will not still the controversy over the appropriateness of such princely supplementation of governmental salaries, but it does have the healthy effect of bringing the facts into the open.

Mr. Rockefeller's basic explanation is that, in line with his upbringing as heir to a great fortune, he was helping friends meet pressing family problems and that no conflict of interest was involved because all were his personal appointees and all operated in a framework of policy established by him as Governor. There is no suggestion of any element of narrow gain for either himself or the farflung Rockefeller interests in such largesse; but state law is extremely explicit in prohibiting any "unlawful gratuities" to public employes. This ban is defined as applying to any benefits over and beyond normal compensation. Another prohibition rules out any gift valued at $25 or more as a reward for past official actions or as an attempt to influence future actions. These legal mandates bring into obvious question the substantial donations Mr. Rockefeller made as inducements to help bring several of his commissioners into state service. The fact that all were men of outstanding competence does not dispose of the legal questions.

These questions are no less serious when an official as close to Mr. Rockefeller as Wil-

liam J. Ronan—exercising enormous power, first as the Governor's secretary, then as chairman of the Metropolitan Transportation Authority and now as head of the New York-New Jersey Port Authority—takes $625,000 in gifts and loans beyond his salary. The impropriety becomes especially glaring when Dr. Ronan cites, as a basis for believing that there was nothing "immoral or illegal" about his taking the money, the fact that the final $550,000 in Rockefeller loans was converted into an outright present during a two-week period last May when the Port Authority chief was technically off any state payroll.

Rockefeller benefactions to Federal officials and to newspaper and magazine writers are aspects of "private government" more appropriate to Florence in the days of Lorenzo the Magnificent than to democratic America.

Mr. Rockefeller still seems only dimly aware of the potential dangers that lurk in the inevitable overlaps in the interests of government and of private interests as far-reaching as those of the Rockefellers.

Mr. WILLIAM L. SCOTT. It seems obvious to me, Mr. President, that there can be some overlapping between personal and private interests of an extremely wealthy American family. I do not suggest for a moment that the Office of the Presidency or the Vice Presidency should be denied to a rich person any more than to someone springing from humble beginnings and yet Scripture tells us that it is easier for a camel to get through the eye of a needle than it is for a rich man to enter into heaven, and I wonder if this cannot serve as a warning of the many opportunities for good and for bad that are placed in the pathway of the extremely rich.

I suppose, Mr. President, that when, in addition to his personal wealth, an individual is a member of one of the richest families of the country, conflicts of interest are bound to appear. Such conflicts should be subjected to close scrutiny by our Rules Committee and the Judiciary Committee of the House. Frankly, Mr. President, I do not believe the country can afford Mr. Rockefeller as Vice President or as President of the United States. I do not believe the confidence needed to be the Chief Executive of our country, or the second in command, should be in a person where questions are raised almost daily regarding whether his private holdings are in conflict with his duties and responsibilities to the Federal Government.

Therefore, I have no hesitancy even at this time to publicly state my intention to vote against the confirmation of Nelson Rockefeller but I would urge those Members of the Senate who have not made up their minds to consider these and other matters and the committee to make a thorough investigation of the nominee and his fitness for office. If there is another Watergate, the blame could well be placed at our feet if we do not proceed with extreme caution.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, Oct. 3, 1974]

Senate

NOMINATION OF NELSON ROCKEFELLER TO BE VICE PRESIDENT

Mr. WILLIAM L. SCOTT. Mr. President, I take this time to discuss the nomination of Nelson Rockefeller to be Vice President. I understand from the report of the chairman of the Committee on Rules and Administration (Mr. CANNON), that we will be voting on this sometime after recess, probably in November.

Mr. President, immediately after the President stated his intention to nominate former Governor Rockefeller for the office of Vice President, constituents started calling our office indicating their disapproval.

Within a few days, we were receiving mail almost wholly in opposition. It occurred to me that this initial response by telephone and letter might be generated; that it might represent the thinking of only a small portion of the people of Virginia.

To resolve this question, I solicited the views of constituents in a newsletter mailed about 10 days ago. It seemed the best way to obtain a fair sampling of the thinking of Virginia citizens.

There is no doubt that this nomination is different from a person nominated to serve in the President's Cabinet, or even the more studied nominations to fill vacancies in other executive or judicial posts. Under the 25th amendment, in this instance we act for the people of the country in electing a Vice President.

Our newsletter, of course, goes to all parts of Virginia.

I asked that responses be furnished as soon as possible to assist in deciding how to vote on this important nomination.

Of the responses we have received to date from all sections of Virginia, 85 percent of those responding oppose Mr. Rockefeller's confirmation as Vice President.

Mr. President, let me share with you some of the representative letters from around our State indicating the reasons for this opposition. This is just a fraction of those received in my office.

A resident of Alexandria let me know how she felt in this manner:

"This letter is to register my vote against confirmation of Mr. Nelson Rockefeller as Vice President. I shall watch closely how well you represent me when Congress completes its investigation of Mr. Rockefeller. It has been said Mr. Rockefeller cannot be "bought," but how he can 'buy' in many subtle ways. We need no more of that in high office."

Another lady from Clifton Forge had different reasons:

"Rockefeller's appointment to the vice presidency has concerned me deeply. I do not believe that a man with the awesome financial power that he has held will be good for the country.

"Neither do I believe that his personal life has entitled him to the position. His divorce and subsequent remarriage to a woman who lost custody for her children is a poor example for Americans, especially the youth, and I can see little chance of our nation getting back to a path under God (as President Ford said he desires) with a man such as Rockefeller in the second highest post.

"I also object to his fiscal irresponsibility in New York as well as his support of liberal abortion in that state.

"I find the man totally unacceptable and I urge you to vote against his confirmation."

One from Barboursville enumerated her reasoning as follows:

"It is my earnest hope that you will vote against the confirmation of Nelson Rockefeller for the vice presidency, for the following reasons:

"1. His vast inherited wealth has involved him in special interest *outside* of the United States.

"2. He has always belonged to the far-out, liberal wing of the Republican party—even refusing to support Barry Goldwater, the party's nominee in 1964.

"3. His private life—deserting his wife of over thirty years—is hardly conduct Americans can admire.

"4. His brother David's connections in financial circles—national and international—might have undue weight with him in making decisions.

"5. Lastly, I am a fourth generation New Yorker, and have seen the Rockefeller family "in action" for many years and believe they have wielded more influence and power than is good for a healthy democratic government."

A constituent from Portsmouth indicated he expected me to represent him by my vote:

"I am writing this letter to you to let you know my feelings concerning the nomination of Mr. Rockefeller for vice president. I voted for you in the last election in hopes that you would vote the way I thought. I do not think Mr. Rockefeller has mine and your best interest at heart. I hope you will vote against his appointment."

A president of a taxpayer organization from Covington had this to say:

"We of the Virginia Taxpayers Liberty Association, ostensible oppose affirmation of Nelson A. Rockefeller as Vice President, of the United States. We know what Rockefeller stands for and his past activities. We have had too much Socialism already!

"We beseech you for the good of America to vote against the affirmation of Rockefeller as Vice President of the United States!

"Enclosed is just a portion of what Rockefeller stands for and his acts in New York as Governor."

A couple from Leesburg were concerned about abortion:

"We firmly oppose the confirmation of Rockefeller as Vice President. He is well known for his anti-life stand. His advocating of abortion sends chills down our spines."

A Richmond physician expressed concern regarding taxes and spending.

"Without question, Nelson Rockefeller has had vast experience in controlling New York State. However, I do not believe we need a man with his socialistic philosophy of administration. Look at his 15 years record as Governor of New York State:

"The budget was quadrupled from $1.9 billion to $9 billion. Individual state income taxes were increased from seven percent to fifteen percent.

"State gasoline tax was raised from four to eight cents per gallon.

"A four percent sales tax was put into effect.

"New taxes were imposed and old taxes increased in eight of the fifteen years.

"The total state tax burden on the citizens of New York had quintupled during his 15 years as Governor.

"This man's philosophy is higher taxes and more government spending. Do we need such a man as this to be our Vice President, only a heart beat away from being President?

"Inflation is ruining our country and for the people trying to live on Social Security or the small pensions they receive, it is an impossible situation.

"Please, therefore, vote against this man for Vice President."

From Waynesboro discussing Rockefeller's past history:

"Just a line in regard to Nelson Rockefeller.

"Hope you will see your way clear to vote against him when he comes up for election.

"I don't think he is the man for the job. Because of his past history as governor of New York, and because of his close ties with the leftists including Alger Hiss and many other reasons."

A Lynchburg lady opposed Rockefeller's philosophy:

"Please vote against the confirmation of Gov. Rockefeller.

"I am sure you know his past record on Taxes in New York State; his Liberalism; and all the other facts about him. We need men like you and Senator Byrd to oppose him."

A Chatham lawyer indicated no one in his area approved of the nomination:

"I am unfavorably impressed with the record of former Governor Nelson Rockefeller in

public life. I have talked with a number of people about the confirmation of him for Vice President. I have not found a single person who has voluntarily approved of the confirmation. However, I have found a number of people who have been neutral on the question.

"Therefore, I hope that you may disapprove of the confirmation since there is always a remote possibility of a Vice President becoming President."

A lady from The Plains indicated that since the citizens did not have a right to choose they would depend on their elected representatives:

"Since the American people have not had a chance to elect the Vice President they choose, then writing to our Congressmen is the only voice we have at this time. Certainly Mr. Rockefeller is not the choice when it should be remembered that his party never wanted him in previous years. Why should he be railroaded down our throats now? There are too many wealthy leaders in this country today who know nothing about poverty and surely Mr. Rockefeller would only have the interests of the rich in any decision he would make. It is time to have leaders who think of the low, and middle-income taxpayers who are truly concerned about this country."

A Vienna lady spoke of moral pollution:

"I do not approve of Mr. Rockefeller becoming Vice-President. I do not think the majority of American people can take divorce and the abortion issue so casually—this leads others to follow in his footsteps, then what do we have as a nation?

"The moral pollution is a pathetic enough situation with leaders who will do nothing about it. Now we are to condone leaders who act immorally?"

A pharmacist wrote his views on a prescription pad:

"I am opposed to the confirmation of Nelson Rockefeller as Vice-President of the United States."

A veterinarian from Staunton was concise with his views:

"I am not in favor of the confirmation of Mr. Rockefeller for the Vice-Presidency."

A Richmond lawyer felt that Mr. Rockefeller had not been sufficiently concerned about the taxpayers' money while he was Governor of New York.

"Thank you for your September-October 1974, report. I would like to express to you that I do not feel Nelson Rockefeller should be approved for the Vice Presidency of the United States. His record would lead one to believe that he is more concerned with social problems than with social financial policy, and I feel that since he would be only a heartbeat away from the Presidency of the United States, we should have someone in that office who is more practical and whose views concerning the business and welfare of the country are more in line with the views of the citizens of the United States."

A Falls Church lawyer indicated Rockefeller was too far to the left.

"I certainly would be disappointed to know that Nelson A. Rockefeller, who has courted every leftist anti-American with whom this Country has had to contend and at the same time became even more wealthy furnishing both raw and refined materials to our enemies which were used to kill American servicemen in two major wars, would be confirmed by a Senator from Virginia, as Vice President of the United States."

A Portsmouth lady states he is unprincipled:

"I urge you to vote against the confirmation of Nelson Rockefeller for Vice President, as he is definitely not the man we need in so vital a position. He is unprincipled—didn't support the Republican candidate for President in 1964—in fact, did everything he could to hinder the election of Goldwater. Does he think the people have forgotten? I also am aware of his having attended Bilderberger meetings, and is also a member of the CFR (Council on Foreign Relations) which is supporting and working for a one-world government. How can someone belonging to organizations with this goal, swear to uphold our constitution, that is, with a clear conscience? I feel that Rockefeller is a very dangerous man, and hope and pray that you will vote NO on his confirmation."

A husband and wife from Farmville had a number of reasons for opposing the nomination:

"We have nothing personal against Nelson Rockefeller; however, to have him as Vice President of our United States might well result in a virtual disaster to the U.S. This could conceivably result in his becoming President in case of the death of President Ford as a result of illness, accident, or assassination.

"Nelson Rockefeller, a notorious spendthrift, master-minded the most lavish state government in the history of this Country.

"During the 15 years as Governor, New York's taxes quintupled from $94 per capita to $460. New York's debt catapulted from $1 billion to nearly $10 billion. New York's taxes are 12% higher than the next top state and 50% above the U.S. average.

"He failed to carry N.Y. State for Mr. Nixon in 1960. He refused to support Barry Goldwater in 1964. He didn't support Mr. Nixon in 1968. He is loyal to only one person, namely, Nelson Rockefeller.

"Rockefeller's main support is derived from the Eastern Liberal Republican Establishment and the Ripon Society, but very little from the National Republican electorate.

"Do we want such a man to be put in a position where he could, by the accident of death, become President of the U.S.? We say No. A thousand times NO!!"

Now Mr. President, I do not say that all of these letters are accurate, but right or wrong, they represent the feeling of the people of Virginia and I feel that they may be useful to other Members of the Senate as representing the grass roots thinking of our citizens. Let me share the thinking of a lady from Norfolk:

"My husband just received your September-October 1974 'Bill Scott Reports' and I felt that I should let you know what we thought and how we feel on the nomination of Nelson Rockefeller for the office of Vice President of the United States.

"We are both against Nelson Rockefeller ever being our Vice President, and hope you do what is in your power to prevent this from taking place.

"I believe President Ford has already done enough things that will hurt our Country, without this taking place, and I am sure that there are better men from this great nation, that will do a much better job than Rockefeller will do as being the Vice President of the United States.

"If President Ford, is not stopped in this act, by the Senate and Congress, then there is no telling what road they will lead this nation down, that will lead to the downfall of this great nation."

An Arlington couple refers to him as a "dangerous man":

"I am asking you to please commit yourself now to oppose Mr. Rockefeller as Vice President. His background is such that we feel he is, and would be, a most undesirable man for such a high office.

"He tried twice to be elected as President—and was turned down by a wide margin, and his ambition to head this nation as President makes him a dangerous man to be so close to the Presidency—anything could happen. There are other men more needed, qualified, than this liberal, dangerous person. The nation can well do without him!

"We have had enough scandal and the Republican Party needs a man we can depend on for leadership and strength.

"Please, for the good of the country Say No!"

A Newport News lady indicates that my vote will influence her when it is time to determine whether or not I should be returned to the Senate:

"I am writing to you in regards to the upcoming confirmation of Nelson Rockefeller as Vice President of the United States. Due to his vetoeing of New York's 1972 Abortion Repeal Law, he has allowed millions of unborn to be condemned to death.

"I am asking you to vote 'nay' on his confirmation as my representative in Congress. Your actions in this matter will definitely influence me when it is time for you to return to Congress. Thank you very much."

An Alexandria engineer refers to Rockefeller's performance as Governor of New York:

"I hope you will vote against Nelson Rockefeller for Vice President for the following two reasons:

"1. We cannot afford him based on his performance in New York State.

"2. There is a basic Conflict of Interest. His fifteen family controlled tax-free foundations and twenty-one corporations plus many interlocking directorates cannot be expunged from his influence. He and most of his foundations appear to favor Internationalist/Socialist projects not in the interests of the people of the United States.

"Based on his performance alone he is not potential presidential material.

"P.S. I voted for him when I lived in New York State to my regret."

A Galax couple is concerned about his internationalism and trade with the communists:

"The contemptible and ironic nomination of Nelson Rockefeller for Vice President, by President Ford, has brought to my attention the morbid facts that Mr. Rockefeller's dealings with the Communists may well bring forces to promote trade with the Communist rule.

"I urge you to take a strong stand in opposing Mr. Rockefeller's confirmation for the Vice-Presidency. Our political representatives cannot ignore the facts which prove Nelson Rockefeller incompetent for this position—a 'heartbeat away' from the Presidency.

"Nelson Rockefeller is of the super-rich clique and an internationalist. In 1967, Cyrus S. Eaton, Sr. and Mr. Rockefeller joined forces to promote trade with the Communist world. Combining the power of politics and the control of money forbodes a calamity far worse than Watergate. We frankly don't trust him to uphold the Constitution of the United States and the well-being of its citizens were he to become President.

"I believe many Americans sense the dire consequences awaiting us because of past political experiences. Therefore, we urge you again to use your influence against confirmation of Mr. Rockefeller."

Quite a few of these letters appear to be from women, with a Colonial Heights lady indicating that the rank and file within the Republican Party do not support him:

"When the time comes to vote for or against the confirmation of Nelson Rockefeller as the vice-president of this great nation, please take this into consideration:

"This nation needs leaders that are supported by the people. Nelson Rockefeller has been defeated by the rank and file members of his party in his bid for the office of President. This should be sufficient in your determination on his acceptability as presidential material.

"After he was rejected by the delegates at the convention he did not support the party's nominee Barry Goldwater. I supported Mr. Goldwater.

"I wish more people had paid less attention to the press. This country needed a man like

Goldwater rather than a Johnson or a Rockefeller.

"This country needs a man that has fiscal responsibility. Nelson Rockefeller's record in New York shows the one thing he ain't is a conservative or even a moderate.

"This country doesn't need Nelson Rockefeller as vice-president. The people have said no on several occasions. Cast a nay vote for us, please."

The chairman of the Lynchburg Chapter of the Society for Human Life is disappointed with his stand on abortion:

"The nomination of Nelson Rockefeller for the Vice Presidency was a sad disappointment. Mr. Rockefeller is perhaps the single most influential abortion advocate in public life. Prior to the Supreme Court abortion decision of January 2, 1973 New York State had a State law which permitted abortion on demand. This law had been passed by one vote in 1970. Two years later, in 1972, a new State legislature repealed the permissive law, again greatly restricting the practice of abortion. Governor Nelson Rockefeller vetoed this law, thereby returning the State back to the practice of abortion on demand.

"The Lynchburg Chapter of Virginia Society for Human Life opposes the Rockefeller nomination and asks that you do the same. The best interests of this country would be better served by someone more supportive of the right to life—the most basic of all rights."

An Arlington lady does not feel he should be forced upon the American people:

"I want to let you know that I am opposed to the confirmation of Rockefeller as Vice President. The American people do not want him, and I do not think that Congress should force him on the American people. He is not going to help the American people, and he certainly is not going to stop inflation. We need a conservative as Vice President to offset those liberals that Ford is appointing to office.

"I hope and pray that you will act wisely and vote no for his confirmation. You know that he is lying about his finances."

A Harrisonburg doctor considers him "unfit":

"I have reviewed the record of Nelson Rockefeller in New York State and consider him unfit to become Vice President of the U.S. I hope you will vote against his confirmation."

A Lincoln couple speaks of his help to Communists:

"Mrs. Vermilye and I feel very strongly about the nomination of Nelson Rockefeller for Vice President of the United States. We are against it.

"Nelson Rockefeller is for international trade whether it is in the interests of the United States or not. His International Basic Economy Corp. with its affiliated Tower Corp of Cyrus Eaton are very actively promoting the exporting of our technological know-how to the Soviet Union under the guise of detente. This is a one-way exchange of ideas. Who will benefit from this exchange? The Rockefellers and the Eatons financially. The Soviets will use this information and highly sophisticated "tools" to "bury us" economically.

"Will we ever learn? I have lived a lot longer than you, Senator and have seen it happen.

"Please in the interest of long range planning, do not vote for this man."

A lady from Great Falls says the good of the country would be served by his rejection:

"I urge you to vote against the confirmation of Nelson Rockefeller as Vice-President of the United States. In times such as these the good of our country should be considered before party politics."

An Alexandria lady indicates she cannot vote for anyone who votes for Rockefeller:

"This is to express my deep opposition to the confirmation of Nelson Rockefeller for vice-president.

"My feeling is based on two points: He controls too much money to be placed in a position of such potential power; According to newspaper reports he divorced his wife of many years to marry, a younger woman. If he will treat his wife so selfishly what will he do to us taxpayers? I do not feel he has set an appropriate example for the rest of the country; as a leader this counts.

"I have always voted for you but in the future I do not feel I could vote for anyone who votes for Rockefeller."

An Amherst gentleman indicates his past record is not good:

"I received your news-letter a few days ago and thank you for sending it. In regard to the Rockefeller nomination, I am against his being confirmed as Vice President. His past record is not good and I don't think that he will do the country any good as Vice President. I am surprised that he accepted second place."

A couple from McLean objects to his connection with the oil monopoly:

"As registered Virginia voters, we urge you to vote against confirmation of Nelson A. Rockefeller as vice-president of the United States.

"In our opinion, much of the blame for the present troubled state of the economy and the country must be assumed by those who have allowed big business to control our political system. We heartily oppose awarding the vice presidency to a man whose very name is synonymous with big business.

"We particularly object to Mr. Rockefeller's connections with the oil monopoly—an industry that has held the White House and much of Congress in the palm of its hand for the past six years. We think it is time that they relinquish the excessive power they have to control our lives, political and otherwise, and that we citizens take it back. This can't happen if one of their very own is second in command of the country.

"In another light, we abhorred Mr. Rockefeller's handling of the now almost forgotten Attica Riots. His inept, tragic fumbling caused unnecessary bloodshed and heartache to many and demonstrated his inability to deal with social problems as well as pointing out the extent to which he is out of touch with real people.

"As you make your decision on confirmation of Mr. Rockefeller, we urge you to take these and other opposing viewpoints into serious account. Big business has had your ear for a long time—its *our* turn!"

A Portsmouth constituent is just against him:

"Being a qualified voter in the state of Virginia, I feel I must inform you of my disapproval of Nelson Rockefeller as the Vice-President of the United States. Please vote against his appointment."

A history professor feels that he represents the leftist element:

"Please allow me, as one of your most energetic supporters on this University's faculty, to urge that you cast your vote against confirmation of Nelson A. Rockefeller as Vice-President, when the Senate turns to consideration of Mr. Ford's nomination of the former New York governor.

"Mr. Rockefeller represents a leftish element in the Republican Party seldom accepted (nationwide) by the public, and in Mr. Rockefeller's case always repudiated by the national party at large during the ex-Governor's bids for the Presidency.

"I sincerely consider President Ford's nomination of Mr. Rockefeller to be a step toward national disaster and earnestly hope that you and Senator Byrd will refuse to vote to confirm this wretched and shocking White House choice."

A Norfolk gentleman refers to the moral issue:

"Irresponsible or negligent rationalization, especially on moral issues, is one of the most destructive of the sacredness of the values inherent in our constitution, and thus of our Nation.

"Nelson Rockefeller, in 1972 as Governor of New York, blatantly demonstrated this irresponsibility by his veto of that State's Abortion Repeal Law. I am unalterably opposed to his confirmation as vice president!"

An Alexandria constituent states that his long range views are not in the best interests of the Nation:

"I have just read your Bill Scott Reports, and my views are very strong AGAINST the nomination of Mr. Rockefeller as Vice President. This man's actions through his political career and private life have shown me that his true long-range desires ARE NOT in the best interests for this REPUBLIC!"

And a Hot Springs couple indicates Rockefeller has hurt the economy and taxpayers in New York State:

"As a taxpayer of Virginia I would like to request that you vote against the confirmation of Rockefeller as Vice President. It is no secret how Rockefeller has hurt the economy and the taxpayers of New York State. Do you want to see his policies to further boost the inflation that is destroying us today?

"How long will it take the Senate to confirm him if they investigate the 300 corporations that he owns?

"Also—the fact that he paid only $600.00 income tax in 1972. Less than a man making $6,000.00 a year.

"So you can see what a man like that would do to our National economy.

"Please, for the sake of all the people in these United States—'Look Before You Vote.'"

Mr. President, I took this time and read samples of some of the mail we are receiving to let the Senate know the thinking of the people of Virginia regarding the Rockefeller nomination. I am sure most Senators have received mail for and against confirmation. The reason for reading such a large sampling of my mail is because of the overwhelming nature of it—85 percent against confirmation. This may well indicate how my vote will be cast.

ORDER OF BUSINESS

Mr. MOSS. Mr. President, I ask unanimous consent to make a unanimous-consent request, without the time being charged to the time of the Senator from Alaska, who is to be recognized next.

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

REMOVAL OF INJUNCTION OF SECRECY FROM EXECUTIVE J, 93D CONGRESS, 2D SESSION, AND EXECUTIVE K, 93D CONGRESS, 2D SESSION, AND ORDER FOR REFERRAL TO THE COMMITTEE ON FOREIGN RELATIONS

Mr. MOSS. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the International Telecommunication Convention reached at Malaga-Torremolinos on October 25, 1973 (Executive J, 93d Cong., 2d sess.); and amendments to the International Convention for the Safety of Life at Sea, adopted on November 20, 1973, by the Assembly of the Inter-Governmental Maritime Consultative Organization at its eighth session (Executive K, 93d Cong., 2d sess.), both of which were transmitted to the Senate by the President of the United States today.

The ACTING PRESIDENT pro tem-

pore (Mr. METCALF). Without objection, it is so ordered.

Mr. MOSS. I also ask unanimous consent that the treaties be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

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

The messages are as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate, amendments to seven regulations contained in Chapters II, III, IV and V of the International Convention for the Safety of Life at Sea, 1960, and an amendment replacing and superseding the regulations in Chapter VI of that Convention, all of which were adopted on November 20, 1973, by the Assembly of the Inter-Governmental Maritime Consultative Organization (IMCO) at its eighth session.

The amendments to Chapters II, III, IV and V are directed toward the improvement of safety of navigation and were recommended by the Maritime Safety Committee of IMCO at its 24th through 27th sessions. The amendment to Chapter VI, Carriage of Grain, will replace and supersede the existing Chapter VI in its entirety. It is directed toward the improvement of safety requirements for the carriage of grain in bulk, and was recommended by the Maritime Safety Committee at its 27th session.

The United States Delegation to the IMCO Assembly actively supported the amendments, some of which had been formulated at United States initiative. The enclosed report of the Department of State provides additional information concerning the amendments.

The amendments represent significant improvements in the standards for ship safety. I recommend that the Senate give its advice and consent to acceptance of the amendments by the United States.

GERALD R. FORD.

THE WHITE HOUSE, *October 17, 1974.*

To the Senate of the United States:

For advice and consent to ratification, International Telecommunication Convention reached at Malaga-Torremolinos on October 25, 1973. This transmittal also includes the Annexes and Final Protocol to the Convention, as well as a report by the Department of State.

This new Convention will abrogate and replace the International Telecommunication Convention of 1965. It generally follows the provisions of the 1965 Convention with a considerable number of minor improvements and a few major modifications to take account of technical developments in the field and developments in international organizations.

One notable change from the 1965 Convention is the deletion of the separate membership of the territories of the several member States, including the United States. Although this change will deprive the United States of its vote on behalf of the territories, the redistribution of financial obligations which accompany this change will result in a relatively lower financial contribution from this country.

The International Telecommunication Convention constitutes the procedural and organizational framework for the orderly conduct of international telecommunications, and it is in the public and commercial interest of the United States to continue to play an active role within this framework. I recommend that the Senate give early and favorable consideration to this new Convention, and subject to a reservation noted in the Senate Department report, give its advice and consent to ratification.

GERALD R. FORD.

THE WHITE HOUSE, *October 17, 1974.*

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

MILITARY RECREATIONAL FACILITIES IN ALASKA

Mr. STEVENS. Mr. President, a disturbing matter has been brought to my attention which I believe must be aired in this forum. It is a matter disturbing mostly because it has arisen out of insufficient knowledge and misinformation. It goes without saying that each area of this vast country of ours has its unique problems, situations and characteristics, and that each section must be dealt with on an individual basis. Yet, recent statements by the Senator from Wisconsin (Mr. PROXMIRE) indicate that he has used the measuring stick applicable to the Midwest to judge matters in Alaska. It is to my distinguished colleague's recent statements concerning recreational facilities for the military that I address my remarks.

The Senator from Wisconsin (Mr. PROXMIRE) recently criticized the use of military funds and personnel to provide recreational facilities for enlisted and officer personnel in Alaska, and asked the General Accounting Office for statistics on the fishing and recreational camps. Let me provide some statistics for my colleague:

The mission of the military in my State—which is one-fifth the size of the entire continental United States, requires that the troops be widely disbursed. A portion of these troops are alone, with no civilian community nearby; generally, the locations are land-locked, some without even road connection to other towns, or the outside world. The climate of Alaska is infamous for its harshness—its cold, darkness in the long winters, and a very short outdoor summer season.

Recreational opportunities nearby the military installations in Alaska are sparse at best—and nonexistent in many cases. We have climate and terrain that requires a lot of knowledge of outdoors activities—one simply cannot go walking off into the Alaska wilds for an outing with no preparation and improper equipment. One cannot simply get into a rowboat for a weekend of fishing—our tides and storms create high risks and lack of safety and observation devices increase those risks even further. Given these conditions, it is essential that proper, safe, and enjoyable recreational facilities be available to our military personnel in Alaska.

Military regulations charge the branches of the service with responsibility for maintaining the welfare of their members—mental health and outlook come under this responsibility, and so the military all over the world maintains recreational areas for its personnel. Taking into account the conditions in Alaska—which as I have said, are vastly different from those in the Midwest I hope my colleague would agree that Alaska is one of the harshest proving grounds in the world—yet we turn out some of the best military troops for our country. These personnel deserve their rest and relaxation. They must look forward to that brief respite from the grueling rigors of a simple existence in our outposts in Alaska, and work in Alaska's harsh climate and throughout our rural country with the thought of this recreation ahead of them.

My colleague talks about the fish camps as though they are luxury establishments for the military brass and their VIP guests. I want to set the record straight with some statistics on that.

First, there is a total of four recreation camps in the entire State—to serve some 24,000 military personnel plus all of their dependents. Only 31 out-of-State people, only 2 of those civilians, visited the camps last year.

There is no discrimination between officers and enlisted men when it comes to going to the camps. All have to sign up on the waiting lists—in fact, the post commander at Fort Wainwright, one of our largest installations in the State, could not go to the Seward Fishing Camp last year, because he did not get his name in in time. There are no cabins maintained specifically for officers or VIP guests—they come under the same rules that apply to every other person.

With the enlisted person's take-home pay, there is very little left over for recreation, and without the recreation camps, there would be few places—taking into account the great distances to be traveled in my State—where the enlisted person and family could vacation. This is a particularly acute situation after a winter in the North, where for 5 months there is little daylight, intense cold, and few recreation outlets.

So let me talk a little bit about these camps themselves. As I have said, they are hardly luxury installations. Take the camp at Seward—there are actually two camps, one operated by the Army and one by the Air Force. Seward is located 135 miles from our large military bases—the Air Force base at Elmendorf and the Army base at Fort Richardson. There are other camps at Naknek-King Salmon in western Alaska, 260 miles from Elmendorf and Fort Richardson, and at Birch Lake, 38 miles from the Air Force base at Eielson near Fairbanks in the interior of Alaska.

At Seward, there are small cabins, small boats and little else. R. & R. here means getting away from base and post and that is about all—and it is no widely equipped facility.

The camps are operated predominantly by part-time personnel, mostly civilian and temporary duty military people.

The average length of stay at the camps is 3 days—and at the Seward camp, for instance, a person is allowed to have a boat for 1 of the 3 days. Commanding generals are allowed the boat for just 1 of their 3 days just like any other military person. These boats are just the barest shells. They are not large boats. They are boats adequate for the situation there and Resurrection Bay and Seward. They are seaworthy and equipped for the waters of Resurrection Bay but they are not fancy boats.

In Seward, for example, it costs $6.50 a night to stay in a cabin. The dorm space would cost $4. Trailer spaces would be $1 a night, and you would have to pay $1 for a package of fish bait. It is a great place to fish, I have fished there often myself.

The camps are open for only a short summer season, from June until the first week of September, and there are long lists waiting for the opportunity to go to this camp. Less than one-tenth of those who attended the Seward Camp last year were officers.

The Army is projecting an additional 400 combat troops for Alaska next year. These men will be in the lower enlisted ranks and would be unable to seek R. & R. anywhere else if these camps were not available.

In Seward let me give a rundown of this past summer's attendance at just the Army camp. From the troop units there were 1,665 personnel; enlisted 375; enlisted dependents—that is, the dependents of enlisted personnel—1,488. There were 276 officers, and 1,104 officers' dependents. There were 56 retired military and 224 retired military dependents.

The military people in Alaska—both enlisted and the officers—inform me that the esprit de corps has increased dramatically since this program of taking entire squads to the fishing camps began this summer.

This is essential, I feel, to the smooth functioning of the activities of the military through the long winter months to know that this R. & R. will be available.

The facilities for R. & R. are vital to a continuous, smooth operation of our people in Alaska, and it has been recognized even by our new company, the Alyeska Pipeline Co., the consortium of oil companies which is building the largest project ever undertaken by private industry in the world, our Alaska pipeline. Alyeska has recognized the need for recreational facilities, and it is providing similar R. & R. camps for its workers.

Mr. President, I feel that it is most unfortunate that our military recreation camps are attacked by people who have not been either to the camps or to the military installations in Alaska from where these personnel come to take their R. & R. at the fishing camps.

I cannot recall, Mr. President, having ever received a single complaint from a long-time Alaskan about the operation of these camps for the military personnel in Alaska.

I hope my remarks will help to correct some of the misconceptions being generated by my colleague from Wisconsin. The mental health and well-being of our military are something about which I am most concerned and, given the conditions found at the military installations in Alaska, I feel the troops who serve there, serve the United States as a whole as well as defend our State of Alaska, deserve this small amount of R. & R. that these recreation camps have afforded in the past and I, for one, shall continue to support them in the future.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 7 minutes remaining.

THE SLAUGHTER OF CALVES

Mr. STEVENS. Mr. President, on an unrelated matter, and in view of the interest of my good friend, the Senator from Wisconsin, in the activities in Alaska, I wish to inform the Senate that I have asked the General Accounting Office to undertake an investigation for me. I have asked the General Accounting Office to find out whether any of those people in Wisconsin who have callously murdered so many of those calves, the beef that was slaughtered the other day, to make an example to the country about beef prices, whether any of them received any Federal assistance of any type in the past. I think we should know whether these people, who are committing acts like that, have received assistance from our Federal programs in the past because I, for one, intend to do what I can to stop such programs if these people insist upon destroying the protein represented by those calves, the baby beef. In particular, I would just like my friend, the Senator from Wisconsin, to know that we in Alaska intend to take a little bit of a look at what is going on up there.

There was a great deal of publicity throughout the Nation about that activity in Wisconsin, and I shall report to the Senate the result of the GAO invesitgation if that agency agrees to make one.

I am informed there was a substantial amount of subsidy money that went into Wisconsin in the last 3 or 4 years under some of the soil conservation and other programs, and I would like to know if these people who slaughtered those beef cattle received any of that money because, it seems to me, that is the kind of thing that, perhaps, the Senator from Wisconsin would examine as he looks to the concept of whether or not the R. & R. provided to our military personnel in Alaska is truly a waste.

I yield the remainder of my time to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. MOSS. Mr. President, I am authorized by the majority leader to yield to the Senator from Illinois such time as is allotted to the majority leader under the special order, as he may wish to use and, therefore, no additional time is needed beyond the remainder of the order for the Senator from Alaska to yield.

The ACTING PRESIDENT pro tempore. Very well. The Senator from Montana reserved 15 minutes, and the Senator from Illinois has the remaining time of the Senator from Alaska plus 15 minutes from the Senator from Montana.

Mr. PERCY. I thank my distinguished colleagues, the Senator from Alaska and also the acting majority leader, for their generosity.

Before the distinguished Senator from Alaska leaves the Chamber, I would like to express my own appreciation to him, from his own firsthand knowledge, for clarifying the situation regarding recreation facilities in Alaska. I think he has rendered a service to all of us in reporting from his own experience what the situation is so as to put it in proper prospective.

Second, as a delegate to the United Nations, I have been struck by the feeling of revulsion that I have witnessed on the part of people who are visiting the U.N., delegates to the U.N. from various countries, as they have seen this needless slaughter of cattle on our television.

We are dealing in a world that is hungry; we are dealing in a world where hundreds of millions of people may die this year. The action taken by cattle growers in slaughtering animals in order to increase prices must, in effect, signal a lack of concern about the needy in our own country, about the very high prices we are paying for food, and further seem to signal utter disdain for the dismaying fact that this slaughter of animals must take place in a world where people are starving.

I have recently returned from the subcontinent where I have seen people who are existing on just one meager meal a day.

Again, I think the distinguished Senator from Alaska has rendered a service by asking GAO to study and investigate this matter, and I hope all of us will see fit to study what can be done to prevent such needless actions taking place in the future.

I thank my distinguished colleague.

Mr. President, I shall speak on three separate subjects this morning.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

THE FLOODS IN BANGLADESH

Mr. PERCY. Mr. President, this fall, I am serving as a member of the U.S. delegation to the 29th U.N. General Assembly together with my distinguished colleague, the Senator from Missouri (Mr. SYMINGTON). I have already found that the experience has added new dimensions to my own understanding of the complex problems that face us all on this planet.

I mention this because last week I had the opportunity to spend time with Sheikh Mujibur Rahman, the impressive Prime Minister of the People's Republic of Bangladesh. As a national leader he is beset with massive problems. Bangladesh is a poor nation. Its population is massive compared to its resource base. It has been scarred by civil war and devastated by recent floods.

July and August 1974 brought the worst floods in memory to the people of

Bangladesh. More than 20 thousand square miles of countryside were submerged. Nearly 30 million people were affected. More than 1 million tons of crops have been destroyed, a large number of houses, schools, and roads have been washed away. But, reports the Prime Minister, the spirit which has sustained the people each time a natural calamity struck them is visible once again. The people and the government are using all available resources to repair flood damage. The international community has come forward with offers of assistance. The United Nations agencies, friendly governments, including our own, and the International Red Cross have donated money, food, and medicines which are being distributed among the flood victims under the strict supervision of government officials to avoid past mismanagement.

The floods have made the task of quick economic recovery more difficult. But the Prime Minister says that simultaneously with flood protection and relief, the government is moving forward to mobilize necessary resources for correcting existing imbalances and to implement high-priority development programs in the agricultural and industrial sectors.

This is a difficult period for our own country, and the challenges before us in the Congress are great. But our problems pale before those confronting the courageous people of Bangladesh and their dedicated leader. They need and deserve all the help that we and other countries and people of the world can offer to them at this time of great need. Our hearts go out to those who are suffering so greatly.

PRESIDENT FORD'S APPEARANCE BEFORE THE HOUSE

Mr. PERCY. Mr. President, the remarkable fact that President Ford came voluntarily before the House subcommittee this morning was a very helpful step toward achieving the "domestic tranquillity" that he and all of us seek.

The President's detailed explanation of the pardon of Mr. Nixon did a great deal to clear the air. It reflected the kind of openness and candor that we so badly need to restore public confidence in government.

Though many of us may still have reservations about the timing of the pardon, we can fully accept the President's flat statement that "no deal was made" and respect his belief that he was acting in the public interest.

ROCKEFELLER NOMINATION

Mr. PERCY. Mr. President, I am deeply disturbed by the continuing delays in the confirmation process as it relates to Vice-President-designate Nelson Rockefeller.

It has been 8 weeks since President Ford nominated Governor Rockefeller to be Vice President—a nomination which was greeted with widespread, bipartisan praise. Both in Congress and throughout the country, most of us recognized that few, if any, Americans are better qualified to hold national office than the former four-term Governor of New York.

But now almost 2 months have passed, and we still have not been able to vote on this critical nomination. The House Judiciary Committee has not even commenced its hearings, and we learned only yesterday that our own Rules Committee does not intend to reopen its hearings until after the coming elections, themselves still almost 3 weeks away. And most distressing, the United States remains without a Vice President, day after day, week after week, month after month. Considering the history of the past 11 years, when twice Vice Presidents have been suddenly called upon to assume the Presidency, it seems to me imperative that the Congress act on this pending nomination with the greatest possible dispatch.

I do not for a moment suggest that we bypass a thorough investigation of this nominee's background; to do so would be to bypass our constitutional responsibilities in this matter.

I do, however, suggest that 8 weeks should have been ample time in which to conduct such an investigation and subsequently to move on to final confirmation hearings.

After all, there has been complete disclosure by the Vice-Presidential nominee and submission to the respective committees of everything that they have asked for. He has appeared in personal testimony before the Senate, and has stood ready at any time to appear and testify before the House committee; and certainly a man who has been in public life as long as Nelson Rockefeller, for the most part, his words, his deeds, his actions, his thoughts, are public knowledge.

In recent days, information has been made public which troubles many Members of Congress—information dealing with Governor Rockefeller's financial gifts to political associates, as well as with a campaign biography of Arthur Goldberg which was financed by the Governor's brother.

Both the gifts and the book are legitimate subjects for further inquiry by Congress. Mr. Rockefeller understands this, and has requested an immediate reopening of his Vice Presidential confirmation hearings so that he may answer any and all questions concerning these subjects. To me, this seems an entirely appropriate and reasonable request, and I would respectfully urge Chairman CANNON to reconsider his decision on the timing of additional hearings.

Can they be held as soon as all preliminary investigative work has been done?

It would seem to the Senator from Illinois that the urgency of the situation would require such a decision by the committee.

Let us be completely honest with ourselves about this: if the majority congressional leadership wishes to do so, it undoubtedly can delay the confirmation process ad infinitum, until at last the Rockefeller nomination withers and dies, whence we would begin the process all over again, quite possibly with a less highly qualified nominee. I hope that will not happen, because I believe that the Ford administration and the country need the talents and experience of Nelson Rockefeller in high public office, and we need those talents and that experience at the earliest possible moment.

Let us not gloss over his mistakes and misjudgments; like all of us, he has compiled his full share of them, and would be the first to admit it. But let us not nitpick this outstanding nomination to death, either. Let us give Governor Rockefeller an early opportunity to answer whatever questions we may have, and then let us vote his nomination up or down. Our country needs a constitutionally selected successor to the President. Six weeks ago, President Ford met his responsibility in this regard, and met it well. Now it is time that we meet ours.

ENERGY CRISIS AND AMERICA'S RESPONSE

Mr. PERCY. Mr. President, for the past year the oil-consuming nations of the world, developed as well as developing, have floundered in a sea of financial and economic uncertainty. A simultaneous downturn in the economies of these nations heightened fears of rising unemployment and zero or declining rates of growth. Raging global inflation continues, even threatens to accelerate. There are growing shortages in worldwide food supplies. Commodity prices have skyrocketed.

The fourfold increase in the price of crude oil engineered by the Organization of Petroleum Exporting Nations—OPEC—is, without question, what has contributed most to international economic instability. The international payment imbalances generated by this cartel administered price of the world's most important energy source were immediate and increasingly ruinous. More than anything else the precipitous nature of this enormous price rise prevented an orderly financial adjustment by the effected nations.

In 1972 the OPEC nations earned $15 billion from their export of crude oil. The earnings grew to $25 billion in 1973. In 1974 their estimated receipts will be roughly $80 billion. The United States alone will pay $22.5 billion for oil imports from the OPEC nations in 1974, up from $3.6 billion in 1972 and $6.7 billion in 1973.

The staggering price rises constitute an enormous "excise" tax on oil-consuming nations, rich and poor alike. Some painful adjustments have been made to the new economic and financial realities imposed by OPEC. Worldwide consumption of petroleum has declined slightly in 1974, rather than increasing at a 7- to 10-percent rate as anticipated. Resulting shortages of certain key products such as fertilizers and petrochemicals have worked a real hardship in many underdeveloped nations. Meanwhile, the fires of inflation have been further fueled. And major adjustments have been made in the international financial structure to facilitate the "recycling" of the bulk of the surplus OPEC

funds—approximately $55 billion this year alone—back into the hands of oil consumers in order to finance further petroleum purchases.

The immediate shock of the OPEC action has been absorbed. Financial markets in Europe and the United States, as well as special lending facilities established by the International Monetary Fund, have been successful in insuring that the short-term deposits of the OPEC nations are rechanneled in the form of long-term loans to most of those nations in need. But we must not be lulled into inaction by this short-term resiliency. In the end, the overburdened world financial system may crumble. One by one, countries could collapse economically with resulting international bankruptcy. This would hardly be beneficial to the oil producers who are desirous of industrialization, diversification, and trade.

The oil-consuming nations cannot survive by merely coping with the present situation. The stated subject of these hearings, recycling petrodollars, can only probably provide a temporary answer at best. Whatever means are developed, they can only deal with the problem over a short period. Instead we need a coherent, long-term strategy to reduce oil prices and lessen the impact of higher prices. The dangers of inaction are clear. The tools for achieving this strategy are few and call for sacrifice by us all.

Withholding industrial and technological goods and services from the oil producing countries, or dramatically raising the prices for such goods and services in retaliation for the OPEC cartel policies invites confrontation that should be avoided.

Vague public threats of political, even military action, if the oil prices menace the fundamental health of the economies of the oil consuming nations are not the answer. Political or military action risk bringing about unforeseen results, and are inconsistent with our objective to find peaceful solutions to the world's problems.

Thus far the American response has been to seek coordination with our European allies in formulating stockpiling and distribution programs in the event of another oil boycott. At the same time, long-term programs designed to expand domestic energy supplies and decrease our dependence on energy imports have been initiated. These are hopeful moves. Nonetheless, it is clear to me that little has been done to fashion a tough and coherent domestic energy policy which should have a desirable effect on the OPEC oil prices.

A cornerstone of our domestic energy policy must be energy conservation. To date, oil conservation efforts have been undertaken mainly in response to higher prices. American demand for oil dropped 5 percent during the first 8 months of 1974. But there are unmistakable signs that oil consumers are returning to their profligate ways. Thus far token pledges have been substituted for changes in our basic consumption pattern.

While I am all for voluntary conservation whenever possible, it is my own judgment exhortations about saving 1 million barrels of oil per day or driving 5 percent less are not enough. What is needed most is a firm display of national resolve to reduce our oil needs and a program appropriate to the crisis we face.

The best way to accomplish this goal, most consistent with the statements of the OPEC leaders, is to take decisive action to reduce dramatically petroleum consumption in this country. In that way, we would make it unmistakably clear that the United States, for one, means business about reducing imports. And we must do so now.

I simply do not feel that a voluntary program is going to work; nor do I think the crisis that we face allows us the time to hope that it will work and then take corrective action if it does not work.

We cannot risk that; there must be a uniformity of sacrifice that is made, and that can really only be done by a program enunciated by our national leadership.

Examples of what must now be considered include:

First. Must increase taxes on gasoline with appropriate tax rebates to relieve hardships. These taxes should be at least sufficient to balance the Federal budget and hopefully reduce gasoline consumption;

Second. A month by month mandatory, steady reduction in petroleum imports so as to reduce by 1976, present levels imported by 30 percent.

That would mean that by 1976 we would have reduced our imports by 2 million barrels per day.

Third. Develop mandatory reductions in gasoline consumption such as imposing at the manufacturers' levels stiff taxes based on automobile mileage, strict enforcement of the 55 mile-per-hour speed limit, and mandatory "no drive" day, or days, for every American automobile.

Fourth. Mandatory conservation measures, such as restrictions on commercial and home heating, cooling, and lighting and adoption of insulation standards for all new construction.

Each of these presents some inequities and risks unintended distortions in the economy. But if the United States assumes leadership among the major oil importing nations by sharply reducing its oil imports it will be clear to the OPEC countries that we view oil prices as our number one inflation problem and one which we are committed to solve. It will also encourage the development of alternative nonpetroleum types of energy.

Mr. President, inasmuch as the majority leader is in the Chamber, I should like to ask the majority leader (Mr. MANSFIELD) if it would be possible for us to have a colloquy on where we stand with respect to the $300 billion limitation on spending, or ceiling on spending, asked for by the President.

I feel the Congress would overwhelmingly support that, in view of the fact that we have already passed three resolutions cutting spending to $295 billion. At this time, 3½ months after the beginning of the fiscal year, it would be unrealistic for us to assume we can turn the clock back and cut back to that extent.

But we still do have time to reduce expenditures to $300 billion.

While the Senate and the House are in recess, I would hope that we could in some way signal to the President that we would like that period of recess used by the Director of the Office of Management and Budget, OMB, to develop and send to the Congress on our return a budget for 1975 fiscal year reduced to the level of $300 billion, showing the areas where the administration would recommend we cut.

That would not preclude the administration, knowing that many Senators feel that it should be cut to $295 billion, from showing where further cuts could be made. At least we would get underway the procedure of having an official resubmission of the 1975 fiscal year budget to the Congress so that we could begin work on it in the month that we would have remaining in the session before we adjourn.

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

Mr. PERCY. I am happy to yield.

Mr. MANSFIELD. I would agree with the latter part of the Senator's statement, but I am sure he knows more about the question he asked me insofar as the former part of his question is concerned.

As far as this side is concerned, we are prepared to vote for a $300 billion ceiling, but, unfortunately, there is a very strong hold on the Senator's side which indicates that a certain Senator would be opposed to taking up this resolution at this time because he wants to set the figure at $295 billion.

As the Senator knows, we have, on four occasions in this body, passed legislation calling for a ceiling of from $295 billion to $300 billion. There is nothing more that the joint leadership can do as long as the Senator on the other side indicates a hold on this legislation, which the Senator from Illinois introduced seeking to set a limit of $300 billion. Therefore, the Senate is stymied.

Mr. PERCY. I thank the distinguished leader for his explanation. As he has indicated, the Senator from Illinois is well aware of the procedural problem that we now face in the Senate.

Mr. MANSFIELD. Plus the fact that the Senator from Illinois does have a resolution on the calendar—it has been on the calendar since the 15th—to establish a ceiling on fiscal year 1975 expenditures, which I think calls for a $300 billion figure.

Mr. PERCY. That is right, consistent with what the President has asked for in the spirit of wanting to cooperate with the Congress and get something rather than nothing.

It is the understanding and knowledge of the Senator from Illinois that unanimous consent would be required. Even though the distinguished Senator from Delaware is not in the Chamber, as a colleague and friend I would want to honor and respect his verbal indication to me that he would ask for a hold on this and not want it considered.

However, I put a practical question to the distinguished majority leader. The

President has asked that the Congress adopt a ceiling. The House has already passed the $300 billion ceiling, and it is at the desk of the Senate. The Senate has passed on three occasions a $295 billion ceiling, and there is no question, in the judgment of the Senator from Illinois, that the Senate wants to see a cut. It is just a question as to how much. The maximum ceiling would be $300 billion, considering that we have already adopted three times before, by an overwhelming vote, the $295 billion figure.

So I ask this question: Would it not then be wise for the executive branch of Government, rather than waiting for a formal piece of paper, to take into account that the House has acted, the Senate has previously acted, and the $300 billion would be the maximum budget figure that the Senate would like to see, and the indications would be that there would only be a fight to reduce that figure again to $295 billion?

Would it not be well, then, for the Director of OMB to use this period of the congressional recess to make up as a minimum and resubmit it to the Congress a budget based on $300 billion maximum spending, to take out of that budget every single dollar of additional money in good conscience that he can recommend, taking into account the lateness of the period that they could actually effect in that budget? At least as a bare minimum they should resubmit for our consideration on our return a $300 billion figure.

The ACTING PRESIDENT pro tempore. The time of the Senator from Illinois has expired.

Mr. MANSFIELD. Mr. President, I seek recognition under the morning hour.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

The Senator from Montana is recognized.

THE BUDGET

Mr. MANSFIELD. Continuing the colloquy with the distinguished Senator from Illinois (Mr. PERCY) I would agree completely, but I would point out that there are some pitfalls facing the budget for next year.

We find, for example, that the Defense Department is complaining already about inflation, and talking about a 15-percent increase in their budget. I would suggest most respectfully to the Office of Management and Budget that drastic cuts could be made in the defense establishment, in NASA, in foreign aid, and in the military aspects of the Atomic Energy Commission. But those seem to be sacred cows. Nobody wants to touch them downtown.

I would hope that if they do not do that downtown, then we would do it up here.

Mr. PERCY. I will join with the distinguished majority leader in saying I think there can be no sacred cows, either on the part of the Congress or the Executive, that we must cut, and we must cut in almost every area of spending.

I would also hope that the Director of OMB would strongly recommend new revenue, because there are new expenditures that we face—in unemployment compensation, in public service employment. We ought to present a balanced budget to fight the battle of inflation. New revenue is going to be required.

I have suggested on previous occasions a number of areas where I think new revenue can be gained. I trust that Congress will work closely with the executive branch in not only cutting expenses but also recognizing that we need to bring in new revenue. Certainly, the number one priority should be taxation of our oil companies, which can well afford now to pay substantially more in Federal income taxes than they have. Members of that industry have admitted to me that they were absolutely astounded that Congress has not already acted in this matter. There is revenue that can be picked up, that should be picked up, and Congress and the executive branch must work together in meeting this situation today.

I thank my distinguished colleague.

MESSAGES FROM THE HOUSE

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT OF THE SENATE—ENROLLED BILLS SIGNED

A message from the House of Representatives received during the adjournment of the Senate, under the authority of the order of October 16, 1974, stated that the Speaker has signed the following enrolled bill and joint resolution:

S. 3355. An Act to amend the Controlled Substances Act to extend for three fiscal years the authorizations of appropriations for the administration and enforcement of that Act; and

H.J. Res. 1163. A joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. METCALF).

At 1 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that, on reconsideration, and two-thirds of the House of Representatives not having voted in the affirmative, the joint resolution (H.J. Res. 1163) making further continuing appropriations for the fiscal year 1975, and for other purposes, returned by the President of the United States with his objections, was not passed.

At 4:18 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the joint resolution (H.J. Res. 1167) making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 13157. An act to provide for the establishment of the Clara Barton National Historic Site, Maryland; John Day Fossil Beds National Monument, Oregon; Knife River Indian Villages National Historic Site, Massachusetts; Tuskegee Institute National Historic Site, Alabama; Martin Van Buren National Historic Site, New York; and Sewall-Belmont House National Historic Site, Washington, District of Columbia; and for other purposes.

H.R. 15736. An act to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes.

The ACTING PRESIDENT pro tempore subsequently signed the enrolled bills.

At 5:13 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has agreed to, without amendment, the concurrent resolution (S. Con. Res. 120) providing for a conditional adjournment of the Congress from October 17, 1974, until November 18, 1974.

At 5:33 p.m., a message from the House of Representatives by Mr. Hackney announced that the Speaker had signed the following enrolled bills and joint resolution:

H.R. 13342. An act to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement.

H.R. 14217. An act 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.

H.J. Res. 1167. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. METCALF).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MANSFIELD (for Mr. MAGNUSON) from the Committee on Commerce, with an amendment:

S. 2093. A bill to amend the Horse Protection Act of 1970 to better effectuate its purposes (Rept. No. 93-1282).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. MANSFIELD (for Mr. WILLIAMS), from the Committee on Labor and Public Welfare:

Bert A. Gallegos, of Colorado, to be Director of the Office of Economic Opportunity.

(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 dul. constituted committee of the Senate.)

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that today, October 17, 1974, he presented

to the President of the United States the following enrolled bills and joint resolutions:

S. 355. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for the fiscal years 1975 and 1976; to provide for the remedy of certain defective motor vehicles without charge to the owners thereof; to require that schoolbus safety standards be prescribed; to amend the Motor Vehicle Information and Cost Savings Act to provide for a special demonstration project; and for other purposes.

S. 605. An act 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.

S. 628. An act to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made, in order to provide a surviving spouse with an annuity, during periods when the annuitant is not married.

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 Tribe of the Lake Traverse Indian Reservation in North and South Dakota.

S. 1769. An act to reduce losses of life and property, through better fire prevention and control, and for other purposes.

S. 2348. An Act to amend the Canal Zone Code to transfer the functions of the Clerk of the United States 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.

S. 2840. An Act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes.

S. 3007. An Act to authorize appropriations for the Indian Claims Commission for fiscal year 1975.

S. 3234. An Act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes.

S. 3473. An Act to authorize appropriations for the Department of State and the United States Informtaion Agency, and for other purposes.

S. 3698. An Act to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology.

S. 3792. An Act to amend and extend the Export Administration Act of 1969.

S. 3838. An Act to authorize the regulation of interest rates payable on obligations issued by affiliates of certain depository institutions, and for other purposes.

S. 3979. An Act to increase on an emergency basis the availability of reasonably priced mortgage credit for housing.

S.J. Res. 236. A Joint Resolution to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects in exhibition in the Union of Soviet Socialist Republics.

S.J. Res. 250. A Joint Resolution to extend the Regional Rail Reorganization Act's reporting date, and for other purposes.

S J. Res. 251. A Joint Resolution to extend the authority of the Export-Import Bank of the United States.

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. McCLURE:

S. 4152. A bill to amend the Act of October 13, 1964, to authorize the transfer of earned purchaser credits between national forests timber sale contracts. Referred to the Committee on Public Works.

By Mr. NUNN:

S. 4153. A bill to establish a Council on Judicial Tenure in the judicial branch of Government, to establish a procedure in addition to impeachment for the retirement of disabled justices and judges of the United States, and the removal of justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. MANSFIELD (for Mr. MAGNUSON and Mr. JACKSON):

S. 4154. A bill to amend the Act of December 27, 1950. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN:

S. 4153. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled justices and judges of the United States, and the removal of justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution, and for other purposes. Referred to the Committee on the Judiciary.

JUDICIAL TENURE ACT

Mr. NUNN. Mr. President, many lessons can be learned from the recent experiences of the Watergate era. We have been reminded that power can intoxicate its holders and can be abused by our highest governmental officials. We also saw, despite the severe strains that were placed on our system of government, that the system did in fact work and the abuses of power have been or are being dealt with. Nevertheless, public confidence in Government has been eroded to dangerously low levels.

I believe that all governmental officials must act to restore and maintain the public trust. In no branch of Government is this public confidence and support more necessary than in the judiciary. Our appointed Federal judges have a high degree of independence and do not have to answer to the people in the periodic elections faced by the President and Members of Congress.

We are fortunate to have the finest judicial system in the world. This fact has been reemphasized by the impartial justice exhibited to date during the numerous complex and difficult cases relating to the Watergate matter.

However, we must remember that experience has also vividly shown that no man or group of men can be assumed perfect. Abuse of power, corruption, and disability occur in all branches of Government. It is a simple fact that despite the overall high quality and integrity of our Federal bench an occasional judge misbehaves or becomes physically or mentally disabled and continues on the bench. The action or inaction of one such judge can erode or destroy public confidence, respect, and support for the efforts of 100 good judges.

When a Federal judge misbehaves, impeachment is the only formal mechanism presently available for removing him from office. Impeachment, however, is a complex, slow and cumbersome process.

In practical terms, the effect of this burdensome procedure is that many cases of misbehavior are not dealt with by the Congress since impeachment forces the legislative process to a halt. The heavier the legislative load becomes each year, the less likely we are to see impeachment used to remove Federal judges. In our Nation's history, only nine Federal judges have been impeached by the House and only four convicted by the Senate. The process in the House has generally been quite lengthy. Senate impeachment trials have lasted up to 6 weeks with the average impeachment trial lasting approximately 16 days. The last impeachment trial was in 1936, but I know of no one familiar with the judiciary system who would contend that since 1936 our judges have all met the constitutional criteria of good behavior.

In reporting a bill to establish an alternative removal procedure in 1940 the House Judiciary Committee pointed out that impeachment was not a practical means to remove judges:

> It is a governmental absurdity that the cumbersome machinery of impeachment must be resorted to in order to procure the ouster of a district or circuit judge.
>
> There must be a logical relationship between the importance and power of the respondent and the taking up of the time of the whole Senate in order to try him. Stability is essential, but there is nothing more ridiculous than the picture of a whole Senate sitting for 10 days to determine whether or not a district judge ought to be removed.

The need for a bill such as this is clear. Not only is impeachment a cumbersome and unrealistic check on the judicial branch today, it also fails to provide a fair and humane response in the case of a judge who has a permanent mental or physical disability. Such a judge is not consciously guilty of bad behavior, but he is still not capable of performing the critical duties of his office. The needs of the public demand that such a judge be replaced, but impeachment, with the humiliation and loss of benefits it entails, is too harsh a remedy.

Mr. President, our Nation's legislative affairs must be carried forward without undue interruption. Furthermore, the independence of our judiciary, so dependent upon public confidence, and so vital to our system of government, requires that any nonfrivolous charge of judicial misbehavior or disability be dealt with in a thorough, efficient, and impartial manner.

Commonsense dictates that we establish an effective alternative to impeachment for removing misbehaving or disabled Federal judges from office. The mere existence of such a procedure would be a powerful deterrent to help prevent judicial misconduct and encourage voluntary disability retirement. Even more importantly, by having an effective procedure to deal with misbehavior, public confidence will be maintained and enhanced in our judicial process and governmental system.

Mr. President, today I am introducing legislation to provide an alternative removal procedure. This does not in any way take the place of Congress right to impeach judges under the Constitution. It simply provides another removal mechanism. The judiciary, as an independent branch of Government holding all Federal judicial power under the Constitution, has the inherent power to enforce the standard of conduct required of its members. What is needed is effective machinery to implement this power. This bill provides such machinery.

My bill would establish a Council on Judicial Tenure within the judicial branch. The Council would be composed of judges elected by their fellow judges from each circuit, the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court. A panel of the Council would receive and investigate any written claims of misconduct or disability of a judge, including a Supreme Court Justice. The panel could either dismiss the complaint or report it to the Judicial Conference of the United States along with its recommendations.

The Judicial Conference is already established pursuant to section 331 of title 28 of the United States Code. It consists of the Chief Justice of the United States and the chief judge of each judicial circuit, the chief judge of the Court of Claims, the chief judge of the Court of Customs and Patent Appeals, and a district judge from each judicial circuit.

The Judicial Conference or one of its committees would then sit as a Federal court to decade the case. The Chief Justice would be precluded from taking part in the Conference's consideration of the case.

The council would act as an advocate for its recommendations in the proceedings before the Judicial Conference. The Conference could dismiss the complaint, censure, or remove the judge from office for misbehavior. In addition, a judge could be involuntarily retired if a mental or physical disability was seriously interfering with the performance of one or more of the critical duties of his office.

Experience has also shown that some method is needed to suspend the judicial powers of a judge until the conclusion of an inquiry where there is a substantial question as to that judge's fitness for office. This is essential for keeping the public trust.

This bill would give the Judicial Conference of the United States the discretion to suspend temporarily the judicial powers of a judge after it received a recommendation from the Council of Judicial Tenure that he be censured, removed, or retired from office.

All rights of due process would be accorded the judge. He could appear before the council and present a statement in his own behalf. At any hearing before the Judicial Conference the judge could be present, introduce evidence, be represented by counsel, and confront and cross-examine witnesses. If the Conference voted to remove the judge, he would have the right of appeal to the Supreme Court. Only after all these procedures are completed would the judge be removed from office and a successor appointed. It is important to note that a judge involuntarily retired under this bill would have an enforceable right to be assigned such work as he is willing and able to perform.

The idea for a judicial reform and for an alternative to impeachment has a long history. Professor Shartel stimulated much debate on the subject in the 1930's with his article on the supervision and removal of Federal judges. More recently, in the 1960's Joseph Borkin has documented many of the abuses of judicial power in his book entitled, "The Corrupt Judge." Donald Jackson's new book entitled, "Judges" also shows that problems exist within the judiciary. Numerous bills have been introduced to establish an alternative removal procedure. In 1940, the House passed such a bill introduced by Representative Hatton Summers, then chairman of the House Judiciary Committee. Over one-half of the States have established procedures within their respective governments for the removal of misbehaving or disabled State judges in addition to impeachment.

A great amount of credit is also due to former Senator Tydings who introduced legislation, modeled after California's procedure, to establish a commission with power to remove or retire Federal judges. House Judiciary chairman PETER RODINO also actively supported the Tydings bill and introduced parallel legislation in the House.

Senator Tydings' bill received impressive support from such respected people as Chief Justice Burger, Justice Rehnquist, and numerous Federal judges. The American Bar Association strongly endorsed the Tydings bill.

This is not to say that there has not been criticism of this important area of judicial reform. I have tried to respond fairly to the criticisms by correcting weaknesses of former bills. The bill I am introducing today is a refinement and modification of the Tydings concept.

In order to insure an accused judge due process, several changes have been made. The judicial council is more representative of the lower courts than the Commission under previous bills. Furthermore, the investigatory and judicial functions have been separated. An automatic right of appeal to the Supreme Court is provided for instead of relying on the right to file a writ of certiorari if the judge is ordered removed from office. The Chief Justice's role in the removal process has been limited to participation in Supreme Court review on appeal.

Another change from the Tydings proposal is in designating the judicial conference as a court of the United States when it acts in accordance with this act. This insures that the conference has the necessary powers to perform its duties, and that a decision of the conference will be a final one so as to insure the proper jurisdiction of the Supreme Court for review.

Any bill of this type raises immediate constitutional questions. However, I believe there is more than adequate support for its constitutionality. The Subcommittee on Improvements in Judicial Machinery held extensive hearings concerning the constitutionality from various sectors.

Chief Justice Burger, Justice Rehnquist, the American Bar Association, eminent impeachment expert Raol Berger, numerous Federal judges, and various law professors and law review articles have expressed the belief that such an approach is constitutional.

In conclusion, it is important to reemphasize that this bill would not encroach on the independence of the judiciary. Every procedure provided for in this bill would take place entirely within the judicial branch. The bill only provides enabling legislation which would assist the judiciary in exercising its inherent powers under the Constitution.

I believe that this new procedure would be effective for dealing with questions of judicial fitness. Members of the judiciary have a strong self-interest in insuring that the integrity of the courts is beyond question and that each judge is able to maintain his workload unimpaired by mental or physical disability.

Mr. President, I urge that this legislation be given careful consideration by my colleagues, and I am hopeful that after timely hearings this legislation will receive the approval of Congress.

Mr. President, I have concluded my remarks and ask unanimous consent that a brief summary of the Judicial Tenure Act of 1974 and the complete text of the bill be printed in the RECORD.

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

THE JUDICIAL TENURE ACT OF 1974

SUMMARY

The Judicial Tenure Act of 1974 establishes a Council on Judicial Tenure and a procedure, in addition to impeachment, for the retirement of disabled justices and judges of the United States. It further provides a procedure for the removal of justices and judges whose conduct is or has been inconsistent with the good behavior required by Article III, Section 1 of the Constitution.

The Act requires that the Council on Judicial Tenure be established in the judicial branch of Government and be composed of one member from each circuit, one member from the Court of Claims, one member from the Court of Customs and Patent Appeals and one member from the Customs Court.

The duty of the Judicial Tenure Council will be to receive and investigate each written complaint by any person concerning a justice or judge of the United States and to determine whether the grounds exist for removal, or retirement from office, or censure.

The complaint may either be dismissed or reported to the Judicial Conference of the

United States along with the Council's recommendations.

The Judicial Conference or one of its committees would then sit as a Federal court to decide the case. The Council on Judicial Tenure will appear and present materials and testimony in support of the recommendation of the Council.

All rights of due process and confidentiality will be accorded the accused justice or judge.

The Conference shall have the power in all cases brought before it, by majority vote to order the censure of any justice or judge; order the removal of any such justice or judge; order the involuntary retirement of any justice or judge; or to dismiss or remand to the Council any such case.

Procedures for involuntary retirement are included in this Act to give the power to the Judicial Conference to remove a justice or judge that is unable to efficiently discharge one or more of his critical duties by reason of a permanent mental or physical disability.

The Act provides for a review of the order of the Judicial Conference by the Supreme Court if it is requested by a judge under the order for removal, or a justice under the order of removal, retirement or censure.

S. 4153

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

PROCEDURES FOR REMOVAL AND INVOLUNTARY RETIREMENT

SEC. 2. (a) Chapter 17 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 377. Council on Judicial Tenure; establishment

"(a) There is established in the judicial branch of Government a Council on Judicial Tenure to further the honest, impartial, and efficient administration of justice in the courts of the United States in accordance with the duties imposed upon it by law.

"(b) The Council shall be composed of one member from each circuit, one member from the Court of Claims, one member from the Court of Custom and Patent Appeals, and one member from the Customs Court. Each member shall be a judge who is in regular active service. The member from each circuit shall be elected by the circuit and district judges of each circuit at a Judicial Conference of each circuit held pursuant to section 333 of this title. The members from the Court of Claims, Court of Customs and Patent Appeals, and Customs Court shall be elected by the judges of their respective courts. A judge who is a member of the Judicial Conference of the United States may not serve simultaneously as a member of the Council on Judicial Tenure. The members of the Council shall elect one of the members as Chairman of the Council.

"(c)(1) The term of each member of the Council shall be three years except that a member elected to fill a vacancy shall serve for the remainder of the term for which his predecessor was elected. A judge may serve on the Council for not more than two full terms except that a judge who fills a term that has been vacated may be re-elected to the Council for one full term only.

"(2) The term of a member of the Council shall become vacant automatically when such member (A) resigns, retires or is permanently separated from regular active service as a judicial officer, (B) becomes a member of the Judicial Conference of the United States, or (C) becomes a justice of the United States.

"(d) Performance of duties as a member of the Council shall constitute the transaction of official business within the meaning of section 456 of this title.

"§ 378. Council on Judicial Tenure; duties and powers

"(a) It shall be the duty of the Council to receive and investigate each written complaint by any person concerning a justice or judge of the United States and to determine whether the grounds specified in section 372a of this title for removal of a justice or judge from office or censure or, in section 372 of this title for involuntary retirement of a justice or judge, exist. If, after a preliminary inquiry by the chairman, any such complaint is found to be frivolous, unwarranted, or insufficient in law or fact, the Council may dismiss such complaint. If such complaint is not dismissed, a panel appointed under subsection (b) shall conduct a hearing with respect to the fitness of such justice or judge.

"(b)(1) In carrying out its duties under this section the chairman of the Council shall appoint such panels, consisting of 5 members of the Council, at least 4 of whom are representatives of the circuit or district courts, as may be necessary in order that each complaint not dismissed under subsection (a) may be considered by such a panel.

"(2) For the purpose of the transaction of any business a quorum of any panel appointed under paragraph (1) shall be 3 members. A panel shall act upon the concurrence of any 3 of its members, except that the concurrence of 4 members is required to effect a recommendation to the Judicial Conference of the United States that any of the grounds specified in section 372 or 372a of this title for the involuntary retirement, removal of a justice or judge from office, or censure exist.

"(c) Whenever the Council orders an investigation or hearing with respect to the fitness of any justice or judge to continue in office, it shall provide not less than 30 days notice to such justice or judge of the date on which any hearing is to be conducted. Any justice or judge who is the subject of such an investigation has the right to appear at any such hearing, and make a statement in his own behalf. The Council shall maintain a record of any such hearing.

"(d) The panel shall make findings of fact and a determination regarding the fitness of such justice or judge not later than 90 days after the conclusion of any proceedings conducted pursuant to this section. Such findings and determination shall be entered on the record of such proceedings and shall be transmitted, together with any recommendation thereon, directly to the Judicial Conference of the United States, to the justice or judge under inquiry, and the complainant.

"(e)(1) The Council, or any panel designated by it, in carrying out its duties under this section may sit and act at such times and places, hold such hearings, take such testimony, require by subpena the attendance of such witnesses and the production of such books, records, papers, accounts, and documents, administer such oaths and issue such other orders as may be necessary. Subpenas and other orders shall be issued under the signature of the chairman or the member of a panel designated by the chairman. Any member of the Council or panel may administer oaths or affirmations to witnesses.

"(2) No person except the justice or judge who is the subject of an inquiry under this chapter shall be excused from attending and testifying or producing anything ordered to be produced by the Council or panel on the ground that the testimony or material required to be produced may tend to incriminate such person or subject such person to penalty or forfeiture. No such person shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce, after having claimed his privilege against self-incrimination, except that such person shall not be exempt from prosecution and punishment for perjury committed while so testifying.

"(3) In case of disobeyance to a subpena or other order issued under paragraph (1) of this subsection, the Council or panel may invoke the aid of any district court of the United States in requiring compliance with such subpena or order. Any district court of the United States within the jurisdiction in which the person is found or transacts business may, in case of contumacy or refusal to obey a subpena or order issued by the Council or panel, issue an order to issue such person to appear and testify, to produce such books, records, papers, accounts, and documents, and any failure to obey the order of the court shall be punished by the court as contempt thereof.

"(f) The Council is authorized to appoint and fix the compensation of an executive director and a permanent staff of attorneys and such other personnel as may be necessary to carry out its duties under this section.

"§ 379. Duties of the Judicial Conference relating to proceedings with respect to removal, censure, and involuntary retirement

"(a)(1) It shall be the duty of the Judicial Conference of the United States to elect, at its annual meeting, one member of the Conference to be the presiding officer on any matter concerning the removal, censure, or involuntary retirement of a justice or judge of the United States. The Chief Justice shall not participate in any activity or action, including the election of a presiding officer, by the Conference concerning the removal, censure, or involuntary retirement of any justice or judge of the United States.

"(2) The Conference, or, with the concurrence of a majority of its members, a committee of nine judges, appointed by the presiding officer elected under paragraph (1), (one of whom shall be the presiding officer elected under paragraph (1)), shall sit as a court to hear any cause relating to the removal, censure, or involuntary retirement of a justice or judge of the United States, or any proceeding under section 380 of this title. When so sitting, the Conference or committee shall be a court of the United States within the meaning or section 451 of this title and may exercise all appropriate judicial powers. Upon receipt of a recommendation from the Council on Judical Tenure that a justice or judge be removed, censured, or involuntarily retired, the presiding officer shall convene the Conference or committee designated under this paragraph to hear and determine the recommendation of the Council.

"(b) A proceeding under this section shall be de novo, and shall be conducted on the record. The Council on Judicial Tenure, or representatives from the Council, shall appear and present materials and testimony in support of the recommendation of the Council. Any justice or judge whose conduct is the subject of any such inquiry shall be given adequate notice of any hearing, shall be admitted to any such hearing, may be represented by counsel, offer evidence in his own behalf, and confront and cross-examine any witness against him.

"(c) During the pendency of any proceeding under this section the Conference or committee may order any judge of the United States who is the subject of such inquiry to cease the exercise of any judicial powers or perogatives pending disposition of the inquiry. Such an order shall be issued over the signature of the presiding officer. Upon issuing such an order the Conference or committee shall, after consultation with that authority within the court of the judge affected by such order who is responsible for the assigning of business to judges, formulate

such orders regarding the business pending before such judge as it may deem appropriate.

"(d) The Conference or committee shall have the power in all cases brought before it, by majority vote—

"(1) to order the censure of any justice or justice or judge whose conduct is found to be inconsistent with the good behavior required by the Constitution;

"(2) to order the removal of any such justice or judge from office;

"(3) to order the involuntary retirement of any justice or judge in accordance with section 372 (b) of this title; and

"(4) to dismiss or remand (to the Council) any such case.

All orders of the Conference or committee shall be in writing and any justice or judge affected by any such order shall be so notified in writing.

"(e) No person except the justice or judge who is the subject of an inquiry under this chapter shall be excused from attending and testifying or producing anything ordered to be produced by the Conference or committee on the ground that the testimony or material required to be produced may tend to incriminate such person or subject such person to penalty or forfeiture. No such person shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce, after having claimed his privilege against self-incrimination, except that such person shall not be exempt from prosecution and punishment for perjury committed while so testifying.

"(f)(1) The Conference or committee shall stay (A) any order of removal of a judge and (B) any order of removal, censure, or involuntary retirement of any justice pending final disposition of the case by the Supreme Court. Any such stay shall expire on the day after the day on which the time for seeking review has passed without the filing of an appeal. Upon affirmance by the Supreme Court of the order of the Conference directing removal, censure, or involuntary retirement of a justice or removal of a judge or upon the expiration of the time for seeking review of any such order without the filing of an appeal, the order of the Conference shall become final and the judge shall be removed from office or, in a case affecting a justice, the justice shall be censured, involuntarily retired, or removed from office according to the order of the Conference.

"(2) In any case in which a justice or judge is removed or involuntarily retired under this chapter, the Conference shall certify, at the time its order becomes final, notice to the President that a vacancy exists in the office from which the justice or judge has been removed or involuntarily retired. The President shall appoint, by and with the advice and consent of the Senate, a successor to fill any vacancy caused by the removal of a justice or judge under this section.

"(g) The Conference or committee shall notify any justice or judge of its determination that the conduct or fitness of such justice or judge does not warrant removal, censure, or involuntary retirement. The justice or judge shall be informed that, upon receipt of his written request, the Conference shall make information regarding the nature of its investigation, its hearings, findings, and such other matters regarding its proceedings in his case as are not confidential, privileged under law, or otherwise prejudicial to the rights of any individual available to the public. Upon receipt of such request the Conference shall make such information available to the public.

"(h) The Conference is authorized to employ such permanent staff assistance as may be necessary to carry out its duties under this chapter. The Conference may employ on a temporary basis such other personnel as may be necessary to carry out its duties under this chapter in any particular case. The Conference may arrange for and compensate medical and other experts and reporters, and arrange for the attendance of witnesses including witnesses not subject to subpena.

"§ 380. Failure to assign judicial duties

"(a) The Council on Judicial Tenure shall designate a panel from among its members to hear any claim by a judge involuntarily retired under section 372 (b) of this title that he is not being assigned such judicial duties within his court as he is willing and able to undertake. Whenever any such claim is substantiated to the satisfaction of a majority of such panel, it shall promptly report its finding to the Judicial Conference of the United States, together with a recommendation that the Conference issue an order to the appropriate authority responsible for the assignment of judicial duties to such judge. Upon receipt of such recommendation the presiding officer of the Conference (elected under section 379(a)(1) of this title) shall refer the matter to the Conference, or the committee designated to hear such matters, and the Conference or committee shall, at the earliest reasonable opportunity, consider the recommendation and resolve the claim of the retired judge. Action on any such matter shall be by majority vote. Upon resolution of any such matter, the presiding officer of the Conference shall transmit an appropriate order to the authority responsible for the assignment of judicial duties to such judge.

"§ 381. Disqualification of judges

"(a) A judge who is a member of the Council on Judicial Tenure or the Judicial Conference of the United States shall not participate in any proceeding of either such body when it inquires into his own conduct, fitness, or claim. No judge of the same court or circuit as the judge whose conduct, fitness, or claim is the subject of any inquiry by the Council or the Conference shall participate in such inquiry or in the determination by such body thereof.

"§ 382. Confidentiality of proceedings

"Notwithstanding any other provision of law, all matters filed with and all testimony given before a panel of the Council on Judicial Tenure or the Judicial Conference of the United States or its committee in connection with the removal or censure of a justice or judge under section 372a of this title or the involuntary retirement of a justice or a judge under section 372(b) of this title shall be privileged. Unless otherwise authorized by the justice or judge whose conduct, fitness, or claim is the subject of such a proceeding under this chapter, or otherwise authorized by this section, all such matters shall be confidential, except that the taking of an appeal to the Supreme Court, under section 1259 of this title, shall render public all such matters to the extent that they are required for the disposition of the claim and for the conduct of any subsequent proceedings.".

(b) The analysis of chapter 17 of title 28, United States Code, is amended by adding at the end thereof the following new items:

"377. Council on Judicial Tenure; establishment.
"378. Council on Judicial Tenure; duties and powers.
"379. Duties and powers of the Judicial Conference relating to proceedings with respect to removal, censure, and involuntary retirement.
"380. Failure to assign judicial duties.
"381. Disqualification of judges.
"382. Confidentiality of proceedings."

GROUNDS FOR REMOVAL AND INVOLUNTARY RETIREMENT

SEC. 3. (a)(1) Chapter 17, of title 28, United States Code, is further amended by inserting after section 372 the following new section:

"§ 372a. Removal of judges

"A justice or judge of the United States may be removed from office or censured in accordance with the procedures established under this chapter upon a finding by the Judicial Conference of the United States that the conduct of such justice or judge is or has been inconsistent with the good behavior required by Article III Section 1 of the Constitution."

(2) The analysis of such chapter is amended by inserting immediately below item 372 the following new item:

"372a. Removal of justices and judges.".

(b) Section 372(b) of such title is amended to read as follows:

"(b) Whenever any justice or judge of the United States appointed to hold office during good behavior who is eligible to retire under this section does not do so and a majority of the Judicial Conference of the United States finds, subject to the requirements of section 379 of this title, that such justice or judge is unable to discharge efficiently one or more of the critical duties of his office by reason of a permanent mental or physical disability, the Conference shall certify the disability of such justice or judge and issue an order removing such justice or judge from active service. Habitual intemperance that seriously interferes with the performance of any one of the critical duties of a justice or judge shall be deemed to be a permanent disability for the purposes of this subsection. Such justice or judge shall then be involuntarily retired from regular active service and the Conference shall send notice of its action to the President.

"(c) The President shall, by and with the advice and consent of the Senate, appoint a successor to any justice or judge retired involuntarily under the provisions of subsection (b) of this section. Whenever such successor shall have been appointed, the vacancy subsequently caused by the death or resignation of the justice or judge involuntarily retired shall not be filled.".

SUPREME COURT REVIEW

SEC. 4. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Judicial Conference of the United States; appeal

"Upon the petition of the aggrieved justice or judge the Supreme Court shall review the order of the Judicial Conference of the United States, pursuant to chapter 17 of this title, that such justice be censured, involuntarily retired, or removed from office or that such judge be removed from office for conduct inconsistent with the good behavior required by Article III of the Constitution. Review under this section shall not be had unless such petition if filed within 10 days after written notice of the determination of the Conference is received by such justice or judge.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"1259. Judicial Conference of the United States; appeal.".

DISABILITY RETIREMENT

SEC. 5. (a) Section 294(a) of title 28, United States Code, is amended by striking out "retired" and by inserting immediately after "Court" the following: "retired voluntarily or involuntarily".

(b) Section 294(b) of such title is amended by inserting immediately after "title" the following: ", or who has been involuntarily retired under section 372(b) of this title"

(c) Section 294(c) of title 28, United States Code, is amended—

(1) by striking out in the first sentence thereof "Any retired circuit or district judge may" and inserting in lieu thereof the following: "A circuit or district judge retired voluntarily under section 371(b) or 372(a)

of this title or involuntarily under section 372(b) of this title may"; and

(2) by adding at the end thereof the following new sentence: "A judge of the United States retired involuntarily under section 372(b) of this title may be designated and assigned by the chief judge of his court to perform such judicial duties in such court as such judge is willing and able to undertake.".

FEES

SEC. 6. Section 604 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) The Director shall pay necessary expenses incurred by the Judicial Conference of the United States and the Council on Judicial Tenure under chapter 17 of this title including mileage allowance and witness fees at the same rate as provided in section 1821 of this title."

ASSISTANCE OF UNITED STATES MARSHALS

SEC. 7. Section 569(b) of title 28, United States Code, is amended immediately after "Canal Zone" by inserting "and of the Judicial Conference of the United States and the Council on Judicial Tenure under chapter 17 of this title".

MISCELLANEOUS

SEC. 8. (a) Within 180 days after the date of enactment of this Act, the judges of each circuit, the Court of Claims, the Court of Custom and Patent Appeals, and the Customs Court shall elect one member from each such circuit and such courts to serve on the Council on Judicial Tenure in accordance with section 377(b) of title 28, United States Code (as added by section 2(a) of this Act).

(b) Within one year after the date of enactment of this Act, the Council on Judicial Tenure shall promulgate rules for the conduct of its activities.

(c) Within one year after the date of enactment of this Act, the Judicial Conference of the United States shall promulgate rules of evidence for use in proceedings required under chapter 17 of title 28, United States Code.

(d) All rules promulgated pursuant to subsections (b) and (c), and amendments thereto, shall be matter of public record, and shall be effective upon promulgation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3869

At the request of Mr. HARTKE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3869, a bill to provide advance notification to employees when a Federal installation is to be closed.

S. 3985

At the request of Mr. WILLIAMS, the Senator from Wisconsin (Mr. NELSON), the Senator from California (Mr. CRANSTON), and the Senator from Maryland (Mr. BEALL) were added as cosponsors of S. 3985, the Anti-Dog-Fighting Act.

S. 4060

At the request of Mr. HANSEN, the Senator from Pennsylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 4060, a bill to amend the Federal Water Pollution Control Act Amendments of 1972.

S. 4145

At the request of Mr. METCALF, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 4145, a bill to establish a National Commission on Regulatory Reform.

NOTICE OF HEARINGS OF THE SENATE SUBCOMMITTEE ON FOUNDATIONS

Mr. HARTKE. Mr. President, late last month there were reports in the newspapers that the Ford Foundation had experienced a major reduction in its assets due to the economic conditions of our time and that it might be forced to reduce its grants by a substantial percentage. Because the Ford Foundation is the largest private foundation in the United States, that report aroused substantial interest in both Government and the private sector.

I have subsequently learned that the Ford Foundation may be better off in facing the economic crunch than many other foundations, but I remain concerned about the impact which the economy is having on foundations and their activities.

Accordingly as chairman of the Senate Subcommittee on Foundations, I have set aside 2 days of hearings to hear public witnesses on the impact which the economy has had—or is likely to have—on private foundations and on the recipients of foundation grants. Those hearings will be held on Monday and Tuesday, November 25 and 26, beginning on each day at 9:30 a.m. Anyone who desires to appear before the subcommittee or to submit a written statement should contact Michael Stern, chief counsel of the Senate Finance Committee, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 not later than November 11.

Mr. President, I ask unanimous consent that an article describing the Ford Foundation financial picture and a letter which I sent to Mr. McGeorge Bundy, president of the Ford Foundation, be printed in the RECORD.

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

SEPTEMBER 23, 1974.

MCGEORGE BUNDY,
President, the Ford Foundation,
New York, N.Y.

DEAR PRESIDENT BUNDY: I was deeply concerned to note wire service stories which appeared in newspapers yesterday and today concerning the reduction in the Ford Foundation's assets.

As you are aware, the Senate Subcommittee on Foundations, of which I am Chairman, has been studying the role of private foundations in American society. From the time of our first hearing, nearly a year ago, I have been impressed by the many worthwhile projects which responsible and innovative foundations such as yours have funded. These have been people oriented programs which have concerned themselves with the many difficult social problems facing our Nation today.

Foundations serve as an important alternative to government initiative. As such, they have the freedom and the financial resources to act when government is reluctant to act, to probe into subjects which have not attracted the interest of government officials, and to question ideas and values which government refuses to question. Most important of all, they depend on a voluntary effort.

At a time when the recession in our economy and rampant inflation are causing some leaders of our government to suggest cutbacks in programs which affect people directly, we cannot afford to have one of the major alternatives to government support forced to reduce its involvement in those very areas of social concern.

There are presently more than 28,000 private foundations in the United States, holding some $28 to $30 billion in assets. Together, these foundations made more than $2 billion in grants in 1972. If the experience of these other foundations is anything like yours, they can expect their assets to be diminished to $19 to $20 billion and the public can expect as much as $1 billion less in foundation grants. Clearly, this will be a tragedy for the cause of social and economic justice at a time when the need is for more—not less—financial support.

Because of my concern about the impact which the current economic situation is having on private foundations and the activities they support, I would greatly appreciate any information which you may be able to supply about the causes of the Ford Foundation's present financial status. It is possible that the Subcommittee on Foundations will hold hearings on the impact of the current economic crisis on private foundations, and your contributions will be most welcome.

With my best wishes, I am,

Sincerely,

VANCE HARTKE,
Chairman, Subcommittee on Foundations.

[From the New York Times, Sept. 22, 1974]

FORD FOUNDATION WEIGHS REDUCING GRANTS BY 50 PERCENT; FALLING SECURITY MARKET AND INFLATION ARE CITED—DISSOLUTION POSSIBLE

(By M. A. Farber)

The Ford Foundation, squeezed like most private philanthropies by falling stock and bond markets and mounting inflation, is considering a reduction of as much as 50 per cent in its annual grants.

McGeorge Bundy, the president of the foundation, which is the wealthiest in the country, said that a cut of 50 per cent in Ford's $220-million-a-year program budget was one of several alternatives that he had presented to the trustees of the foundation for review at their quarterly meeting this week.

"HARD LOOK" NEEDED

Mr. Bundy said in an interview that the other options included smaller reductions or dissolving the foundation by distributing its assets, which have fallen from $3-billion to $2-billion in market value in the last year.

Ford's trustees rejected the idea of dissolution in 1967, when the foundation began reducing its grants from a level of more than $300-million annually. Mr. Bundy declined to comment on the likelihood of the trustees' voting the foundation out of business, but few trustees are believed to favor dissolution.

"We need to take a hard look at our situation," the Ford executive said. "The question is how much action to take now. If we continue to spend at our present rate and things don't get better fast, we're in trouble."

Mr. Bundy said it was uncertain which program areas might be hardest hit. Under any circumstances, he said, the foundation will honor all its current commitments.

Dr. Alexander Heard, chairman of the foundation's board of trustees, said the financial problems facing the foundation were similar to the problems confronting privately endowed universities, hospitals and other institutions.

Dr. Heard, who is chancellor of Vanderbilt University, said the review by Ford's trustees would reflect the gravity of "the general state of the economy and of the stock market."

"But no decisions have been reached," he said, "and we ought to guard against pushing the panic button too hard or too soon."

A major reduction in financing by the Ford Foundation—particularly at a time when many other foundations are contem-

plating or beginning cutbacks—could have a significant psychological as well as financial impact on philanthropy. It could also increase pressures for additional public funds for innovation in education, the environment, the arts and many other areas.

"HANDWRITING ON WALL"

A number of philanthropic leaders said that a severe cutback by the Ford Foundation might "shock" grant-seekers; but that a reduction of some kind had long been expected in foundation circles.

"The handwriting was on the wall," one foundation manager remarked. "Ford isn't exempt from the problems plaguing us all."

Ford, which finances research and subsidizes hundreds of experimental programs around the world, is by far the wealthiest American foundation.

The second wealthiest is the Robert Wood Johnson Foundation, which specializes in the health field. The market value of the Johnson Foundation assets fell from $1.5-billion to $1.3 billion between 1972 and 1973, according to the Foundation Center, an association of philanthropic organizations, but a current figure was not available yesterday. Officials of the center said the value of the assets of most of the major foundations had declined dramatically in recent years, often by more than 25 per cent.

The Ford Foundation has consistently given away twice the amount it earned through dividends and interest on its investments and substantially more than the amount required under the Tax Reform Act of 1969.

TOLL IS GROWING

In the last year "total returns" on the foundation's diversified investment portfolio—dividends and interest plus capital gain or loss—were somewhat higher than Standard and Poor's 500-stock index, according to Mr. Bundy. But he cited an observation by Roger G. Kennedy, Ford's vice president for finance, that "you can't eat relative performance."

Mr. Bundy said that inflation had had an especially acute effect on Ford and other foundations because the activities they financed generally used to pay for wages and salaries. In 1973, inflation led to a net loss of more than $400-million in Ford's "purchasing power," he said, and the toll is even higher this year.

A decade ago Ford's assets were valued at $4-billion. The value of the portfolio has fluctuated markedly since then, but it had stabilized at about $3-billion in the several years prior to 1974. Most of the investments are in stocks, with recent diversification into real estate, bonds and cash equivalents. Early this year the foundation completed its gradual divestiture of stock in the Ford Motor Company.

ABOUT $4.6 BILLION GIVEN

The foundation—once described by Dwight Macdonald, the writer, as "a large body of money completely surrounded by people who want some"—was started as a small family trust in Michigan in 1938. It emerged as an international philanthropy in 1950, after the death of Henry Ford and his son, Edsel, who bequeathed to it 88 per cent of the non-voting stock in the Ford Motor Company.

About $4.6 billion has been donated by the foundation to nonprofit enterprises. Each year Ford receives more than 30,000 applications for grants and gives out about 1,100. Few other foundations give away even one-fourth the amount of money that Ford does annually.

Before Mr. Bundy, a former national security adviser to Presidents John F. Kennedy and Lyndon B. Johnson, became president of the Ford Foundation in 1966, the foundation was renowned for its vast if somewhat passive contributions to higher education, hospitals and medical schools.

Under Mr. Bundy—and not without criticism for influencing social revolution—the foundation has taken on the massive problems of poverty, race, and the quality of urban life. Abroad, the foundation has concentrated on alleviation of food shortages and on population growth and family planning.

CUTS INDICATED EARLIER

Ford operates on a two-year cycle, with the present budget period ending Sept. 30, 1975. The current budget allocates about $5-million a year to $15-million a year for programs than in the years just before 1973.

But the first real indication that larger cuts were probably in store came last March in a Ford publication. The publication noted that the trustees "have begun planning, subject to review as economic and other circumstances change, for an important reduction in the level of regular program support" starting with the 1975–77 budget.

Assuming that the foundation continues to operate, Mr. Bundy said yesterday, there are likely to be "course corrections along the way," regardless of the stipulated amount of any reduction in program financing. The alternatives to a 50 percent cut in the program budget, he said, "fall along a spectrum" that includes only relatively minor reductions.

When the cuts could occur would depend in part on the size of the reduction, Mr. Bundy said. He also noted that the foundation always had some grant commitments that extended over a period of years. However some sources close to the foundation said that cuts of up to 50 percent could be ordered by 1977.

STAFF REDUCTION SEEN

Mr. Bundy said that a reduction in the size of the foundation's professional staff—now about 600 people in the United States and "parallel" the scope of any program cut. But he said that a "gradual" withdrawal of support for certain programs would not involve quick broad reductions in staff.

The idea of dissolving the foundation has been discussed by Ford trustees from time to time, but it has never been as closely scrutinized as it may be this year. In 1967 the foundation asserted that the "need for an independent agency like Ford in the future was not apt to be less than at that time or in the past.

Under Federal law the foundation's assets would have to be distributed to qualified charities, and the process would probably take years to complete. The trustees would also have to decide whether large sums were to be given to a small number of recipients, or relatively small sums to many.

Mr. Bundy said it was unlikely that the trustees would make a final decision on budget cuts or dissolution at their meeting on Tuesday and Wednesday at the foundation's headquarters at 320 East 43d Street, and they might not act until next spring.

Among the businessmen, bankers, judges, lawyers and educators on the board of trustees are Robert S. McNamara, president of the International Bank for Reconstruction and Development (the World Bank); Henry Ford 2d, chairman of the Ford Motor Company, and Dr. Kermit Gordon, president of the Brookings Institution.

ADDITIONAL STATEMENTS

THE IMPORTATION OF STRATEGIC MATERIAL

Mr. HARRY F. BYRD, JR. Mr. President, pending before Congress is legislation which would repeal the Byrd amendment, an amendment which provides that there can be no ban on the importation of a strategic material from a free world country if the same commodity is being imported from a Communist country.

Repeal of the Byrd amendment would, in the view of a Chicago business leader, give to Russia tremendous leverage "of a basic commodity that we need for our economic growth."

I ask unanimous consent to have printed in the RECORD, this timely commentary from the American Metal Market Daily of September 11, 1974.

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

INTERLAKE EXEC SAYS RHODESIA CHROME BAN WOULD PUT SOVIETS IN POWERFUL MARKET SPOT

CHICAGO.—Passage of Senate Bill 1868, which would prevent the importation of Rhodesian chrome into the United States, would "give the Soviet Union tremendous leverage as to the quality, quantity and price of a basic commodity that we need for our economic growth."

That was the warning contained in an appeal by Reynold C. Macdonald, Chairman of Interlake Inc., here, to Chicago business leaders to oppose the proposed embargo. He reported on the chrome situation to the Board of Directors of the Chicago Association of Commerce and Industry.

During prior sanctions against Rhodesian chrome, he noted, "The Soviet Union was our principal source of high quality chromite. Russia took advantage of our dependence upon it in two respects—the quality of the ore exported to the United States steadily deteriorated, and, Russian prices dramatically increased," until sanctions were lifted in 1971, he said.

Other industrialized countries, notably Japan, have signed long-term contracts with Turkish producers or have provided financial support for production of the ore as in Brazil, he said. "In any case, the output of these alternate sources is limited and their production is eagerly sought by other chrome-consuming nations."

"The primary excuse for the sanctions against Rhodesia was the disapproval of the policies of its government, but we hardly approve of the policies of the Soviet Union, either," Macdonald said.

"We cannot afford to have our economic strength used as a pawn in political and social contests for the United States, nor should we interfere with the internal problems of another country and thereby be restricted of access to essential raw material," he asserted.

Macdonald expressed regret that President Ford decided two weeks ago to support the embargo against Rhodesian chrome. "This is an unfortunate position which makes our effort doubly difficult," Macdonald said.

ROCKEFELLER HEARINGS

Mr. HUGH SCOTT. Mr. President, as a member of the Senate Committee on Rules and Administration, I have personally urged that further hearings on the nomination of Nelson Rockefeller be held promptly in the cause of fairness to Governor Rockefeller and to the country. My urging has been for naught. The chairman (Mr. CANNON) and the majority members of the committee have decided to postpone further hearings until after the election. This is a great disservice to the Nation.

The New York Times, in an editorial today urges the committee to hold full hearings as soon as the completed tax audit is available. I heartily concur. I

ask unanimous consent that this editorial be printed in the RECORD.

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

ROCKEFELLER HEARINGS

Nelson A. Rockefeller is justified in urging that Senate and House committees proceed with all possible speed to hold open hearings at which the questions raised about his nomination to the Vice-Presidency can be fully explored.

Current indications are that neither the Senate Rules Committee nor the House Judiciary Committee will act until at least a week after the Nov. 5 Congressional elections. In the meantime, dribs and drabs of information about Mr. Rockefeller and the Rockefeller family—much of it distorted—will keep filtering into newspapers, magazines and television programs, feeding the public's legitimate interest in the qualifications of a man appointed to a post that would put him in *direct line* of possible succession to the Presidency.

If Mr. Rockefeller were proposing a cover-up aimed at closing off public access to the facts about him and his record, his request for speedy hearing would be entitled to no standing. But the Vice President-designate is asking just the opposite—full exposure before the bodies officially charged with the initial duty of assessing his fitness.

It is in the public's interest, as well as his, to move ahead promptly. Chairman Cannon of the Senate Rules Committee reports that the audit of the Rockefeller tax returns will be completed early next week. Once that information is at hand, we see every reason to proceed expeditiously with full public hearings.

THE ST. LOUIS AIRPORT DILEMMA

Mr. PERCY. Mr. President, the October issue of Air Line Pilot magazine includes an excellent article entitled "The St. Louis Airport Dilemma." This article clearly documents the long battle over the question of where to put a new airport which can serve the needs of the St. Louis metropolitan area in the 21st century.

Almost 30 years ago, in 1945, a study of this problem was made. Unfortunately, that was only the first of many studies, studies which have cost over $2 million. The conclusion of study after study was that the facilities of Lambert Field in St. Louis were taxed to the maximum, and that they could not be safely and adequately expanded due to the commercial, industrial, and residential community which now hems in Lambert Field. The recommendation of study after study was that a new site had to be selected, and the site recommended is across the Mississippi in Illinois, near the Waterloo, Columbia area.

Yet, despite the massive body of evidence which has been compiled on the need for this new site in Illinois, no decision has been made. The result is that the lives of airline passengers may be put in jeopardy while the politicians and bureaucrats continue their bickering over where to put the new airport. The highly professional Air Line Pilots Association is justifiably disturbed over the inexcusable delays which have marked this entire effort.

For 4 years I have urged the White House, the Domestic Council, the Federal Aviation Administration, and the Department of Transportation to make a decision on the new airport. In short, I have urged every official who has had this political football. For 4 years no decision has been made. Even further delays may now be in store. Such delays are in the best interests of neither the Nation nor the people of this large metropolitan area. Each time a decision nears, the political pressures increase, and all we see is more bureaucratic delay, indecision, and evasion. This is intolerable and inexcusable.

Anyone who searches the record of this epic struggle finds compelling evidence that the enlargement of Lambert Field is not feasible due, very simply, to a lack of land and the prohibitively high cost of such a venture. Moreover, such an enlargement would quickly prove to be obsolete. The record is clear that the Waterloo site, based on environmental, engineering, and other studies, is the most appropriate site for the critically needed new airport. It is time that a decision is made. The people who live in this area, and the millions who will be traveling to this area in the coming years, cannot afford any more delays.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

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

THE ST. LOUIS AIRPORT DILEMMA

Shortly after the first of next year, the Department of Transportation will give a clear signal of how it views the future of commercial aviation.

The sign will come in a decision by Secretary of Transportation Claude S. Brinegar on an application to build a new 18,650-acre airport to serve St. Louis. Although no one will say so officially, it is generally conceded that the application already has been OK'd by FAA.

Indeed, FAA has long listed St. Louis as an area in need of a new major airport. In the National Airport System Plan submitted to Congress in mid-1973, FAA classed St. Louis as one of only two cities in the U.S. (the other is Atlanta) where new airports should be started at once.

Back in 1968, the St. Louis Airport Commission (the St. Louis municipal agency that runs Lambert) had moved to get a green light for the start of a new airport. A $70-million package for land acquisition and initial development was included in a $200-million airport bond issue submitted to St. Louis voters in November 1968. Most of the rest of the bonds were slated for use on Lambert improvements.

During the campaign, the commission said it envisioned an airport of 15,000-plus acres and that 10 to 15 years woud be required for development. Several possible locations, including some in Illinois, were under consideration, the commission told the voters.

The bond issue attracted broad support throughout St. Louis, including the two major daily papers: the *Globe-Democrat* and the *Post-Dispatch*. The people responded with approval by a margin of nearly 5 to 1. Of the 124,190 votes cast, 101,485 were in favor.

At the time, the outcome was taken to reflect that St. Louisians realized that Lambert simply could not serve the future needs of the jet age and that a new airport should be built at the best site possible.

A pilot's-eye view of Lambert gives some clues as to why the bonds for a new airport got such resounding citizen support. The St. Louis airport covers only 1,850 acres in a heavily built-up commercial, industrial and residential area in suburban St. Louis County. It was wide open, rural land at the time it first came into use in the barnstorming days of the 1920s.

ALPA has strongly endorsed the prompt development of a new airport for St. Louis. The Association set forth its position at a public hearing in 1971 on the application now before Secretary Brinegar.

In testimony presented for the hearing record, Captain Calvin E. Ettel (OZA), ALPA safety chairman for the St. Louis area, stated: "We in ALPA wholeheartedly support and endorse the construction of a new airport to service the St. Louis area." He pointed out that it was not the function of ALPA to endorse a specific site, but emphasized that "the need for a new airport is all too clearly evident to those of us who use the existing facility many, many times a day, every day of every year, in every weather condition imaginable."

Captain Ettel stated that Lambert Field, in its present configuration, "is at the limits of its operational capabilities, and without the acquisition of a considerable amount of adjacent land cannot provide the space for new runways, taxiways, clear zones and the like, which are essential for increased traffic flow without compromising safety."

There simply is no workable way to get the land needed to add these vital operational features. Suburban and industrial growth gobbled up all land around Lambert well before the dawn of the jet age. The result is an airport without Category II capabilities, with no capacity for simultaneous IFR use of its main parallel runway (which is only 1,300 feet from the main runway) or its cross wind runway (both the main runway and the parallel runway intersect the cross-wind runway), with too few runway turnouts, limited holding aprons and constricted passenger terminal apron.. and taxiways. Lambert is not only used by the air carriers and general aviation, but is headquarters for Ozark Airlines, the Missouri Air National Guard and McDonnell Douglas Corp.

Just as suburban growth came too soon for site expansion, the development of the Lambert area came before modern access roads could be provided. The airport is served by one six-lane expressway and some local roads. The expressway and the adjoining roads rank among the St. Louis area's most congested with virtually no possibility of meaningful expansion.

With approval of the 1968 bond issue, the City of St. Louis sponsored a study to pick the best site. Horner & Shifrin, a St. Louis-based consulting firm with aviation expertise, was engaged to conduct the survey.

After examining 12 sites in both Missouri and Illinois, Horner & Shifrin recommended a still-rural location on the Illinois side of the St. Louis Metropolitan Area, 19 miles southeast of downtown St. Louis.

Now St. Louis officials had to face the problem of how to build the new airport at the best possible site when that location happened to be in another state.

St. Louis Mayor Alfonso J. Cervantes, a Democrat, decided to discuss the problem with Illinois Governor Richard B. Ogilvie, a Republican.

A number of coincidental factors helped spark Ogilvie's interest. He was preparing to seek approval of a transportation bond issue, which could include the local funds needed to assure federal dollars. Moreover, initial inquiry showed that during a previous Illinois administration (Democratic), a study had indicated that Illinois might prove to be the logical site for a new St. Louis airport.

Since about three-fourths of the people of Metropolitan St. Louis live in Missouri, Ogilvie wanted his own independent reassurance that a new airport in Illinois would truly be in the best interests of Missouri as well as Illinois residents.

A contract was awarded to the aviation consulting firm of R. Dixon Speas and Associates Inc. The Speas firm studied 18 locations, nine in each state, and came to the same conclusion as the St. Louis consultants—that the Illinois site, near the towns of Columbia and Waterloo, was best.

The Illinois General Assembly moved to set up an agency to proceed with development of the airport. The agency, called the St. Louis Metropolitan Area Airport Authority, was empowered to work with Missouri governmental units and to become bistate in composition when appropriate action was taken by Missouri lawmakers.

Financed with a $1.5-million appropriation for operating expenses, the authority began the task of preparing an application for federal approval of the Columbia-Waterloo site and a tentative funding allocation from the Airport and Airways Trust Fund.

Meanwhile, apprehension began to develop among certain Missouri politicians and some business and labor interests. A major new airport, possibly in Illinois, which in 1968 had been a magnet for overwhelming support by St. Louis civic leadership, was suddenly looked on with concern by some members of those very same circles.

The State of Missouri, which previously had let St. Louis handle its own airport problems, engaged the Northrop Airport Development Corp., at a cost of $125,000, to perform a "site survey study for the new St. Louis Regional Airport."

Three sites were recommended by Northrop for further consideration—two in Missouri, and the Columbia-Waterloo, Illinois location. The State of Missouri ordered follow-up studies of the two Missouri sites by independent consultants, who found that there were numerous environmental and other problems, and that neither site was feasible.

Meanwhile, the St. Louis Metropolitan Area Airport Authority had engaged Arthur D. Little Inc. to review the environmental feasibility of the same two Missouri sites and a third one farther west of St. Louis. The firm reported that none of the sites was a viable location.

In May 1971, the Illinois Authority filed a request with FAA for airspace clearance for the Columbia-Waterloo site. And in January 1972, the authority submitted to FAA an extensive environmental impact study. With the study, the authority asked for site approval and an allocation of federal funds toward land acquisition.

The following month, the State of Missouri formally created a new agency, the Missouri-St. Louis Metropolitan Airport Authority, with a mission of keeping in Missouri any major airport for the St. Louis region. Among the authority's first moves was the release of a Systems Analysis and Research Corp. study that, although forecasting future passenger loads at Lambert equal to Chicago-O'Hare's present load, asserted that Lambert, with only minor changes, could suffice as the St. Louis area's major airport.

The next move by Missouri was to conduct a referendum among voters in St. Louis and five nearby Missouri counties. The ballot asked citizens to indicate their preference between keeping Lambert as long as possible and then building a new airport in Missouri on the one hand or the "immediate" construction of an Illinois airport on the other.

A month before the Nov. 7, 1972 election date, the new Missouri authority unveiled what it called the Lambert 2000 Plan, which contradicted the findings of the SARC study about Lambert's adequacy. For $370 million, the Missouri agency said, Lambert could be expanded by some 1,000 acres and made to serve into the 21st century. The price tag was within the same range as the $354 million figure for the new airport in Illinois.

Also in the same range were the Missouri authority's estimates that sometime before 1990 St. Louis would need an airport that could handle a load roughly equal to the current usage at Chicago's O'Hare.

But the Lambert 2000 Plan made no mention of the Northrop study for the State of Missouri, a year earlier, which had ruled out Lambert expansion.

A committee led by August A. Busch Jr., head of the Anheuser-Busch brewing company, pushed the advantages of Lambert 2000. In their drive the Lambert 2000 proponents group took advantage of an ill-advised moment of campaign rhetoric by Illinois Governor Ogilvie, who was in a tough battle for reelection (which he lost). At a small, private meeting he remarked on the success of his administration, saying that Illinois was "stealing" Missouri's airport. The "steal" line became a rallying cry in the referendum drive.

In the eyes of a St. Louis observer quoted in the *Wall Street Journal*, the 2000 Plan and the "steal" charge made the Missouri vs. Illinois choice, as worded on the referendum ballot, about the same as "asking a man whether he'd like Raquel Welch or a case of the measles."

The "keep Lambert as long as possible" proposition won in the referendum by a 91% margin—an outcome that apparently surprised no one.

As the dust settled after the election, the St. Louis Airport Commission, which still has the burden of operating Lambert but which did not take part in the Lambert 2000 Plan, hired the international consulting firm of Tippetts-Abbett-McCarthy-Stratton (planner of the behemoth Dallas-Fort Worth airport) to review Lambert 2000. TAMS set the price tag for the plan at $515 million, said that it was financially and environmentally infeasible and that even if the 2000 plan could be implemented, it would, at best, extend Lambert's life only to 1990.

The Missouri authority disputed the findings, but quit talking about Lambert 2000. Instead it focused its efforts on heavy legal and political activity in Washington to hold up approval of the Illinois site until a master plan on the "ultimate potential" of Lambert could be carried out.

In the meantime, James S. McDonnell, chairman of McDonnell Douglas, said that expansion of Lambert would so restrict the activities of the corporation that perhaps 18,000 jobs would be moved from the St. Louis region.

After a year of negotiations the Missouri agency agreed in July of this year with Secretary of Transportation Brinegar for a six-month study of Lambert's potential with only minor land acquisition beyond its 1,850 acres.

Such a minimal expansion is in drastic contrast with what ALPA feels is necessary. Speaking to the Missouri authority in 1972, a few weeks prior to the unveiling of the Lambert 2000 concept, Captain W. T. Alford (BNF), chairman of ALPA's Airport Committee, called for safety and operational improvements to bring Lambert up to standards that, he told newsmen, could require as much as 15,000 additional acres. Obviously, he said, the possibility of such expansion at the Lambert site was highly unlikely in an area of heavy industrial, commercial and residential development.

Besides the six-month study, Brinegar has ordered for his own use an independent updating of the forecasts for St. Louis and the impact of the changed energy picture. Also to be examined are such potential advances as STOL aircraft, which have been mentioned strongly by those trying to stop the new airport as the kind of development that will make a larger airport unnecessary.

Will the anti-new-airport element accept the results if the two latest studies go against it? There is some reason to believe that it will become increasingly difficult to mount an effective campaign against the Illinois site.

A major regional leader in government, Lawrence K. Roos, who retires this year as supervisor (a position corresponding to mayor) of St. Louis County, in which Lambert is located, is saying that the new airport should be built at the Illinois site if the present studies show that Lambert cannot serve the area's long-term needs as the major airport.

August Busch has indicated his push was to prevent Lambert's abandonment, which will not happen.

The St. Louis Globe-Democrat, which backed the 1968 bond issue for a start on a new airport and then in 1972 swung over to the other camp, has said the battle was to assure a comprehensive look at the future of Lambert before final federal action was taken on the application for the Illinois site. The Globe-Democrat has cautioned its readers editorially that there is no assurance that the six-month study will show Lambert to be adequate to St. Louis' future aviation needs.

And supporters of the Illinois site are prepared to press Secretary Brinegar for prompt action when the six-month study is completed early in 1975. They point out the high price of delay in terms of construction costs and emphasize that the Illinois site lies in the path of urbanization and will not be available indefinitely.

A ruling against the Illinois location could signal a possible federal policy shift toward a commercial aviation future based in large part on the potential capacity of present airports. On the other hand, a green light to get started on a new airport for St. Louis would indicate that commercial aviation has a fundamental place in the nation's future transportation systems and will not be constricted by the long-term limitations of existing facilities.

Approval would also signal an important role for ALPA. The Columbia-Waterloo authority has emphasized that the Association's views will be sought at every step of the master planning and design stages.

SUSAN B. ANTHONY'S BIRTHDAY SHOULD BE A NATIONAL HOLIDAY

Mr. STEVENS. Mr. President, Susan B. Anthony, 1820–1906, was a lifelong crusader for women's rights. Not only the issue of equal rights for women and blacks to which she devoted her life, but also the inspiration that her fight for freedom yields to women and men of all time has led me to cosponsor S. 3984, a bill to make Susan B. Anthony's birthday a national holiday.

Largely through the efforts of Ms. Anthony and a few other determined individuals, women were elevated from the status of chattels who could not own property, money, take possession of children, divorce an unworthy husband, or vote, to the position of a U.S. citizen.

While it is difficult for a person of our time to picture the enormity of the suffragists' struggle, it is nevertheless important to the liberation of women that we recognize through a national holiday a truly outstanding person such as Ms. Anthony who has been called a great emancipator by the public. Though basic civil rights have been accorded to the female sex only since the suffragists' time, the struggle is as germane today as ever before.

Variously called "the apostle of freedom," an individual who "changed the mind of a nation," Susan B. Anthony authored the 19th amendment to the Constitution and fought for its passage for approximately half a century. After

the 14th amendment was passed and blacks were granted the right to vote, Ms. Anthony pointed out that—

Still another form of slavery remains to be disposed of. The old idea still prevails that woman is owned and possessed of man to be clothed and fed and cared for by his generosity. The present agitation rises from the demand of the soul of woman for the right to own and possess herself.

As the leader of the National Woman Suffrage Association from its inception in 1869, Susan B. Anthony was convinced that Federal legislation was the key to women's suffrage. Even while attending every session of Congress to represent her cause, Ms. Anthony made long and difficult journeys across the country to aid in State campaigns for women's suffrage. For instance, in 1871, Ms. Anthony traveled 13,000 miles and made 171 lectures, a trek which any person can appreciate even in our day of jet travel.

Starting with an audience who received her argument with catcalls and jeers, Ms. Anthony did not give up her goal "to see better conditions, better surroundings, better circumstances for women," until she had won the respect of many people for the cause of women's suffrage. Not without wit, Ms. Anthony had an impeccable moral character. She worked with other women, organizing and preparing for the additional responsibility which the right to vote would bring.

As a response to Horace Greeley's statement—

Miss Anthony, you know the ballot and the bullet go together. If you vote, are you ready to fight?

Ms. Anthony said:

Yes, Mr. Greeley, just as you fought in the late war—at the point of a goose quill.

Ms. Anthony and a small group of women, putting their convictions on the line, dared to vote in the 1872 Presidential election, claiming to be included in the provision of the 14th amendment granting suffrage to citizens. Susan was arrested, convicted by a judge who claimed that women were less than persons, tried without a jury, and was fined $100. However, Ms. Anthony told the judge:

May it please your Honor, I will never pay a dollar of your unjust penalty.

And she never did.

By 1883, Susan B. Anthony had organized the International Council of Women with participants from 58 nations. "To give women a realizing sense of the power of combination," a meeting of the International Council of Women convened in Washington 5 years later. The meeting brought about a growing sense by the participants not only to forget the differences which had divided women's rights groups at home and abroad but also to make a concentrated effort to end the repressive conditions under which women lived.

Toward the end of her life, Susan B. Anthony was recognized as "a great woman statesman." As Mrs. Gaffney, then president of the National Women's Council, said:

Our great leader has taught us the sisterhood of women, and that the privileges of one class cannot eradicate the wrongs of another.

Written 50 years before her death, the 19th amendment would not be passed until 1920, granting women citizens the right to vote.

On her 86th and last birthday, Ms. Anthony declared:

I have been striving for 60 years for just a little bit of justice, and yet I must die without obtaining it.

Yet, her sadness was offset by determination which she summed up in a statement from her last speech, "Failure is impossible."

I strongly urge that Members of Congress vote to make Susan B. Anthony's birthday a national holiday. In our own time, with only five States holding out on the ratification of the equal rights amendment, women still are fighting for "a little bit of justice" which the commemoration of this truly oustanding woman could provide.

THE U.S. FOREIGN SERVICE

Mr. HARRY F. BYRD, JR. Mr. President, as one who through the years has been in many foreign nations, I am happy in this 50th anniversary year of the creation of the career Foreign Service of the United States, to salute the men and women who assist in carrying out our foreign relations.

As chairman of the International Finance and Resources Subcommittee of the Senate Finance Committee, and as a member of the Armed Services Committee—and previously as a newspaper correspondent—I have met many of our representatives of the Foreign Service.

During visits abroad I have also seen firsthand their work, which they perform with great dedication.

We Virginians are proud of those who serve the Nation. We are proud that a Virginian, Thomas Jefferson, was the first Secretary of State. Over the years many Virginians have served the Department of State and the Foreign Service.

But today I pay tribute to all who serve the Foreign Service.

These men and women represent all States and all sections of our Nation. They come from hundreds of colleges and universities, and from many diverse backgrounds.

On November 15, hundreds of these dedicated public servants—both active and retired—will gather in the Department of State for their annual Foreign Service Day, or "homecoming." It is fitting that these members of the Foreign Service—many with 30 and 40 years of devoted service to the Nation—should gather to discuss current issues, to renew friendships, and to honor their colleagues.

For nearly 200 years, men and women of the Foreign Service have stood ready to sacrifice their interests, their comforts, and their lives for the United States. Many have served—and are serving—in distant lands, daily facing hardship and disease. They have stuck to their posts, in the face of terrorism, revolutions, and natural disasters.

Duty is a watchword with them.

There are two bronze plaques in the Diplomatic Lobby of the Department of State Building. On these plaques are engraved the names of more than 100 members of the U.S. Foreign Service "who, while on active duty, lost their lives under heroic or tragic circumstances." The first name is that of William Palfry—"lost at sea, 1780." The last two are those of the American Ambassadors, Cleo A. Noel, Jr., U.S. Envoy to the Sudan, and Deputy Chief of Mission George Curtis Moore, who were murdered by Black September Palestinian guerrillas at the Saudi Arabian Embassy in Khartoum on March 2, 1973.

Soon to be added are the names of a young Vice Consul, John S. Patterson, and a veteran diplomat, Ambassador Rodger P. Davies.

Mr. Patterson was serving on his first overseas assignment, as economic/commercial officer at the U.S. Consulate in Hermosillo, Mexico. His body was found near that city on July 8 of this year. A note found at the Consulate General said that he had been kidnaped and demanded delivery of a ransom.

Ambassador Davies was killed on August 19 when rioting Greek Cypriots attacked the U.S. Embassy in Nicosia. Once again the Nation mourned a professional Foreign Service officer who was struck down at the height of his distinguished career.

In all, there are some 8,500 men and women in the Service now. They are helping the country and advancing the principles upon which our national and international life are based. At this critical time, Foreign Service people are in a position to work effectively for peace and freedom.

These men and women are responsible for conducting our relations with the nations of the world, for safeguarding American lives and property abroad, for helping American businessmen in their dealings overseas, and for representing our country and its policies to the governments and citizens of foreign countries in such a way as to win their sympathy and support.

Work in the Foreign Service today is so varied that it is impossible to describe it completely. An officer can help negotiate treaties or cultural exchanges; or, as a commercial officer, assist American businessmen in locating business opportunities abroad. He or she may be assigned to the staff of the U.S. delegation to one of many international organizations such as the United Nations, North Atlantic Treaty Organization, and Organization of American States.

The Foreign Service officer must report accurately to the Department of State on a multitude of activities of interest to the United States, including politics and economics, trade and tariff policies, public opinion and social conditions.

The Rogers Act of 1924, which established the modern Foreign Service, was sound. But today the Foreign Service goes beyond the traditional diplomatic duties of negotiating, reporting, representing.

Today members of the Foreign Service also seek solutions to such complex problems as those relating to energy population and the environment. They

seek new ways to limit and control armaments and new treaties to deal with the oceans and outer space.

It is vital that in their work, the men and women of the Foreign Service keep uppermost in their minds the true national interest of the United States. In that way, they will play a crucial role in advancing the cause of peace and freedom.

As the Foreign Service marks its first 50 years, it must look to the future. I am confident that the Foreign Service will continue to serve us well.

AGRICULTURE'S DILEMMA

Mr. McCLURE. Mr. President, I am sure that all my colleagues here in the Senate are acutely aware of the severe problems plaguing our American farmers today.

As America's most basic and most important industry, agriculture must carry the burden of providing food for both domestic consumption and for export. Yet in attempting to meet this responsibility, our farmers are encountering short supplies, spiraling production costs, and declining prices for their products. It has been said that the farmer is the only businessman who buys everything at retail, sells everything at wholesale, and pays the freight both ways.

Because of the desperate situation in which many farmers now find themselves, there has been a constantly increasing volume of mail arriving at congressional offices, outlining the problems and asking for immediate action.

Well, when we start hearing the chants loud and clear from back home, most of us figure we had better get moving and do something—or we will not be around to hear them the next time. But before the instinct for political survival prompts us to scurry off in search of solutions, we should take a hard look at what the problems really are. And equally important, we must look at the costs and limitations of the potential solutions.

Of course, it would be nice if passing laws and creating programs would bring instant relief. Then we could simply outlaw inflation.

But we cannot repeal the law of supply and demand, and we cannot solve economic problems by legislative fiat. And since a large part of the blame for the present economic mess can be traced to previous Government "remedies," I believe it is essential that we exercise great caution in attempting to find governmental solutions to our problems. We must avoid going so far in correcting past mistakes that we create a whole new cycle of Government-sponsored market distortions.

Certainly, we may be able to provide some help through governmental action —such as the modification of meat grading standards, for example. But the root of the farm problem today is economic—inflation fueled over the last several years by excessive Government spending and interference.

The farmer, like the rest of us, has almost always had to live with some inflation. But until the last few years farm prices have not risen as fast as most other prices. One major reason for this is technology—better machinery, better fertilizers, pesticides, and herbicides, improved methods of cultivation, improved plant varieties, and so forth.

This so-called green revolution has increased productivity so rapidly that it has, to a large extent, kept pace with inflation. Thus, American agriculture has been able to absorb a great deal of inflationary pressure, in effect subsidizing the American consumer.

In most developed countries today, as in this country several years ago, food costs from one-third to one-half of the average family's income. In the United States today, the cost is about 16 percent—one-sixth of the average family's income. And we are eating more and better food than most of those other people. In addition, while the cost of food has been declining relative to our total budgets, the quality has been constantly increasing. How many other products can we say that about?

But now the relative decline in food prices has virtually stopped. In fact, some of them seem to be regaining lost ground. Last year they were only 15 percent of our average family's budget. Why?

Clearly, part of the answer is that our farms are highly efficient now. Increased costs are no longer matched by increasing yields per acre or per head. Consequently, these increased costs must be passed on if the farmer is to survive. This, quite naturally, upsets the consumer.

It seems, therefore, that the battle lines are forming again between the producers and consumers. The farmers must have some minimum price to keep producing, and housewives will balk if the prices get too high, although they must still eat something, and should be aware of the long-term consequences of consumer boycotts. However, this is a classic example of how the market system is supposed to work. But the adjustments will be painful, and sometimes downright bitter—and there is little, short of a totally managed economy, that the Government can do about it.

I believe that the Government's role in this adjustment should be limited to facilitating the operation of the market system—that is, aiding the transition to a price level that the farmers and consumers can both live with. We should not tell the farmers how much to produce, and we should not tell consumers how much to buy—the market should do that.

We can help by not pitting producers and consumers against each other for political reasons. Too many people still believe that legislation which helps the farmer hurts the consumer and vice versa. We should be the first to recognize that it is in the best interests of consumers over the long term for the farmers to obtain a fair return. And this, of course, applies to middlemen as well.

But there are some hard realities we must face in determining how we can aid both groups. The dairy industry is a good example of the problems we face. Our small dairy farmers are in dire straits. Operators with approximately 150 head or less are going broke—literally by the thousands—while milk prices are as high as they have ever been.

Consumers do not want the price to go any higher. But there appears to be little chance of dairymen's costs going down this year; and without higher prices we stand to lose a great deal of our productive capacity. This would naturally reduce the available supply and drive prices up further. This would not be so bad under a totally flexible market system, where the increased prices would encourage expanded production and lead us toward stability. But this is not an industry which can expand rapidly. Some of the most productive herds have required generations of breeding, and they are not easily replaced.

Because of this "imperfection" in the market system created by such a lag in response time, Government action may be in order to moderate—not eliminate—fluctuations in productive capacity, and thus in supply and price. This essentially requires that we not depart very far from the existing market situation. If we come up with sweeping programs, we are going to create substantial distortions.

We are not going to make everybody happy—not because we do not want to—especially this time of year—but because we simply cannot. This does not, of course, mean we should sit by and do nothing. The market system is not perfect, and it does not always function smoothly despite—or because of—our efforts here.

But when we enact legislation, and we will, in response to this crisis, let us try to aid the functioning of the market system—and not overcome it or substitute for it.

By and large, the American people are not going to be satisfied with what we are able to do here. We would all like to be able to do more for our friends at home and around the world. But there is only so much we can and should do. We and the people back home will be better equipped to deal with our problems if we can provide sensible leadership, tempered with the restraint which comes from a realistic assessment of both our capabilities and our limitations.

"PUSH" EXPO '74

Mr. PERCY. Mr. President, on September 28 I once again enjoyed visiting the PUSH Expo in Chicago, Ill. I toured this business and cultural exposition—which features the accomplishments of blacks and other minorities—with Chicago Alderman and Attorney Anna Langford. We were highly impressed with this year's exhibits.

Operation PUSH, headed by the Reverend Jesse Jackson, began this annual Expo in 1967. It has since grown from a small business trade fair to a major event attended by thousands.

"Save the Worker" was chosen as Expo '74's theme in order to underscore the unrecognized role of working class Americans in our Nation's economic growth.

The Chicago Tribune featured a series of articles on this 5-day event and I ask unanimous consent that they be printed in the RECORD.

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

[From the Chicago Tribune, September 22, 1974]

EXPO WILL FOCUS ON BLACK WORKER

(By Barbara Reynolds)

We would know them by their absence—the fix-it men, the floorsweepers, the farmers, cooks, and crane operators. All are faceless and invisible until things go wrong. Yet their hands and their sweat provide the fuel that makes the country run.

PUSH Expo '74, opening Wednesday in the International Amphitheater with the theme, "Save the Worker," will magnify the contributions and problems of the working class, both white and black, according to Thomas N. Todd, chief consultant on the largest minority business and cultural exposition in the United States.

Comparing the thrust with an inverted pyramid, Todd, an attorney, said, "This country is top-oriented. We forget those individuals at the base, who, without them, there would be nothing at the top to run. This year's Expo will focus on the foundation. We are just turning the production pyramid upside down."

Specific worker-oriented issues to be explored thru seminars, exhibitions and luncheons are: an unemployment rate of 45 per cent in Chicago's predominantly black West Side; the impact of double-digit inflation on the working poor; and the need for redirecting economic priorities by closing tax loopholes.

Todd said, "We intend to set the record straight. Blacks are not making economic progress in the country. In fact, they are *slipping* behind."

Arguing that images of blacks arriving in the middle-class income group are delusions, Todd said, "In 1970 black income was 61 per cent that of whites. In 1973, the gap had broadened to where blacks only earned 58 per cent of the income earned by whites."

The Rev. Jesse Jackson, national president of Operation PUSH [People United to Save Humanity], said Expo will be the focal point for pushing for redress for black Viet Nam veterans with less than honorable discharge who are being denied bank loans, jobs, and GI rights such as education grants, a situation he says "underscores the basically racist character of the American military establishment."

Begun in 1967 at the Chicago Theological Seminary where the Rev. Mr. Jackson was a student, Expo has blossomed from a business-trade fair, attracting little more than 100 onlookers, to an extravaganza which last year drew more than 500,000 spectators from 21 states, according to PUSH estimates.

Altho Expo remains a PUSH fund-raising affair and a tactic for boosting the profits of black businessmen, it also is lauded as an educational forum, and an entertainment stage of black America.

Providing the cultural phase of the five-day event are entertainers, such as Bill Cosby, Richard Pryor, Nancy Wilson, Roberta Flack, and Quincy Jones.

In keeping with its theme, a Worker of the Year award will be presented on Saturday to a housewife, welfare mother, or laborer whose contributions ordinarily would go unrecognized.

This year's Dr. Martin Luther King, Jr. Award will be presented to the Rev. Leon Sullivan, president of Opportunities Industrialization Centers based in Philadelphia, manpower training programs operated in 40 states and three foreign countries.

The Rev. Mr. Sullivan, the opening day keynote speaker, is credited with introducing the Operation Breadbasket economic boycott concept to Dr. King, who began Breadbasket in the South in 1962 as an arm of the Southern Christian Leadership Conference. In 1971 the Rev. Mr. Jackson broke from the SCLC and the Breadbasket organizations became Operation PUSH.

[From the Chicago Tribune, Sept. 25, 1974]

PUSH EXPO TO FOCUS ON PLIGHT OF WORKERS

(By Barbara Reynolds)

For five days, beginning Wednesday, the International Amphitheater will * * * the black Main Street, U.S.A., a street bazaar of accomplishments from business to workmanship to art.

PUSH Expo '74 is the largest minority business and cultural exposition in the United States. The theme of this year's Expo is "Save the Worker," magnifying the contributions and problems of the working class, both white and black.

Wednesday's festivities will begin with a breakfast address in the Saddle and Sirloin Room of the Stock Yard Inn by the Rev. Leon Sullivan, the first black board member of General Motors.

The Rev. Mr. Sullivan, founder of Opportunities Industrialization Centers, will be presented the Dr. Martin Luther King Jr. Award. Also receiving awards will be Norman Houston and George Beavers, founders of black-owned Golden State Mutual Life Insurance Co.

At 10 a.m., the exposition hall opens, with almost 600 business, government, and community service exhibits. For the first time, a cultural display will highlight successful black women, such as Rosa Parks, who triggered the Montgomery, Ala., bus boycott in 1955.

After ribbon-cutting ceremonies at 10:30, Chicago junior college students will be entertained by the Main Ingredients and the Sons of Slum, musical groups. A voter registration card is required for admittance. Vote registration applications are available at Expo.

At noon, Robert Johnston, regional director of the United Auto Workers, and Charles Hayes, international vice president of the Amalgamated Meatcutters Union, will be chairman of a labor leaders' luncheon in the Stockyard Inn.

Evening entertainment begins at 7:30, featuring Nancy Wilson, Marvin Gaye, the Graham Central Station, and Kool and the Gang. Admission runs from $5.50 to $7.50.

Thursday's special events include a political breakfast panel of the three black candidates for Chicago Mayor: Edward Allen, E. Duke McNeil, and State Sen. Richard Newhouse [D., Chicago].

Evening entertainment will be headlined by Isaac Hayes, the Dramatics, and the Blue Magic.

During the day, children will be entertained free by a multiethnic theatrical production starring children from black, Latino, and suburban schools.

In conjunction with Expo, PUSH Tuesday held an all-day seminar to examine the new federal Community Development and Housing Act as it applies to the poor.

H. R. Crawford, assistant secretary of the United States Department of Housing and Urban Development, urged black housing professionals in attendance to rehabilitate abandoned inner-city buildings to provide housing for low and moderate income families. Chicago has 5,000 abandoned buildings, most of which can be rehabilitated, he said.

Several participants in the seminar, however, criticized the new federal housing act for failing to provide for a significant amount of new housing construction as well as rehabilitated housing in black neighborhoods.

The Rev. Jesse Jackson, national president of PUSH, said the organization has created an agency to stimulate the building and rehabilitation of housing in black communities with federal assistance.

[From the Chicago Tribune, Sept. 26, 1974]

EXPO '74 OPENS WITH CALL FOR JOBS

(By Barbara Reynolds)

Two of the nation's leading black civil rights leaders told business and political figures at a PUSH Expo '74 breakfast Wednesday that "militant pressure" is needed to keep inflation from striking hardest at the unemployed and workers at the bottom of the economic scale.

The creation of at least a million jobs to aid minorities, both black and white, was urged by the speakers—the Rev. Jesse Jackson, national president of PUSH, and the Rev. Leon Sullivan, founder of Opportunities Industrialization Centers.

More than 1,000 business and political leaders attended the event, which began the five-day PUSH Expo '74 in the International Amphitheater, the largest minority business and cultural exposition in the United States.

The Rev. Mr. Sullivan warned that, economically, America is "heading toward an iceberg," and like the ill-fated Titanic will end in disaster unless "the ship [America] is turned around."

He said the iceberg is made up of 75 million Americans on three levels of poverty—25 million who have an income of $3,000 or less a year; 25 million with $6,000 or less, and 25 million with $9,000 or less.

In a talk later before a group of labor leaders, the Rev. Mr. Jackson said he will take action to "preoccupy the nation with shame" over the unemployment problems.

"We're going to line up all the unemployed in Chicago and march them to the unemployment lines to dramatize the issue," he said.

[From the Chicago Tribune, Sept. 27, 1974]

BLACK UNITY IN POLITICS A MUST: JESSE

(By Barbara Reynolds)

The city's top black political leaders should unite if they are to take over the decision-making functions of government and the mayor's post in 1975, the Rev. Jesse Jackson, national president of Operation PUSH, said Thursday.

He appealed for a bipartisan effort to accomplish four goals of Operation PUSH: Feeding the hungry, federal action to provide jobs, quality education, and unbiased hiring in the police and fire departments.

The Rev. Mr. Jackson made his call for political unity at PUSH Expo's Save the Worker breakfast, which was attended by the three black candidates for mayor and a cross section of black Democrats, Republicans, and independents.

They included Robert Holloway, the only black Republican in the state legislature; Ald. Wilson Frost, president pro tempore of the City Council; and Rep. Peggy Smith Martin (D., Chicago), the only black independent in the House.

The Rev. Mr. Jackson said Mayor Daley has three options in the upcoming mayoral race in Chicago.

He said Mayor Daley could resign now or decide not to run for another term. The mayor could try to appoint a successor, or the mayor could run again, win, and then insure the appointment of a successor if he does not complete his term.

All three black mayoral candidates spoke at the breakfast meeting.

Atty. E. Duke McNeil, the former president of The Woodlawn Organization, said that if he were elected mayor he would challenge industry to return to Chicago. He said he would push industrial leaders to educate and train blacks and whites for existing jobs.

State Sen. Richard Newhouse, (D., Chicago), said he already has been active in cutting off funds for training schools which have inadequately engaged in training programs for blacks.

"There are jobs in the city to ease the

soaring unemployment rates, but they are held by people who live outside of Chicago," Newhouse said.

Edward Allen, president of the West Side Development Corp., said he was confident that he would be successful in his bid for the mayoral post.

[From the Chicago Tribune, Sept 28, 1974]

JESSE ANNOUNCES COALITION TO FIGHT U.S. STAGNATION

(By James Robison)

Blacks will "go back to the streets with direct nonviolent action" unless America provides one million jobs for the country's poor in the immediate future, said the Rev. Jesse Jackson, president of Operation PUSH, at the close of a four-hour private meeting of black church leaders here Friday.

He said President Ford's proposals for 85,000 public works jobs is not enough "to alleviate what for many may be a very cold winter."

The Rev. Mr. Jackson spoke in behalf of more than 80 black church leaders who met at Johnson Publishing Co., Inc., 820 S. Michigan Av., to form what he called "a new coalition to break the country's economic stagnation."

The Rev. Mr. Jackson characterized the Friday summit here as being in the same league with the meetings of black church leaders before major civil rights moves of the past—the Montgomery bus boycott, the Birmingham campaign for open public accommodations, and the Selma, Ala., march resulting in passage of the federal voting rights act.

"Black churches now need a new dimension of aggressive leadership that has been absent since the assassination of Dr. Martin Luther King, Jr.," he said.

"After Dr. King died, there was no spiritual axis around which men and women could rally," he added, noting that Friday's meetings "are to be seen as a reestablishment of that old coalition."

Asked if he saw himself as that "new spiritual axis," the Rev. Mr. Jackson said he is "just a country preacher" and "only a participant" in the new coalition.

He said among the other leaders are the Rev. C. T. Vivian, dean of students at Shaw University, Durham, N.C., and a long-time aide to Dr. King; the Rev. Leon Sullivan, Philadelphia, founder of Opportunities Industrialization Centers and the first black member of the board of directors of General Motors Corp.; and Bishop D. Ward Nichols of Denver, senior bishop of the 1.2 million-member African Methodist Episcopal Church.

The Rev. Mr. Jackson was quick to try to broaden the base of support for the coalition. He said that the "ideas raised here today are not limited to the black ghettos," and that he looked for a new working partnership among Jews, Arabs, Latinos, and poor whites.

He called for a second summit conference of black clergy for Dec. 3 to 5 to evaluate government efforts to meet the coalition's demands.

He said there "was unanimous disagreement" among the churchmen with Ford's proposals to break inflation by reducing expenditures in health, education, and welfare. He said cuts should come in military spending.

THE CASTRO REGIME IN CUBA

Mr. McCLURE. Mr. President, the question which much be squarely faced as we consider whether to relax our sanctions against the Castro regime in Cuba is whether such action serves the interests of the United States.

As I evaluate the various points made thus far by those advocating a change of policy, I remain unconvinced of the merits of their case. Numerous explanations or rationalizations have been presented in the last several months. Basically they are predicated upon a pair of assumptions which are erroneous: First, that our previous policy has failed, or in the favorite simplification, is "an anachronism" and, therefore, we must "normalize" relations with Cuba; or second, that the Cubans, ourselves, and indeed the whole hemisphere will be better off if Castro rejoins the regional family.

Only when we carefully recall what was the objective of our policy of isolating Castro's regime can we proceed with an intelligent verdict on the results. At least since the 1962 missile crisis our policy has not been one of attempting to overthrow the Communist dictatorship in Cuba and establish a friendly democratic government. We initially erred through our disastrous indecisiveness at the Bay of Pigs and our unwillingness at that time to remove this base of subversion in the hemisphere. Perhaps as a condition of Khrushchev's removal of the Russian missiles from Cuba, we decided not to support further efforts to overthrow Castro's government. In fact, on numerous occasions in the past decade, we have prevented exiles from Cuba from fomenting counterrevolution in Cuba.

Actually in the last decade our goal has consisted primarily of preventing the Communists in Cuba from exporting their revolution to other Latin American nations. This policy has succeeded. No other government in the hemisphere has succumbed to Castro's brand of revolution. Whenever Castro has attempted to foment guerrilla warfare against governments in Latin America, such as Bolivia, his agents have been defeated. In one instance Castro attempted to work with the constitutionally elected Marxist government of Salvador Allende. Here, however, as Allende abused executive power and allowed Castro's agents to train illegal paramilitary groups, the people of Chile strongly supported a coup led by the armed forces against the minority Marxist government. The situation in Chile 13 months ago should remain an object lesson that Castro remains committed to the subversion of governments in the hemisphere. Castro criticized Allende for not acting firmly enough against his opponents. Nonetheless, through illegal military training centers, including one at his country residence, the Chilean President appeared to be attempting to implement much of Castro's advice. After the coup in Chile, a number of weapons were discovered sufficient to equip a 20,000-man army. Most of this material had been smuggled in from Cuba. Either a Communist coup d'etat or extensive civil war appeared near as the military took control of the government on September 11, 1973. With this setback in Chile, Castro may be willing to alter his tactics or at least his rhetoric now, but should we alter our policy to suit his needs? Through our present policy, we have succeeded in isolating communism in the hemisphere and, therefore, a change of policy would probably only enhance the growth of Castro's influence rather than diminish it.

We have, therefore, successfully isolated the growth of communism in the Western Hemisphere. But some then contend that other nations in the hemisphere no longer support such a policy and we should change to "conform to the realities of the region." Even if other nations no longer support the isolation of Cuba, it does not logically follow that our own policy is in error. If other nations make an erroneous decision regarding recognition of Cuba, we only compound their error by unthinkingly following them. If other nations wish to extend trade privileges and diplomatic recognition to Cuba that is their prerogative. We must, at least, make our own decisions in our own interest. And, as the largest and most powerful nation in the hemisphere, we should be exercising leadership rather than followership in the formation of policy.

The Organization of American States remains about evenly divided over the issue of the readmission of Cuba. Some nations, such as Argentina, have reopened trade with Cuba. But other important nations, such as Brazil, Colombia, and Chile remain hostile to any unconditional overtures to Castro. Thus the position which the United States takes in the meeting next month in Quito, Ecuador, could be of decisive importance. Therefore, we should discuss what conditions should be met before we advocate any change in the present embargo.

Certainly, the first prerequisite for any change in policy should be some assurance that Castro will forsake his support for revolutionary movements throughout Latin America. All available evidence, and Castro's own speech in Havana 2 weeks ago, indicate that he has not abandoned his goal of disrupting the internal affairs of his neighbors. Similarly, we should have some demonstration that Castro actually wants to rejoin the OAS and conduct his affairs of state on a level of political maturity. Instead, in his Havana address, he called for the creation of a new OAS without the presence of the United States. Rather than making any overtures to the United States, Castro developed a thesis of rigid polarity with the following words:

> The United States on the one hand and the Latin American and Caribbean countries on the other are two worlds as different as Europe and Africa. There is no room for both in the same community. The Strait of Gibraltar, which is a miniscule sea, separates them there. Here we are separated by the Rio Grande and the Florida Strait.

Castro's notion of unity in the hemisphere means an alliance of antagonism against the United States and other so-called imperialist or Facist nations. As Castro continues to flay away at us, we must not masochistically ignore this and even tacitly acknowledge the validity of his tirades by extending him a hand of friendship.

Lastly, we should not support any relaxation of our embargo of Cuba as long as its government remains a great showcase of tyranny in the hemisphere. Many Members of this body have in the past year expressed their genuine feelings of

concern about the plight of persons throughout the world being persecuted by governments, because of their political beliefs. In the history of the hemisphere probably no other government has violated the standards of justice and decency more than Fidel Castro's. Over 800,000 people have fled their homes in Cuba, usually with nothing more than the clothes on their backs. Over 14 years after the revolution we have reliable reports that thousands of men remain in jail for opposing the regime. Before we are willing to reopen any trade with the government of Castro, and thereby extend to his regime a form of economic support, we should have some evidence that this does not simply reinforce an oppressive tyranny.

STRENGTHENING THE SCIENCE AND TECHNOLOGY POLICY APPARATUS OF THE EXECUTIVE BRANCH

Mr. MOSS. Mr. President, in passing S. 32 in this session, the Senate took an important step toward reinvigorating and strengthening the science and technology policy apparatus of the executive branch. Since the provisions of S. 2495, which Senator MAGNUSON, Senator TUNNEY, and I introduced last year, have been incorporated into S. 32, I want to review the history of that bill briefly.

During its consideration by the Committees on Aeronautical and Space Sciences and Commerce, S. 2495 had evolved into a bill to create a Council of Advisers on Science and Technology, thus closely paralleling the recommendations of the National Academy of Sciences. The Academy report, "Science and Technology in Presidential Policymaking," released last June, reflects the sincere and considered belief in the scientific and technological community that existing mechanisms for formulating science and technology policy in the executive branch are simply inadequate. I very much agree. On the basis of this report, and of the testimony of the many distinguished witnesses who appeared before the two committees, we jointly and unanimously reported S. 2495 last month. Pursuant to a previous agreement, the bill was then rereferred to the Committee on Labor and Public Welfare.

As the joint report of our committee, Report No. 93–1155, makes clear, we concluded that there were four basic needs which S. 2495 could serve:

First. A permanent, continuing, high-level body to provide long-range planning and policy assistance on science and technology policy matters;

Second. Objective, credible policy assistance on science and technology;

Third. Long-range policy implications of scientific and technological developments needs to be discussed in an open forum; and

Fourth. More effective coordination of existing Federal research and development efforts.

S. 2495 was accordingly amended to meet those needs in the following ways:

First. S. 2495 establishes a Council of Advisers on Science and Technology to serve as a source of scientific and technological analysis and judgment for the President with respect to major science and technology policies and plans of the Federal Government;

Second. S. 2495 provides for high-level, objective policy advice and assistance to the President;

Third. S. 2495 establishes a Council of Advisers on Science and Technology which will be accountable and whose efforts will be subject to public scrutiny; and

Fourth. S. 2495 strengthens the existing mechanisms for coordinating Federal research and development programs.

I believe that the distinguished Senator from Massachusetts further strengthened this legislation. He and his colleagues on the ad hoc subcommittee on the National Science Foundation are to be commended for their prompt and favorable consideration of S. 2495. Although we are late in the session, I hope that the House will be able to act on this important legislation this year.

SENATOR PERCY OPPOSES RAILROAD RETIREMENT VETO

Mr. PERCY. Mr. President, unfortunately bad weather and airplane mechanical trouble prevented me from voting yesterday on the override of President Ford's veto of the railroad retirement bill. I can understand the President's objections to the bill; it will be expensive and it will mean that millions of American taxpayers will be paying for a retirement system from which they will not reap direct benefits. However, I do not feel these objections are valid reasons to uphold the veto and had I been here I would have voted to override the veto.

As we are all well aware, the railroad retirement system is on the brink of bankruptcy. Last year, Congress passed and President Nixon signed Public Law 93–69, establishing a Railroad-Union Joint Committee to recommend a method of saving the railroad retirement system. That committee, after months of negotiation, proposed the plan contained in this bill. The appropriate committees in both Houses of Congress gave careful consideration to this proposal and we ultimately gave the bill overwhelming approval, voting 343 to 10 in the House and 86 to 1 in the Senate. I believe that this concurrence among railroad labor and management and Congress is a good indication of the soundness of the proposal.

The administration has suggested that the financial stability of the railroad retirement fund be improved by cutting railroad retirement benefits and by raising the retirement tax on railroad employers. This proposal met with opposition in Congress for two entirely valid reasons. First, cutting the retirement benefits of railroad retirees, who worked hard and earned the benefits they now receive, cannot be considered an equitable move. Second, increased railroad employer taxes would inevitably be passed on to the consumer and thus be inflationary. This proposal, that was formulated by the Nixon administration, is clearly not an acceptable solution.

I believe it to be absolutely imperative that this legislation become law as it has. Defeat of this bill would not have meant just a decrease in railroad retirement benefits; defeat of this bill would have meant an end to those benefits altogether, and probably within the next 10 years.

It is not the fault of the railroad employees and retirees that their retirement system has been badly handled by the Federal Government. It was Congress who refrained from increasing railroad employer-employee retirement taxes while providing sizable benefit increases aimed at keeping railroad retirement even with social security. Nor is it the fault of the railroad employees and retirees that Congress belated attempts to reform the system come at a time when the Federal Government least desires to pay the bill and when the taxpayers can least afford an additional burden.

To be sure, this issue is not a pleasant one, but it is a simple one. We could have voted to deny to a million railroad retirees their rightful benefits for which they have worked and of which they are desperately in need for mere survival in these inflationary times. Or we could have voted to insist on the only acceptable alternative currently available—temporary subsidization by the general treasury of the railroad retirement system. I cannot believe that any one of us would choose the former course. I certainly will not.

I do wish to point out that if the administration or any other group can suggest an acceptable alternative to the proposal now before us, we can easily study it and, if warranted, replace the plan we now consider with the more acceptable one. Overriding this veto does not necessarily lock us into the new system. However, I do believe that it is time Congress stopped tinkering with railroad retirement and put in place a sound financial system railroad retirees can have confidence in. I doubt very much that we will have a more propitious time than the present to make these necessary reforms.

I regret I must oppose President Ford's reasoning, but I believe sincerely that at this time and under current circumstances we have no choice. Our only truly responsible alternative was to override the veto. The livelihood of a million Americans who have worked hard for their retirement benefits is at stake.

MUNICIPAL POWER ON THE MOVE

Mr. METCALF. Mr. President, one of the heartening consequences of mounting electric bills has been a reawakening of interest in locally owned and locally controlled power systems.

Public power provides more power at lower cost. Municipal power customers can more readily participate in decisions regarding municipal power rates and service—if they choose to exercise their opportunity—than can customers of investor-owned utilities.

The current issue of Ramparts carries a comprehensive article on the subject, written by Thomas Brom and Edward Kirshner. 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:

BUYING POWER TOWARD A PUBLIC UTILITY NETWORK

(By Thomas Brom and Edward Kirshner)

("Public power by itself isn't likely to transform America. But it is a concrete, workable example of community control and public ownership that might lead to wider political programs.")

The April 1973 ballot in Berkeley, California, presented voters with some unusual choices. Four radicals were running for city council. One of the several initiatives on the ballot called for legalizing marijuana in the city. But the item that seemed to generate the most opposition was an initiative innocuously referred to as "Measure 8."

Measure 8 called for municipal takeover of Pacific Gas and Electric's power distribution facilities in Berekely. Put on the ballot by a strong consumer action group called RIOT (Refusers of Illegal and Oppressive Taxes), it drew the combined wrath of the Chamber of Commerce, the *Berkeley Daily Gazette*, the League of Women Voters, two of the incumbent council members running for reelection, and, of course, Pacific Gas and Electric itself. Masquerading as the "Berkeley No on 8 Committee," PG&E used its own meter readers as election canvassers. It coordinated tens of thousands of dollars' worth of newspaper ads, radio spots, and voter mailings.

On April 17, Measure 8 lost by close to a three-two margin. Proponents of municipalization had been outspent by more than twenty to one. PG&E and such financial backers as the Southern Pacific Land Company, three California banks and a dozen other large corporations had poured nearly $100,000 into the campaign. This amounted to roughly five dollars for every "no" vote.

Supporters of public power in Berkeley, though defeated in 1973, carried forward a long history of sporadic local struggle for public municipal utilities in America. There were four isolated municipal power plants in 1882. Today, there are more than 2,800 public power systems, of which 1,775 are municipally owned.[1] But these public utilities, which include more than 90 percent of the nation's electric systems, generate and distribute only one-quarter of America's power.

Municipal power systems are usually quite small. About a third of them are in five states—Nebraska, Kansas, Iowa, Minnesota, and Ohio—each with over 100 municipal plants. Public power began in the 1880s in small towns. With a few exceptions, it has remained there. When electricity was introduced, privately owned utilities developed the dense, profitable urban markets first. Rural America never did get electricity until the federal government began the Rural Electrification Administration in 1935. In between were the small towns, where people wanted electricity and had enough population density to make the job financially feasible.

The subsequent growth of public power, however, was never peaceable. The private utility industry—the "power trust," as it was known in the late 19th century—was notorious for corruption, rate manipulation, and profiteering. Public power was its enemy. On the other side, radical populists organized against the utility monopolists. Public ownership planks appeared in the People's Party platform in the 1890s, in the labor-populist alliances in the Midwest during the same period, and in local reform platforms from 1896 onward.

Later, though agrarian radicals continued to support public power, the issue began to lose its ideological overtones. Some of the largest public power systems were built around the turn of the century, sponsored not by radicals but by "good government" urban reformers. These included Tacoma (1893), Jacksonville (1895), and Seattle (1902). By 1910, the number of public systems had reached 1,534. Cleveland began municipal power operation in 1914; Los Angeles and Springfield, Illinois, in 1916.

Sixty years later, the "investor-owned utilities" (IOUs) are regulated, respectable, and not nearly so unpopular. But there is still no peace between them and the public power systems. Bitterly fought takeover attempts by private utilities are frequent and often successful. The American Public Power Association (APPA) claims that it is good business for cities to operate local power distribution. Unfortunately, it is also good business for private corporations to do so. Many of the strongest surviving public power cities lie near federal dams, protected from private utility incursion by a steady source of cheap energy. These systems are the heirs of the New Deal, which produced TVA, Boulder Dam, the Bonneville Project, and hundreds of smaller power plants. But many of the other municipal systems, scattered across the Midwest and down the Pacific Coast, are more vulnerable. While they have favorable economies and a record of long public service to sustain them, solid political support has virtually evaporated. And in the past the difference between them and the IOUs has been measured in popular support, not simply in the superiority of the public systems' cash-flow charts.

Today, of course, the superiority of the cash-flow charts may take on renewed importance. Consumers hard presed by inflation may welcome the cheaper electricity customarily provided by municipal power. To be sure, energy shortages have put the squeeze on public power systems. Longstanding ties between large private utilities and the major energy companies put public power at a great disadvantage in the scramble for generator fuels. However, public power may find opportunities as well as difficulties in the "energy crisis." Oil shortages, power curtailments, and the possibility of rationing have all been met with a good deal of anger and suspicion. For the first time since the New Deal, public demands are fostering proposals in Congress and state legislatures for government intervention in the energy industry. Electric utilities regularly find their requests for rate increases challenged.

If the role of public enterprise in energy is to be expanded, public power systems offer a useful model. They work. And they bring a variety of benefits to their customers.

PAYING LESS FOR MORE

The economics of public vs. private power are straightforward. Public power systems yield cheaper rates. Comparative statistics compiled over the past century show that this holds true for cities of all sizes. Recent Federal Power Commission reports are equally convincing. FPC figures for public and private utilities in 1971 show lower costs per kilowatt-hour (kwh) in virtually every aspect of the public systems' operation. The savings are even more remarkable considering the typically smaller scale at which publicly owned utilities operate.[2]

Where do these savings come from? Exclusive of retained earnings, municipal utilities show an average of 30 percent lower costs per kwh delivered than private utilities (see Table). Of that total savings, 10 percent is due to municipal operating and maintenance efficiencies. Public systems spend less on advertising, less for public relations, less for lobbying, less for local political donations, less for accounting and collections, less for executive salaries, and less for internal bureaucracy. Also, public systems both produce and purchase their power more cheaply (5 percent of the savings). They are exempt from income taxes (20 percent). Their other taxes are lower too, though payments made in lieu of taxes reduce the savings from this item to 9 percent of the total. As public agencies, they can borrow money at cheaper interest rates (9 percent of the savings). Public systems have less-expensive plants for an equivalent number of customers and also sell more electricity per customer. This reduces the costs of depreciation and amortization per kwh delivered (8 percent of the savings). And finally, the absence of dividend payments to investors accounts for 39 percent of savings.

Public power systems, since they don't have investors to attract or pay off, retain more than twice the percentage of revenues that private utilities retain. In either system, these reinvested earnings increase the net value of the system. But in the case of private utilities, such an increase in value is reflected only in higher stockholder equity; each share of stock is in principle worth more. For public utilities, the increase in value benefits the municipality or the customers. Rates can remain low. The utility can finance its own development without resorting to borrowing.

The Edison Electric Institute, an organization sponsored by the private companies, makes much of the fact that public systems pay no taxes and are able to borrow through low-interest, tax-exempt bonds. According to the companies, public systems can sell cheaper power for these reasons alone. But the comparisons reveal that tax and interest benefits account for only a little more than one-third of the difference between public and private systems. The predominant factors remain dividend payments and efficiency.

Total taxes per kwh paid by private utilities do exceed those of municipal power systems. But these corporate taxes are paid to federal, state, and a variety of regional and local agencies. Municipal power systems pay virtually all of their contributions in lieu of taxes directly to the city's general fund. California public power cities, for example, receive about ten times more money per kwh in in-lieu payments than IOU-served cities receive in taxes. Thus local communities (though not other governmental units) benefit doubly from publicly owned power. Lower utility rates are combined with higher net revenues flowing to the city. The Pasadena municipal power system contributes 16 percent of its gross revenues, by city charter, to the general fund. The public system in Glendale contributes 15 percent; Burbank, 7 percent; and Los Angeles, with the country's largest city-owned power system, 5 percent, or $11.5 million annually. All four of these systems in the Los Angeles basin have lower rates for average residential use than the regional private utility, Southern California Edison.

Far from "missing" private utility tax payments, public power cities also enjoy lower property tax rates than comparable cities served by private companies. In public-power Alameda, California, the city tax rate per $100 assessed valuation is $2.16, compared to $3.47 in PG&E-served Berkeley. In Burbank and Glendale, it's $1.59 and $1.20, compared to $2.25 in nearby private-power Santa Monica. In Palo Alto, it's $.74 compared to $1.34 in PG&E-served Mountain View.

Certainly there are factors in these comparisons that are unrelated to utility system ownership. But in each case payments to the

[1] Of the others, 26 are operated by federal agencies; 112 by state, county, or district agencies; and 932 by rural cooperatives. There are 244 privately owned systems in the United States.

[2] The average municipal system has about 15,000 customers; private systems average about 250,000 customers.

city by the municipal systems are higher per kwh than tax payments by the IOUs to private-power cities. Moreover, even if most of a public system's savings take the form of lower rates rather than in-lieu payments, the effect on taxes may be beneficial. Low electric rates attract businesses, and a healthy local economy helps keep property tax levies down.

Both property tax rates and electric power rates—public as well as private—are generally regressive. Usually, however, there is a net progressive benefit for residential customers in public power cities if both property taxes and utility rates are lower than those in surrounding communities. Most municipal system have achieved both lower power rates and lower taxes. Anaheim even mandates lower rates than the surrounding private utility territory in its city charter. Burbank and Glendale are taking the first steps toward equalized power rates (rather than reduced rates for large users), which would add to the progressivity of the system.

GUARANTEED WASTE

A look at the special position of "regulated" private utilities helps explain why the comparison between them and public systems turns out as it does. The private power companies are, of course, owned by stockholders who demand a return on their investment. But since the 1930s, the IOUs are also government-recognized monopolies that are subject to regulation in return for a guaranteed rate of profit. The regulated "rate of return" allowed by the Federal Power Commission and state public utility commissioners currently ranges between 7 and 10 percent. Although these figures appear low, the percentages are deceptive.

For one thing, investor-owned utilities routinely exceed their regulated rate of return on private capital investments unrelated to utility operation. Many IOUs reinvest interest and earnings outside of the utility system, thus producing an unregulated secondary income for the benefit of their stockholders. Average return to stockholders' equity for the IOUs, after taxes, has equaled that for all manufacturing corporations since the mid-1950s. It has actually been higher in recent years. Most private utility return figures are currently between 10 and 15 percent, but Citizens Utility of Arizona and other IOUs have sometimes reached 25 percent levels.

Hidden investments by utilities are only part of the strange world of regulated monopoly economics. The phrase "rate of return" in investment analysis usually means return to owners' equity. But in the special language of the IOUs, "rate of return" essentially means total return on the company's entire investment, both debt and equity.

By using the entire investment as the IOUs' rate base, the regulating agencies offer a premium on overinvestment. The higher the capital investment in land, buildings, equipment, etc., the higher the resulting dollar amount of profit allowed by the regulating agencies. If the allowable rate of return remains higher than the cost of borrowing money for new investment, the utility can increase its effective rate of return by investing more capital and increasing the rate base.

The 1971 FPC comparative statistics on utility plant size and power cost per kwh suggest the IOUs' overcapitalization. Municipal power plants have 10 percent less net electric plant per customer than the IOUs, but they deliver 12.2 percent more kwh per customer. The public power systems thus deliver more electricity per customer from less plant than the private utilities. This is a good indication of the difference in capital efficiency.

The irony of governmental regulation is that by guaranteeing a rate of return based on total investment, the regulators have destroyed any incentive for the IOUs to hold down capital costs. In fact, as we have seen, the IOUs have a disincentive for building cheaper, more efficient plants. Moreover, the companies can set their rates to cover all their operating expenses *before* the rate of return is calculated, and can pass on all fuel increases. They thus have no incentive to locate cheaper sources of energy or introduce less costly operating and maintenance policies.

POWER TO THE PEOPLE

Municipally owned power systems are not regulated by other government agencies, although they do supply complete figures on plant operation to the Federal Power Commission. Cost per kwh and utility rates over the past 90 years show how good the public systems' financial performance has been. Their average costs, and the electric rates that reflect them, would be even lower if roughly half the systems did not have to buy their power wholesale from private utilities. (The American Public Power Association reports that 912 municipal systems buy supplies from private utilities. Most are too small to construct and run their own power plants and are unable to purchase from public supplies.)

Until the Otter Tail Power Company decision was upheld by the Supreme Court in 1973, private utilities routinely refused to "wheel" power from alternative suppliers across their lines to municipal systems. As a result, many public power cities were totally dependent upon local private generating companies for their power.

Now, since they can combine and interconnect their systems across existing power lines, many of the municipals are constructing regional generation and transmission facilities. Wisconsin's Dairyland Power Cooperative, serving farms in Minnesota, Wisconsin, and Iowa, is building a large steam generating plant for use as a power pool. To get the economies of scale, Dairyland is building a larger unit than it needs. It plans to sell the excess to private utilities.

In the Pacific Northwest, the emphasis is on planning a "hydro-thermal" program to augment the power of the Bonneville Dams with large-scale steam generation. In the Missouri basin, the existence of the cooperative Missouri Basin Systems Group made possible an REA loan to Basin Electric Power Co-op for a 400,000-kilowatt coal-burning unit. And the 11 public power cities of the Northern California Power Agency plan a geothermal operation near the town of Geyserville. Generating power from steam produced deep within the earth's crust, the cooperative project is slated for completion by 1977.

In Southern California, the municipal utilities have intervened in Edison's licensing and rate proceedings to demand limited participation in major Edison plant construction. By threatening antitrust action and delaying crucial plant expansion, the small public utilities have encouraged the formation of joint-venture projects with private utilities. With a minimum of capital, formerly small public utility departments and wholesale buyers have thereby gained entrance to huge coal-fired and nuclear plants they could never have built on their own. The result has been continued lower rates for public power cities surrounded by the Southern California Edison Company.

Right now, simple economics may be the strongest argument for local public power. But another argument has to do with the advantages of local control. Public power facilities are commonly operated by city governments, local district agencies, or consumer cooperatives. These structures may be just as bureaucratic and unresponsive as any corporation. But at least they can be changed when the need arises. Local ownership means local jobs. It means local control of management decisions, such as plant location rate of expansion, placement of power lines, type of power generation, and of course electricity rates. In a more general sense, local ownership means the possibility of community decision making and a feeling of responsibility to the public.

The recent fuel crisis in the Los Angeles basin showed how responsive public power agencies can be. With 48 percent of their low-sulfur generating oil cut off by the Arab embargo, the public power systems of Los Angeles, Burbank, Glendale, and Pasedena acted immediately to curtail power consumption and coordinate emergency fuel purchases. Each of the cities enacted legislation mandating cutbacks of 10 to 15 percent for residential customers and 20 percent for commercial power users. The smaller municipal agencies in Burbank, Glendale, and Pasedena pooled their fuel purchases and storage capacity. Receiving only minimal help from the Southern California Edison Company, the four public systems managed to secure needed fuel supplies while cutting power consumption by nearly 17 percent.

BITTER COMBAT

With all the benefits of public power, the question remains: why aren't there more community-owned systems? The answer to that lies with the private utilities and the carefully nutured relationships they maintain with state legislatures and Congress.

Coordinated national public relations, lobbying, and utility acquisition campaigns have been a hallmark of the private utilities since the days of the Samuel Insull power trust in the 1920s. During those years the National Electric Light Association (NELA) sought to discredit the growing public power movement with furious red-baiting tactics. NELA helped defeat the California Water and Power Act in 1922, a bill that would have created a state-owned power system patterned after the famous Ontario hydro-electric power system in Canada. It attacked Pennsylvania Governor Gifford Pinchot and New York Governor Alfred E. Smith, both of whom supported a national "superpower" grid of public systems. Any congressmen who supported plans for the construction of federal dams on the Tennessee or Colorado rivers became NELA's enemies as well.

Organizations that sought to coordinate the small municipal systems were special targets. These included the Public Ownership League of America, the National Popular Government League, North Dakota's Non-Partisan League, state Municipal Ownership Leagues, and the Socialist Party of America. But the exposure of Insull power corruption during Federal Trade Commission hearings in the late 1920s discredited the NELA. Several years later it was disbanded, only to be replaced with four specialized groups: the Edison Electric Institute, the Electric Companies Advertising Program, the Electric Companies Public Information Program, and the National Association of Electric Companies.

Much of the conflict between private and public utilities now is fought by proxy in state legislatures. Where the private utilities are especially powerful, the laws governing municipal authority are a maze of restrictions.

In many states, a municipality may not set up a utility to compete with an established private utility except after receiving a certificate of convenience and necessity from a state commission. Commissions typically issue such certificates only if the municipality can show that existing service is inadequate or otherwise deficient. California and Illinois are notable exceptions to this practice. In Wisconsin, there has been a long and as-yet-unsuccessful campaign to permit municipal utilities to extend their lines without state permission. Legislative control of public utility territories has tended to

keep them small, preventing any economies of scale and protecting neighboring IOUs from rate competition. Elsewhere, the most widespread legislative tactic is severe limitations on municipal bonding. These limitations include a low public debt limit for general obligation bonds and a requirement that the state approve the issuance of revenue bonds. Virtually all of these restrictions grew out of the IOU's efforts.

Since the 1920s, private utilities have been lobbying to end government tax-exempt bonding entirely in the hopes of shutting off lower-interest money for public systems. The Public Ownership League of America fought virtually the same proposed legislation in 1922 that the American Public Power Association opposes today, this time in a form put forward by the late Nixon Administration. The Nixon tax proposal would substitute a system of government interest subsidies for tax-exempt bonding. This would give the federal government de facto veto power over specific projects.

Tax-exempt bonds, of course, are hardly an equitable tax policy. They provide a convenient repository for corporate and individual wealth that can generate interest without incurring federal taxation. But while the policy exists, communities and utility districts should be able to make use of the bonds for the widest possible development. Municipal bonding that finances public power facilities is one of the few instances of public benefit in a sea of private benefits supported by the tax laws.

The most direct and effective method of private utility attack is still the takeover move. It is usually coordinated with support from a regional utility association. *Public Power* magazine reported such takeover campaigns in the upper Midwest, throughout Ohio, and in Virginia during the period from March to August 1970. The magazine also revealed an Edison Electric Institute document establishing the policy. A typical campaign involves an attempt to influence the city council, construction of a "citizen's group," and large media expenditures. The particulars, catalogued year after year by the APPA magazine, are distinguished only by the IOUs' willingness to use whatever will work. Red-baiting is employed if the community is receptive to it, keying on such slogans as "socializing America." The takeover campaigns don't always succeed, but the IOUs are patient. They continue to erode the number of public power cities.

On the other side, fighting intermittent but deadly skirmishes with the private utilities, are the more than 2,800 municipal, state, district, federal, and cooperative power systems. Many of these systems are members of either the American Public Power Association or the National Rural Electric Cooperative Association. Although both organizations lobby from headquarters in Washington, neither has taken an aggressive role in promoting public power. Public power systems in general tend to be cautious and unwilling to take stands that might be unpopular with industry.

For example, the crush of energy-intensive industries such as aluminum and atomic fuel production in the Tennessee Valley has forced TVA away from its original hydroelectric power network. Once a paragon of concern for the public interest, TVA is now the largest single purchaser of strip-mined coal in the world. The coal fires the boilers of steam power plants that are now necessary to satisfy a huge industrial, military, and Atomic Energy Commission demand.

Public power agencies in the Southwest exhibit similarly narrow practices. Despite their usual responsiveness to local environmental concern in plant construction and air pollution standards, many public systems have joined in the Western Energy Supply and Transmission consortium to augment their power capacity. This group of 23 private and public utilities is building a power grid of six massive coal-fired plants in the desert of the Colorado Plateau. Several of the plants use strip-mined coal from leases on Navajo and Hopi land. The Four Corners plant, the first built and the largest to date in the system, is the greatest industrial polluter in the country.

In their defense, public power systems are bound by the present limits of energy production technology. They have not been the most strident promoters of coal-fired or nuclear plants. The difficult decisions of rate structure, load growth, boiler fuel, and environmental standards are relevant to all electric utilities. Consideration of public opinion and response to local customers are still higher among the publicly owned systems than among the IOUs.

THE BIG PUSH

Despite the obvious difficulties of building publicly-owned and controlled industries in the U.S. economy, the public power movement has two things going for it: a history of practical success, and a wave of public resentment against private energy corporations. Coalitions of new populists, consumer groups, community control organizations, urban planners, and liberal politicians are joining together in many communities to seek alternatives to private energy exploitation. The existing public power systems don't quite know what to make of this new attention. But they have often assisted consumer groups with the technical and legal problems involved in municipal power feasibility studies and condemnation proceedings. Many general managers of public systems have weathered criticism from the business community for years, and are not eager to be smeared for advocating public ownership. But others are overjoyed at the prospect of renewed public support, which has largely been lacking since the late 1930s.

On the national and state levels, public demands for control of the giant energy corporations have led to Senate proposals for a federal oil and gas corporation. (See "What the country needs is . . . ." Ramparts, May 1974.) There are proposals for state energy corporations as well. The TVA-modeled state corporations would develop oil, natural gas, coal, geothermal, nuclear, and hydro resources on public lands, competing with private industry in the market. The scale of the public enterprises could be massive: 50 percent of U.S. oil and gas reserves, 40 percent of coal and uranium, 80 percent of oil shale, and 60 percent of geothermal resources lie under public lands. Distribution of energy could remain local, retailed by public and cooperative utilities and gasoline stations.

An initiative for this kind of energy development and wholesale power corporation in Maine narrowly failed in the November 1973 election. The new governor of Vermont, Thomas Salmon, has directed the legislature to draft proposals for state energy development, graduated rate structures, and minimal "lifeline" energy service for all state residents regardless of ability to pay. The impetus for his action came from a Nader-supported research group, some unions, low-income and senior-citizen associations, and the Welfare Rights Organization.

The broad issue of community ownership and control has fostered local coalitions in many states. The Georgia Power Project in Atlanta has begun organizing around utility rate increases, making alliances with the Atlanta Labor Council, the Welfare Rights Organization, and the Tenants Council. Through its intervention with the state public service commission, the coalition gained a platform for attacking a variety of corrupt practices of the Georgia Power Company, and for presenting alternative rate and power distribution plans.

In San Francisco, the push for public power has been led by the *San Francisco Bay Guardian* and a group called Power to the People. Municipal ownership of PG&E's facilities in the city has been an issue since 1912 when the Raker Act mandated public power as a trade-off for federal construction of the Hetch Hetchy water and power complex in Yosemite park. Through the years, PG&E has defeated eight separate attempts to issue municipal bonds for the system. The company bilks San Francisco out of $30 million a year by re-routing Hetch Hetchy public power over its lines, then selling privately generated electricity to the city. In December 1973, a San Francisco grand jury issued a report to the Superior Court finding that PG&E was distributing electricity illegally in the city. Although the state public utilities commission promises to reply in defense of the present arrangement the report has given new life and added leverage to public power groups.

E&GP (Electricity and Gas for the People—Turn PG&E Around) has coordinated demands in the San Francisco Bay Area for lower utility rates and an end to virtually automatic PG&E profit and rate increases. Seeking to focus public anger at higher utility bills that parallel higher corporate profits, E&GP concentrates its attack directly on the private utility. Meanwhile, members of E&GP, Power to the People, and RIOT have revived the move for municipalization in both San Francisco and Berkeley. And this time they are armed with recently enacted campaign spending limitation ordinances to curtail massive PG&E corporate intrusion.

The benefits of a new public power movement, in the spirit of the radical populists who began municipal systems in the 1880s, would be both real and symbolic. First, public power works, and its electricity costs less. Second, municipal power systems prove that public enterprises can be efficient and profitable for the public, even within the present economy. They give the lie to the alleged superiority of private corporate organization. Moreover, public systems established during the current mood of disgust with energy monopolies would be expressions of community power and proof of the vulnerability of the corporate giants. Despite the difficulties of condemnation proceedings, over 30 public power systems have been formed since 1960. And this May, the people in the upstate New York town of Massena voted overwhelmingly for a $5 million bond issue to buy back their electric system.

By itself, public power isn't likely to transform America. It is not a widespread concern now, and because of the technical questions involved and the complications of power system condemnation proceedings, it is not likely to become one soon. But it is a concrete, workable example of community control and public ownership that can be an important adjunct to wider political programs. It's a beginning step toward revitalizing public energy as an alternative to continued corporate abuse.

THE JUVENILE JUSTICE PLAN

Mr. MATHIAS. Mr. President, as a member of the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary, I have been concerned with the development of an effective and sustained national commitment to the control and reduction of juvenile crime. Such crime is not only a serious blight on this great Nation, but involves a personal tragedy for both the victim and the juvenile, because the future course of both of their lives may be shaped by a senseless act.

I believe that we are making progress in this area. I view the passage of S. 821, a bill which I cosponsored, as a major step in the right direction. This is not

only because it will direct needed funds and attention to the problem of juvenile justice, but because its passage shows that some of that needed attention is already present.

Mr. President, I ask unanimous consent that an article from the newsletter of the Governor's Commission on Law Enforcement and the Administration of Justice of my own State of Maryland, dealing with the subject of juvenile justice and entitled "Commission Implements Juvenile Justice Plan," be printed in the RECORD at the close of my remarks. The Governor's commission is our Maryland State Planning Agency, designated under the LEAA program established by Congress. I am pleased to see the commission make the problem of juvenile justice the subject of their lead article in this newsletter. I think it shows an awareness that juvenile justice is one of our leading law-and-order problems.

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

COMMISSION IMPLEMENTS JUVENILE JUSTICE PLAN

In recent years there has been increasing national concern with the problem of juvenile delinquency. As criminal justice planners have begun to focus more closely on crime patterns and have developed offender profiles, it has become clear that juvenile delinquency is a national problem of serious proportions.

The National Advisory Commission on Criminal Justice Standards and Goals recently reported that in 1971, persons under the age of 18 accounted for 25.8 percent of all arrests—50.8 percent of all arrests for crimes against property and 22.8 percent of all arrests for violent crimes against persons. In Maryland in 1973, juveniles accounted for 39 percent of all arrests.

The growing juvenile delinquency problem has been comprehensively addressed in Maryland in recent years and efforts are now beginning to pull together an integrated system for the prevention and treatment of juvenile problems.

Five years ago, in 1969, there were few programs in Maryland aimed at reducing crime through prevention, aside from a few minor activities largely aimed at recreation. In addition, there were no organized movements under way to implement such a system.

The juvenile treatment system had just been unified by the State, but programs had not begun to be designed and fully developed. The system basically relied on training schools and understaffed probation and aftercare offices.

There were no formal staff training programs and no significant resources to make such training possible. In addition, there were no long range detailed plans for developing a fully operational treatment-oriented system.

Since that time, considerable progress has been made. The Governor's Commission has provided substantial funding support to the Department of Juvenile Services (DJS) and numerous Maryland localities for programs designed both to prevent juvenile delinquency and to provide appropriate treatment for delinquent youths. In the years of 1970, 1971, 1972 and 1973, DJS received more than $1.6 million in Commission grants. Approximately $5.4 million was awarded during this same period to local jurisdictions for juvenile programs.

PREVENTION

The major thrust of the State's prevention efforts has been the implementation of a network of youth service bureaus throughout Maryland. With increasingly close ties to the juvenile justice system, these bureaus provide a non-desidential setting where troubled youths can receive various types of counseling services. As of late 1973, the Commission was funding 15 such bureaus providing services to areas in eight counties and Baltimore City.

DIAGNOSIS AND DIVISION

In many instances, the formal juvenile justice process is not the most effective way to deal with juvenile problems. This fact, coupled with the administrative difficulties associated with processing large numbers of youths through the courts, is a major reason why a variety of diagnosis and diversion programs have been developed in several areas of the State.

One such program funded by the Commission in Baltimore City is the Pre-Trial Intervention Project (PTI), which provides intensive screening of juvenile offenders and placement into planned programs designed to meet individual counseling, educational, training and employment needs. PTI's primary goal is to take a youth charged with an offense prior to his trial, develop a rehabilitation program for him, implement that program and assist the youth in obtaining a dismissal of charges if program completion is satisfactory.

Another program, operating in Anne Arundel County, is designed to divert youths who have committed misdemeanors away from the court process and into community work or treatment programs. This Community Arbitration Program involves the efforts of DJS, the police and the community itself in developing programs to rehabilitate youths in the community rather than formally processing them through the juvenile justice system.

In addition, the Commission awarded three separate grants to DJS in 1973 for expanded diagnostic capabilities in Baltimore and Prince George's Counties and in DJS Regions I and II (Eastern Shore). This capability along with the availability of other State resources for diagnostic services to be delivered outside a central residential facility is alleviating difficulties brought about by the need for transportation and other problems associated with unnecessary detention.

DETENTION

A youth is arrested and charged with an offense and it is often not in the youth's or society's best interests to release him into the custody of his parents. The dilemma in this type of solution is: what do you do with the child? Most authorities agree that placement in a jail or local lock-up with their possible criminalizing effects is not the answer when the youth is not a threat to the community.

The problem is now being addressed on a substantial scale through the emergency shelter care concept. Commission grants have enabled DJS to contract for services with homes in various parts of the State which provide short term (usually less than 30 days) care for children who require care pending initial or further court action.

Under one recent grant, DJS was able—during an 11-month period—to provide over 2,000 days of emergency shelter care at a cost considerably below the cost of institutional care.

Another project titled House Detention operating in Baltimore City under a grant to DJS offers a unique non-institutional detention alternative. Utilizing the principle of intensive supervision, the project handles adjudicated offenders whose cases are awaiting final disposition. These children are placed in their own or surrogate homes under the close supervision (multiple visits daily) of case workers. They are maintained in some type of activity, such as school, work or a recreation program.

COMMUNITY-BASED TREATMENT

Not every adjudicated delinquent needs to be placed in a juvenile institution. In fact, the trend in Maryland is toward treating delinquents and Children in Need of Supervision in the community where they can take advantage of local services. Youths chosen for participation in these community-based programs are those who it is believed pose no threat to themselves or the community by being placed in such a setting.

The local point of community-based treatment in Maryland is the group home. Commission grants have been made to localities throughout the State as well as to DJS for group home projects. Over the last three years, a total of 21 group homes have been funded by the Commission.

One of these homes is Kent Youth, which serves Kent County on the Eastern Shore. The home combines the efforts of a professional staff with strong citizen involvement provided by a board of directors composed of leading local citizens.

The goal of the program at Kent Youth is to provide the academic, social, self care or pre-vocational skills needed to insure a youth's successful reintegration into society.

The home is managed on a day-to-day basis by resident teaching house parents, trained in group home management and operations. They are responsible for the administration of the total program and normal household duties associated with group home living. Also on the staff is a social worker who works with the youth's family in the home setting. It is the social worker's responsibility to assess the family's situation as it relates to the youth's problems, to render appropriate counseling services, or refer the youth to the appropriate agency to address his problems.

Another aspect of community treatment is the utilization of volunteering services. A recent Commission grant to DJS provides for eight regional volunteer coordinators who handle volunteer services throughout the State. Volunteers are used in such capacities as intake, probation and after...re aides and tutors. They also assist in providing needed transportation services. During the project's first nine months of operation 269 volunteers provided over 16,000 hours of service.

INSTITUTIONAL TREATMENT

For those youths who require institutionalization either for their own good or for society's protection, efforts are being made to expand educational and training programs offered in juvenile institutions so that these facilities can offer more than mere custody.

One such program at the Maryland Training School for Boys provides vocational skills for those students who, it is believed, will not return to the public school system. Students receive training at the school and on the job in area businesses and industries in such skills as small engine repair, electrical repair and welding. The project has also involved members of local communities.

The welding shop makes bookshelves for other area institutions and community residents bring electrical appliances needing repair to the school. Project officials note that they have received excellent cooperation and support for the project from local residents.

Besides assisting in the development of academic and vocational education training programs for institutions, emphasis has also been placed on drug training programs for institutionalized youth. Now in its third year of funding, the drug training program at the Montrose School involves not only the youths in residence, but also their parents, institutional and after-care staff. The curriculum deals with the nature and extent of the drug abuse problem and explores, in depth, methods and resources available to deal with the problem. The program involves training sessions including lectures, discussion, programmed instruction and continu-

ous interaction and involvement among the participating groups.

At the Maryland Training School for Boys, the Automated Drug Program is an individualized, self-paced student response program presented to each student for three 45-minutes class periods per week for six weeks. The program is presented through a series of slides and tapes and includes workbooks with quizzes, pre- and post-test questionnaires, simulated drug identification kits and instructional guides.

OTHER PRIORITIES

The area of program evaluation has been an important concern in recent years. A Commission grant to DJS now in its third year of funding has provided the Department with an evaluation methodology and project staff are now conducting a broad evaluation program in three training schools, the forestry camps, and the Baltimore City Youth Services Center. The goal of the program is to determine if an attitudinal change has taken place in a youth and if this change is the result of his participation in a particular program.

In this area of program development, a Commission grant to DJS provided for three delinquency prevention specialists to work in Baltimore City, Baltimore and Prince George's Counties. These specialists are responsible for coordinating the various delinquency prevention and treatment alternatives available in their respective jurisdictions; in addition, the specialists consult with community groups, police departments, schools, and social services personnel to solicit their participation in assessing needs and recommending methods to fill identified gaps in service. Project officials note that a final responsibility of the specialists will be the production of a master plan for delinquency prevention in each of the three jurisdictions.

In the area of training and staff development, the Commission has provided DJS with over $250,000 in management and supervisory training programs and training of line workers and youth supervisors, those employed by DJS, various community programs, group homes and youth service bureaus.

REPORT OUTLINES PROGRESS IN NATION'S CRIME CONTROL PROGRAM

A report released by the National Conference of State Criminal Justice Planning Administrators shows that significant progress is being made by all states in improving their systems of criminal justice and in developing crime reduction programs.

The report, State of the States on Crime and Justice 1974, also calls on Congress to continue to support and to increase appropriations levels for the Crime Control Act of 1973.

Richard C. Wertz, Executive Director of the Governor's Commission and Chairman of the National Conference of State Criminal Justice Planning Administrators which represents State criminal justice planning agency (SPA) directors in the 55 states and territories, said that the report demonstrates both the abilities of the states to develop and implement criminal justice programs, as well as the need for increased appropriations.

Five major findings are cited in the report.

1. The SPAs have set crime reduction and criminal justice system improvement priorities and are utilizing their resources to meet them. They are:

The upgrading of prosecutor and public defender capabilities and the improvement of courts administration.

Increasing and improving training for police officers and reducing robbery, burglary, drug abuse and larceny.

Preventing and controlling juvenile delinquency through implementation of community-based facilities and services.

Establishing and upgrading state-wide adult community-based correctional facilities and services.

2. Although the SPAs have made significant progress toward achieving their goals, the pace has been slowed by relatively constant levels of appropriations during fiscal years 1973, 1974 and 1975. Increased appropriations are needed.

"Between 1968 and 1973, Congress committed increasing appropriations to the Crime Control program, and as funds grew, SPA capabilities improved, programs expanded and the criminal justice system responded rapidly. Today, many SPAs have been slowed in their efforts because program appropriations have not increased appreciably above FY 1973 levels," the report says.

3. The SPAs are providing, for the first time, a coordinated and comprehensive approach to meeting the criminal justice needs for their states.

"The SPAs are in unique positions within their state criminal justice systems," the report says, "because they are able to approach its problems from a system viewpoint. SPA efforts are aimed at coordinating, to the extent possible, the activities of police, courts and corrections—the system's component parts."

4. During the last five years, SPAs have grown in size and skill to meet increasingly complex needs and responsibilities within their states.

The report says that when the program began five years ago, there were few, if any, professional criminal justice planners or state-wide agencies having the sole responsibility for comprehensive criminal justice planning. Since that time, it is noted, the SPAs have begun to integrate themselves more fully into their state criminal justice systems and at the same time have increased in size to meet the challenges of program growth.

"This expanding capability has been accompanied in the SPAs by change in staffing patterns reflecting increasing emphasis on auditing and program evaluation," the report notes.

5. As the first federal funding program under the block grant concept, the Crime Control program has proven that the states (SPAs) and the federal Law Enforcement Assistance Administration (LEAA) can work together productively to achieve common goals.

"The SPA/LEAA relationship has experienced growing pains over the years, but is now emerging as a true partnership of federal and state government," according to the report.

It is noted that this has been the result of two factors. First, LEAA's recognition of state abilities to administer their individual programs and second, the formation of the National Conference of State Criminal Justice Planning Administrators to provide the states with a collective and unified voice on issues of mutual SPA/LEAA concern.

RELEASE ON RECOGNIZANCE STUDY SHOWS FEW FAIL TO APPEAR FOR TRIAL

"Any defendant charged with an offense not punishable by death shall, at his appearance before a judicial officer, be ordered released pending trial on his personal recognizance unless the officer determines that such a release will not reasonably assure the appearance of the defendant as required."—Excerpted from Maryland District Rule 777

The operation of Maryland's release-on-recognizance system is the subject of a study completed recently in Baltimore City and Baltimore and Prince George's Counties by the National Council on Crime and Delinquency which shows that only about four percent of the defendants who are released under Rule 777 fail to appear for trial.

[The "failure-to-appear" rate represents the percentage of defendants released on their own recognizance who did not appear as scheduled in court. Those whose cases did not reach court because they were nol prossed or for some other reason, were counted as having appeared for trial.]

The study, which was coordinated through the Administrative Office of the Courts under a grant from the Governor's Commission, also shows that less than two percent (for Baltimore City, 0.4 percent) of the defendants released under the Rule are arrested for new offenses between the time they were first released and their trial for that arrest.

The three jurisdictions selected for the study were responsible, according to the District Court's 1972–73 annual report, for two-thirds of the criminal defendants tried in the State. Arrestees who were traced were followed either to disposition or until they left the jurisdiction of the District Court by being indicted for a felony and bound over for trial in the Circuit Court.

In addressing issues surrounding pretrial release, the study notes that the judicial decision whether to release or detain a person arrested and charged, but not yet tried, for a crime has always been difficult.

"One of the major defects of the traditional bail system," it is pointed out, "is that it detains too many people." This, the study says, is bad for the detained defendant because he becomes separated from his family and the community, because he is exposed to the criminalizing effects of jail and because he may be confined for *something* he did not do.

The study also emphasizes that the costs of detention range into the millions annually with communities spending as much as $10 per day to house, feed and guard each jailed defendant, including the defendant who is in jail "solely because he cannot afford the bail premium."

Another key issue surrounding pretrial release, according to the study, is that the monetary bail system operates against the poor by taking the release decision out of the hands of judicial officials and putting it into the hands of the bail bondsman. "Where the accused is unable to make bail or raise the bondsman's premium the effect is to make poverty a crime," the study says.

Finally, it is argued in the study that both the judgment and the sentence are prejudiced by release/detention status. Citing statistics from the Manhattan Bail Project, the study notes that only 17 percent of 374 defendants studied who made bail received prison sentences, while 64 percent who were continuously held in jail were sentenced to prison.

"The investigators questioned whether this startling difference was due to the fact that more serious offenders were detained without bail and were thus more likely to receive prison sentences, or whether the mere fact of detention predisposed the person to the less desirable sentence. They found that the evidence supported the latter conclusion," the study says.

MAJOR FINDINGS

Failure to appear

The overall failure-to-appear rate for the total population studied was 3.9 percent. It was slightly lower for defendants in Baltimore City and slightly higher for defendants in Baltimore County and Prince George's County: 3.6 percent, 4.7 percent and 4.7 percent, respectively. Further data indicates that failure-to-appear rates may be related to the average time from arrest to trial. In Baltimore City, here the rate was lowest, the average time from arrest to trial was 11.5 days. Average time from arrest to trial increased to 46.8 days in Baltimore County and 62.4 days in Prince George's County, both of which had higher failure-to-appear rates.

Race and sex

On the basis of race and sex, there is little variation in failure-to-appear rates, except that the rates for white females are significantly lower than the others. The total rate for non-white females was 4.1 percent; for non-white males, 4.0 percent; for white females, 1.8 percent, and for white males, 3.9 percent.

Age

Defendants were categorized into three age groups; 20 years or less, 21 to 29 years and 30 years or older. Defendants who were 20 years of age or younger had a slightly higher failure-to-appear rate than the older defendants; 4.5 percent as opposed to 2.9 percent in the 21 to 29 years group and 3.6 percent in the 30 years and older group.

Seriousness of charge

Baltimore City data was analyzed to observe whether there may be a relationship between the seriousness of the charge against the defendant and the likelihood of appearance at trial. Differences were found to exist among the misdemeanor charges. The failure-to-appear rate was 3.2 percent for minor misdemeanors (such as gambling, liquor law violations, disturbing the peace) and 4.2 percent for serious misdemeanors (such as assault and battery, marijuana possession, vandalism). A low failure-to-appear rate was reported for felony charges (3.1 percent), but there was a higher rate of detention for suspected felons and thus those defendants were not subject to the same risk of non-appearance."

Criminal activity between release and trial

Of the target population, 16 persons (0.4 percent) of the 3,686 under the jurisdiction of Baltimore City committed new offenses between the time they were first released and their trial for that arrest in Baltimore County there were seven new arrests (1.4 percent) and in Prince George's County there were twelve news arrests (1.8 percent).

The study also examined the role of District Court commissioners who, as judicial officers, are generally the first contact the offender has with the criminal justice system in Maryland. A duty of the commissioner is determining a defendant's eligibility for pretrial release under Rule 777.

The study points out that although any arrestee detained as a result of a commissioner's decision gets a bail review hearing before a District Court judge, "from a practical standpoint it is the commissioners who are making the pretrial release decisions."

Three major needs were pointed out insofar as the commissioner system is concerned. First, there is a need for more clearly articulated guidelines to be followed in making release decisions. Second, more information about the defendant is needed to assist in the decision-making process. Third, a formalized training program for commissioners should be developed which would provide both pre-service and in-service training.

A REPORT OF THE NATIONAL ADVISORY COMMISSION ON CRIMINAL JUSTICE STANDARDS AND GOALS

This article highlights the major recommendations made by the Task Force on Corrections of the National Advisory Commission on Criminal Justice Standards and Goals. The Task Force—one of five surveying problems and needs in all areas of the criminal justice system—was chaired by Judge Joe Frazier Brown, former executive director of the Texas Criminal Justice Council.

The National Advisory Commission studied the criminal justice system for two years under a grant from the Law Enforcement Assistance Administration (LEAA). Its findings were made public in a final report consisting of a summary volume, "A National Strategy to Reduce Crime," and five individual Task Force Reports: "Police," "Courts," "Corrections," "Community Crime Prevention," and "The Criminal Justice System."

LEAA officials have emphasized that the Standards and Goals recommendations are advisory in nature and that the federal government does not intend to impose them on states and local units of government.

The Standards and Goals recommendations are among material currently being reviewed by a number of subcommittees of the Governor's Commission, which have begun the planning process aimed at further defining criminal justice standards and goals for Maryland agencies.

Emphasizing that a "new view" of corrections is needed, the Corrections Task Force stated that a fundamental objective of corrections must be to secure for the offender contacts, experiences and opportunities that provide a means and stimulus for pursuing a lawful style of living in the community.

"With this thrust," their report says, "reintegration of the offender into the community comes to the fore as a major purpose of corrections." It is further noted that "the failure of major institutions to reduce crime is incontestable. . . . The mystery is that they have not contributed even more to increasing crime."

The report deals substantively with seven major areas: sentencing, institutions, rights of offenders, protection against personal abuse, ombudsmen, juvenile delinquency and diversion.

Sentencing

The report says a study of sentences and actual time served by first releasees indicates that in many states a substantial portion of offenders released in 1970 had been sentenced to five years or more but a relatively small percentage had actually served more than five years. A very small percentage had served 10 years or more.

It was recommended that prison terms be set at not more than five years unless it is determined that the defendant is a persistent felony offender, a professional criminal or a dangerous offender. Under these circumstances, a 25 year sentence would be given. This would not apply in the case of murder.

Among the recommended sentencing alternatives were unconditional release, conditional release, a fine, release under community supervision, sentence to a halfway house or other community-based facility or sentence to partial confinement with liberty to work or participate in training and education during all but leisure time.

Institutions

The Task Force recommended that all local detention and correctional facilities, both pre- and post-conviction, should be incorporated under state systems by 1982.

"States should also," the report said, "develop community-based resources and coordinate planning for community-based correction services on a state and regional basis."

In addition, it was recommended that there be a 10-year moratorium on the construction of correctional institutions except when an "analysis of the total criminal justice and adult corrections systems produces a clear finding that no alternative is possible."

(The long range—10–15 year—plans of the Governor's Commission call for a system of community-based correctional facilities and services to be implemented in Maryland. The cornerstone of this capability would be expanded parole and probation services and the development of a system of community correctional centers throughout the State.

Three types of jurisdictional centers would be established. *Regional* centers would be located in less populated combined counties. *Single County* centers would be located in several highly urbanized counties. *Multiple* centers would be located within urbanized areas—counties or cities—having a large number of incarcerated persons.)

Rights of offenders

Stating that the strategy of correctional reform must be built on a foundation of nondiscriminatory and just action, the Task Force concluded that "convicted offenders should retain all rights that citizens in general have except those rights that must be limited in order to carry out the criminal sanction or to administer a correctional facility or agency."

Until recently, the report said, an offender was deemed as a matter of law to have forfeited virtually all rights upon his conviction and to have retained only such rights as were expressly granted to him by statute or correctional authority.

It was further noted that the issue of offenders' rights has been increasingly before the courts in recent years; therefore, the Task Force recommended that each correctional agency immediately develop and implement policies and procedures to assure that persons under correctional supervision have access to the courts to present any issue.

Protection against personal abuse

The report said each correctional agency should immediately formulate policies and procedures that would assure that the following are prohibited:

Corporal punishment.

The use of physical force by correctional staff except when absolutely necessary.

Solitary or segregated confinement except as a last resort, and then not to last more than 10 days.

Any deprivation of clothing, bed and bedding, light, ventilation, heat, exercise, balanced diet or hygienic necessities.

Any act or lack of care that injures or significantly impairs the health of an offender.

Ombudsmen

The Task Force called on every correctional agency to have a designated ombudsman who is trained, compensated and organizationally experienced. "He would hear complaints of employees and inmates who feel aggrieved by the organization or its management, or (in the case of offenders) who feel aggrieved by employees or conditions of their incarceration," the report said.

Juvenile delinquency

In its standards on juvenile delinquency proceedings, the report recommended that the delinquency jurisdiction of the courts be more clearly defined and called on the states to adopt legislation by 1975 to achieve that goal.

The legislation also should include provisions governing the detention of juveniles accused of delinquent conduct, the report said. It suggested a prohibition against detaining juveniles in jails, lockups or other facilities used for housing adults, criteria for detention prior to the adjudication of delinquency matters; a maximum of overnight detention for juveniles prior to their first juvenile hearing; and courts, not law enforcement officers, deciding whether a juvenile should be detained.

(Maryland statutes provide that, after January 1, 1975, children who are alleged either delinquent or in need of supervision shall not be detained in facilities which are being used to detain adults or to which delinquents have been committed.)

"Use of state institutions for juveniles and youths should be discouraged. The emerging trend in treatment of young defenders is diversion from the criminal justice system. When diversion is not possible, the focus should be on community programs," the report said.

(The Commission's long range plans, similarly, call for a strong court services

component within the Department of Juvenile Services which would provide diagnosis, screening and diversion. The goal in this area is that only 10 per cent of all juveniles first reaching intake would go through the formal adjudication process.)

Diversion

The report said each local jurisdiction should develop and implement by 1975 formally organized programs for diversion that can be applied in the criminal justice process from the time an illegal act occurs to the moment of adjudication.

Factors to be considered in determining whether an offender is to be selected for diversion include: the arrest has already served as the desired deterrant, the needs and interests of the victim and society are better served by diversion than by official processing, the offender does not present a substantial danger to others, the offender voluntarily accepts the offered alternative to further criminal justice system process, or the facts of the case do not sufficiently establish that the defendant committed the alleged act.

(The Governor's Commission has provided substantial funding support to a diversion project in Baltimore City, Project F.O.U.N.D. (First Offenders Under New Direction). The project is designed to divert from the court process young adult first offenders charged with certain misdemeanors. It offers a combination of counseling, educational, vocational and supportive services as an alternative to criminal adjudication.)

FREEDOM OF INFORMATION ACT

Mr. MUSKIE. Mr. President, the Senate and House have sent to the President a bill to insure greater openness and public knowledge about the way our Government is run. The amendments to the Freedom of Information Act of 1966 are a most significant product of this post-Watergate period because they will bring the people closer to the materials, facts and documents on which officials in the Government base their decisions and policies.

That legislation may be in jeopardy. While it was sent to the President on October 9, we must still await a decision whether he will sign the measure into law or return it to the Congress with a veto. Unfortunately, should the Congress recess before midnight Saturday, President Ford could simply let the bill sit on his desk to die by the pocket veto.

This would be a serious blow to our Government as we attempt to restore public confidence through more open processes.

Congress cannot override a pocket veto. Instead we would have to wait until next session and begin again with a new bill.

We must not delay the people's opportunity to know more about their Government. Already that right has been eroded by too little candor and too much secrecy.

It would be a regrettable irony if a decision to deny the people greater access to their Government is decided without further debate behind closed doors of the White House by a new administration, only recently pledged to openness and candor.

I want to take this opportunity to extend my congratulations and appreciation to my friend and able colleague the senior Senator from Massachusetts (Mr. KENNEDY) for the dedicated contribution he has made to these important improvements of the Freedom of Information Act.

No one can underestimate the dilligence and concern with which he, the other members of the Committee on the Judiciary, and the Senate and House conferees have worked to insure that the changes made in the 1967 act will, in fact, further the vital work of making Government records readily available for public scrutiny and making the conduct of the public business a subject for informed public comment.

This has been a very rare and important opportunity to correct the defects we discovered in the administration of the act during joint hearings I conducted with Senator KENNEDY and Senator ERVIN last year. In many important procedural areas the conference report on H.R. 12471 will close loopholes through which agencies were evading their duties to the public right to know.

The price of a court suit has too long been a deterrent to legitimate citizen contests of Government secrecy claims. This legislation will enable courts to award costs and attorneys' fees to plaintiffs who successfully contest agency withholding of information. Additionally, these changes will require agencies to respond promptly to requests for access to information. They will help bar the stalling tactics which too many agencies have used to frustrate requests for material until the material loses its timeliness to an issue under public debate. And they provide long-overdue assurance that agencies will report to the Congress on their policies and actions in handling Freedom of Information Act cases.

In one major respect this legislation responds to a weakness in the existing law which was illustrated in the case of Environmental Protection Agency against Patsy T. Mink, and others, decided by the Supreme Court on January 22, 1973.

In that case, 32 Members of Congress, bringing suit as private citizens, sought access to information dealing with the atomic test on Amchitka Island in Alaska.

A U.S. court of appeals directed the Federal district judge trying the case to review the documents in camera to determine which, if any, should be released. This seemed an appropriate step since the act now provides for court determination of the validity of any executive branch withholdings.

The Supreme Court was asked to review that order and reached a decision in that case which was somewhat tortuous. The Court held that in camera review of material classified for national defense or foreign policy reasons was not permitted by the act. The basis of this decision was the exemption of the act which permits withholding of matters authorized by Executive order to be kept secret in the interests of national defense or foreign policy.

The Supreme Court decided that once the executive had shown that documents were so classified, the judiciary could not intrude. Thus, the mere rubberstamping of a document as "secret" could forever immunize it from disclosure. All the Court could determine was whether it was so stamped.

The measure before the President would specifically overrule that holding. And it is that provision which seems to cause him the greatest difficulty.

When the Freedom of Information Act amendments were considered by the Senate, I offered a change which would authorize the courts to conduct in camera a review of documents classified by the Government to determine if the public interest would be better served by keeping the information in question secret or making it available to the public.

My amendment was a response to the increased tendency of former administrations to use national security to shield errors in judgment or controversial decisions.

It was a response as well to the mounting evidence, more recently confirmed in tapes of Presidential conversations, that national security reasons were deliberately used to block investigations of White House involvement in Watergate.

Finally that amendment reflects confidence in the Federal judiciary to review determinations to classify secret documents and to decide whether the greater public interest rests with public disclosure or continued protection.

I cannot understand why we should trust a Federal judge to sort out valid from invalid claims of executive privilege in litigation involving criminal conduct, but not trust him or his colleagues to make the same unfettered judgments in matters allegedly connected to the conduct of national defense or foreign policy.

As a practical matter, I cannot imagine that any Federal judge would throw open the gates of the Nation's classified secrets, or that they would substitute their judgment for the head of an agency without carefully weighing all the evidence in the arguments presented by both sides. It is doubtful that there is any Federal judge in the country that would not give weight to an affidavit from the head of an agency which argues the merits for classifying a particular document without giving that affidavit a special status.

If we construct the manner in which courts may perform this vital review function, we make the classifiers privileged officials, almost immune from the accountability we insist on from their colleagues.

An editorial in the New York Times today refers to reservations the President reportedly has expressed about this legislation on national security grounds.

I believe as the editorial states that the Congress has "made an extraordinary legislative effort to balance the public's right to information with the Government's need to protect its legitimate secrets," and I would strongly urge the President to sign this important bill into law.

If he cannot sign it, he should so state his reasons and offer the Congress an opportunity to accept or reject the veto by a two-thirds vote in both Houses.

I ask unanimous consent that the October 17, 1974, New York Times editorial, "More Open Government," be printed in the RECORD.

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

[From the New York Times, Oct. 17, 1974]

MORE OPEN GOVERNMENT

The Freedom of Information Act was passed by Congress in 1966 on the assumption that the public should have broad right of access to information about the workings of its Government. The act hasn't functioned particularly well since it went into effect because of the Federal Government's use of a variety of obstructionist tactics ranging from forcing those seeking information into long and costly litigation to plain old bureaucratic foot-dragging.

Congress has now passed and sent to the White House a number of amendments designed to make the law work more effectively, including a provision that would subject to judicial review decisions on the classification of information. Other amendments would open up noncriminal investigatory files for the first time and would award attorney's fees to successful public litigant.

The Department of Justice is reported to have recommended that President Ford veto this legislation. The President himself has reportedly expressed reservations about the bill on national security grounds.

Mr. Ford's concern appears misplaced. Congress, in developing the new amendments, made an extraordinary legislative effort to balance the public's right to information with the Government's need to protect its legitimate secrets. Unless the President feels that the Federal judiciary is insensitive to national security or is incapable of handling such issues appropriately, he can have no justifiable fears about the law's adequacy to protect legitimate national secrets.

The ability to preserve free and responsive government depends in large measure on the preservation of open government to the greatest possible degree. That is the principle that animated the Congress in passing the amendments. It is the motivation that should lead the President to sign them into law.

FARM-RETAIL PRICE SPREADS FOR RED MEAT

Mr. McCLURE. Mr. President, the past year has not been a good one for either farmers or consumers. We have seen store prices going up while farm prices were going down. Consumers have boycotted, because they could not afford to buy, while farmers have destroyed animals they could not afford to raise.

While there are a number of factors which have led to this paradoxical situation, one of the major ones is the increasing farm-retail price spreads. And the reaction has been just what we would expect—increasing criticism of the so-called middleman. But before we start allocating blame, we should attempt to get all the facts. In June, I joined with a number of my colleagues in calling on the President to investigate the increasing beef price spread, but as yet we have not received the administration's report.

However, while we are waiting for that report, there are some other sources of information which may prove helpful. A USDA Task Force prepared a report in August which partially explains the farm-retail price spreads for pork and choice beef.

This report not only shows how much the price spreads have increased—approximately 50 percent since 1968—but explains in general terms those factors which have been primarily responsible for this increase. It is interesting to note, for example, that since 1963, more than 90 percent of the farm-retail spread for beef has occurred in the carcass-retail segment of the spread.

While the report is rather general in most of its data and comments, it does provide a rather useful summary, as well as some suggestions on improving meat marketing performance in order to reduce the spread.

I, therefore, ask unanimous consent to have this report printed in the RECORD.

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

FARM-RETAIL PRICE SPREADS FOR RED MEAT

(Report of a Special Task Force to Earl L. Butz, Secretary of Agriculture, August 1974)

The farm-retail spread, or margin, for beef or pork is the difference between a monthly average composite price per pound of selected cuts at retail and the farm value of the equivalent quantity of live animals less the value of byproducts.

Thus, the farm-retail spread is a measure of the charges for all marketing, processing and distribution activities that occur between the "farm gate" and consumer purchase of the product at retail.

Spreads, or margins, for meat, then, include charges for such activities as transporting animals to packing plants, slaughtering animals and processing products, packaging of product and shipping meat and products to major consuming areas. Each activity involves expenditures for labor, energy, capital, taxes and depreciation of fixed assets.

All such costs, plus profits earned by firms, are included in the price spread or margin reported by USDA. By the way, the price spread gives no indication of whether the industry is efficient or inefficient, or whether costs for marketing, processing and distribution are reasonable or excessive.

WHAT HAS HAPPENED SINCE 1963?

Price spreads for beef and pork have widened substantially in the past 10 years, particularly since 1968. Between 1963 and 1968 the spread for beef hovered between 28 and 30 cents per pound. Then it increased sharply and persistently to 45 cents per pound in 1973—a jump of about 50 percent.

Margins for pork have followed similar patterns but with greater year-to-year changes—ranging between 29 and 32 cents per pound in 1963–69, then widening to 38 cents per pound in 1973—an increase of about one-third.

Several factors contributed to the trend toward wider margins for red meat. Most important have been the sharp increases in costs of labor and other services and supplies required by marketing firms. Hourly earnings of workers in meat packing and processing are three-fourths higher than earnings in 1963. In the food retailing sector hourly wage earnings are about 80 percent higher than in 1963.

Despite labor saving technology and increased labor productivity total labor costs have risen substantially and account for about half of the farm-retail spread for beef and pork.

Prices of containers, packaging, energy and rail freight rates have undergone similar dramatic increases, particularly since 1969.

In a very real sense, marketing margins for meat are the result of the strong inflationary pressures in the American economy since 1969.

In addition, the meat marketing system, like other parts of the food system, now provides additional services in the form of further processing which requires relatively large inputs of labor. Costs of providing such services plus those for advertising, promotion and convenience of store location, exert pressure for widening margins for many foods, including red meat.

BEEF SPREAD SEGMENTS

Since 1963 more than 90 percent of the increase in the farm-retail spread for beef has occurred in the carcass-retail segment of the spread (Figure 1). This spread includes costs of activities such as carcass-breaking, local delivery, and retail cutting, packaging and selling.

The other segment, the farm-carcass spread, includes approximate costs of marketing, slaughtering and processing beef animals and transportation to consuming centers. Until the fourth quarter of 1973, when this spread nearly doubled, the farm-carcass spread had been remarkably stable since 1963.

It should be noted that these spreads are not synonomous with packer or retailer margins. The farm-carcass spread includes assembly and transportation of live animals to packing plants and meat to consuming center in addition to costs of slaughter at the packing plant. The carcass-retail spread includes wholesaling, local delivery costs, and some fabricating activities as well as costs of retailing.

Both packers and retailers do some breaking of carcasses but in the USDA price spreads all such activities are accounted for in the carcass-retail spread.

PORK SPREAD SEGMENTS

Changes in the farm-wholesale and wholesale-retail spreads for pork have shown somewhat different patterns from beef spreads.

Since packers do much more processing of pork than beef, the farm-wholesale spread for pork is substantially wider and more closely approximates packer margins than does the farm-carcass spread for beef.

The farm-wholesale spread for pork in 1973 averaged 15.3 cents per pound, about the same as in 1963. Again the major cause of the increase in farm-retail margins was centered in the wholesale-retail segment where margins in 1973 averaged 62 percent above 1963 and 26 percent above 1972.

PROFITS

Throughout much of the period since 1960, profits as a percentage of stockholder equity ranged between 10 and 13 percent for 15 major retail food chains as a group. As a percentage of sales, profits ranged between 1.1 and 1.3 through most of the period. Profit rates by both measures fell substantially in 1972 and 1973 and they were well below profit rates for other industry groups throughout the period 1960–73. Only recently have retailers' profits risen to their levels of the 1960's.

Meat packer profits were more unstable but ran somewhat higher relative to sales than those of food retailers.

Overall, profits in meat packing and food retailing have not been excessive relative to all manufacturing industries in the country.

RECENT CHANGES IN PRICE SPREADS

Meat price margins exploded late in the third quarter of 1973. They rose to record high levels in late winter and early spring of 1974 while market prices for cattle and hogs dropped sharply and losses mounted for livestock feeders. Both livestock producers and meat consumers vented their frustrations against what they considered to be an unresponsive, profiteering, meat marketing system.

Farm-retail price spreads for beef peaked in March 1974 at about 56 cents per pound, dropped slightly in April and May and then rebounded to 54 cents in June. Only in the

final quarter of 1973 had the farm-retail beef spread reached such lofty heights during the past 10 years.

The situation was much the same for pork margins, but with some differences in timing. At the peak in May 1974 the farm-retail margin totaled 54.5 cents per pound, well above even the high levels of late 1973 and early 1974.

Preliminary data for July signal a turnabout. Market prices for Choice steers strengthened by better than $6 per cwt over June; hog prices in July rose nearly $13 above their June low. Retail prices of beef in June were down significantly from early year levels and they held nearly steady in July. Preliminary data indicate the farm-retail spread declined substantially in July for both beef and pork.

To some extent the surge in margins in late 1973 and early 1974 was caused by the same set of factors that widened margins since 1968. Inflation was at very high rates in the fall of 1973 and the first half of 1974.

Between the third quarter of 1973 and the second quarter of 1974, prices of some marketing inputs rose sharply—energy up 48 percent; containers and packaging, 18 percent; and services, 7 percent. In the first quarter of 1974 hourly earnings of food marketing employees average $3.85, a 7 percent increase relative to the first quarter of 1973.

But inflation of prices of inputs used by marketing firms cannot alone explain the surge in meat margins.

CEILINGS AND PROFITS

The imposition of price ceilings on meat in March 1973 created serious disruptions in the normal flow of livestock. Live animal prices increased during the summer of 1973 when retail meat prices were frozen, which pinched marketing margins in the third quarter.

When ceilings were removed in late summer of 1973 pent-up cost increases passed through the system to consumers. Marketing firms attempted to recoup their losses or improve upon relatively low earnings experienced earlier in the year.

In the first three quarters of 1973 profits of 15 retail food chains ranged between 0.4 and 0.7 percent of sales—well below their historical levels of 1.1 to 1.3 percent. But in the fourth quarter of 1973 retailers' profit rates rose to 1.0 percent of sales. Preliminary data for 10 retail chains indicate that profit rates averaged 0.9 percent of sales in the first two quarters of 1974.

Meatpacker profits also rose in the fourth quarter of 1973 to 1.5 percent from about 1.0 percent of sales in the first three quarters of that year. Preliminary data suggest packers' profits ranged between 1.1 and 1.4 percent in the first two quarters of 1973 (Table 2).

Although packers and retailers improved their profit positions in late 1973 and early 1974 relative to their earlier positions in 1973, those higher rates were not out of line with longer term rates in the industry.

Profit rates, of course, vary substantially from quarter to quarter and among retail food firms. For example, returns for 15 retail food firms in the first quarter of 1974 ranged between a loss of 4.1 to a profit of 2.4 percent of sales. Among the same 15 firms eight had increased profit rates, six had reduced profit rates and one firm's rate was unchanged between the fourth quarter of 1973 and the first quarter of 1974.

But the foregoing profit data are for firms or groups of firms. Since many have multiple product lines or departments, a firm's profit rates do not necessarily indicate profit rates of individual product lines or departments. In any given short period of time, one department may incur losses while others return profits. Pricing policies of retail food chains focus upon returning profits to the firm or store as a whole and not necessarily upon profits in each department at all times.

When price spreads increase sharply in a short time span—as in the case of beef and pork in late 1973 and early 1974—we can expect that it is more profitable to handle those products. Prices of most inputs used in marketing—therefore, most costs of the department or firm—generally change more evenly.

We don't have data on the profit rates for departments of retail food stores. However, the changes in meat price spreads and general marketing costs suggests that the profits for retailing meat increased sharply during the first half of 1974. Based on this circumstantial evidence, it appears that the recent increase in meat price spreads was caused partially by food retailers changing their pricing policies to increase profits in their meat departments. On the other hand, higher profits for meat may have been offset partially by lower profits in other product lines and profits for the entire firm may have risen less steeply than in the meat department.

Based upon the preliminary data now available, it appears that the major factors contributing to wide spreads were inflation coupled with seriously distorted market relationships and higher profit rates in meat processing and retailing.

IMPROVING PERFORMANCE IN MEAT MARKETING

One way to dampen increases in price spreads is to improve efficiency and productivity in the marketing system. In a competitive industry such improvements tend to be passed backward to producers in the form of higher prices, or forward to consumers in the form of lower retail prices, or in some combination of the two.

An efficient, competitive industry also will reflect promptly and accurately the changes in supply, demand and prices as they occur. Earlier research and such reports as those of the National Commission on Productivity and the National Commission on Food Marketing point to important opportunities for improved performance in meat marketing.

Several examples follow.

1. Box beef and central meat cutting

A further shift to box beef and central meat cutting would lower marketing costs. Box beef is beef that has been cut up into retail cuts and packaged before being shipped to the retailer. When packers convert beef carcasses to box beef there are at least three immediate cost reductions:

(1) Assembly line meat cutting is more efficient in output per man hour;

(2) Wage rates per hour are generally lower in packing plants than in retail stores; and

(3) Fat and bone trimmed off reduce the total weight to be transported to the retail marketing area. Also, the larger concentration of fat and bone trimming allows alternative use of these products at higher value.

2. Frozen beef

Producing more frozen beef would extend the economies of box beef and central cutting. This would remove almost all packaging from the retail store, extend shelf life, reduce the number of deliveries to stores, and almost completely eliminate shrink and spoilage losses.

3. Transportation

Meat transportation costs can be reduced in several ways. Improved scheduling would decrease transportation costs. Box beef shipments would decrease weight and transportation costs. Backhauls could be increased to more fully utilize capacity. Meat transportation costs could be reduced by allowing trucks to pull two trailers on all interstate highways. The number of deliveries required per week at the retail level could be reduced.

4. Labor contract restrictions

Labor-management obstacles in some areas have slowed the move to box beef and centralized cutting. This includes the retail meat cutters' fear that there would be fewer jobs if meat cutting were relocated from the store to a central cutting warehouse in the same city. In addition, the union fears more jobs would be lost in consumption areas than would be gained at the packer-processor level if we moved to box beef.

Some labor contracts require a minimum number of personnel per retail outlet, and the contracts so narrowly define tasks that efficiency cannot be gained by flexible use of labor. Productivity in transporting meat is hindered by labor contract restrictions on loading and unloading trucks and contract terms which limit number of stops and the number of drivers.

We estimate that a minimum of five cents per retail pound could be saved from complete adoption of box beef and central cutting, conversion to frozen beef, elimination of trucks returning empty, and changes in labor-management obstacles.

5. Grade standards for beef

Uniform grade standards—universally understood and accepted—contribute to efficient marketing and lower marketing costs. Most of the beef sold at retail in recent years has been U.S. Choice. Recently there has been an increase in the percentage of Good grade beef produced, most of which has been sold ungraded since the use of Federal grades is optional. Federal grade standards for beef have undergone major revisions through the years—changes were made in 1939, 1941, 1949, 1950, 1956, 1965 and 1973.

To perform effectively as a language of the trade, grades must reflect characteristics which are significant in the marketplace. Existing quality grades for beef (Prime, Choice, Good, etc.) are designed primarily to measure eating quality—tenderness, juiciness, flavor. Yield grades (1 through 5) indicate the yield of closely trimmed retail cuts that can be derived from carcasses or wholesale cuts, and they directly reflect the degree of muscling and quantity of trimmable fat.

The USDA believes that grades should be revised as marketing conditions change. Recently, the Department has received divergent recommendations for further changes in the beef grade standards from five major segments of the cattle and beef industry and from consumer interest groups. Proposals concern the relative emphasis on marbling and maturity in determining quality grades.

USDA standardization specialists are evaluating these proposals and other alternatives. They are developing information to provide additional precision in yield grades. Real potential exists for reducing excess fat on beef through greater use of an accurate yield grading system.

6. USDA price spread measures

Although one large retail chain measures price spreads for beef and pork sold in its stores in seven cities, USDA is the only public source of such data on an industrywide basis. USDA price spread data have proven generally reliable indicators of both short- and longer-run changes in meat price spreads. USDA price spread data have served well as a basis for monitoring overall pricing performance. If kept abreast of changing practices in the sector those data should continue to serve well the public interest in a responsive and efficient marketing system.

7. Communication among producers, consumers, and marketing firms

Despite a wealth of information, there is a serious lack of public understanding concerning the organization and performance of the food industry. A classic example is the recent misunderstanding concerning

causes and consequences of widening price spreads for red meat. As a public agency the USDA has a responsibility to improve public understanding of the food industry by making available a free flow of timely, reliable information to all concerned.

RECOMMENDATIONS

Numerous opportunities exist for improved performance in meat marketing. We *single out only* a few which, if implemented, would result in substantial improvements in efficiency and productivity.

1. Suggestions for increasing efficiency and productivity in meat marketing:

Encourage packers and retailers to shift further to box beef and central meat cutting.

Increase USDA research and educational efforts to assist the meat industry and food retailers in identifying cost savings through box beef and central meat cutting.

Encourage the National Livestock and Meat Board to promote consumer acceptance of frozen beef.

Work with the Department of Transportation, the Interstate Commerce Commission and other appropriate Federal government agencies to develop (1) a better U.S. rail car information system to assist in improving rail car scheduling and (2) a companion system for trucks.

Allow truck tractors to pull two trailers on interstate highways.

Provide assistance and information for labor-management negotiations to encourage productivity related changes.

Encourage retailers, wholesalers and packers to reflect more quickly price changes that occur elsewhere in the system, particularly at the farm level.

Undertake a concerted, systematic program of research that better identifies (1) obstacles to increased efficiency in the livestock-meat sector and (2) means to remove such obstacles.

These recommendations, if implemented, could bring a substantial reduction in farm-retail meat price spreads, and prices would more accurately reflect current market conditions.

2. Assess needs for revision of grade standards for beef:

Expedite research to get more information on factors that affect consumer acceptance of beef, particularly lean and frozen beef.

Evaluate proposals to revise beef grade standards and initiate action to obtain appropriate changes through public rulemaking procedures.

3. Expand and improve information on prices and price spreads:

Request the Bureau of Labor Statistics (BLS) to collect and report weekly retail food prices.

Request BLS to substantially reduce the 6–7 week lag now existing in reporting retail food prices.

Develop and publish weekly farm-retail price spread reports for beef and pork.

Expedite research now underway in the USDA to insure that USDA price spread data accurately reflect current practices in meat marketing. Research should (1) update transportation costs, (2) develop a primal value for beef for possible inclusion as a price level in the price spread series between carcass value and retail price, and (3) determine if revisions are needed in current procedures for handling retail "specials" for meat.

Expand USDA weekly livestock price reports to include live cattle and wholesale beef prices on a yield as well as a quality grade basis.

Encourage the Federal Trade Commission to provide additional information on the food industry on a "product line" basis.

4. Enhance communication and understanding concerning the marketing of livestock and meat:

Continue to draw public attention to changes in price spreads and their underlying causes.

Ensure that timely, reliable information on meat price spreads is made publicly available upon issuance of USDA reports by working closely with food editors, consumer reporters and other mass media.

Expand to regional locations the recently established seminars on marketing margins in which USDA, consumers, retailers and processors participate, seminars up to now held only in Washington, D.C.

TASK FORCE

Don Paarlberg, Chairman, Director of Agricultural Economics.

John C. Blum, Associate Administrator, Agricultural Marketing Service.

Kenneth R. Farrell, Deputy Administrator, Economic Research Service.

Fred J. Fullerton, Deputy Administrator, Animal and Plant Health Inspection Service.

Nancy Steorts, Assistant to the Secretary.

REPORT ON THE CRISIS ON CYPRUS

Mr. KENNEDY. Mr. President, this week the Subcommittee on Refugees, which I serve as chairman, released a report of the findings of a special Study Mission to Cyprus. Their report is especially timely, given the current congressional effort to speak its will regarding American policy toward the Cyprus issue, and continued military assistance to Turkey.

Reviewing the Study Mission's findings there is an appalling series of omissions in our country's policy and diplomacy toward Cyprus. In analyzing U.S. policy, the report states, in part:

Evidence available to the Study Mission, including conversations with American officials, suggest that some of the policy considerations, in giving humanitarian aid to Greek refugees, includes the need to improve the political/diplomatic climate. It includes the need to show the Greek and Cypriot Governments that we are following a balanced policy. It includes the need to keep the refugees contained, so as to buy time to assist Ankara in consolidating its position on the island. Indeed, it is intended as well to help refurbish Turkey's international image, thereby strengthening its bargaining position in pursuing its bi-regional objectives on Cyprus.

Mr. President, the record is clear that the United States bears some heavy responsibility for the mess in Cyprus, and the human and political tragedy of the Cypriot people. It is also clear that our country, along with others, has a humanitarian obligation to support the relief and rehabilitation of the Cypriot refugees and others in need.

But to do this in the context of promoting Turkish interests, rather than in pursuing a resolution of the crisis which will permit the return of refugees to their homes, is a sad commentary on our Government's concern for people. Moreover, like the President's business-as-usual attitude toward military shipments to Turkey, our policy toward refugees only encourages Ankara's intransigence in negotiations, and needlessly feeds frustrations on Cyprus and among our friends in neighboring Greece.

Mr. President, I believe the report of the Refugee Subcommitte's Study Mission to Cyprus helps to refocus the issue of Cyprus on the central issue before us: The plight of nearly half the Cypriot people, who are refugees or in need of relief assistance, and the need for them to be able to return to their homes.

I ask unanimous consent that a summary of the Study Mission's findings and its recommendations, be printed in the RECORD.

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

[A Study Mission Report to the Subcommittee on Refugees, U.S. Senate, October 14, 1974]

SUMMARY OF FINDINGS

The longer the time required to achieve a resolution of the crisis on Cyprus, the greater will be the suffering of the people of the island. And it is the tragedy of Cyprus today that time is not on the side of peace.

It is the peculiar tragedy of Cyprus that its fate, now, as in the past, rests less upon solutions to be found among the Cypriots themselves—Turks and Greeks—than it does upon a resolution of outside forces and factors. It is to this extent that the tragedy of Cyprus will now be compounded by the the current political instability in Greece and Turkey. No final solution to Cyprus can be anticipated until both Greece and Turkey are able to put their houses in order, to hold elections, and to establish governments with firm political foundations. This, it appears, cannot be expected until the end of 1974.

Meanwhile, the situation on Cyprus festers. And, as in the past, such frustrations will undoubtedly spawn more violence and even greater human suffering, with no end in sight.

I. Seeds of conflict

1. Communal tensions began to build in modern Cyprus history during the British rule, as the majority Greek Cypriot community organized guerrilla war to violently end British colonialism on the island. To the Turkish Cypriot minority the spectre of an end to British rule under these circumstances would threaten a union of Cyprus with the Greek motherland—an ancient objective of the Greek Cypriots. The Turkish Cypriots sided with the British and organized themselves into a counter political force, which they remain today.

2. The establishment of an independent Republic of Cyprus in 1960, with constitutional guarantees for the minority, and international guarantees for the integrity of the island, was intended to end the threat of enosis and reduce communal polarization. Through the 1960's, communal tensions mounted, however, as the constitutional provisions designed to minimize conflict between the two communities achieved the opposite: governmental dualism and further ethnic separatism between Greek and Turkish Cypriots.

3. The communal conflict of 1963–64 brought United Nations intervention, and the formation of the U.N. Peace-Keeping Forces (UNFICYP) on the island. A second major crisis in 1967 ended in a humiliating defeat for the Greek colonels and the withdrawal of 9,000 Greek troops from Cyprus. In both crises the United States played an active and helpful diplomatic role vis-a-vis Greece and Turkey, and the preservation of Cypriot independence.

4. Communal tensions continued after 1967, but under U.N. auspices a series of communal talks began in 1968 between Clerides and Denktash, representing the Greek and Turkish communities respectively. Moderate, but frustrating, progress was made.

II. Cyprus, 1974: Scenario for tragedy

5. A growing strain in relations between Athens and President Makarios over the presence of 650 Greek mainland officers, and the underlying issue of enosis with Greece, culminated in a violent coup against Makarios on July 15, 1974.

6. The U.S. learned of the coup in advance, warned Makarios of it, but it was not taken seriously—although the CIA in Athens must have known better. Makarios escaped death and was evacuated to London by the British. American policy appeared to place in the best light events in Nicosia and the intervention of the Greek junta; no official statement was made condemning the coup.

7. Turkey appears to have interpreted U.S. policy at that time as a signal of tacit acceptance by the U.S. of the Nikos Sampson military clique. Ankara perhaps felt it had no alternative (as well as a great opportunity) to take the military option it had long planned ostensibly in behalf of the Turkish Cypriots whose security they felt threatened. Thus, on July 20, five days later, Turkey invaded Cyprus, and within two days established a firm beachhead in Kyrenia before the first of several ceasefires were announced.

8. The Turkish invasion and the ensuing possibility of war with Greece, undermined what credibility the Athens junta had, and it was forced to recall civilian leadership. On the same day, July 23rd, Clerides replaced Sampson as acting President of Cyprus.

9. The restoration of democracy in Greece and the return of constitutional government in Cyprus, raised hopes that a negotiated settlement might be achieved. The guarantor powers met in Geneva on July 26, and negotiations began. They reached an impasse two weeks later when the Turkish proposals for a federal system under which Turkish Cypriots would have a separate administrative area in 38% of the island, and a second proposal for a contonal system, were received coolly by the Greeks. A 36-hour Greek request to study the proposals was met by the launching of the second phase of the Turkish invasion—achieving on the battlefield what they had not been given at the negotiating table.

III. Consequences of the invasion

10. Within a week, 40,000 Turkish troops swept across and occupied over 40% of Cyprus. In the process, some 282,000 Cypriots—both Greeks and Turks—became refugees, detainees, prisoners of war, or cut-off and in need of relief assistance.

11. The humanitarian problems in Cyprus can be listed under the following categories:

I. *Refugees*—	
1. *In Government-controlled areas*:	
Greek Cypriot refugees	194,000
Post-cease-fire refugees (from Athna and other areas along cease-fire line)	20,000
Turkish Cypriots displaced or cut off	34,000
2. *In Turkish occupied areas:*	
Greek Cypriots displaced or cut off	20,000
Turkish Cypriot refugees	8,000
II. *Prisoners and detainees*, both sides	6,000
Total	282,000

12. With the exception of the area around the first Turkish landing in the Kyrenia-Nicosia enclave, there is minimal bomb or structural damage. However, widespread looting has occurred.

13. The impact of the invasion upon the Cyprus economy has been more devastating. The Government estimates that some $4.5 million is lost each day in production. Agriculture, which comprises half the island's economy, is dying—both crops and animals. The vast citrus crop rots on the trees.

14. The political impact of the invasion was to destroy the constitutional and political framework of the Government of Cyprus as it was established in 1960. The future of Cyprus will be a future governed by a new and different governmental and political structure. There are currently a number of options; most frequently mentioned in Ankara and Washington, is some form of territorial separation of the two communities. Whatever name is used, it is tantamount to partition.

15. Arranging some form of "bi-regionalism," or "zonal" division or "federal" structure on Cyprus, may seem to outsiders as only a question of where the line will finally be drawn. But it is questionable whether a Greek Cypriot government can be found which would accept such solutions under the current threat of arms. Subject to negotiations, the current stalemate risks *de facto* partition—double enosis—of an administrative and economic union of the two separate parts of Cyprus with Greece and Turkey. A drift in this direction is already apparent on the Turkish occupied side, with the introduction of mainland Turkish currency, Turkish supplies, Turkish labor, etc. If this is allowed to continue for long, Cyprus will cease to exist.

16. The impact of partition along the Turkish Attila line, which Turkey has demanded, will have serious human and economic consequences. It will require moving and resettling half the population in order to create majority Turkish Cypriot areas above the line. It could involve moving 40,000 families and it would significantly alter the population density and characteristics of the island. Impact upon land ownership would be equally severe and extremely difficult to divide equitably. Impact upon the island's homogeneous economy would be to cut it in an inequitable half, with most of the foreign exchange earning portions of the economy left on the Turkish side.

17. The costs to Turkey from its military activity on Cyprus has been considerable. The actual costs of the invasion—military equipment lost, supplies, etc.—when added to the growing costs of military occupation, suggests that the cost to Turkey will total $1 billion by the end of the year.

IV. Humanitarian needs and international assistance

18. Massive humanitarian relief needs were created by the Turkish invasion. Within a month, some 40% of the Greek Cypriot population was rendered homeless, and the need for shelter, blankets, medicine, food, and other supplies, was immediate and serious. The Government of Cyprus estimates that to establish refugee camp sites for all those who are now in need of shelter, will cost over $22 million.

19. The Cypriot administration has demonstrated a commendable capacity to undertake relief programs and to absorb outside relief assistance. A "Special Services for the Relief and Rehabilitation of Displaced Persons" was established in late July, and has—under the most difficult circumstances—provided emergency relief aid, as well as longer-term assistance.

20. Although there was a commendable and early response from many nations to the plight of Cyprus—especially the International Committee of the Red Cross, Greece, European Economic Community, and the United States—the appeals of both the ICRC and the U.N. High Commissioner for Refugees have only received token amounts to date. Of the UNHCR appeal for $22 million for relief to the end of the year, only $6.2 million has been received or pledged from all sources—less than a thrid of the sum required.

21. The United States has allocated, as of October 10, $4.6 million for Cyprus relief, with another $1.6 million pledged to the UNHCR in the coming weeks.

22. The needs of the refugees of Cyprus will escalate until a negotiated settlement is achieved, even as the initial enthusiasm and support for Cyprus relief within the international community now threatens to dry up. Massive relief needs remain to be met.

23. The role of the United Nations on Cyprus remains crucial. The UNFICYP forces, although restricted in their movement in the Turkish occupied areas, play an important humanitarian role. The newly augmented 4,292-man UNFICYP force is attempting to generate a feeling of confidence and to obtain information concerning the local situation, particularly in areas where humanitarian and relief measures including the security of population, are required. They provide logistical support to the UNHCR, which has become the focal point for international relief assistance.

24. The work of the UNHCR has been constrained to primarily the Greek Cypriot refugees in the southern part of the island, in part because they form the bulk of the refugee problem, but also because the UNHCR has not been granted free and unrestricted access to Turkish occupied areas.

V. United States policy

25. Although flatly denied in all quarters of the Administration, the evidence in the field suggests a perceptible "tilt" in American policy toward Turkey during the Cyprus crisis. In the early days, U.S. policy seems to have been one of hasty improvisation, coldly calculated to minimize disturbances within NATO. This not only achieved the opposite result, but, in the end, it failed the defenseless people of Cyprus.

26. The substance of the American "tilt" towards Turkey can be seen in the long list of omissions in United States diplomacy—in our apparent approval of, and "understanding" over, the Turkish invasion; in our tacit recognition of a Turkish *fait accompli* through the force of arms; in our clear association with the fundamentals of the Turkish negotiating position; and in our cynical use of humanitarian aid for Greek Cypriot refugees to further our political and diplomatic ends.

27. Available evidence suggests that some of the policy considerations in giving humanitarian aid to Greek refugees included the need to improve the political/diplomatic climate, to show the Greek and Cypriot governments that we were following a "balanced" policy, to keep the refugees contained, so as to buy time to assist Ankara in consolidating its position, and to help refurbish Turkey's international image, thereby strengthening its bargaining position. All this evidence confirms the worst fears of Congress and many Americans over the "tilt" towards Turkey and over the failure of American efforts to help bring peace and relief to the people of Cyprus.

RECOMMENDATIONS

Over the coming weeks and months—as they have since the beginning of the Cyprus crisis—the Chairman and members of the Subcommittee will continue to be as tenacious in their concern and suggestions for action as they feel the important situation on Cyprus warrants.

For the purposes of this report, however, the Chairman and the Study Mission make the following recommendations, relating to diplomatic and political problems and humanitarian needs.

1. *Reaffirmation and Restoration of the Full Independence and Sovereignty, and Territorial Integrity of Cyprus.*

Communal, conflict between Greeks and Turks on Cyprus has led in the past and, if unchecked, will lead inexorably in the future

to confrontation between Greece and Turkey. Britain, as a guarantor power, is also immediately involved. All this in turn, gives rise to problems within the western alliance (NATO) and automatically draws the United States into the picture. Intense U.S. and NATO activity in the eastern Mediterranean tends to bring about the reaction of the Soviet Union and the issue thus reaches the level of world politics involving the stakes of war and peace. Finally, Cyprus' membership in the United Nations and her ties with the non-aligned nations bring an additional factor to bear on the power equation around this small island. This, in fact, has been the general pattern and complexity of international crises over Cyprus in 1963–64, in 1967, and now, in 1974.

Considering this extremely complex network of conflicting interest involving Greece, Turkey, Britain, the United States, NATO, the Soviet Union, the United Nations, and, most important of all, the divided people of Cyprus—the only way of reconciling most of these interests is to maintain and preserve a truly independent, democratic Cyprus. Viewed in this perspective, the Greek junta's engineered coup in Cyprus last July was a clear attempt to impose an unacceptable solution. So too, however, was the military intervention of Turkey, which now threatens partition of the island.

Our government should turn its full energies to the end of restoring the full independence, sovereignty and territorial integrity of Cyprus. Active diplomatic approaches in this regard, minus a "tilt" toward any party, should be made to Greece and Turkey, since the United States is the only power that can move both. New guarantees for the future independence and political integrity of Cyprus will be needed, and these must be achieved through the resumption of the Geneva negotiations or alternative arrangements. Many elements of an agreement already exist in the series of U.N. Security Council Resolutions passed during the current crisis.

2. *Implementation of U.N. Resolutions on Phased Withdrawal of Troops.*

Our government should support the unanimous calls repeatedly made by the United Nations—which also have been agreed to by Greece and Turkey in the Geneva Resolution of July 30—for the phased withdrawal of all foreign troops from Cyprus. There can never be a lasting solution to the Cyprus tragedy that is imposed by force of arms. Observers are particularly concerned about the possibility of the outbreak of guerrilla warfare that would probably turn the entire island into a battlefield once again. Steps must be taken now to disarm Cyprus.

3. *Return of the Refugees to Their Homes—A Gesture of Goodwill.*

There can be no viable solution to the Cyprus crisis unless and until most of the refugees are permitted to return safely to their lands and their homes. Some movement and transfer of population may be necessary, and indeed desirable, under a final solution.

But no plan that perpetuates the present division of Cyprus can long survive the humanitarian, economic and political consequences of de facto partition, which are, as noted above, catastrophic for Cyprus.

In this regard, the United States should use its vast influence and good offices with Turkey to persuade it to allow the return of a substantial number of Greek Cypriot refugees to their homes, as a first step—a "gesture of goodwill"—which most observers in the field believe will break the deadlock over the resumption of negotiations. Such a gesture by Turkey—to allow, for example, the return of Greek Cypriot refugees to the once populous and prosperous Famagusta and Morphou areas, all overwhelmingly Greek populated areas—would be meaningful first steps toward a negotiated settlement of the Cyprus problem.

4. *Provision of Greater Autonomy and Security for the Turkish Cypriot Community.*

There is no longer any question but that the Turkish invasion has forever destroyed the present constitutional framework and political structure of the Government of Cyprus. The future of Cyprus will clearly be a future governed by new and different governmental and political structures; there is no turning back the clock.

It is equally clear that any new structure will have to provide the Turkish Cypriot community on Cyprus with an enhanced degree of security, autonomy, and participation in the economic life of the country. Their grievances over the past decade were, in the main, legitimate and serious. If there is to be any peace on Cyprus, these grievances must be answered.

Proposals aimed at achieving greater autonomy and security for the Turkish Cypriots were already well advanced in the inter-communal talks before the latest crisis. And there was substantial recognition of this during the Geneva talks after the Turkish invasion. These proposals must now be reactivated, and worked out in practical and useable form for immediate and permanent application. If the Turkish invasion serves to side-track this process, it will have defeated its own stated goals.

5. *Support for the Current Inter-communal Talks of Acting President Clerides and Vice-President Denktash.*

The weekly talks now taking place under the auspices of the United Nations between Acting President Clerides and Vice President Denktash, the respective leaders of the Greek and Turkish Cypriot communities, are crucial and must be more actively supported. In the final analysis, it will be the Cypriots themselves who will be most likely to work the hardest in restoring a relationship of trust and harmony which can help rescue their island from the tragedy that has overtaken it. They must be given the time and a chance to succeed, in a climate of peace, rather than military tension under an army of occupation.

6. *Cyprus is a Crucial Test for the United Nations.*

Previous crises on Cyprus have involved and brought forth constructive responses from the United Nations. And over the past decade the U.N. Peace-Keeping Force on Cyprus has played a useful and important role. But there can be little doubt today that the current Cyprus crisis has called into question the effectiveness of the United Nations. As Secretary General Kurt Waldheim has warned the Secretary Council, the situation on Cyprus raises questions about "the very essence of the United Nations Charter, weighing upon the credibility of the organization and its future effectiveness."

In part, the failure of the U.N. on Cyprus is due to the severe limitations of the UNFICYP mandate, which is outdated and unrelated to the current situation—the presence of a foreign occupying army. The United States should now make every effort to strengthen and broaden the mandate of UNFICYP, so it can perform its peace-keeping mission more satisfactorily. The U.S. should use its good offices with Turkey in suggesting to Ankara that a strengthened, more active, and unrestricted United Nations presence on the island would be to Turkey's own interests, reducing its own security burden and providing greater protection for the Turkish Cypriot community. For Turkey to oppose a new United Nations mandate, and free access by the U.N. to all areas of Cyprus, would be to raise serious questions about the intent and purposes of Turkey's policies and actions on the island.

7. *The United States must escalate humanitarian aid to Cyprus.*

Our government—both the Executive Branch and the Congress—should escalate its concern and efforts on behalf of relief and rehabilitation programs among the refugees and others in need on Cyprus.

It has been more than two months since the first International Committee of the Red Cross appeal, and over a month since the appeal by the U.N. High Commissioner for Refugees and his determination that some $22 million will be needed for relief assistance on Cyprus through the end of this year. To date, however, less than one third of this h..s been received or pledged from all sources. The United States contribution has been token—$3.2 million to the ICRC, and $1.4 million to the UNUHCR, with another $1.6 million pledged. This is small compared to what we can and should do. Tokenism must be replaced with generosity and compassion.

An increased obligation of up to $10 million—now, not later—to the UNHCR's program would be consonant with our general contribution to relief efforts, and would immediately encourage other nations to respond more generously as well.

8. *Diplomatic support to break relief bottlenecks.*

In addition to the requirement of providing diplomatic and financial support for the program of the UNHCR, there are two specific humanitarian relief bottlenecks that some greater measure of United States diplomatic concern might help to break.

Since the second phase of the Turkish invasion, the island's only major airport in Nicosia has been closed, due to bomb damage but more importantly to diplomatic deadlock. The Turkish army attempted to take the airport during the invasion, but was stymied by the stiff resistance of the Greek Cypriots. Turkish forces now surround the airport on three sides, with the other side held by the Government. UNFICYP forces hold the airport proper. All sides, except Turkey, have agreed to the speedy restoration and opening of the Nicosia airport under United Nations control. Among other things, all agree that it would greatly facilitate international relief operations, which now must use the over-taxed British air field in the south. However, Turkey has insisted on some form of joint operation of the airport, and a deadlock has developed as the relief effort on the island—for both Greeks and Turks—takes a backseat to narrow diplomatic objectives and squabbling.

Similarly, the Government of Turkey has unilaterally declared the sea lanes surrounding Cyprus to be "dangerous" due to a state of war. The result has been the cessation of regular sea shipments to Cyprus, in part because of prohibitive insurance costs. This has also had a severe impact upon relief shipments, both discouraging ship owners to allow the use of their vessels for Cyprus, as well as adding greatly to the costs of those relief ships which do travel to the island.

Both these restraints on the international relief effort for Cyprus—the close Nicosia Airport and the restricted sea lanes—must be items high on the diplomatic agenda and the United States should be doing considerably more in trying to remove these restraints. Progress towards peace and relief on Cyprus will be undertaken in steps, and there can be no better steps than removing these two bottlenecks to humanitarian relief.

9. *Immediate Relief Problems.*

The United States must actively support initiatives to meet two immediate relief needs on Cyprus—needs that will escalate with time until a solution to the crisis is found. The first is continued provision of food supplies, and the second is programs for unemployment and economic relief.

As noted in the report, the Turkish invasion turned Cyprus upside down, both in terms of its people and its economy. Even as people have been dislocated, so, too, has the

economy; as idle refugees swell the unemployment roles, Cyprus stagnates economically.

The United States can support, hopefully through international channels, a variety of programs that can help meet these needs. For example, the provision of P.L. 480 "food for work" and related food programs, can help meet both food and employment problems. The American Embassy in Nicosia has recommended such programs, and they should be accepted in Washington.

THE PRESIDENT'S NATURAL GAS PROPOSAL

Mr. FANNIN. Mr. President, the senior Senator from Wisconsin (Mr. PROXMIRE) has isssued a statement criticizing the President's natural gas proposals. I understand this criticism has received some publicity.

Today, I, therefore, request unanimous consent to have replies issued by the White House and by the Administrator of the Federal Energy Administration included in the RECORD.

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

COMMENTS ON SENATOR PROXMIRE'S ATTACK ON THE PRESIDENT'S NATURAL GAS PROPOSAL

[This morning] There have been stories of an attack by Senator Proxmire on the President's natural gas proposal.

Unfortunately, Senator Proxmire has misinterpreted the President's proposal—with the result that all of the Senator's calculations and statements about it are incorrect.

The President asked the Congress for legislation to remove *new* natural gas from regulation by the Federal Power Commission (FPC). He stated this request in a September 12 message to the Congress and has repeated it several times since. The legislative proposal to accomplish the change was submitted to the Congress in April 1973.

The past 20 plus years of FPC price regulation has kept prices for natural gas artificially low—resulting in greatly increased demand, inefficient use, and a declining incentive for exploration, development and production of new domestic supplies. This regulation is widely recognized as the root cause of our current shortage of natural gas and a major cause of our National energy problem. The natural gas shortage is critical and will continue growing unless the Congress acts soon.

Deregulation of new natural gas supplies, as the President has requested, would lead to a gradual impact in consumer prices as new supplies begin to come into the market and are averaged in with old supplies—which will coninue under FPC price controls.

However, when looking at this gradual price increase, two points are important:

1. The increase will be very small compared to the higer price that consumers will have to pay for alternative fuels—such as expensive foreign oil—when natural gas from domestic sources is not available.

2. A low price is useful to no one if the product is not available at that low price.

Both points can be confirmed quickly by those homeowners who have been unable to get gas service for their new homes and by industrial and other users faced with curtailments this winter because supplies are not available.

The Federal Energy Administration can provide information on the impact of the President's proposal and show the wide disparity between this and the Senator's incorrect understanding and calculations.

FEA EXPLAINS ADMINISTRATION'S NATURAL GAS POSITION

Federal Energy Administrator John C. Sawhill said today that Senator William Proxmire's statement on the President's natural gas deregulation proposal shows a "total misunderstanding of (1) the Administration's position; (2) energy economics; (3) the nature of the shortage; and (4) the cost of alternatives to the President's proposal."

"First, as President Ford stated in his September 12 message to the Congress, the only viable solution to the natural gas supply problem is to deregulate *new* gas field prices. The Administration has neither supported nor introduced legislation to remove Federal controls on *all* gas. On the contrary, the Administration's proposal has been carefully designed to protect consumers while gradually overcoming the supply problem.

"Senator Proxmire's calculation of consumer cost increases are meaningless in that they do not even address the President's proposed legislation. Senator Proxmire has claimed that a homeowner's gas costs would rise by more than $700 in one year. Any comparable increase under the President's program would average about $25—less than 1/20 of Senator Proxmire's estimate.

"Third," Sawhill continued, "Senator Proxmire does not appear to have any idea of the economic impact of the escalating shortage; where alternative fuels cannot be used, the immediate impact will be industrial production cutbacks and unemployment. For instance, in New Jersey, it is estimated that more than 12,000 jobs are threatened directly as a result of pipeline curtailments. The seriousness of the shortage is apparent in that FPC estimates indicate that gas shortages are expected to be 81% greater than last winter's."

"Equally important," Sawhill added, "the cost of alternatives, imported gas and oil, will be higher to the Nation and natural gas consumers. The Administration believes that a low price is useful to no one if the product is not available at that low price. The key point is that gradually increasing prices will make more domestic natural gas available.

"One final point," Sawhill stated, "since field markets are workably competitive, field price regulation is not needed to 'protect' consumers. History has proven that such regulation reduces supply; passage of new gas deregulation legislation is essential to the goals of Project Independence and to the well-being of natural gas consumers, particularly in the interstate market."

SENATOR RANDOLPH CONTINUES EFFORTS FOR AIR TRANSPORTATION FOR THE HANDICAPPED

Mr. RANDOLPH. Mr. President, the Subcommittee on the Handicapped has been endeavoring to help establish programs to insure the right of handicapped persons to air transportation. As Senators know, persons whose handicaps are visible have encountered discrimination in this area and many cases of citizens being denied passage because they are motor-impaired have been publicized during recent months.

Unfortunately, some air carriers have used section 1111 of the Federal Aviation Act as an excuse for not transporting handicapped persons on the grounds that they are a danger to the safety of the flight. It is clear that Congress, through this section of the act, intended to protect carriers against dangerous or unstable persons who have preplanned intentions of inflicting harm or passengers and the aircraft. It was not designed to restrict the travel of the handicapped.

In an attempt to cope with the problem, the Federal Aviation Administration recently proposed regulations on the air transportation of handicapped persons. This would have been a step in the right direction except that the FAA imposed the major burden of "safe" passage on individual handicapped citizens, instead of on the airlines. Regrettably FAA has developed a wide-open definition of "handicapped person," requirements for renewable medical certificates, restrictive seating arrangements, and restrictive quotas. It would have been better if the FAA had placed more emphasis on efforts to insure equal rights for the handicapped and on the obligations of Government and private industry to achieve this goal.

In the past I have consistently called attention to the fact that the media is providing more coverage to the concerns of handicapped citizens. They are giving leadership and support to this cause, and informing citizens that the concern of equal rights for handicapped persons is a critical problem which our society must confront and resolve.

Mr. President, Ray White of WTOP recently broadcast an excellent editorial on this situation. I ask unanimous consent that it be printed in the RECORD, together with a letter to FAA signed by members of the Subcommittee on the Handicapped and the Committee on Aging, and the FAA reply.

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

HANDICAPPED HAVE A RIGHT TO AIR TRAVEL

Nobody knows precisely how often handicapped people are denied passage on commercial airline flights. But over the past few months such occasions have made the news with increasing frequency.

One response to the problem has come from the Federal Aviation Administration, the agency responsible for setting safety standards for air travel. The FAA has proposed new regulations regarding transportation of the handicapped. However, the proposal would not make it easier for the disabled to travel by air.

A group of U.S. senators has charged that the regulations would only "legitimize the current discriminatory practices of airlines toward the handicapped. We think the senators are correct.

The regulations define a handicapped person as one who needs the assistance of another person to move expeditiously to an exit in case of emergency. Yet this definition might include babies, old people, and countless others whose disability is not physically apparent.

Furthermore, a bad accident is likely to be a terrible equalizer in regard to this capacity.

The FAA proposal also would require of the handicapped medical certification, updated every six months, or an attendant capable of assisting him.

There's more, but the effect of it all is to restrict, not broaden, the possibilities of air travel by the handicapped. The rights of the handicapped and the safety of all passengers would be better served, we think, by regulations requiring changes in aircraft design and in training of airlines personnel.

The handicapped make up only one more group in our society increasingly aggressive about demanding their civil rights and

liberties. By the Department of Transportation's reckoning, there are more than 13 million handicapped people in the United States. That's more than six percent of the nation's population.

They, too, pay the taxes that increasingly are subsidizing the airlines and other forms of travel in this country. They deserve a seat.

We urge the FAA to see they get one.

This was a WTOP Editorial . . . Ray White speaking for WTOP.

COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C., August 9, 1974.

Hon. ALEXANDER P. BUTTERFIELD,
Administrator,
Federal Aviation Administration,
Washington, D.C.

DEAR MR. BUTTERFIELD: We have studied, and are deeply disturbed by, the Notice of Proposed Rule Making concerning the air transportation of handicapped persons which the Federal Aviation Administration published in the *Federal Register* on July 5, 1974, Docket No. 12881.

In our opinion, the proposed regulations are not satisfactory and would do little to eliminate the existing restrictions on a handicapped individual's freedom to travel by commercial air carrier.

As you know, section 404(b) of the Federal Aviation Act prohibits an air carrier from subjecting any person to any unjust discrimination or any undue or unreasonable prejudice or disadvantage in any respect whatsoever. We emphatically reaffirm that statement in this context.

Rather than imposing on the air carrier the responsibility of showing that an individual cannot be carried safely, the proposed regulations establish restrictive quotas and seating arrangements.

We are aware of, and deeply distressed by, the fact that air carriers have used section 1111 of the Federal Aviation Act to refuse to carry handicapped persons on the grounds that such individuals pose a threat to the safety of flight. Such an interpretation is wholly unjustified, since section 1111 was enacted for the purpose of modifying the right of all citizens to air travel only to the extent that carriers had to be protected against unstable or dangerous persons, particularly those who might hijack an aircraft or similarly endanger passengers and crew. We therefore strongly oppose the use of section 1111 as a device to discriminate against disabled persons.

In conclusion, we are not at all satisfied that there is legitimate justification for imposing such restrictions based on safety considerations on the right of handicapped individuals to travel by air carriers certificated by the Federal Aviation Administration. Further institutionalization of such restrictions through the adoption of these proposed regulations is unacceptable.

We strongly urge you to promptly revise your proposed regulations so that no further time is lost to this rule-making proceeding. We look forward to your response to the points raised in this letter as soon as possible.

Very truly yours,

Jennings Randolph, Harrison A. Williams, Edward M. Kennedy, Robert Taft, Jr., Glenn J. Beall, John V. Tunney, Charles H. Percy, Alan Cranston, Claiborne Pell, Walter F. Mondale, Robert T. Stafford, Richard S. Schweiker, Frank Church.

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., August 28, 1974.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR JENNINGS: Thank you for your comments concerning our Notice of Proposed Rule Making (NPRM) on the air transportation of handicapped persons. I can assure you there is no intention on our part to discriminate against the handicapped. To the contrary, our notice specifically proposes that an air carrier may not refuse to carry a person on the basis that he or she is handicapped and, thus, should rectify the present practice of determinations by the air carriers on an individual and nonuniform basis.

Many of the regulations issued by the FAA impose limitations and restrictions on some segment of the aviation industry as well as on the fare-paying passenger and, as such, might be considered discriminatory. The NPRM is an effort to change the current situation and, at the same time, establish regulations that would allow the carriage of handicapped persons while maintaining an acceptable level of safety.

Prior to issuing the NPRM, our safety experts spent several thousand man-hours conducting research and participating in meetings with associations and groups representing the handicapped. On May 30, 1973, we issued an Advance Notice of Proposed Rule Making (ANPRM) to solicit comments and ideas from the public on the formulation of an acceptable set of rules for the carriage of the handicapped. Subsequently, we conducted six public hearings at strategic locations throughout the country. We received a large number of comments in response to the ANPRM, and many statements were presented at the six hearings by handicapped persons and associations representing them. We very carefully considered these comments and recommendations which form the basis of the proposals contained in our notice. You may be interested in knowing that in our many contacts with handicapped persons and in reading their comments, we became convinced that the blind and deaf are not handicapped for the purpose of air transportation; thus, the notice proposes that an air carrier may not refuse transportation to these persons.

Following a survivable accident in Denver in July of 1961, it was determined that many of the passengers perished simply because the airplane was not evacuated soon enough. This led to the establishment of rules requiring the airlines to demonstrate that each particular type aircraft could be evacuated within two minutes (later changed to 90 seconds). We also established emergency training requirements for each flight and cabin crewmember. This is still an on-going program which has been refined throughout the years consistent with technological improvements, such as automatically inflatable evacuation slides. The successful evacuation of an airplane in a survivable accident is directly related to the flow rate through the emergency exists. I believe you will agree that, to assure an acceptable flow rate, we must limit the number of handicapped persons on board so as not to jeopardize their safety or the safety of those who are able to use the exits without assistance from others. This is really the crux of the problem and one which perhaps is not clearly understood by some of the associations representing the handicapped.

In conclusion, the NPRM appeared to us to embody a reasonable approach from a regulatory standpoint. As part of the rulemaking process, we will carefully consider all comments received on the NPRM. Your letter has been placed in the rules docket and will, of course, receive full consideration before final action is taken on the NPRM.

I very much appreciate receiving your comments. I can assure you that we will continue to study the problem even after completing action on the NPRM. To the extent that future aircraft design improvements permit, they will be considered to determine whether any regulation adopted can be improved, consistent with safety, to minimize or eliminate the restrictions the handicapped have faced in traveling by commercial air carrier.

Sincerely,

ALEXANDER P. BUTTERFIELD,
Administrator.

TAXES, HOME CONSTRUCTION, AND INFLATION

Mr. MATHIAS. Mr. President, many distinguished economists have recommended that immediate steps be taken to lower home mortgage costs, help families find quality housing, and aid the housing industry which now experiences depression-level unemployment. Many of the proposals for action have been focused at the Federal level, but there are obviously actions that can be taken at the State and local level as well.

Recently, State Senator John J. Bishop, Jr., of Maryland, proposed that the interest on saving accounts in the State of Maryland be exempted from State income tax. As Senator Bishop pointed out, this proposal would encourage greater savings which could make more mortgage money available at lower interest rates.

I believe Senator Bishop's proposal merits the attention of a wider audience, and I ask unanimous consent that it be printed in the RECORD.

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

MARYLAND CAN DO SOMETHING ABOUT TAXES, HOME CONSTRUCTION, AND INFLATION: AN ANTI-INFLATION MEASURE

State Senator John J. Bishop, Jr., 10th Baltimore County, issued a position paper on anti-inflation and tax reduction legislation that will stimulate the construction and purchase of homes in Maryland. His bill will exempt from State income tax the interest paid on all savings accounts and discourage Maryland banks from investing so much of their funds outside the State of Maryland.

"In this way," Senator Bishop said, "we will provide the incentive necessary to encourage Marylanders to do what most Americans realize must be done if we are to reverse today's tremendously serious inflation—tax-free interest on savings will make saving more profitable and encourage the postponement of non-essential purchases."

Senator Bishop notes even a minimum increase in our banking reserves, reduced by a staggering $55 million during July and August this year alone, can lessen inflation by providing a larger pool of funds for housing through the stimulation of home building, home purchasing, and employment among building suppliers and in the construction trades, where a projected 15–16% will be unemployed by the end of 1974.

Senator Bishop pointed out tax-free interest on savings is one thing that can be done on a statewide basis to begin combatting inflation. He also announced he is requesting Maryland's Senators, Mathias and Beall, to introduce a similar measure into Congress so the problem can be met on a national basis as well.

POSITION PAPER I: INFLATION AND CONSTRUCTION

(By John J. Bishop, Jr.)

The inflationary problems currently being experienced in the United States reflect a world-wide economic crisis that has adversely affected the well-being of all industrialized nations. By virtue of the fact that the international economic system has

fostered broad-scale interdependence among the industrialized nations of the world, inflation tends to have a snowballing effect, and the possibility of successfully insulating one nation from the general debacle simply does not exist. Thus, the American economy in a sense is hostage to world inflationary pressure, and certainly to the extent that the U.S. is dependent on ever more costly foreign resources (for example, oil), a purely domestic attack on the inflationary spiral cannot hope to stem the tide which threatens to lead us from inflation to depression.

In attempting to cope with the danger of inflation, the State of Maryland stands in relation to the United States as the United States stands in relation to the industrialized world: no purely local solutions can be relied upon exclusively because the problem is nation-wide, and no methods are available to insulate the economy of Maryland from the general inflationary processes that effect all parts of the United States. This is not to say that the State of Maryland is completely powerless to protect the economic well-being of its citizens. There is some evidence that the economy of Maryland could do more for Marylanders than it has, and especially in the sensitive areas of mortgage money availability. During the last two years, Maryland has witnessed the flight of the savings of its citizens to outside money markets where a higher rate of return was available. The victims of this flight have been Marylanders seeking decent housing who could not find mortgage money to finance their purchases; Maryland builders who could find no funds for construction loans and who have been forced to cancel or delay planned projects; and construction workers, who already faced with the uncertainties of seasonal employment and the cyclical nature of the building industry, now are confronted with underemployment and lay-offs. According to recently published statistics, housing starts have fallen off nationally from 2.5 million in late 1972 to 1.3 million this summer; locally, in Baltimore and the five surrounding counties, they have decreased from 11,497 in the first 6 months of 1973 to 5,919 in the first six months of this year. Unemployment among construction workers threatens to rise to 15% and beyond later this year and with the decrease in new construction; demand-pull inflation is driving up the cost of existing housing to astronomical heights. This vicious cycle can only be broken by increasing the availability of money for local construction, and the Legislature is in a position to contribute materially to this desirable end.

A three-pronged attack on the problem promises positive results: a) encouraging increased deposits by Maryland savers into Maryland banks through favorable State tax treatment on the returns of these savings; b) gaining the commitment of Maryland's Congressional delegation to push for exemption from federal income tax on interest paid on savings accounts; and c) preventing the flight of Maryland savings into other areas by providing tax incentives for financing local construction and providing mortgage money for Marylanders wishing to purchase homes.

1. In July and August of this year, an alarming trend developed in the Maryland banking and savings and loan industry, in that withdrawals began to exceed deposits, thus reducing the net amount of funds available for loans by $50 to $55 million in these 2 months alone. In large measure, the flight of these savings was due to the availability of higher rates of return than Maryland banks and savings and loan associations could offer. To offset the current trend to withdraw savings and to protect the availability of these savings for local investment, the Legislature must offer tax incentives to Maryland savers that would encourage them to deposit their savings locally. There are between 975,000 and one million Maryland depositors, and of these about ⅔ (666,000) hold balances under $20,000. For the typical depositor who might earn $1200 per annum return on his savings, an exemption of the state income tax on these earnings would represent a saving of $60.00 per annum. It would induce the saver to keep his funds on deposit locally, thus increasing the availability of funds, for construction loans and mortgages. It would encourage the saver to increase his savings, thus further increasing the availability of loan funds, and also deferring the purchase of nonessential goods. The net effect would be to increase the supply of money for construction and mortgages while reducing the pressure of cost-push and demand-pull inflation in the other sectors of the economy.

2. A rather broad consensus is developing in financial circles that Congress must provide some form of tax relief for savers if the socially and economically desirable objectives of increased savings are to be achieved. James T. Lynn, Secretary of Housing and Urban Development recently testified at a meeting of the Federal Home Loan Bank at Atlanta that the key to solving the crisis in housing rests on granting a $1,000 federal income tax exemption from income derived on interest from savings in thrift institutions. The New York State Savings and Loan Association and the Maryland Savings and Loan League similarly are on record favoring such Federal tax exemptions. At the recent economic "summit" meeting, national leaders representing lenders, builders, and housing buyers argued in favor of tax exemptions on personal savings and tax credits for money lent on residential mortgages. The rationale for these proposals rests on the central theme that since both the Federal and the State governments have favored home ownership as a socially and economically desirable end by exempting mortgage interest payments from income taxes, so it is now necessary to provide tax incentives for the equally desirable ends of encouraging individual savings.

The countervailing argument that such tax incentives would only favor the lending industry is not convincing in light of the decreasing earnings of banks and savings and loan organizations and of the recent failures of such institutions. Neither is the argument that the housing industry should not and cannot be insulated from its intrinsic cyclical flows. The construction of home is as socially and economically essential as the production of food and other agricultural products. A mild intervention in the form of tax relief and tax credits is the least disturbing to the economic system and represents the most even-handed method of coping with the critical housing situation.

3. By imposing interest ceilings on mortgages, the Maryland Legislature has assumed a special responsibility to assure the existence of sufficient moneys to meet the needs of Marylanders shopping for residential mortgages, because these interest ceiling encourage lending institutions to allocate their funds in areas where their rate of return is not so restricted. The alternative to lifting the interest rate ceilings on mortgages (which would be undesirable in that it would further inflate the cost of housing to the consumer) is the inducement of tax credits on loans for local construction and local residential mortgages. The resulting tax loss would be more than compensated by the increased income taxes from employment, increased property taxes from additional residences and the greater business activity generated by the use of Maryland money in Maryland. It need hardly be argued here that to deny the opportunities of home ownership to the young who are just now setting up homes and beginning their families, is not only inequitable but also socially undesirable. To propose such tax credits for Maryland lenders is *not* to argue favorable treatment for a special interest; the funds that Maryland lending institutions have available for loans are scarce and very much in demand; tax credits and tax incentives such as proposed will assure Maryland home buyers and apartment residents a fair opportunity of obtaining the housing they need without being saddled with usurious interest rates.

The proposed three-fold attack on the problem of housing and mortgages has the advantage of representing actions that can be undertaken promptly. It further is to be favored in that it focuses on local solutions to local problems, thus eschewing the creation of vast national bureaucracies which are not sensitive to local problems and local demand. And, finally and most important, it is the only solution to the housing and mortgage crisis which is non-inflationary in nature.

ICC IMPROVES STATISTICAL REPORTING

Mr. METCALF. Mr. President, I am pleased to call attention to a recent improvement in data reporting by the Interstate Commerce Commission. Preliminary statistical data for 1973 is now available on microfilm. The ICC has a better track record in this regard than some other independent regulatory commissions, which shall be nameless for the time being.

Inasmuch as Members of the Congress and the public, including trade associations and parties to proceedings before the ICC, may wish to avail themselves of this data, I ask unaimous consent to print in the RECORD the ICC's August 30 press release on the subject.

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

PRELIMINARY STATISTICAL DATA ON RAILROADS TO BE AVAILABLE TO THE PUBLIC ON MICROFILM

As part of the Interstate Commerce Commission's continuing effort to make meaningful data on carrier operations available to the public in a timely fashion, the Commission, as a pilot project, is now prepared to release on microfilm preliminary summary tables of Part 1, *Transport Statistics in the United States*, 1973—*Railroads*. These tables being released are Nos. 158 through 166, which are abstracts of various statistical data by districts, Class I line-haul railroads.

The data will be available on reels and microfiche. Copies can be obtained at reproduction cost by addressing a request in writing to: James H. Bayne, Chief, Section of Reports, Bureau of Accounts, Room 6417, Interstate Commerce Commission, Washington, D.C. 20423.

Please specify the format desired—reel or microfiche copy.

A microfilm copy of the data will also be available for viewing in the Commission's Public Reference Room (Room 6114), 12th Street and Constitution Avenue, N.W., Washington, D.C.

This procedure is being initiated to determine its acceptability to the users of the financial and statistical data published by the Commission. Comparable data in printed form will be available through the Superintendent of Documents in about 90 days.

The data has been subjected to a limited verification process in order to make it available at this time. A more comprehensive verification process will be applied to the tables, together with similar data on indi-

vidual railroads, prior to release in printed form.

If this procedure finds general acceptability among the users of the Commission's statistical information, it will be expanded to other publications.

HILL SYMPOSIUM ON POPULATION

Mr. PERCY. Mr. President, I have spoken many times in this Chamber about the importance of the issue of world population growth. As you know, the United Nations also recognizes the critical nature of the problem of unrestrained growth, declaring 1974 to be World Population Year and sponsoring the recent World Population Conference in Bucharest.

These events have provided an excellent beginning for cooperative international efforts to develop approaches to population problems and to accelerate economic and social development in those countries where population growth rates are highest. But it is imperative that we all recognize that we have only just begun and that our efforts to understand and deal with population problems must continue.

It has been my experience that too few Members of Congress are aware of the importance of global population growth rates or of the effect of these rates on current critical problems such as energy shortages, food shortages, global pollution, and environmental degradation.

Mr. President, the United Nations Association of the United States has designated October 24, United Nations Day, as World Population Day. A variety of events are planned across the country to inform and educate Americans about the population issue. One of the most important of these events will be held here on Capitol Hill for the benefit of Members of Congress and their staffs. The World Population Society is sponsoring an all-day symposium in room 2167 of the Rayburn House Office Building. The society has enlisted the aid of several notable experts and personalities, and I know the meeting will be extremely worthwhile. Each congressional office will receive an invitation and a program for this population symposium, and I urge each Member of Congress to send at least one staff person to attend all or part of the day's activities.

I wish to commend the World Population Society for sponsoring the World Population Day Symposium on Capitol Hill. The society's activities to inform and educate Congress are greatly needed, and I welcome its efforts.

The schedule for the October 24 symposium is as follows:

8:30–9:00—Coffee and Registration.

9:00–9:15—Introduction—Otto Schaler, Chief, Population and Health Branch, Office of International Training, Agency for International Development.

9:15–10:00—Film: "Sahel: Border of Hell" This award-winning WTOP documentary, narrated by Carl Rowan and J. C. Hayward, deals with the complex problems of the current drought in the Sahel region of Africa.

10:00–10:50—Speaker and discussion: "Famine in Africa: The World Next?" Dr. Howard Cottam, consultant to FAO, former head of the North American delegation to FAO, and Dr. Joseph Kennedy, Director of International Programs for Africare.

10:50–11:10—Film: "Tilt".

11:10–12:00—Speaker and discussion: "The World Food Problem: What Can We Do to Help?" Martin McLaughlin, Executive Secretary, World Hunger Action Coalition.

12:00–2:00—Luncheon: Senator Joseph Tydings, Co-Chairperson, World Population Day. Rayburn Building 338.

2:00–2:30—Film. "Sorry, No Vacancy".

2:30–3:30—Speaker and discussion: "World Population: Where Do We Go From Bucharest?" Dr. Ward Allen, Executive Secretary, World Population Society, Dr. Phyllis Piotrow Director, Population Information Program, George Washington University, members of U.S. Population Conference Delegation.

3:30–4:00—Film: "Population and Food," recent FAO release.

4:00–5:00—Speaker and discussion: "American Participation in the World Food Conference," Ambassador Edwin Martin, U.S. Coordinator for World Food Conference.

GROUND TRANSPORTATION PROBLEMS AND NEEDS

Mr. KENNEDY. Mr. President, I call to the attention of my colleagues an open letter to President Ford from Helen Leavitt, editor, Rational Transportation, calling upon the administration to devote their attention toward ground transportation problems and needs.

America needs an effective mass transit system. In addition to meeting our basic transportation goals, mass transit would create jobs and would be a strong weapon in our current battle with the energy crisis. Mrs. Leavitt also points out the value of this program during our current economic crisis.

Virtually all highway trust funds are narrowly "earmarked." I join Mrs. Leavitt, as I have proposed in the past, in urging that all highway trust funds be treated as general revenue for the operation, maintenance, and construction of mass transportation systems, including rail transit. This flexibility is needed if we are to achieve our goals.

I ask unanimous consent that Mrs. Leavitt's letter be printed in the RECORD.

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

AN OPEN LETTER TO PRESIDENT FORD

DEAR MR. PRESIDENT:

All America welcomes the high priority you have placed on our number one domestic issue, inflation. We commend your efforts to reduce spending at the federal level as a means of reducing the inflationary trend that has gripped our economy.

Now that you have convened an economic summit meeting to search for ideas to deal with inflation, we urge that you devote considerable attention to the nation's ground transportation problems and needs in your efforts to adjust national spending priorities.

As you know, federal participation in our ground transportation programs has for many years been limited primarily to the area of highway construction since inception of the Highway Trust Fund in 1956. Over the past 18 years, federal taxes on motor fuel and oil have been specially earmarked for roadbuilding through the Highway Trust Fund which now provides matching funds in the ratio of 90 percent federal to 10 percent state and local for Interstate Highway construction, and 75 percent federal and 25 percent state and local for primary and rural highways.

As a result, American taxpayers have spent $275 billion of federal, state and local taxes on highway construction since 1956. Currently, we earmark $6 billion federal and $19 billion state and local dollars for a total of $25 billion annually on our highway program.

In this same 18 year period we have spent a total of $37 billion on all other forms of transportation. During the period of this massive infusion of federal "seed" money into highway construction, coupled with virtually total neglect of our public transportation systems, we have lost more than 7 billion transit riders annually while the automobile population has risen from 54 million in 1956 to 100 million vehicles today. Concomitantly, we have experienced a rise in highway deaths from 39,000 in 1956 to 55,000 annually while approximately four million Americans are maimed on our highways.

A meaningful but small effort has been made over the past three years to restore public transportation with $1 billion in annual appropriations from the general fund. However, the $3 billion that has been spent so far under the Mass Transit Assistance Act of 1970 has had little impact on restoring public transportation to its former level of popularity. Fully one-third of this amount has been spent to bail out city bus systems either by helping municipalities purchase their bus systems outright or to beef up with new buses, or both. The remainder of the funding has been applied to existing subway systems or other fixed rail systems in just six large cities.

Meanwhile, the Environmental Protection Agency has determined that despite these efforts to aid public transit, the ubiquity and predominance of the automobile-highway transportation complex has so laden our air with poisonous carbon monoxide that at least 37 urban areas must curtail auto use and improve public transit in order to protect public health. The affected cities are: Birmingham, Mobile, Phoenix-Tucson, Los Angeles, San Francisco, San Diego, Fresno, Sacramento, Denver, Washington, D.C., Chicago, Indianapolis, Baton Rouge, Baltimore, Boston, Springfield, Mass., Minneapolis-St. Paul, Kansas City, Mo., New York City, Rochester, N.Y., Syracuse, Cincinnati, Dayton, Portland, O., Pittsburgh, Philadelphia, Houston-Galveston, Dallas-Ft. Worth, San Antonio, Beaumont, Austin-Waco, El Paso, Corpus-Christi, Salt Lake City, Seattle, Spokane.

Each of these cities has an extensive highway network. None has an adequate public transit system. Continued highway construction, with its attendant urban sprawl, shopping centers and thirst for land, undermines any efforts to help the taxpayer find and use public transit service . . . and this occurs in a country where the average trip is no more than nine miles in length and auto occupancy is less than 1.5 persons per vehicle.

Heavy emphasis on highway construction has also encouraged more use of trucks for shipping freight at the very time many of our railroads are faltering. Interstate rail passenger service was barely rescued from oblivion recently with the establishment of AMTRAK.

The success of this venture attests to the stamina of the American rail passenger, for the service has proven very popular where made available despite the fact that much of its 26,000 miles of track are unsuitable for use and it operates on a limited budget that includes no more than $200 million in federal aid annually. (This is less than the cost of completing 9.6 miles of I–66 between the Capital Beltway and the Potomac River.)

Railroad experts agree it will take at least a $1 billion investment in capital improvements for AMTRAK to attain first-class rail passenger service. We need only look back to World War II to assess the role railroads can play in our economy . . . almost 90 percent of all interstate freight and passenger

service was carried by America's railroads . . . because we had an "energy crisis" then, too.

Our present energy crisis—OPEC countries are determined to keep oil prices high—calls for no less an effort to economize our natural resources. According to the National Science Foundation, transportation accounted for an increase of 166 percent in energy consumption in the 20 years between 1950 and 1970, mostly the result of the massive shift to the automobile and truck. A breakdown of energy consumption by mode of transportation reveals why.

Mode	Passenger miles per gallon	Mode	Ton miles per gallon
Bus	125	Pipeline	300.0
Railroad	80	Waterway	250.0
Auto	32	Railroad	200.0
Airplane	14	Truck	58.0
		Airplane	3.7

As you know, the federal government is subsidizing airport development through a trust fund established in 1970 similar to the Highway Trust Fund. It has collected a total of $3.8 billion for air travel since its inception. Thus, the federal government provides generous, automatic subsidies for the two least efficient modes of transportation . . . highways and airways.

While at the federal level we are spending $1 billion annually on mass ground transportation, we continue at the same time to earmark $6 billion each year for additional highway construction. City and state politicians insist they need both. As long as they are offered each, there is little hope for establishing a rational transportation system or a priority-oriented budget.

Last month, the House of Representatives passed a Mass Transit Aid Bill providing $11 billion of federal aid over the next six years. The lion's share of this money would aid nine large cities as they upgrade their fixed-rail systems for the daily commuter. The remainder would help smaller cities improve bus service. Some money would be available to stabilize fares. This bill originally carried a price tag of $21 billion but was cut in half when you warned that you would veto a bill providing such a large amount on grounds it would be inflationary.

At $21 billion over six years, it would have meant approximately $3.5 billion in federal aid for public transit each year compared with $6 billion each year for highways. Now the bill has been reduced to $11 billion, or $1.8 billion per year. This amount, coupled with the $1.5 billion available from the Urban Mass Transit Administration for 1975 only, provides, at most, $3.3 billion for public transportation over the next year. Funding for future UMTA programs is unclear . . . but may revert to the single $1.8 billion per year as provided in the House bill. We recommend that you reduce the highway construction program for the clear reason that it is six times as inflationary as the current mass transit program, since funding is now approximately at the ratio of 6 to 1 at the federal level alone.

The Federal Highway Administration last month announced that highway construction costs have risen 201.4 percent over 1967 costs. During the second quarter of 1974 alone, highway construction costs jumped 7.4 percent.

While there is validity to the claim that cutting federal spending can create unemployment, studies to date indicate that the job-creating effects of highway construction are exaggerated. Three-fourths of highway construction outlays are for profit, overhead, heavy equipment, real estate and materials. Only one-fourth of these costs are for actual payroll. Indeed, as much as half of the costs of many urban highways may go for land acquisition. Most of the remainder of the money helps to inflate the costs of basic materials such as steel, pipe, cement and petroleum.

Mass transit, on the other hand, is a labor-intensive industry and is capable of creating millions of permanent jobs as the sector of our transportation network grows. Simply weaning ourselves from highway construction and applying the money to higher-priority needs at the same time we steadily improve public transit would serve three needs . . . ease unemployment, end wasteful and counterproductive spending on further highway construction, and encourage the blossoming of public transportation.

A recent study of the effects of shifting highway construction dollars to railroad bed construction revealed that energy required for such construction would be reduced by 62 percent and employment would be increased by 3.2 percent. Dollar savings from the transfer of passengers from car to railroad, if ploughed into railroad construction, would save 2.98 billion gallons of gasoline each year and create 1.2 million jobs.

Thus, we advocate treating all highway and airport trust funds as general revenue rather than as earmarked or sacrosanct monies. We are aware that there is a widely held position among your former colleagues on Capitol Hill that highway trust funds are spent only for highway construction, since the law establishing the fund states that the money will be used to fulfill highway needs. Highway engineers define those needs as insatiable. But you are aware that even before 1970, all money designated for the highway trust fund that was not authorized for highway construction, essentially "surplus trust money," has been treated as general revenue.

This year alone, outlays from the highway trust fund will equal $4.9 billion while receipts are expected to total $6.3 billion, creating a $1.4 billion "surplus." These surpluses have, over the years, accumulated to a total of $8.685 billion, according to the Bureau of the Budget.[1]

More interestingly, the U.S. Treasury[1] treats these taxes as general revenue, along with surpluses from other programs such as Social Security and veterans insurance payments. The past two administrations have simply applied them to the national deficit each year.

Thus, in 1974, the national deficit, which you are properly attempting to reduce, was actually $17.9 billion.[2,3] When all trust fund surpluses were applied, this deficit magically became $9.4 billion. The U.S. Treasury simply tucked an I. O. U. for the $8.4 billion difference into our collective federal sock.[4]

Thus it can be seen that for years now, the federal government has treated trust fund surpluses as general revenue to finance the Vietnam War, our space, defense, and other programs. There is nothing sacrosanct about the Highway Trust Fund. It can be spent on any program both you and the Congress deem essential to the well being of the nation.

Therefore, we urge that all highway and airport trust funds, not just the surpluses, be treated as general revenue so we may get on with the job of solving our spiraling inflation problem and reordering our priorities in the critical areas of energy demand and transportation.

Sincerely,

HELEN LEAVITT,
Editor, Rational Transportation.

[1] Special Analyses Budget of the United States Government, fiscal year 1975, page 29. The Budget of the United States Government, fiscal year 1975, page 30.

[2] The Budget of the United States Government, fiscal 1975, pages 29 and 30.

[3] Ibid, page 3.

[4] Special Analyses Budget of the United States Government, fiscal 1975, page 25.

THE BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 1975 P. 3

[In billions of dollars]

The Budget At A Glance	1973	1974	1975
Receipts	232.2	270.0	295.0
Outlays	246.5	274.7	304.4
Deficit (—)	—14.3	—4.7	—9.4

THE BUDGET OF THE UNITED STATES GOVERNMENT, FISCAL YEAR 1975 P. 30

[In billions of dollars]

Budget surplus or deficit (—) by fund group	Amount
Federal funds:	
Transactions with the public	5.3
Transactions with trust funds	—23.2
Total	[1] —17.9
Trust funds:	
Transactions with the public	—14.8
Transactions with Federal funds	23.2
Total	[2] 8.4
Budget total:	
Federal funds	[1] —17.9
Trust funds	[2] 8.4
Total	[1] —9.4

[1] Deficit.
[2] Surpluses.

THE RIPPLE EFFECT OF THE HOUSING CONSTRUCTION SLUMP

Mr. HATFIELD. Mr. President, last week the Senate passed legislation aimed at helping the sagging housing industry. Much has been said about the immediate impact of this slowdown from the lack of new construction starts and the related areas of the home construction industry.

As a Senator representing the State which produces much of the lumber used in construction of these new homes, I have addressed comments in the past of the effect of this slump has had in my State, as mill after mill has cut back production and laid off workers.

Mr. President, a further example of the ripple effect of this housing slowdown has created was pointed out in a recent newspaper article from the Central Oregonian, published in Prineville. I want to share some of its contents with my colleagues.

The city of Prineville received an income from operating a city railroad. City budgets are calculated using forecasts from income for logging and mill operations in that part of the State.

Because of the cutback in the demand for lumber, the railroad is not hauling as much lumber as it had been, and city revenues have fallen.

As the Federal Reserve Board meets here in Washington, with its charts and graphs, far away from the hurly-burly, I wish they could realize the impact of the whip they crack with their high interest rates. Out at the tip of that whip are lots of small areas such as Prineville. Their plights are not well known, but the impact is the same in the community as lots of the larger, better publicized situations elsewhere in the country.

I ask unanimous consent that this

article from the October 3 Central Oregonian be printed in the RECORD.

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

LOSS OF RAILROAD REVENUE TO CAUSE BUDGET PROBLEMS

The City of Prineville is faced with a possible deficit in the 1975–76 budget due to the loss of revenue to the City of Prineville Railway.

It was revealed at a Tuesday Finance Committee meeting that the railroad lost $3,500 in the first month of the fiscal year (July) and due to the down-turn in the economy, revenues are off for the year.

Reed Johnson, city of Prineville Railway Manager, stated that the normal car shipping average per shift runs between 25 and 28 cars. Presently the averages are 13.4 and just over 17 cars on the two shifts.

The loss of revenues to the railroad reflects the cut back in the forest products industry and could result in a substantial cut in the annual payment to the city for their operational budget.

The city annually budgets $150,000 from the City of Prineville Railway for the budget which has held the city property taxes at their present low level.

The news of the decrease of revenue from the railroad could result in a loss of $40,000 to the city's general fund for the 1975–76 budgeting period. The 1974–75 money is already in the present budget and is paid ahead of the budget period.

The railroad has already made some adjustment in the number of employees, with the lay-off of two breakmen and one fireman until there is an increase in the number of cars being moved by the railroad.

City Administrator Jim Watson stated Tuesday evening, "at this point in time the city is attempting to underexpend on this year's budget in an attempt to stay ahead of the problem."

Watson went on to state that the city is analyzing their capital expenditures for possible cuts to ease the pain on next year's budget.

Watson stated that a normal month in a real good year the railroad would show a net profit of between $19,000 and $20,000.

In other business, the finance committee authorized Mayor Riley Allen to sign a contract with North American contractors of Portland for the repair and completion of the city sewer system.

Received a final report from Tennison Engineering on the proposed industrial site development on Lamonta Road.

Approved the letting of an animal shelter construction contract for the amount of $22,500 of Charlie Moore of Prineville.

Approved Ordinance No. 737 with minor changes. The ordinance is designed to wave the building permit fees for senior citizens and the low income.

JULIAN GOODMAN SPEAKS ON THE FUTURE OF BROADCASTING

Mr. HARTKE. Mr. President, recently Julian Goodman, chairman of the board of the National Broadcasting Co., gave a most interesting speech before the Asian Broadcasting Union meeting in Tokyo, Japan.

Mr. President, I ask unanimous consent that the text of Mr. Goodman's remarks be printed in the RECORD.

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

ADDRESS BY JULIAN GOODMAN, OCTOBER 7, 1974

I appreciate the honor you pay me, my company, and my country in asking me to speak here today. I appreciate also the gracious words of introduction. The experience of hearing one's own biography reported in public is always—for me at least—a time for reflecting on what these past years have brought us and what the future holds for us.

That future must surely be one of continuing growth of broadcasting—improvements in its technology, and growth in the numbers of people all over the world who depend upon radio and television for entertainment, education, and thorough, accurate and objective coverage of news and public affairs.

I am proud to have participated in that growth—both in number of viewers and in their trust of what we say—during my nearly 30 years with NBC (as a journalist, and then as chief executive) in what I like to think was affirmation that journalism is fully as important to American commercial television as entertainment.

In the United States, we have long admired the work you have done in the A.B.U.—and that of our colleagues in the E.B.U.—as well as your bringing together in a single unit the multiple problems of broadcasters in different countries, and speaking with a single voice. It has often been suggested that we should have a similar organization representing all the broadcasting companies on the North American Continent. We have not done that for reasons that I will explain later in these remarks.

Many of the countries represented here have roots in the past that are beyond memory.

My country is less than 200 years old, a mark we plan to celebrate fully in 1976, but it brought forward a new idea among nations. It was devised on the novel proposition that men could meet equally, and by reasoning together, form a nation. The United States has been a nation that from the beginning encouraged its citizens to talk among themselves, in order to govern themselves better.

That is why communications have played such a large role in American history. To make the original concept work, we had to find ways to exchange ideas across a large continent. The telegraph and telephone, radio and television, have been enormously vital to the development of American democracy.

And just as Americans have always believed they could achieve unity by reasoning together, they have long held a hope that all nations could do the same. Men like Benjamin Franklin and Thomas Jefferson believed strongly in universal reason. President Woodrow Wilson put forward the concept of a League of Nations, and we have lived to see this dream take hold in the United Nations.

But it has not been so much the noble dreams of idealists that have tied nations together. It has been technical change, and particularly electronic communications. Many of you in this hall have played a part in that.

It is significant that the oldest international organization still in existence is the International Telecommunications Union, which brought to life the idea of world cooperation 54 years before the founding of the League of Nations. Such an organization was needed in 1865 to make national telegraphic systems able to work with one another.

It is good to know that with organizations like A.B.U.—international cooperation has improved with age.

For those who believe as I do in the power of communications to make a world community, these are exciting times. We are in the space age, the age of the satellite. Images can be transmitted around the world in seconds. A global television audience of 600 million shared the moment man first set foot on the moon. The vast populations of the Soviet Union and the United States simultaneously heard and saw messages of friendship delivered by their respective heads of state from each other's country. The whole planet can now look in on itself. And we have witnessed remarkable progress in every form of globe-spanning satellite communications.

The Intelsat system of long-range international communications is now a partnership of 86 countries using five powerful satellite relays, nearly 80 earth stations, and more than 6,000 full-time circuits.

Distribution satellites serving single nations are now a reality in several countries. Canada and the Soviet Union have pioneered in creating these domestic systems. America's RCA Corporation early this year launched the first domestic-satellite communications service in the United States. The system now uses a Canadian satellite but it will be sending up RCA's own satellites next year. Western Union has followed with Westar-1, a satellite built to relay commercial communications in the United States. And I note that Japan will launch a distribution satellite in 1976 as part of its very exciting new program of space technology.

These are dramatic advances, representing great speed and savings for our established television systems. But the future isn't only in the sky. New advances in broadcasting facilities and refinements in program distribution are coming in a steady stream, and from many countries.

Small, highly mobile electronic television camera/recorder systems with microwave transmitters have begun to appear—and to make possible live and rapid coverage of all kinds of events. In American television I know that this capability is going to increase the amount of attention devoted to news and special events. It will also influence the technique of many entertainment programs. And this has already started.

Many American sports telecasts are now being supplemented with pictures taken close to the action by hand-held electronic cameras. An NBC children's program called "GO" has been using a small electronic camera and portable tape editing equipment to take its audiences practically anywhere imagination leads—up in an aerial balloon, behind the wheel of a fire truck, to historic locations around America. This actuality technique has been very successful, and more and more of our programs—following the advances in portable equipment—will be leaving the artificial confines of the broadcast studio to range the American continent for interesting locations and subject matter. And there is no reason to stop when we reach an ocean.

Today, virtually no spot on earth is too remote for a live television transmission. We've been using international satellite pickups for news and sports for a long time now. And I believe that live, on-location remotes from around the world will be worked into the format of regular entertainment programs within the next few years.

Within the next few years also, video disk recordings should be on the market providing an economical way for the viewer to play pre-recorded material through his TV set. With this system, and with the increased use of video cassettes, we will have a new way of national and worldwide program distribution. And along the same line, cable television systems linked by communications satellites should be able to extend the use of existing television to distant areas of the world.

The direct broadcast satellite is another method of transmission, and experimental projects are being planned by a number of nations. In some countries like the United States, with already well-developed program distribution systems, the direct broadcast satellite would probably never be more than a supplementary service, broadcasting specialized material not provided by networks and local stations. But the day when satellites will be equipped to broadcast direct to home television sets without costly augment-

ing devices is probably at least 10 years away. Admittedly there is some controversy and there are questions of national sovereignty connected with direct broadcast. And I suggest that now is the time for the proper legal bodies and broadcasting organizations involved to start work on the possibilities, test the difficulties, and try out solutions—before the developments that satellites can bring are needlessly restricted by government or United Nations action.

The encouraging thing is that many problems posed by communications satellites are being worked on successfully by various international agencies.

For example, a convention was signed this year in Brussels by representatives of many nations that would prevent piracy of programs carried on satellites. On another level, the ITU's World Administrative Radio Conference for Space Telecommunications last year awarded new frequency bands for satellite broadcasting and defined orbital positions. This group is now studying better ways to control satellite transmissions from spilling over into areas where they are not wanted.

While most of this is healthy progress, I believe we need more than a purely technical approach to the broadcast satellite. It must not be put into a technological strait jacket or restricted too closely by over-regulation. Investigations by some nations into shaping the beam projected by the satellite, shielding out signals, coding and jamming, will only reduce what should be an international medium into a purely national one.

The answer to this does not lie in sweeping political prohibitions nor in technological fences and restrictions. I believe the answer rests where it always has—in cooperation. Cooperation among governments and certainly among professional broadcasting organizations.

Professional broadcasters understand each other and understand the needs of large, complicated audiences. We know how to accommodate the political and cultural differences within a mass audience because we're experienced at this. We *have* witnessed achievements in cooperative programming among international associations of broadcasters, like Eurovision in western Europe, and Intervision in East Europe. For nearly a decade those associations—operating under widely differing political systems—have been exchanging television programs with little or no objection from the governments involved. The Program Committee of the A.B.U. can cite many instances of similar cooperation among the broadcasters represented here.

We have a further example of international cooperation in a newsfilm service like Visnews, for which NBC provides the United States coverage. It is owned jointly by various broadcasting entities of the British Commonwealth, including the Australian and New Zealand Broadcasting Companies. But it is a truly international cooperative, working without profit and serving more than 175 television organizations in nearly 100 nations. Its subscribers represent every political, cultural and religious shading. Yet Visnews manages to provide a news report that is generally acceptable to all.

Broadcasters, with experience helping each other across national frontiers must take the initiative in this problem area of broadcast satellites. If we do not, there is the danger that other international forums will. And their policies could easily be based on fear and ignorance.

We saw this two years ago in an unfortunate UNESCO resolution that favored heavy satellite controls. And I am glad to see the A.B.U. now giving consideration to a Code of Conduct on the use of direct broadcast satellites that was drawn up in Madrid last January by an inter-union working group of the World Conference of Broadcasting Organizations.

The E.B.U., the broadcasting organizations of Canada, and my own organization, the National Broadcasting Company, have already given their backing to the Madrid Code. I hope that the A.B.U. and the other regional broadcasting associations will approve it as well. It represents a commitment to responsible cooperation.

I have been urging joint action by professional broadcasting groups which are in fact regional organizations—the E.B.U., the A.B.U., the A.I.R., the O.T.I. and others. I know some of you are wondering about American cooperation on a regional basis, asking why the North American broadcasters do not form their own regional organization to speak with a single voice on matters of common interest.

We have been asked that question in different ways. My friend Sir Charles Curran, Director-General of the British Broadcasting Corporation, recently wanted to know why the American networks couldn't put aside their practice of competitive bidding for broadcast rights to the Olympic Games in the interest of holding down the price of these rights worldwide.

The explanation is simply that broadcasting in the United States has certain traditions, structure and legal constraints that effectively inhibit American broadcasters from joining their competitors in any joint bidding or common commercial enterprise, at home or abroad.

The broadcasting scene in the United States is shared by some 700 commercial television stations and more than 6,000 commercial radio stations. There are four major national radio networks and three major national television networks, a number of regional and specialized networks, and a very large non-commercial radio and television system. Beyond this we have a national trade association to which all of the networks and some of the stations belong; and separate regional associations and craft groups.

With such diversity and independence, a collective voice for American broadcasting simply does not emerge. Competition is a fact of life, as it is throughout American business. But it is more than tradition; it is the law. And the United States has very strict antitrust laws forbidding any joint action by businesses that might restrain trade. Unfortunately, these laws have been so interpreted that any sort of collaboration by commercial corporations that tends to inhibit competition is fraught with risk. And such joint action outside the United States is risky, too, for the courts have ruled this illegal if it results in any later competitive restraint affecting United States domestic or foreign commerce.

For American broadcasters, the antitrust inhibitions are even greater because American television and radio stations are licensed and regulated by the government. Any violation of the antitrust statutes could be grounds for a loss of a license. And each of the major American networks, as you may know, derives a good part of its income from the stations they own.

I recognize the potential value of a regional organization through which North American broadcast interests could speak. But, given the realities I've described, we would have a hard time devising a single voice for American broadcasters. We are still studying the matter, but even if a way could be found, we would have to ask ourselves whether it would be worth the government restrictions that might come with it.

Certainly our traditional cooperation with all the broadcasting organizations of the world will continue. With or without a North American union, American broadcasters will enter into as many ventures with overseas partners as are feasible. NBC itself has television program exchange agreements with both the BBC and the Soviet television. We have had the very encouraging experience of an American-Chinese agreement for setting up a satellite ground station in Peking. And I personally recall many occasions of fruitful cooperation between my company and Asian broadcasters, many of you in this audience today.

Communications are, after all, more than a matter of machinery. More than the workings of satellites, or secretaries, or study groups. This is a matter of spirit, the spirit of reasonable and responsible cooperation. And I know from experience that the broadcasters of the world have this in abundance.

ALBANY, OREG. AND AMTRAK

Mr. HATFIELD. Mr. President, one of the towns in the Willamette Valley, Albany, Oreg., has sought an Amtrak stop. In addition to the immediate surrounding area, only a few miles away is Corvallis, with over 15,000 students. Unfortunately, the requests of Albany and requests for consideration I made have not resulted in this new stop being granted. At one point I suggested a "use it or lose it" stop giving the local area a chance to generate interest in using Amtrak facilities, since their tax dollars are going to its support. I was told that Amtrak does not want to add any new stops because it detracts from the long-haul aspects of their service from San Francisco to Portland.

Imagine, therefore, my surprise to read that a new stop had been created in Orland, Calif., which I understand has a population of some 3,000 people.

An editorial in the Albany Democrat Herald of October 5 brought this to my attention. A member of my staff contacted the Oregon Department of Transportation to seek further information. I am contacting Roger Lewis, president of Amtrak, to request a full explanation of why one area was able to convince Amtrak to add this service, while another area was unable to do so.

I ask unanimous consent that the editorial and the reply from DOT administrator George Baldwin be printed in the RECORD.

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

AMTRAK APPLIES POLICIES WITH AN UNEVEN HAND

Question: What area of about 150,000 population, with a state institution of higher education, used a combination of local and outside interests to petition successfully for an Amtrak stop this year?

The key word, of course, is "successfully." The Linn-Benton area fits those requirements (and has a population nearer to 160,000). And, when the idea of an Albany Amtrak stop was broached, local officials and U.S. Sen. Mark Hatfield went after one.

They were unsuccessful. Amtrak said this market did not merit a stop. There was some indication at the time that Amtrak failed to put together a good market study—which included all of Linn County, Corvallis, Oregon State University and Benton County—before making its decision.

One place that did receive an experimental stop, though, was Orland, Calif., population 2,884. The stop is supposed to serve a four-county area around Orland that includes the

city of Chico and Chico State College. The population of that area is about 151,000.

Service to Orland began Sept. 15. If it doesn't pan out, service will be dropped in six months, according to the Orland District Chamber of Commerce.

A chamber official in Orland said the drive for the Orland stop began in 1973, with efforts from local officials, newspaper editorialists and state and national legislators.

It all sounds so similar to what happened here that it is hard to understand where the difference lies between the two situations.

Oregon Department of Transportation officials wondered about that, too. They wondered, especially, whether Amtrak had been guaranteed business or a subsidy from the Orland area. Their intention was to duplicate such efforts in the mid-valley, if possible. On Sept. 16, DOT administrator George Baldwin wrote Amtrak to ask about it.

The response, from Amtrak vice president for state and local affairs, David A. Watts Jr., was uninformative and apparently inaccurate. Watts said that the Orland stop had been committed before Amtrak had changed policies to eliminate milk run stops in favor of faster long-range service.

Amtrak has said that its policy all along was to do that. That was the stated reason for phasing out a passenger service to Albany in 1971. If Amtrak was telling the truth in the first place, then Watts' answer cannot possibly be true.

Watts' letter went on to say that a mid-valley stop could be arranged if the state agreed to underwrite two-thirds of its possible losses. That knowledge has been available to state and local officials for more than a year.

Amtrak appears to be treating the valley's needs with an attitude of benign neglect. We could have gotten that when the passenger trains were in private hands. When people complain about the spotty, unfair responsiveness of the federal bureaucracy, they need only to look to Amtrak for a perfect example.

STATE OF OREGON,
DEPARTMENT OF TRANSPORTATION,
Salem, Oreg., October 10, 1974.

Hon. MARK O. HATFIELD,
U.S. Senator,
Washington, D.C.

DEAR SENATOR HATFIELD: In response to a request from Walt Evans, this letter will give you a report on our efforts in regard to Albany-Corvallis Amtrak service.

Since the inception of Amtrak, we have understood that the elimination of rail passenger service to the Albany-Corvallis area had been part of a consistent and logical plan to serve only the largest population centers. Inquiries about Albany-Corvallis service were turned away with that statement as recently as August. During that month, plans were being completed by Amtrak for service to the small California farm town of Orland, which had not been served by the pre-Amtrak *Cascade*. Additional stops were inserted in Amtrak schedules at Martinez, California, and East Olympia, Washington, at the same time.

We wrote to David Watt's, Amtrak's Director of State and Local Government Affairs, trying to learn what criteria were used to justify Orland and not Albany-Corvallis. Mr. Watts replied that now a policy against additional stops has been adopted, but that the Orland stop was already committed. He did not notice our offer to work with his staff in reaching a solution to the Albany-Corvallis question.

We could have pointed out to Amtrak that Albany-Corvallis had a 1973 estimated population of 61,190, a greater number than Orland and any combination of nearby cities can produce. In addition, both Albany and Corvallis have local transit systems which can act as feeders. They have no air service, yet the influx of former Californians to the area is creating a business and family connection perfect for the overnight Bay Area service offered by the *Coast Starlight*. In contrast, the *Starlight* passes through Orland in the morning before 6:00, which Amtrak Vice-President Robert Moot stated to you was not a "convenient hour" for departure at another West Coast city.

Corvallis, the home of Oregon State University, was linked to Albany train service by connecting buses in the period before Amtrak was established, but this service was not well coordinated and failed to tap the potential of both the city of Corvallis and the over 15,000 OSU students. Approximately 17 percent of the OSU student body comes from out of state. Last fall 1,001 of these were Californians. Many more were Washington residents.

Albany, a light metals and timber processing center, has been an area of rapid economic growth, generating business trips north to timber centers and south to the space age industries of California. Airport location problems have made air service impractical and distorted past air usage statistics for the area.

The presence of an interstate freeway leading from Albany to Salem and Eugene might have led Amtrak officials to believe that residents of Albany-Corvallis would drive to Amtrak stations at those cities. While this occurs, they should not seriously consider loading further traffic into stations which already are overloaded during peak periods. The Eugene station is "standing room only" with average traffic levels. Even during severe weather, passengers will wait outside due to the crowding. In addition, since no other form of transportation requires an initial auto trip to Eugene, the people of Albany-Corvallis do not see their area as a natural tributary of their neighbor 45 miles away. Even air service is reached by a limousine from Albany-Corvallis.

Our concern is that we need to know what Amtrak's requirements are. We have staff members working with a variety of transportation modes, publicly and privately owned systems are cooperating. This requires two-way communication. Your efforts in encouraging this flow of information are appreciated.

Beyond the above situation, yet still closely related, we would most appreciate receiving information as it becomes available on both the proposed Amtrak service between Portland and Boise as well as on the proposed West Coast High Speed Corridor Study.

Sincerely,

GEORGE M. BALDWIN,
Director of Transportation.

THE SOVIET UNION'S EMIGRATION POLICIES

Mr. KENNEDY. Mr. President, as we look toward a new period in our relations with the Soviet Union, many Americans are increasingly concerned with humanitarian issues—in particular, with the Soviet Union's policies regarding the emigration of its citizens.

Earlier this year, one of the leading Jewish activists in Moscow, Mr. Victor Polsky, was involved in an automobile accident. Today, he is scheduled to be brought to trial for a motoring offense in connection with this accident, although witnesses have said that Mr. Polsky was not to blame. There is a strong presumption that Mr. Polsky's trial is more directly related to his political activities.

Mr. President, when I was in Moscow last April, I met with a group of Soviet Jews—including Mr. Polsky. I was impressed with their courage and dedication—and with their gentleness. During the same trip, I called upon the Soviet leaders to take a "magnanimous action" on the question of emigration—an action to which the American people could respond. The Polsky case is an area in which such an action would symbolize the possibilities for resolving the current impasse in trade relations and emigration policies.

On this subject, a group of Soviet Jews have cabled the President and the Congress, asking our assistance. I ask unanimous consent that the cable be printed in the RECORD.

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

TRANSLATED FROM RUSSIAN TO THE PRESIDENT OF THE UNITED STATES, MR. GERALD R. FORD AND TO THE CONGRESS OF THE UNITED STATES

Our appeal to you is caused by our anxiety for the fate of our friend, the well-known Jewish activist Victor Polsky. He is being threatened with a judicial reprisal for a crime which he never committed.

Some time ago a girl who tried to commit suicide flung herself under the car driven by Victor Polsky and although thanks to V. Polsky's driving experience she suffered almost no harm the case was transferred to the court. Now Polsky is threatened by imprisonment for a period of up to 3 years despite the absence of any guilt on his part.

The materials of the investigation in the Polsky case are well known to many jurists and political leaders of the USA and other public figures of the USA and the other countries of the West. The real reason for the opening of this court case against Victor Polsky is the revenge of the authorities for his active participation, since 1970, in the struggles of the Soviet Jews for their right to emigrate to Israel.

It is already 5 years that Victor Polsky is living in conditions of complete ruthlessness, in conditions of constant threats, surveillance, searches, and preventive arrests. And although the Soviet authorities make declarations addressed to the Government and to the Congress of the USA about the alleged reduction of the emigration restrictions which they intend to introduce, they are still using tyranny in regard to the Jews who have been applying for emigration for a long time, thus trying to scare off the other Jews and to prevent them from submitting their applications for emigration.

The cruel revenge which is now being prepared against polsky is an expression of such practice of intimidating the Jews. It is, most probably, also meant to press the American congressmen to come to a compromise on the present talks between the U.S.S.R. and the United States.

We have already witnessed fabricated cases opened against Jews desiring to emigrate to Israel. It is sufficient to refer to the case of Feldman in Kiev and to the case of Lubarsky in Rostov. Mr. President, we appeal to you for the first time as to a head of a state who defends freedom and civil rights of men and we hope that you will be able to use your influence in order to prevent this new judicial reprisal.

We presume that no real relaxation of tension is possible at the time when such tyranny is being committed. At the same time we are confident that there exist real conditions which could be favourable to such a humanist step on your part.

SIGNATURES

Moscow.—Agursky, Abramovich, Balashinskaya, Prestin, Lerner, Perelman, Lerner, Slepak, Prestin, Maria Slepak, Aleksanor

Siepak, Koshevoy, Mikhailova, Polotsk, Galperin, Galperina, Lipapsky, Tsitlenok, Shepelev, Tolchinsky, Shcheransky, Toker, Sirotenko, Novikov, Inditsky, Rubin, Akselrod, Akselbrod, Veksler, Lapidus, Pevzner, Lapidus, Shpolyanskaya, Gorbatov, Lidia Korenfeld, Ludmila and Ilya Korenfeld, Ass. Karnovskaya, Shein, Zisman, Belopolsky, Gorelik, Fishkin, Davidov, Goldfarb, Marienberg.

Tuvin, Polishchuk, Tsatskin, Bellina and Bbilin, Suslov, Ramm, Palatnik, Targunsky, Dulchin, Dulchina, Dimshits, Binenboim, Feldman, Efim Feldman, Vladimir Feldman, Gusman, Kremen, Rakhlenko-Drapkina, Drapkin, Druk, Aleksandr and Ludmia, Lunts, Vagner, Andursky, Sikiryansky, Tesker, Gindin, Fain, Vaisblit, Baras, Liberman, Kosharovsky, Begun, Rozenshtein, Rozenshtein, Priven, Nashpets, Golberg, Brailovsky, Goldblat, Esses, Shtiglik.

Kiev.—Kislid, Raslin, Tsatskes.

Minsk.—Olshansky, Uvsishcher, Davidovich.

Tbilisi.—Pekarsky, Goldshtein, Goldshtein, Gelman, Kipnis.

Novosibirsk.—Poltinniskov, Berenshtein, Poltinnikova.

THE PUBLIC BROADCASTING SERVICE PROGRAM—"DRINK, DRANK, DRUNK"

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Iowa (Mr. HUGHES) relating to a program to be shown on Monday, October 21, at 8 p.m., by the Public Broadcasting Service on the subject of alcoholism and also a release from the Public Broadcasting Service, and a letter to Mr. Hartford N. Gunn, president of the Public Broadcasting Service, from Mr. David Hale, president of the U.S. Jaycees.

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

STATEMENT BY SENATOR HUGHES

Mr. President, on Monday, October 21, at 8:00 p.m., Channel 26 here in Washington and other television channels throughout the country will carry an excellent program on the subject of alcoholism, which has been produced by WQED/Pittsburgh for the Public Broadcasting Service. The program was financed with a grant from the 3-M Company, and it was developed in consultation with the National Institute on Alcohol Abuse and Alcoholism, Al-Anon Family Groups, and other service organizations concerned with the individual and social consequences of this tragic illness.

With Carol Burnett as hostess and performances by E. G. Marshall, Larry Blyden, and other well-known actors, "Drink, Drank, Drunk" seeks, through the medium of television entertainment, to bring understanding and help to alcoholics and their families.

To enhance the impact and value of the program the Public Broadcasting Service is encouraging local stations to work with other communications media, alcoholism groups, educational institutions, and civic organizations in their own communities to provide information on local services available to the problem drinker and to his or her family. Among the organizations cooperating in this effort are local chapters of the United States Jaycees.

In my view, Mr. President, this program is a fine example of television in the public interest. I commend it not only to those who are personally concerned with the problem of alcoholism but also to those who enjoy seeing television used creatively to educate, to entertain, and to serve the community.

CAROL BURNETT HOSTS TELEVISION HOUR FOR THE FAMILIES OF ALCOHOLICS

Carol Burnett hosts a public television special with hope and help for the families of alcoholics, Oct. 21, 1974 at 8 P.M. on WETA-TV over the Public Broadcasting Service. (PBS—October 21, 1974, 8 PM ET)

The special, Drink, Drank, Drunk, produced by WQED/Pittsburgh with a grant from the 3M Company, also features E. G. Marshall, Larry Blyden, and Renee Taylor and Joe Bologna in dramatic readings and vignettes, comedy sketches, music and discussions targeted at the estimated 35 million Americans who live and work with alcoholics.

Burnett sets the frank tone for the hour special, confiding that her own parents died of alcoholism at age 46, and urging anyone who lives with an alcoholic to admit the problem and get help. She points out that alcoholism is a disease which can hit any "average American," and frequently does.

Elsewhere in the hour, E. G. Marshall reads a poem about a young boy's encounter with his drunken father, and hosts a quiz for the audience. Larry Blyden stars in a dramatic vignette as the husband of an alcoholic, we learn to "detach with love." The minidrama was written by Jack Weiner, the author of "The Morning After," a recent television movie starring Dick Van Dyke.

Renee Taylor and Joe Bologna contribute a comedy sketch/game show "You Waste Your Life" written and acted by them to show the cycles of nagging, pleading and suffering common to life with a drunk. The game pits alcoholic Bill Froth against his non-drinking wife Mary in a witty display of psychological one-upsmanship.

During the program, Burnett also introduces the audience to both alcoholics and the families of alcoholics, and points to a successful industrial alcoholism treatment program.

Other features in the program include Blues singer Linda Hopkins in a moving rendition of the normally merry drinking song "There's A Tavern in the Town," and Morgan Freeman, The Electric Company's "Easy Reader" with "Fast Facts" about alcoholism.

Drink, Drank, Drunk was produced by Charlie Hauck and directed by Jack Kuney, written by John Boni and Charlie Hauck. Tom Skinner is executive producer and Mary Sweenie is associate producer.

The program was developed in consultation with Al-Anon Family Groups; the National Council on Alcoholism; the National Institute on Alcohol Abuse and Alcoholism; the Alcoholism Committee of United Mental Health; the Dept. of Community Services, Pittsburgh Child Guidance Center; and Rev. Joseph L. Kellermann, Director of the Charlotte (North Carolina) Council on Alcoholism.

THE UNITED STATES JAYCEES,
Tulsa, Okla., October 10, 1974.

Mr. HARTFORD N. GUNN,
President, Public Broadcasting Service,
Washington, D.C.

DEAR MR. GUNN: In behalf of 325,000 Jaycees in 7,000 chapters, I wish to thank you and the Public Broadcasting Service for airing the TV special "Drink, Drank, Drunk" to focus the nation's attention on alcohol abuse and alcoholism, and more especially to provide information and help for the families, friends, and employers of America's problem drinkers. WQED-TV and the 3-M Company have initiated a program that undoubtedly will have wide impact.

I am also pleased that our Jaycees responsible drinking education program called "Operation THRESHOLD" is supporting "Drink, Drank, Drunk" by encouraging Jaycees at the local grassroots level to undertake various activities in its behalf, and promoting the program in our national, state and local publications.

Dr. Morris E. Chafetz, Director, National Institute on Alcohol Abuse and Alcoholism, recently said, "Alcoholism and alcohol abuse is one of the most serious health problems. Although the use of alcoholic beverages is harmless to most people and apparently beneficial for some, alcoholism is an illness that plagues some 9 million Americans directly and many times that number when one considers the effects on families and others."

Again, I thank you for another example of excellent programming made available through the Public Broadcasting Service. The American people, and particularly those who may have an active alcoholic in the home, will have a better understanding of what they can do in coming to grips with this most devastating disease.

Sincerely,

DAVID HALE, *President.*

CYPRUS

Mr. GRIFFIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Pennsylvania (Mr. SCHWEIKER) relating to the grave concern of church leaders over the course of events in Cyprus over the past several weeks and the text of the statement by the officers of the Metropolitan Christian Council of Philadelphia and the chief executives of member denominations of the council.

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

STATEMENT BY SENATOR SCHWEIKER

Fourteen Protestant and Greek Orthodox church leaders who are all directors of the Metropolitan Christian Council of Philadelphia, recently spoke of their "grave concern about the painful course of events in Cyprus over the past several weeks."

While disapproving of the intervention of foreign military forces and condemning noncompliance with the United Nations cease-fire resolution, the statement urges a negotiated settlement by representatives of all factions. "The aim must be that the people of this island, Cypriots, Turks, and Armenians and Greeks alike should be able to decide their own future and govern themselves without any foreign intervention whatsoever."

The full text of the statement and a list of signatories is attached.

SEPTEMBER 19, 1974.

STATEMENT ON CYPRUS

(By the Officers of the Metropolitan Christian Council of Philadelphia and the Chief Executives of Member Denominations of the Council)

We have followed with grave concern the painful course of events in Cyprus over the past several weeks, while recognizing the complexity of the long standing difficulties on the island.

We strongly disapprove the intervention of foreign military forces which has resulted in death to many persons, deep suffering among the civilian population an the uprooting of thousands of people from their homes.

We condemn the non-compliance with the United Nations Security Council resolution which called for cease fire and negotiations.

We urge full and continuing adherence to the cease fire by the parties involved and the settlement of their differences around the negotiating table.

We call for the full representation of the people of Cyprus in these negotiations. The aim must be that the people of this island, Cypriots, Turks, Armenians and Greeks alike, should be able to decide their own future

and govern themselves without any foreign intervention.

We urge the Government of the United States to use its diplomatic offices to restrain the aggressive acts of foreign military forces in Cyprus, to cooperate with other major powers in cultivating a political climate conducive to the maintenance of peace and to support all efforts through the United Nations to bring about the peaceful settlement of differences.

Persons endorsing the statement include the following:

Francis G. Brown, Chairman, Metropolitan Christian Council of Philadelphia; General Secretary, Philadelphia Yearly Meeting of the Religious Society of Friends.

The Rev. William J. Shaw, President, Metropolitan Christian Council of Philadelphia.

The Rev. Dr. Rufus Cornelsen, Executive Director, Metropolitan Christian Council of Philadelphia.

The Rt. Rev. James M. Ault, Bishop, Eastern Pennsylvania Conference, United Methodist Church.

The Rev. William J. Brown, Executive Presbyter, *Donegal Presbytery*, United Presbyterian Church in the USA.

The Rt. Rev. E. L. Hickman, Bishop, First Episcopal District, African Methodist Episcopal Church.

The Rev. Dr. William A. Janson, Jr., President, Southeastern Pennsylvania Synod, Lutheran Church in America.

The Rev. William L. Johnston, Executive Minister, Philadelphia Baptist Association, American Baptist Churches in the USA.

The Rev. Carl M. Kleis, Moderator, Philadelphia Classis, Reformed Church in America.

The Rev. Father John A. Limberakis, Archpriest, Greek Orthodox Community of Philadelphia.

The Rt. Rev. Lyman C. Ogilby, Bishop, Diocese of Pennsylvania, Episcopal Church.

The Rev. Dr. John C. Shetler, Conference Minister, Pennsylvania Southeast Conference, United Church of Christ.

The Rev. Dr. Frank H. Stroup, Executive Secretary, Philadelphia Presbytery, United Presbyterian Church in the USA.

The Rev. Harrison J. Trapp, Moderator, Pennsylvania Baptist Association.

SHIP TRANSFERS

Mr. HARRY F. BYRD, JR. Mr. President, when the Congress recently passed the military procurement authorization bill for fiscal year 1975, a provision pertaining to the transfer of U.S. ships to foreign countries was included in the legislation, section 702.

Previously, Congress established specific terms and conditions of ship loan actions by the Navy.

Soon after the enactment of such legislation, the executive branch policy was changed to selling the vessels, in lieu of leasing and loaning. While it is true that this change in policy was within the existing statutes, it was difficult to escape the conclusion that this change in policy was a circumvention of congressional intent and control. Congress consequently included section 702 in the recently passed military procurement authorization bill for fiscal year 1975, to include sales as well as loans.

Section 702 of the legislation requires statutory approval of U.S. ship transfers to foreign countries in excess of 2,000 tons or less than 20 years of age.

The section further provides that the disposal of any other ships that are not covered by this section be subject to notification of the Committee on Armed Services for 30 days of continuous session of Congress prior to the proposed disposition.

The Navy, at my request, has prepared a complete listing of Navy ships that have been transferred to foreign countries since October 1972.

Since the enactment of Public Law 92–270, 122 ships were transferred to 20 different countries.

When one considers the large number of ships that have been transferred and the cost of this program to the American taxpayers, I think the need for congressional oversight becomes clear. The recently enacted legislation should restore a balanced approach to the disposal of naval vessels.

I ask unanimous consent to print at this point in the RECORD a list of such transfers.

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

SHIP TRANSFERS SINCE OCTOBER 1972

Ship	Country	Authority [1]	Date	Remarks [2]	Service date	Tonnage
Bang SS-385	Spain	Loan, Public Law 92-270, TIAS 7488.	October 1972		December 1943	1,480
Picuda SS-382	do	do	do		October 1943	1,480
YTM-767	Greece	Lease	do		November 1945	260
Sandlance SS-381	Brazil	FMS	do	Previously on loan	October 1943	1,480
LCM-6 No. 36824	Uruguay	Lease	do		December 1965	28
LCM-6 No. 6551	do	do	do		August 1966	28
Lloyd Thomas DD-764	Republic of China	FMS	do		March 1947	2,340
Kiowa ATF-72	Dominican Republic	Lease	do		June 1943	1,240
E. F. Larson DD-830	Korea	Loan, Public Law 92-270, TIAS 7536.	do		April 1945	2,370
Sioux ATF-75	Turkey	Lease	do	Sold, FMS August 1973	December 1942	1,240
APL-47	do	do	December 1972		June 1945	1,300
Cabot AVT-3	Spain	FMS	do	Previously on loan	July 1943	1,120
Capp DD-550	do	FMS	do	do	June 1943	2,120
D. W. Taylor DD-551	do	FMS	do	do	September 1943	2,120
Converse DD-509	do	FMS	do	do	November 1942	2,120
Jarvis DD-799	do	FMS	do	do	June 1944	2,120
McGowan DD-678	do	FMS	do	do	December 1943	2,120
Grant Cty LST-1174	Brazil	Lease	January 1973		December 1957	3,560
Perkins DD-877	Argentina	FMS	do		April 1945	2,370
ST-277	Chile	FMS	February 1973		October 1943	1,625
Bergall SS-320	Turkey	FMS	do	Previously on loan	June 1944	1,500
Bronson DD-668	do	FMS	do	do	June 1943	2,120
Van Valkenburg DD-656	do	FMS	do	do	August 1944	2,120
MSF-64	Mexico	FMS	do		December 1942	890
MSF-120	do	FMS	do		July 1943	890
MSF-124	do	FMS	do		March 1943	890
MSF-128	do	FMS	do		April 1943	890
MSF-315	do	FMS	do		October 1943	890
MSF-379	do	FMS	do		February 1945	890
John R. Perry DE-1034	Indonesia	FMS	do		May 1959	1,370
Surprise PG-97	Turkey	Loan, FAA	do		October 1969	180
Sea Leopard SS-483	Brazil	FMS	March 1973		June 1945	1,500
MSF-101	Mexico	FMS	April 1973		March 1942	890
MSF-104	do	FMS	do		February 1943	890
MSF-111	do	FMS	do		August 1943	890
MSF-306	do	FMS	do		August 1944	890
Irwin DD-794	Brazil	FMS	do	Previously on loan	February 1944	2,120
Hancock DD-675	do	FMS	do	do	September 1943	2,120
Cutlass SS-478	China	FMS	do		March 1945	1,500
Hanson DD-832	do	FMS	do		May 1945	2,375
Shelton DD-790	do	FMS	do		June 1946	2,375
J. E. Kyes DD-787	do	FMS	do		February 1946	2,375
Warrington DD-843	do	FMS	do	LOGSUP	December 1945	2,375
Grenadier SS-525	Venezuela	FMS	May 1973		February 1951	1,480
Windham City LST-1170	Turkey	Loan, FAA	June 1973		December 1954	2,590
Defiance PG-95	do	do	do		September 1969	180
Vernon Cty LST-1161	Venezuela	do	do		May 1953	2,590
Skylark ASR-20	Brazil	FMS	do		March 1951	1,310
Plaice SS-390	do	FMS	do	Previously on loan	February 1944	1,480
Trigger SS-564	Italy	FMS	July 1973		March 1952	1,550
Rupertus DD-851	Greece	Loan, Public Law 92-270	do		March 1946	2,375
Eversole DD-789	Turkey	FMS	do		May 1946	2,375

Footnotes at end of table.

SHIP TRANSFERS SINCE OCTOBER 1972—Continued

Ship	Country	Authority [1]	Date	Remarks [2]	Service date	Tonnage
Buck DD-761	Brazil	FMS	do		June 1946	2,350
J. C. Owens DD-776	do	FMS	do		February 1945	2,350
Guest DD-472	do	FMS	August 1973	Previously on loan	December 1942	2,120
Bennett DD-473	do	FMS	do	do	February 1943	2,120
Cushing DD-797	do	FMS	do	do	January 1944	2,120
Hailey DD-556	do	FMS	do	do	September 1943	2,120
Mapiro SS-376	Turkey	FMS	do	do	April 1945	1,500
Merd SS-378	do	FMS	do	do	August 1945	1,510
ARD-25	Chile	FMS	do		May 1944	5,200
LST-1066	do	FMS	do		March 1945	1,780
LST-1067	do	FMS	do		do	1,780
C. H. Roan DD-853	Turkey	FMS	September 1973		September 1946	2,750
Hurst DE-250	Mexico	FMS	October 1973		August 1943	1,120
Megara ARVA-6	do	FMS	do		June 1945	2,100
Trumpetfish SS-425	Brazil	FMS	do		January 1946	1,800
Amberjack SS-522	do	FMS	do		March 1946	1,450
Tusk SS-426	China	FMS	do		April 1946	1,480
T. J. Gary DER-326	Tunisia	FMS	do		November 1943	1,120
Lowry DD-770	Brazil	FMS	do		July 1944	2,350
Remora SS-487	Greece	FMS	do		January 1946	1,500
Waldron DD-699	Colombia	FMS	do		June 1944	2,850
Strong DD-758	Brazil	FMS	do		March 1945	2,350
Huntington DD-781	Venezuela	FMS	do		do	2,370
NOA DD-841	Spain	Loan, Public Law 92-270	do		November, May 1945	2,352
Leary DD-879	do	do	do		November 1945	2,375
O'Hare DD-889	do	do	do		do	3,375
Corporal SS-346	Turkey	FMS	November 1973		do	1,800
Cobbler SS-344	do	FMS	do		August 1945	1,800
Tucker DD-875	Brazil	FMS	December 1973		March 1945	2,370
Bass DD-887	do	FMS	do		October 1945	2,375
Isbell DD-869	Greece	Loan, Public Law 92-270	do		January 1946	2,375
Lind DD-703	Korea	FMS	do		September 1944	2,350
Dehaven DD-727	do	FMS	do		March 1944	2,350
Greenfish SS-351	Brazil	FMS	do		June 1946	1,800
D. H. Fox DD-779	Chile	FMS	January 1974		December 1944	2,350
Sperry DD-697	do	FMS	do		May 1944	2,350
Benham DD-796	Peru	FMS	do	Previously on loan	December 1943	2,120
Isherwood DD-520	do	FMS	do	do	April 1943	2,120
Kimberley DD-521	China	FMS	do	do	May 1943	2,120
Yarnall DD-541	do	FMS	do	do	December 1943	2,120
Riley DE-579	do	FMS	do	do	March 1944	1,320
Berry DE-1035	Indonesia	FMS	do		November 1959	1,370
Cadmus AR-14	China	FMS	do		April 1946	8,800
Eltanin T-AGOR-8	Argentina	Lease	February 1974		October 1957	2,022
Harder SS-568	Italy	FMS	do		August 1952	1,540
Whitley AKA-91	do	FMS	do	Previously on lease	September 1944	7,360
Ruddy MSF-380	Peru	FMS	March 1974	do	April 1945	890
YTL-567	Paraguay	Loan, FAA	April 1974		October 1945	70
Swenson DD-729	China	FMS	May 1974	LOGSUP	May 1944	2,350
Taussig DD-746	do	FMS	do	LOGSUP	do	2,350
Bole DD-755	do	FMS	do	LOGSUP	March 1945	2,350
Lofberg DD-759	do	FMS	do	LOGSUP	April 1945	2,350
Thomason DD-760	do	FMS	do	LOGSUP	October 1945	2,350
Thomas DD-833	do	FMS	do	LOGSUP	May 1945	2,370
Badger DD-657	do	FMS	do	LOGSUP	July 1943	2,120
Mansfield DD-728	Argentina	FMS	June 1974	LOGSUP	April 1944	2,350
Collett DD-730	do	FMS	do	LOGSUP	May 1944	2,350
ARD-11	Mexico	FMS	do		October 1943	4,200
Jallao SS-368	Spain	FMS	do		July 1944	1,150
AFDL-25	Cambodia	Loan, FAA	do		February 1944	800
Sea Poacher SS-406	Peru	FMS	July 1974		July 1944	1,480
Sands T-AGOR-6	Brazil	Lease	do		October 1964	950
Atule SS-403	Peru	FMS	do		June 1944	1,480
Norris 859	Turkey	FMS	do	LOGSUP	March 1946	2,370
Bailey DD-713	Iran	FMS	do	LOGSUP	July 1945	2,370
Becuna SS-319	Venezuela	FMS	do	LOGSUP	May 1944	1,500
Lavalette DD-448	Peru	FMS	do	LOGSUP	August 1942	2,120
Zerry DD-513	do	FMS	do	LOGSUP	January 1943	2,120
Goodrich DD-831	Venezuela	FMS	do	LOGSUP	April 1945	2,370
Westchester Cty LST-1167	Turkey	Loan, FAA	August 1974		March 1954	2,590

[1] Loan—each loan is on government-to-government basis in accordance with the public law indicated or sec. 503 of the Foreign Assistance Act of 1961 as amended. Lease—leases are on a Navy to Navy basis under 10 USC 2667. FMS—Sales under the Foreign Military Sales Act of 1968 as amended.

[2] LOGSUP—Logistic Support, to be used for spare parts only.

ECONOMIC GOOD SENSE

Mr. HELMS. Mr. President, there seems to be little disagreement that inflation is the greatest problem that we face today. Its causes and its cures, however, are a subject of widespread debate. Business leaders offer one solution, and labor leaders another. Members of Congress speak in a multitude of conflicting voices, and even the economists themselves are unable to reach a consensus. We seem to be floundering in a state of confusion.

In our continuing effort to defeat inflation, a return to basic principles and plain commonsense would seem to be our most reliable course of action. In an excellent letter to President Ford, a distinguished lady of my State, Mrs. Vivian S. Wright, County Commissioner of New Hanover County, N.C., has provided us with a realistic chart and compass.

Mr. President, I urge every Member of the Senate to read her letter with care and attention, for it reflects a keen understanding of our economic distress. Moreover, Mrs. Wright has demonstrated a firm grasp of economics, and the suggestions that she offers to lift us out of our plight are most worthy of our serious consideration.

Mr. President, I ask unanimous consent that the letter from Mrs. Wright to President Gerald Ford be printed in entirety at the conclusion of my remarks in the RECORD.

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

NEW HANOVER COUNTY,
Wilmington, N.C., September 30, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Two things have prompted the writing of this letter. One is your request for suggestions from the public on how to fight inflation. The other is a news report in the local daily paper this morning quoting a "White House Source" on proposals to tax gasoline 10 cents a gallon more and to place heavy taxes on "excessive" use of other fuels to achieve the "twin goal of diverting consumers' inflationary income from the economy and of controlling the use of energy."

With all due respect, Mr. President, I must ask what "inflationary income"? I have watched news reports of your economic summit meetings and have made mental note of all the prestigious economists who were present to offer their comments. Conspicuous

by their absence have been the ordinary housewives and wage-earners of this Country. I fully believe the latter two groups mentioned hold the answers to your questions and your search for advice should center therein.

I write in the dual capacity of a housewife who happens to hold elective office. Most respectfully I offer the following comments and suggestions.

When an economist talks of "inflationary income," I believe he betrays his abysmal ignorance of the true situation. Any housewife could tell you, for example, that electricity bills have jumped from $35 to $56, water and sewer bills have gone from $28 to $46, gasoline has gone from 39.9¢ per gallon to 59.9¢ per gallon—all in less than a year. Add those to the jar of syrup which sold for 79¢ and now is $1.09, the bag of sugar which was 89¢ and now is $2.09, the 1-lb. bag of dry beans which was 19¢ and now is 71¢—now you have a picture of where that elusive "inflationary income" has gone as wages have not kept pace with rapid rises in costs. To the average housewife or factory worker, such cost increases mean that there is no "inflationary income" left to tax. It means that doctor appointments have to be postponed, the children do not have extra money for a Saturday afternoon movie, the house repairs are delayed, the ancient automobile, which serves as family transportation, must keep chugging along. And now some economist thinks we should be taxed more to control our "inflationary income" and our use of excess energy—how ridiculous! The cost alone has already taken care of those things.

I sincerely believe that our Country's Economic problems will only be solved when we return to a reliance on the free enterprise system which made this Country great. In other words, the government must learn to keep its "cotton-pickin hands" out of things and let business have a chance to work. There was a time when a man could open a small business, reinvest his earnings, gradually expand his operations and eventually manage to have a good standard of living for his family and put aside something for their future security. Now what do we see? Many small businesses are failing or are finding it unfeasible to expand because of concern for the future. Large corporations can no longer hire good workers to do a day's work, but they are forced by bureaucratic intervention and federal controls to hire someone off the street with no technical knowledge, simply because his face is the right color to fill a quota. Because of this, the quality of work goes down and forces the cost of doing business up, the stockholders are effectively cheated, and long-term employees are discouraged from continuing their hard work as they see non-producers receiving raises and promotions simply because of the color of their skin or the fact that they carry a name indicating their ethnic extraction.

Business should be left alone to be just that, business, and not be expected to be a social agency. Profit should not be treated as a dirty word. Profit is where you find your money to reinvest and improve and to pay a deserved dividend to those who have invested their money in your business. Government should be cut to the bone. Bureaucratic paper-shuffiers produce nothing but trouble. We need more people employed in private industry who produce something needed by the public. Private enterprise—the law of supply and demand—all work when left alone; they only fail when upset by governmental planners and regulators, many of whom never have known what it meant to run a business and have to make a profit or go bankrupt.

Our State of North Carolina has wisely seen fit to require local governments to adopt balanced budgets. What a pity that the federal government has not done likewise with its budget. There are many ways in which the federal budget could be cut. Take the matter of Revenue Sharing (or Deficit Sharing as it should properly be called) for an example. Some local governments may use this money for non-recurring expenses, but others use it for a variety of recurring-type expenses and are only postponing the day of reckoning when they have to face up to their real situation. It really makes no sense to send this money to Washington in taxes, pay a host of bureaucrats to keep records of it and then send a part of it back to the local communities which sent it to Washington in the first place.

Another example where cuts could be made is the Manpower Program. When I was appointed some months ago to serve on the Ancillary Manpower Planning Board for this area, I was appalled at some things I found. For instance, it makes no sense at all to use $2,000 in tax money to train someone to be a cashier when any grocery store manager can train an employee to do that in a week's time. Our area has been blessed with a relatively low rate of unemployment in recent years, but still the manpower expenses have rolled along—why? Because they are geared not to the unemployed but to the so-called "underemployed." What this means in actuality is that a farm-worker, for instance, is actively solicited by some governmental or poverty agency employee and encouraged to become dissatisfied with his work; then he is paid to train for some so-called "more suitable" work for which he may or may not be qualified to do and for which there may or may not be openings. In the meantime, the local strawberry farms can find no workers to pick crops and the local operators of bulb farms have to destroy a crop of flowers because there are no workers to pick them.

Another prime area to cut would be in the vast welfare programs which encourage dependency on government. No decent person would want to deny help to those who are handicapped or to those who can no longer help themselves because of age or infirmity; but in the arbitrary setting of poverty levels, etc., we really help no one. Let me mention just a couple of examples known to me from experience. One woman called me wanting help to obtain more aid for her mother (who was already receiving much) and actually made the statement that she shouldn't have to help her mother because "there are programs for that"! Another case is the woman who was receiving food stamps and medical assistance who bought a $5,000 car for her son. I secured a copy of the bill of sale for the car and turned it over to the local welfare department. The medical assistance was cut off, but due to the insistence of the recipient and denials which had to be investigated, the food stamps continued for several months while case workers investigated. Finally, the woman herself requested to be taken off the food stamp program. Even then, regulations required that she be given another 15 days notice before being cut off.

Another area which should receive vast cuts is foreign aid. Many people are planting small gardens because of high food costs. Why should they pay $3.49 for fertilizer which only cost 99¢ a couple of years ago when our government is announcing plans to send more fertilizer to India, for example, which is so busy building a nuclear bomb that it cannot see its way clear to build a fertilizer plant to help its own people! Why should this country increase its national debt by sending vast sums at little or no interest to a great number of countries when many of our businesses are failing because they cannot afford the high interest rates to borrow needed money? I have been informed that there are approximately 300 homes on the market in this community alone which remain unsold because there is not enough mortgage money available at reasonable rates which buyers can afford. The government simply must stop draining off available money supplies.

I sincerely believe that our government's leaders must realize that they are in office to represent America. They were not elected to represent the world. Their actions must be those which benefit the Americans who elected them (and who pay their bills!). Our leaders have no moral right to base their decisions or actions on any basis other than what is best for the people who elected them. Our forefathers built a great country, and it can remain great only if we return to the fundamental principles which helped build it—private enterprise; reliance on individual initiative; limited national government and emphasis on local government; a strong dependence on God; the right of an individual to own a piece of land and to use it for his own best interest, to work hard and to better himself, to have pride in his efforts.

Mr. President, the last time I wrote a President, my letter never got anywhere near him. Instead, I received a polite acknowledgment letter from some unknown bureaucrat in one of those vast Washington departments, and he wrote only to say that he had forwarded the letter to another of those vast departments. I sincerely hope this letter will suffer a better fate than that and that it will reach you. My belief is that you can do a good job only if you know what the average American is thinking.

In closing, may I express my hope that your wife will have a complete recovery from her illness.

Very respectfully yours,

VIVIAN S. WRIGHT,
County Commissioner.

ADDRESS OF GEN. FRED C. WEYAND

Mr. THURMOND. Mr. President, on October 15, 1974, Gen. Fred C. Weyand, Chief of Staff, U.S. Army, addressed the Association of the U.S. Army, at the Sheraton-Park Hotel, Washington, D.C.

As we all know, General Weyand was confirmed by the Senate on October 3, 1974 as the Chief of Staff of the U.S. Army, following the untimely death of Gen. Creighton W. Abrams. Since this is General Weyand's first major address as the Army's new Chief of Staff, I believe it is important that the text of his address be made available to the Members of the Senate. I am especially pleased to note that General Weyand has indicated he intends to continue those programs initiated under the guidance and leadership of General Abrams.

Mr. President, I ask unanimous consent that the entire text of General Weyand's address be printed in the RECORD at the conclusion of my remarks.

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

ADDRESS BY GEN. FRED C. WEYAND

This a great time to be in the Army. This is not the culmination of 200 years of service—it is only the beginning. It is an era of momentum and opportunity—momentum toward a better Army—opportunity for renewed assurance and professionalism; for increased strength and effectiveness; for service that is essential to the continued survival of this Nation just as it was essential to its birth 200 years ago.

The opportunities at hand are not accidents. They didn't arise automatically as a result of the return of our forces from Vietnam. They're not the inevitable consequence of the end of the draft authority, either.

They didn't originate with any particular set of events or circumstances.

It takes people—leaders—to take the sand of circumstances and the gravel of events and to fuse them by the cement of leadership into a firm foundation for building and for growth. This is what Abe did and now all we have to do is to follow the path he charted for us.

Our Army and our country—all of us—were blessed in having General Abrams as Chief of Staff for the past two years. He was one of a kind. And although he's gone, in a sense he'll be the Chief of Staff for a long time to come because his objective of a better Army—better for the Nation—and for those who serve it—will be our objective for a long time to come.

Abe's first and unwavering goal, as you well know, was readiness. Last year, at this luncheon gathering—the only AUSA convention he addressed as Chief of Staff—he said, "I don't need or want any more war . . ."

Our mission is to deter war. To be successful, we must be strong, and must clearly demonstrate that we have the capability to stand up to aggression. We have to make the prospects of adventurism too risky and too costly to be an easy choice for any potential enemy.

Our strength does not cause war, nor does it incite others to war. Quite the contrary. If we lack credible strength, then the option of war becomes much more attractive to a potential enemy, whereas our clear strength causes him to hold back, to seek other solutions. Strength supports peace. In today's world, as in the past, it is weakness, not strength, that encourages adventurism.

Our watchword is readiness—real, visible readiness—mental readiness as well as physical readiness. In seeking readiness, we are putting the country's best interests in the forefront of the Army's consciousness.

We also recognize clearly that if we are to achieve our goal—a ready volunteer Army—we have to remember that people are important. Our people need to be proud of themselves and of their Army. They have to feel self-respect, and understand the importance of their mission. They need to be contributing members—not just present for duty—in the difficult job of manning an Army in peacetime.

The cement of Abe's leadership bound circumstances, events and people into a firm foundation for the Army. And we're going to build on that foundation. Abe left us the legacy of a sense of purpose—a vision if you will—for the Army—not an impossible dream, but an achievable vision of:

An Army of young men and women who serve because they want to serve—and who, along with other Americans, see in the Army a worthwhile environment for service.

A ready Army—capable, strong, responsive.

A stable Army, in which professionalism and motivation reach new levels, and in which people achieve a full sense of belonging.

An Army that gives meaning and substance to our Nation's goal of a generation of peace and contributes to the three pillars of strength, partnership, and negotiation that support that goal.

An Army that draws a great measure of its strength from the people and units that make up its Reserve Components—the National Guard and the Army Reserve—the true Total Force.

An Army that, in concert with the Air Force, Navy, Marines and Coast Guard, provides a force worthy of this great Nation—a force capable of sustaining a generation of peace.

An Army that represents the ideals of equality and justice that our Nation stands for.

An Army whose presence is reassuring to our friends, but not provocative to our potential enemies.

An Army that recognizes its responsibility to protect and conserve our economic strength and our Nation's resources—especially those resources provided for the Army's use.

In short, an Army of which every person in this Nation can be proud.

This is our vision and we are transforming it into reality.

Our Army is made up of young men and women who freely chose to serve.

It is a ready Army—more ready now than at any other time in our peacetime history.

The Army is stabilizing after a long decade of turbulence and wrenching change.

We are building a strong Army—and we are adding to its combat strength. Together with the other Services we are a credible force for peace.

Our Army does provide opportunity for all on the basis of individual ability and desire.

Our deployed and backup forces do reassure our friends without in any way threatening those whom we hope to deter from aggression.

The Army is providing essential strength at a cost this Nation can afford, and our attention is focussed on drawing greater value from the resources provided to us.

It is an Army of which our Nation can be proud.

These are realities, not hollow wishes, or empty dreams.

But we will do more.

Our Secretary of Defense has done two things for us that are unique in the Army's peacetime experience. Insofar as it is within his power to do so, he will permit us to stabilize our strength at 785,000 men and women and, most importantly, he will permit us to keep the savings from less essential functions so long as we plow them back into increased combat readiness.

Given a stable strength budgeted at a reasonable level, we believe we can produce additional combat capability equivalent to at least three divisions. That is the commitment which we have made and which we hope the Congress will not deny us.

Stability will permit not only more effective use of our Active resources but also an opportunity to make fuller use of our ready National Guard and Army Reserve, to a degree never achieved before.

Our most urgent need in all of this is stability. When an organization is forced to expand and contract rapidly and repeatedly, there is turbulence and inefficiency—and with turbulence: lost energy, lost momentum, reduced effectiveness. But when the organization is stabilized, and able to concentrate on the operational mission, rather than reacting to imposed changes, it can be highly effective and efficient. That's the kind of Army that a stable environment can provide.

Stability not only affects the Army's use of resources. It is also a matter that affects the Army's people—not as resources, but as human beings. In an Army that alternately expands and contracts, it is its people who pay the price.

Besides a constant end strength, the Army needs stable funding, if we are to achieve the minimum levels of effectiveness we seek. There is no doubt that our country's economic health depends upon all of us doing our level best to avoid waste and extravagence. For the Army, this means that our dollars must be spent wisely. At the same time, our country's economic health depends in large measure on its strength in the eyes of others in the world. So weakness brought about by insufficient defense is no solution to our economic problems.

Stability in our strength and in our funding will sustain the visible capability and readiness that will move us closer to the ultimate goal of peace. Stability will permit us to make the vision of a more effective, professional Army a convincing reality. It is within range.

We have not deluded ourselves into believing we can achieve these things alone. We must have the support of the Congress and the people.

One of the great strengths of our Army has always been that it is "of the people." It must always remain "of the people." With proper leadership, with an environment of stability, we can insure that the Army remains the kind that Americans can be proud to serve in, and to support.

In our Army of 200 years ago it was a different story. When General Washington was at Valley Forge in December of 1777, he commanded an Army in despair. In a letter to the President of the Congress, he detailed his problems. A desperate shortage of provisions; lack of clothing and blankets; deaths from exposure. Mutiny. He wrote movingly of his inability to alleviate his soldiers' misery, and he spoke out about the poor support he was receiving.

But the most striking thing about the letter was his closing. He wrote:

". . . upon the ground of safety and policy, I am obliged to conceal the true State of the Army from Public view and thereby expose myself to detraction and Calumny."

Today we are an Army of the people in every sense. We will not conceal the true state of the Army from public view. On the contrary, our strength and effectiveness depend upon the people seeing it as it is. They must know and understand their Army—so they can be proud of it and support it. Individually and collectively, you are one of the main links between the Army and the rest of the American people. With your continued help, the people can know their Army better. And together, we will make the Army's vision become a reality. As Abe used to say: "Let's get on with it!"

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that, on reconsideration, the joint resolution (H.J. Res. 1163) making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, returned by the President of the United States with his objections, and two-thirds of the House of Representatives not having voted in the affirmative, was not passed.

RECESS UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, on that sad note, I move that the Senate stand in recess until 2 p.m. today.

The motion was agreed to; and at 1:01 p.m. the Senate took a recess until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

RECESS UNTIL 3 P.M. TODAY

Mr. GRIFFIN. Mr. President, with the authority of the majority leader, I move that the Senate stand in recess until 3 p.m. today.

The motion was agreed to; and at 2:01 p.m., the Senate took a recess until 3 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. NUNN).

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 3:01 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 3:20 p.m. when called to order by the Presiding Officer (Mr. MANSFIELD).

SENATE CONCURRENT RESOLUTION 120—PROVIDING FOR A CONDITIONAL ADJOURNMENT OF THE CONGRESS FROM OCTOBER 17, 1974, UNTIL NOVEMBER 18, 1974

Mr. GRIFFIN. Mr. President, I send to the desk a concurrent resolution, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. MANSFIELD). The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

S. CON. RES. 120

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Thursday, October 17, 1974, they stand adjourned until 12 o'clock noon on Monday November 18, 1974, or until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. Ordered, That during the adjournment of both Houses of Congress as provided in Sec. 1, the Secretary of the Senate and the Clerk of the House, respectively, be authorized to receive messages including veto messages from the President of the United States.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

QUORUM CALL

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

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

ORDER FOR WAIVER OF RULE XXXVIII OF THE STANDING RULES OF THE SENATE REGARDING A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that rule XXXVIII of the Standing Rules of the Senate be waived with respect to the nomination of Donald D. Alsop of Minnesota, to be U.S. district judge for the district of Minnesota, vice Philip Neville, deceased.

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. GRIFFIN. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 3:22 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 4:11 p.m., when called to order by the Presiding Officer (Mr. Moss).

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

APPOINTMENTS TO THE FEDERAL ELECTION COMMISSION

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Republican leader and myself, in accordance with Public Law 93-443, section 310, I submit recommendations for appointment to the Federal Election Commission.

The PRESIDING OFFICER. The clerk will state the recommendations:

The assistant legislative clerk read as follows:

In accordance with P.L. 93-443, Section 310, the following recommendations for appointment to the above Commission are submitted:

Joseph F. Meglen.
Joan D. Aikens.

The PRESIDING OFFICER. The recommendations will be received.

Mr. MANSFIELD. I submit these recommendations on behalf of the distinguished Republican leader and myself because of the Federal Election Campaign Act Amendments of 1974, which states on page 90 of the conference report that:

Of the other members two are appointed by the President pro tempore of the Senate, two are appointed by the Speaker of the House of Representatives, and two are appointed by the President, all six are subject to confirmation by both Houses of the Congress.

These two appointments are on behalf of the President pro tempore. The new law clearly envisioned that all appointments to this newly created commission will require not only Senate Confirmation but House confirmation as well. The same procedure that is required under the 25th amendment was embraced for these nominees. The nominees will be referred to the Rules and Administration Committee of the Senate and the Rules Committee of the House as intended in the law.

This is the first law of this type with this kind of designation that has come to the attention of the joint leadership. Therefore, to comply with the intent of the conference committee and the law these nominations will be referred to the appropriate committees of each House.

Both these nominations are exemplary in the opinion of the joint leadership. We are confident that their appointments will be expeditiously considered and recommended by the respective committees.

I ask unanimous consent, Mr. President, that these two names be submitted to the appropriate committees concerned.

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

Mr. MANSFIELD. May I say for the further information of the Senate that the name of Mrs. Joan Aikens, of Pennsylvania, is being submitted for the 1-year term, and the name of Mr. Joseph Meglen, of Montana, is being submitted for the 3-year term.

FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the message from the House of Representatives on House Joint Resolution 1167.

The PRESIDING OFFICER (Mr. Moss) laid before the Senate House Joint Resolution 1167, making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, the House of Representatives has just passed and sent over House Joint Resolution 1167, making further continuing appropriations for fiscal year 1975, and for other purposes.

This joint resolution is the same as the previous continuing resolutions that have been before this body, particularly with respect to the last one that was voted on yesterday, with this exception: section 113 of the joint resolution as passed by the House provides that none of the funds made available for foreign assistance by this joint resolution may be used to purchase fertilizer in the United States for export to South Vietnam; and the other differences, as I observe them, are in the proviso in section 6, which has been changed to read as follows:

Provided, That the President is authorized to suspend the provisions of this section and said Acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until December 10, 1974 and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war.

Mr. President, that is where the crux of the controversy has been, in this proviso. I hear rumor, though I cannot state that this proviso would be acceptable to him. It is also, I understand, acceptable to those who have been sponsoring the proviso in this section of the bill.

Mr. EAGLETON. Mr. President, will the Senator yield on that point?

Mr. McCLELLAN. I yield.

Mr. EAGLETON. I think the statement of the President, as I have heard it, is that the President will accept it with grave reluctance and begrudgingly.

Mr. McCLELLAN. I am very glad to have the qualifications supplied by the distinguished Senator from Missouri. I have only entered the Chamber, and the action has been so rapid-fire that it is very hard to keep up with what anyone has said—the President or anyone else. So I am glad to have these qualifications made a matter of record in this brief discussion.

I imagine that is exactly the way the President feels about it, Mr. President. I shall not belabor the matter. The question is whether the Senate wants to accept the joint resolution in its present form. If it does, the joint resolution will be passed, and if it is acceptable to those who have sponsored this provision with reference to Turkey, then, if the President accepts, whether with grave reluctance or not, if he will accept it we can very promptly dispatch the business here, get it passed, and go home.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. EAGLETON. Mr. President, may I address one question to the distinguished majority leader?

Am I correct in understanding that it is the position of the distinguished majority leader that this permission to ship military equipment to Turkey, under the restrictions as provided in the amendment, is a one-time and one-time-only permission?

Mr. MANSFIELD. Yes.

CONGRESS CHANGES U.S. CYPRUS POLICY

Mr. EAGLETON. Mr. President, it appears that the long debate on this subject is drawing to an end. I do not feel it is an exaggeration to state that Congress has won a very significant victory. It must now be said that the Congress of the United States is placing its imprint on America's Cyprus policy.

As I said in debate yesterday, Congress should not allow any American supplied weapon of war to go to the island of Cyprus. If we allow that to occur, the United States would be actively participating in the occupation of that island by rearming the Turkish forces there. Under the language adopted by the House colleagues this morning—no implement of war will be allowed to be transshipped from Turkey to the Island of Cyprus.

As author of the prohibition on the transfer of "any U.S. supplied implements of war" to Cyprus, I would like to state for the record the meaning of that phrase. As my colleagues know, the term "implement of war" is a term of art which is meant to include any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war. By "any other implement of war" we mean any defense article which, with another defense article or ammunition, is used to kill, wound, or destroy.

This phrase—implement of war—would, therefore, not include such items as jeeps, military trucks, ambulances, first aid equipment, or canteens. Parenthetically, this item was brought up in debate yesterday in the House. In other words, any article which is not commonly used to kill, wound, or destroy would be excluded under this phrase. My colleagues can refer to section 644 of the Foreign Assistance Act of 1961 in its entirety for an understanding of the meaning of this legislation, and for more complete understanding of the meaning of the term "implements of war."

Let me illustrate further what I mean. Assume the Government of Turkey were to ship a boatload of hand grenades without firing pins to Cyprus on a Monday. Assume further the Government of Turkey were to ship a boatload of firing pins to Cyprus on a Tuesday. Under the definitions as found in section 644 of the Foreign Assistance Act of 1961 as now embodied in this resolution, each of these shipments would be prohibited.

Or, by way of example, suppose Turkey shipped over to Cyprus 10 jet planes without wheels and then later shipped over 10 sets of wheels to Cyprus. Each of these shipments would be prohibited under this resolution.

Mr. President, in conclusion I would like to reiterate that this unfortunate confrontation with the Executive has ended with a very significant accomplishment. It is not only an accomplishment of the Congress of thhe United States, it is an accomplishment for our system of government. The message that Congress will send today to Greece and Turkey alike is unmistakable: the aggression of Turkey is being repudiated by the American people. And the message we send to the American people is that no man is above the law.

On December 10, if Turkish troops have not totally withdrawn from the island of Cyprus, the President would not be within the intent of Congress were he to certify that Turkey was in compliance with the law. Military assistance to that nation would then be terminated. That point has been made clear by the authors of this prohibition in both Houses. After December 10, 1974, no military equipment or supplies can be transported to Turkey by any means, directly or indirectly, unless and until the President makes the two determinations and certifications required by this section.

The result of our action today is that from now on, the U.S. policy in the Cyprus matter will no longer be tilted toward Turkey. I am hopeful that in the period between now and December 10, our diplomats will be able to influence the parties to this tragic affair to negotiate. I am confident that those who are negotiating for the United States will be in a much stronger position to act as a mediator between the parties.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. Moss). The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading.

The joint resolution was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall the joint resolution pass? (Putting the question.)

The joint resolution (H.J. Res. 1167) was passed.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be permitted to receive messages from the House during the adjournment period.

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

AUTHORITY FOR THE PRESIDENT PRO TEMPORE AND THE ACTING PRESIDENT PRO TEMPORE TO SIGN ALL NECESSARY DOCUMENTS DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President pro tempore and the Acting President pro tempore be authorized to sign all necessary documents during the adjournment period.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, as long as we are waiting for only one other item of business I ask unanimous consent that the Senate stand in recess subject to the call of the Chair or until that item of business arrives.

There being no objection, the Senate at 5:37 p.m. recessed subject to the call of the Chair; whereupon, at 5:40 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. GRIFFIN).

ADJOURNMENT UNTIL MONDAY, NOVEMBER 18, 1974

Mr. MANSFIELD. Mr. President, I move, in accordance with Senate Concurrent Resolution 120, that the Senate stand in adjournment until 12 o'clock noon, on Monday, November 18, 1974.

The motion was agreed to; and, at 5:41 p.m. the Senate adjourned until Monday, November 18, 1974, at 12 o'clock noon.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

Pursuant to the provisions of Public Law 93-443, section 310, the following were appointed to the Federal Election Commission:

Joseph F. Meglen, of Montana, for a term of 3 years.

Joan D. Aikens, of Pennsylvania, for a term of 1 year.

EXTENSIONS OF REMARKS

THE FARMER'S SIDE OF THE STORY

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1974

Mr. GUBSER. Mr. Speaker, in these days of escalating prices at the supermarket, many people find it all too easy to blame the farmer for the prices they must pay.

Recently Mr. Stephen D'Arrigo, Jr. wrote a letter to the Public Forum of the San Jose Mercury which gives another side to this story. I commend Mr. D'Arrigo's letter to both farmers and consumers. His letter follows:

SALINAS, CALIF., *October 10, 1974.*

PUBLIC FORUM,
San Jose Mercury, San Jose, Calif.

GENTLEMEN: This is a reply to "Oust Butz" Public Forum of October 10, 1974. There are a few considerations overlooked by Mr. Walton and I present them here.

Basically, Mr. Walton, the taxpayer has a choice, namely government subsidies or higher food cost. He can't have simultaneously low cost food and no subsidy. There is no law, moral or legal, that requires a farmer to produce wheat or any other crop and sell at a loss in order to provide the citizens of this country with the lowest food budget as a percent of the consumer dollar in the world.

For forty years the Government has maintained artificially high surpluses for a mixed bag of reasons—mostly bureaucratic and political. Naturally, this lowers prices below production costs and requires a bureaucratic agency to administer the "program". They, therefore, have a stake in the program"—their jobs. The politician can go home and brag about the lowest food cost in the world. Everyone is happy except the taxpayer who foots the bill and the farmer who no longer enjoys the fruits of the free enterprise system, which happens to include the benefits of a supply and demand economy.

Because the surpluses are the lowest since 1948 does not mean that this artificial surplus was the "magic" level or the wise economic surplus level. We presently have a surplus and it is a healthy surplus. Until the breaking of the export contracts, the farmers were holding back in excess of 70% of the 1974 crop, and we are still in an adequate grain situation. The "shortage" is political hokum. The 1975 acreage is committed to planting or in the process of being planted.

While the public may complain about the "high" price of wheat, they also complain about the subsidies. You will either have to accept the higher prices and get the Government out of the farming business through its controls and subsidies; or support the controls and subsidies in return for lower wheat prices. You can't have both.

I hold no brief for Mr. Butz, but it does appear he is the first Secretary of Agriculture that has done what you, the taxpayer, have been demanding the past 40 years and now you don't like the alternative. You have enjoyed a food bill as low as 15 cents of the consumer dollar for decades. At the present 19 or 20 cents, it is still the lowest of any nation in the world—the next lowest being in excess of 26 cents.

It is strange indeed that we do not hear the same complaints about paying $1,000 more for a 1975 auto or more every year for cigarettes, t.v., clothes, boats, sports, etc. But, apparently, the farmer is expected to subsidize the U.S. citizen's dinner table.

Sincerely,

STEPHEN D'ARRIGO, Jr.

CALLS FOR CONGRESSIONAL INQUIRY INTO POLITICAL HEARINGS

HON. THOMAS F. EAGLETON

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, October 17, 1974

Mr. EAGLETON. Mr. President, a recent series of articles by Robert Adams, Washington correspondent of the St. Louis Post-Dispatch, alleges numerous instances of political influence being used to secure positions with the Federal Government, positions which the law says should be awarded strictly on a merit basis.

These are disturbing reports and I believe the relevant committees of the Congress should begin an immediate inquiry into the situation and, if the facts are as charged, conduct full public hearings.

Mr. President, I know of no one who is not anxious to put Watergate and all it represented behind us. But we would have sadly missed the lessons of that national trauma if we fail to correct the corruption that was revealed before we close the book.

No offense of the Watergate period was more shocking or more threatening to our system of Government than the political manipulation of Government agencies. Congress has an obligation to root out these abuses and to see that they never happen again.

Mr. President, I ask unanimous consent that the articles I referred to and an editorial from the September 29, 1974 edition of the St. Louis Post-Dispatch be printed at this point in my remarks.

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

[From the St. Louis Post-Dispatch, September 25, 1974]

CIVIL SERVICE HEAD HELPED GET GSA JOB FOR POLITICIAN'S COUSIN

(By Robert Adams)

WASHINGTON, September 25.—The cousin of a Texas Representative was given a federal career job after Robert E. Hampton, chairman of the Civil Service Commission, personally told the No. 2 man in a Government agency of a desire "to help" the Representative, the Post-Dispatch learned today.

According to documents in the hands of Government investigators, Hampton made his desire known in a Dec. 8, 1970, letter to Rod Kreger, then deputy administrator of the General Services Administration.

The letter concerned job possibilities for Dwight W. Jones, a first cousin of Representative Robert Price (Rep.), Texas. It noted that Jones had passed the Civil Service examination and added: "If at all possible, I would like to help Congressman Price."

The documents indicate that Jones was quickly considered a "must case" by GSA staff and later received a mid-level career job in the Kansas City regional office of the GSA.

The documents include a Jan. 26, 1971, letter over the name of Robert L. Kunzig, who was then administrator of GSA, to Hampton saying that a position had been "established" for Jones—although Jones heatedly denied today that any job had been set up just for him. Jones said his post as Customer Service Director for the Kansas City regional office of GSA's Federal Supply Service had existed long before he was hired.

The Civil Service Commission has been investigating alleged patronage rings in GSA and other agencies since at least last year. But today's disclosure was the first public indication that the commission's chairman had ever passed along a desire to help a political figure in connection with a federal job.

It was also the first time that the name of Kunzig, who is now a judge in the United States Court of Claims, had been connected with attempts to find a job for a person indirectly referred by a political patron.

In an interview, Hampton said he did not

consider his action improper, but, "I probably wouldn't do it again."

Kunzig, through a law clerk, refused to comment.

According to federal regulations, Civil Service jobs such as Jones's are supposed to be filed on merit under a competitive system. No special favoritism is to be shown to any candidate.

Sources familiar with Civil Service rules told the Post-Dispatch that although Hampton's action did not appear to be illegal, it raised serious questions about propriety.

One congressional source said it might appear inconsistent for Hampton to be the chief guardian of the nation's merit system, while at the same time making a referral of his own based on a desire to do a favor for a political figure.

"That letter, coming from the chairman of the Civil Service Commission, would carry an awful lot of weight going into a department or agency," the source said.

"A guy would have to be very naive to believe that this would be treated as just another character reference."

The source noted also that Hampton was among those who might ultimately sit in judgment on the question of disciplining the eight or more GSA staff members who have been charged with violating the Civil Service rules. "He'll be sitting on a case in which he himself seems to have been involved in one matter," the source said.

"It would seem that the man in charge of upholding the Civil Service rules should have no part in referring people for Civil Service jobs."

In another development, the chairman of the House Post Office and Civil Service Committee said a subcommittee of his panel would hold hearings on the alleged violations of the Civil Service laws.

The announcement was made in a joint statement by Representatives Thaddeus J. Dulski (Dem.), New York, the chairman, and David W. Henderson (Dem.), North Carolina, vice chairman.

In the statement, the two praised President Gerald R. Ford's recent directive that agencies and departments must keep the merit system free from politics. They said, however, that they were upset about what they considered "inordinate delays" by GSA in taking disciplinary action against eight staff members accused in a still-secret Civil Service Commission report.

Dulski and Henderson said their committee had been conducting its own investigation into allegations that Civil Service violations had become widespread under the Nixon Administration, and said the investigation would go on.

Hampton's Dec. 8, 1970, letter to Kreger was typed on Civil Service Commission stationary. Using a "Dear Rod" salutation, it said:

"Attached is a copy of Mr. Dwight W. Jones' resume, which I mentioned to you on Sunday.

"On Oct. 12, 1970, he was rated eligible in our Senior Level Positions examination for grades GS-13 and 14 (mid-level career jobs).

"Is he someone whose services you could use in your organization in view of his sales and purchasing background? If at all possible, I would like to help Congressman Price and would appreciate your letting me know what his chances are for employment."

The letter was signed "Bob," with Hampton's full name underneath.

According to the documents obtained by the Post-Dispatch, Kreger then wrote a "Memorandum to the Administrator" in which he said:

"Bob Hampton has referred an applicant, Dwight W. Jones of Livermore, Calif., to us for a GS-13 or 14 position in the Federal Supply Service. Jones is related to Robert Price, a cousin of the Congressman from Texas, and Bob Hampton would like to help the Congressman.

"I told Bob Hampton that I knew you would want to do everything possible to help." The GSA's administrator at the time was Kunzig.

The memorandum went on to say that Kreger had given the papers to a staff member "and asked that he give this matter urgent priority."

A "note to file," which bears no signature, told of two phone calls made in regard to a job of Jones. It said that Jones "is a must case."

A Jan. 26, 1971, letter bearing Kunzig's signature, and addressed to Hampton, said:

"Just a note to let you know that we have established a GS-13 Special Assistant to the Regional Director of the Federal Supply position in Kansas City for Dwight Jones.

"We will be requesting his name certification from your St. Louis regional office next week.

"I am glad that we could be of assistance to you in this matter."

In an interview, Hampton acknowledged that he wouldn't make such a referral today, although he denied any impropriety.

He said he had personally sent letters about individuals to agencies on other occasions since being named chairman by then President Richard M. Nixon in 1969. He put the total number at "not more than 30," and said that most were referred to him from nonpolitical sources.

Except for Jones, he said, "to the best of my knowledge not one of them ever got a job." He said he referred Jones to GSA because Price was a personal friend of his.

"I didn't look upon my letter to them as a request to do anything improper," Hampton said, "and I don't think I can be held responsible for what they (the GSA) might have done."

In looking at the documents, he said, "It's quite obvious that they were trying to please me."

Hampton said he felt that the tone of his letter "anticipated the possibility of a negative reply. It was not something where I said: Go out and do this because I want it."

Hampton noted that he was currently in a bureaucratic dispute with GSA over whether the Civil Service Commission has the power to order that GSA staff members be disciplined. He voiced a suspicion that some in GSA might be attempting to smear him because he had attacked the "patronage ring" considered friendly to the Nixon Administration.

Hampton noted that the commission was also investigating a number of other agencies, including the Department of Housing and Urban Development, the Small Business Administration, the Law Enforcement Assistance Administration, the Social Rehabilitation Service in the Department of Health, Education, and Welfare, and the National Highway Safety Administration.

"There are lots of political people who aren't happy with what I'm doing," he said.

Others, however, have questioned whether the commission has moved decisively enough in breaking up what Hampton views as perhaps the greatest threat to the merit system in its 90-year history.

It was noted that Frederic V. Malek, a former White House aid, told the Senate Watergate committee earlier this year that he "consulted with Mr. Hampton, chairman of the Civil Service Commission, on a lot of things."

Malek was the author of the controversial "Responsiveness Program" in the 1972 presidential campaign. Its purpose was to use the grant-making and other powers of the Federal Government to help Nixon with re-election.

In addition, Malek was involved in job recruitment at the Nixon White House and has acknowledged helping to refer persons friendly to the Administration to various agencies for political and career jobs. Malek, however, said he placed no pressure on any agency to hire someone for a specific Civil Service job, even though the White House used a four-level rating system with "must place" at the top.

In response, Hampton told the Post-Dispatch that he consulted with Malek only on legitimate topics, such as what positions could be properly exempted from Civil Service.

Hampton said he had no idea until earlier this year that a Nixon Administration personnel aid named Alan May had written a document called a "Federal Political Personnel Manual." In the manual, May discusses ways of "getting around" the Civil Service laws and removing career government employes who were not loyal to the Nixon Administration.

Hampton said he was "utterly shocked" by the manual. He said it displayed a tone of contempt for the Civil Service system.

Hampton said he had gone to the White House three times in the Nixon Administration to ask for a directive similar to the one President Ford issued this month. The Nixon White House never issued such a directive, he noted.

Hampton served as a personnel specialist in the Air Force and in the White House under Presidents Dwight D. Eisenhower and John F. Kennedy before being named a member of the Civil Service Commission in 1961. He was named chairman in 1969 and was reappointed in 1973.

Neither Price nor Kreger could be reached for comment about the Jones case.

Jones, however, defended his appointment to the job he now holds in the Kansas City regional GSA office. He gave the name of his predecessor, who confirmed Jones's contention that the post had existed before Jones came.

Jones noted that the GSA was the agency responsible for managing the Federal Government's buildings and procuring its supplies.

"I'm not some used-car salesman who was unqualified for the job but was brought in as a favor to somebody," Jones said. "I took the Civil Service exam and passed it. I've had 20 years in the furniture business. They needed somebody with that experience."

Jones said he had no idea that his name had been discussed in high places at GSA and the Civil Service Commission before he got the job. "I guess I'm flattered," he said.

Jones said his mother and Representative Price's mother were sisters, making him and Price first cousins. He refused to go into detail about his discussions with Price about a federal job, but said:

"Maybe I'm naive about this, but if you're qualified for a job, it doesn't seem like such a no-no to call on somebody for help. If you were dating the President's daughter, maybe he could help you out."

[From the St. Louis-Dispatch, Sept. 26, 1974]

GSA Obliged Ford and Scott on Job Referrals, Files Show

(By Robert Adams)

WASHINGTON, September 26.—Officials of the General Services Administration discussed—and sometimes apparently carried out—plans to create special jobs for persons referred by powerful political figures including then Representative Gerald R. Ford and Senate Republican minority leader Hugh Scott, confidential documents showed today.

An effort to circumvent the usual Civil Service procedures to help a man referred by Mr. Ford, before he became President, is discussed in a March 25, 1971, memorandum attributed to Rod Kreger, who then the No. 2 man at GSA.

In a "Memorandum to the Administrator," who was then Robert L. Kunzig. Kreger discussed the possibility of creating a special job for a 65-year-old building maintenance man from Grand Rapids, Mich., Mr. Ford's home town.

At one time Kunzig was Scott's administrative assistant.

"As we have not had the opportunity to do too many favors for Gerry Ford, this may be a chance to help out," the memo said.

Other documents obtained by the Post-Dispatch show a belief by Government investigators that at least some persons referred to GSA by Scott, of Pennsylvania were given preferential treatment in violation of Civil Service regulations.

The documents include a 54-page report by the Civil Service Commission which has been a closely held secret since it was compiled in October 1973.

One GSA personnel officer, Arthur G. Palman, whose complaints prompted the Civil Service Commission's investigation, told the Post-Dispatch he believed the reported special treatment for Scott's referrals was "an outrage—it's as rotten as it can be."

Both the White House and Scott's office strongly denied that either Mr. Ford or Scott had been involved in improper activities.

Spokesmen for both men noted that it was entirely proper for Representatives or Senators to refer job applicants to federal agencies. They said that no special treatment was ever requested and that Mr. Ford and Scott would have condemned any violations of Civil Service procedures if they had known about them.

Today's disclosures came amid what appeared to be a widening scandal involving alleged attempts to subvert the Civil Service system. Under the law, federal career jobs are supposed to be filled on merit, without regard to political or other connections.

The Post-Dispatch disclosed yesterday that Robert E. Hampton, the chairman of the Civil Service Commission, had himself referred an applicant to GSA in 1970 on behalf of Texas Republican Representative Robert Price with the notation: "If at all possible, I would like to help Congressman Price." The applicant was later given a federal job after being treated as a "must case" by GSA staff.

In the March 25, 1971, memo mentioning Mr. Ford, Kreger wrote: "Congressman Gerry Ford has referred a Mr. Emil Gaide to us." The memo said that Gaide, Grand Rapids, wanted a job working on the construction of a new federal building there.

The memo said that one division of GSA was prepared to take Gaide; "however, in doing so they will have to create a position for him. We would also have to qualify him on a Civil Service register and obtain a certification. Another complication is that Mr. Gaide is 65 years of age."

The memo ends with the reference to doing a favor for Ford. Mr. Ford was then House Republican minority leader and represented a Michigan Congressional district that included Grand Rapids.

A June 8, 1971, "Note to file" on Gaide said that no jobs had been found in Grand Rapids, but that he had been offered a $4.97-an-hour job as a plumber at Battle Creek or Detroit. Gaide declined the offers, it said.

"Mike Norton told me, this date, that we had fulfilled our obligation to Congressman Ford's office," the undersigned memo said.

Norton, who now runs GSA's regional office in Denver, said he didn't recall the case. Norton was Congressional liaison for GSA, which is the agency responsible for managing federal building and obtaining supplies for the Federal Government, at the time.

Asked about the purported "obligation" to Mr. Ford, Norton said: "I don't believe I would have made such a remark." He said he felt no obligation to do any such favors for Congressmen.

Norton said he had no knowledge of the "special referral units" said to exist within GSA and a number of other agencies. Federal investigators have said evidence points to widespread attempts to place Republican and friends of Nixon Administration figures in career jobs through the units, which purportedly operated outside the regular Civil Service system.

Paul Miltish, a spokesman for President Ford, noted that the documents did not indicate any improper requests on Mr. Ford's part. He noted also that Mr. Ford had issued a directive earlier this month calling on agency heads to stick to the merit system.

Emil Gaide died in October 1971. His wife said in a telephone interview that he had been offered a GSA job outside Grand Rapids, but declined. She said she did not know whether her husband had taken a Civil Service test.

"We had some friends who are very good friends of the Fords, and that probably helped a lot," Mrs. Gaide said.

On the Scott referrals, the Post-Dispatch learned that federal investigators found a special file at GSA for Scott referrals and special file for referrals from Pennsylvanians in general.

At least 34 persons were said to have been placed at GSA after being referred by Scott's office. The White House personnel office was said to have sponsored 69 successful applicants at GSA.

It was noted that several present and former high GSA officials are from Pennsylvania. They include Kunzig, the former head of the agency, and Arthur Sampson, the current administrator.

"Scott virtually ran that agency," one source told the Post-Dispatch. "Even other Senators when they wanted something done there went to Scott."

Investigators reported also that Martin Hamberger, Scott's administrative assistant, and others on his staff were often consulted by GSA on personnel matters.

In its still-secret 54-page report, a copy of which was obtained by the Post-Dispatch, the Civil Service Commission concluded that preferential treatment existed in GSA in apparent violation of Civil Service rules.

The report said the evidence was "clear and conclusive" that "through the special referral system, GSA officials gave improper preferential treatment to candidates referred from nominally political sources."

The investigation showed "very serious disregard of personnel laws in the General Services Administration. These violations of merit principles require immediate and strong action," the report said.

The report cited at least three cases in which men referred by Scott's office were given jobs in apparent circumvention of normal procedures.

It quoted also a memo from a GSA operative dated June 1972 to Palman, instructing him:

"Please do not publicly announce these instructions: keep the list of all vacancies, GS–1 through GS–15 in the State of Pennsylvania current. I will get the OK for filling these jobs from the sixth floor and pass it back to you."

Palman, who works in the GSA regional office that includes Pennsylvania, is quoted as replying something like: "have they no shame?"

One case cited in the report is that of J. Ronald Smith, a former administrative assistant to the late Representative Robert Corbett. His application was referred by Scott.

Smith, of Pittsburgh, had wanted a job as assistant buildings manager but did not qualify, the report said.

A new position, that of administrative officer, was set up for Smith, the report states. Such a job in a regional office as small as Pittsburgh's "was and continues to be unique," the report said.

The report quoted two GSA officials, Joseph Salerno and Jerry Vallery, as saying the job was set up especially for Smith. "The entire process was a direct result of the operation of the special referral system, giving preferential treatment to certain applicants," the report said.

"Mr. Smith was appointed at a premium pay rate . . . into a position created especially for him." The report added, however, that Smith appeared qualified for the job he held.

In a related document obtained by the Post-Dispatch, a GSA personnel operative told a colleague: "We are ready to go on the two must referrals that you gave me from Senator Scott's office." One of the two was Smith, who was recommended for the newly created post at a salary of $16,404 a year, only $600 below that of a supervisor.

The report cites also the case of Joseph Newman, who was given a 700-hour appointment to a custodial labor job in Wilkes-Barre, Pa., after being referred by Scott.

Though Newman could not be certified under Civil Service for a fulltime permanent job, he was given a 700-hour temporary job under circumstances that the report calls "highly unusual."

A third case was that of Harold D. Kitchen, who was also referred by Scott. The report said Kitchen was given a $10,470 job as assistant buildings manager at Wilkes-Barre after failing to score high enough on the Civil Service register for another job.

The report quotes one GSA official as saying the job apparently "was set up for Mr. Kitchen."

Hamberger, Scott's assistant, denied in a telephone interview that Scott's office had ever asked any special favors. He said he had no knowledge of the memo asking that Pennsylvania openings be kept track of at GSA.

When asked about the allegations that Pennsylvania got special treatment, he replied: "I think it's logical to assume that Pennsylvanians will work as hard for Pennsylvanians as Texans will for Texans and Californians will for Californians."

But Hamberger said Senator Scott fully supported the merit system and would not have wanted it violated on his behalf.

"I'm unaware that we ever were in a position where we asked for anything other than proper consideration," Hamberger said. "In fact, 'proper consideration' is a code phrase that I insisted be put in my letter."

Scott's letter on Smith, however, contained no such phrase. It said Scott recommended Smith "mostly highly" for the job of building manager, and said, "I would be most grateful if you would favorably consider this appointment." The letter, dated May 6, 1971, was sent directly to Kanzig. Kanzig, now a judge in the U.S. Court of Claims, has refused to comment on the GSA situation.

Hamberger said he and others on Scott's staff were consulted by GSA principally in reference to names the Senator's office had sent over. He said he had not known about the separate "Pennsylvania file" and "Scott file" at GSA.

He noted also that the question of whether jobs were created for specific individuals was still in dispute between the Civil Service Commission and GSA officials. On the Kitchen case, he said Kitchen had been dismissed from a state job in Pennsylvania when a Democratic governor took over and thus needed other employment."

"I think the political referral system represents an infinitesimal portion of the federal work force," Hamberger said. He said he thought that political favoritism was far less a threat to the merit system than what he called "the personal back-scratching system" among federal employes.

"I think all federal employes would welcome a strengthening of the Civil Service System," he said. "But its chief failure is the failure of its internal procedures to work properly."

Kitchen and Newman could not be reached for comment. Smith declined to comment on his referral by Senator Scott when questioned by the Post-Dispatch.

Others who reportedly have received jobs through favoritism, however, have pointed out that often things were done by GSA or other agencies without their knowledge. They noted that an applicant might have no way of knowing that he was given a job because of political pull rather than a high grade on a Civil Service exam.

[From the St. Louis Post-Dispatch, Sept. 29, 1974]

REPORTS FAVOR FOR SHULTZ' SON

(By Robert Adams)

WASHINGTON, September 28. — George Shultz' son and drivers for John N. Mitchell and Jeb Stuart Magruder in the 1972 Nixon campaign apparently received special treatment in getting jobs at the General Services Administration, a confidential investigative report showed Saturday.

The document, a copy of which was obtained by the Post-Dispatch, was part of a study by the U.S. Civil Service Commission of alleged abuses of the merit system of GSA and elsewhere.

The report cites a number of specific cases in which individuals appeared to get preferred treatment through GSA's "special referral unit" because of high-level connections or because they were referred by political figures or others.

Shultz's son was given preferential treatment "as a result of high-level interest in his candidacy," the report declared. It said the hiring of Mitchell's driver "illustrates the extremes to which GSA officials would go to appoint high priority candidates."

Magruder's driver received "special treatment completely out of normal staffing channels," the report said.

The document gave no indication however, that either Shultz, Mitchell or Magruder had exerted pressure on behalf of their friends or relatives. Nor was there evidence that those who got the jobs knew, at the time, what was being done for them. It said that Magruder's driver "appears to have been an unwitting party to the preferential treatment" he allegedly received.

Today's development marked the latest in a series of disclosures about alleged violations of Civil Service rules. The Post-Dispatch reported last week that GSA officials took pains to find or create jobs for persons referred by powerful political figures, including Senate Republican minority leader Hugh Scott of Pennsylvania and President Gerald R. Ford when he was House Republican leader.

The Post-Dispatch disclosed also that a cousin of Representative Robert D. Price (Rep.), Texas, got a career job in GSA after Robert E. Hampton, chairman of the Civil Service Commission, refered the cousin to GSA with the notation: "If at all possible, I would like to help Congressman Price."

Under the law, career jobs in the Federal Government are to be awarded on merit. Special consideration because of high connections or political pull are forbidden.

In the Shultz case the confidential Civil Service Commission report told of how Peter Schultz—who is now a 22-year-old music student at a junior college in California—was given a job as a carpenter's helper.

It quotes Arthur Palman, who worked in a regional GSA personnel office, as saying his superior told him that Peter "was the son of George Shultz and that we were to take immediate action to pick him up."

George Shultz held several high posts in the Nixon Administration, including Secretary of Labor and Secretary of the Treasury.

The commission said Peter Shultz was given a part-time job as a custodial laborer on Jan. 27, 1972. He was promoted later to carpenter's helper at a higher pay level.

But the commission said that wasn't the proper way to fill the carpenter's helper slot. Names for that job, the commission said, should have been taken from the Trade Helper register—which had been closed since June 15, 1971, "because of the surplus of candidates."

It said also that Shultz was working as a carpenter's helper when he was officially listed as a custodial laborer.

"As a result of high-level interest in his candidacy, a number of personnel actions were made to fall quickly into place for Mr. Shultz by means of a fast temporary appointment, use of an inappropriate Civil Service Register, and misassignment to carpenter helper duties while employed as a custodial laborer," the commission said .

The report said Palman's comment made it clear that the special treatment "stemmed from the fact that Peter was known to be the son of George Shultz."

The commission required that Shultz's position be "regularized," or that he be dismissed. Shultz quit his job Nov. 13, 1973 after refusing to take a job two pay grades lower.

Young Shultz told the Post-Dispatch that he had not known anything about the alleged special treatment until the commission's investigation.

Shultz said he had never asked for any favors because of his father—nor had his father on his behalf. He said he believed he was a victim, rather than a beneficiary, in the episode.

"The GSA said in effect, 'We made a mistake, but you have to pay for it,'" Shultz said. "They wanted to make me a janitor after I'd been working as a carpenter's helper. Finally, I just quit.

"The application form has a place where you have to list your father's name, and what he does," he observed. "I wasn't asking for anything because of him. But I guess you have to watch it on your own.

Mitchell's driver, Tom Wince, was hired on Jan. 16, 1973. He had been Mitchell's driver while Mitchell was running former President Richard M. Nixon's re-election campaign in 1972. Mitchell, a former Attorney General, is a defendant in the Watergate cover-up trial set to begin Tuesday.

The commission's report said Wince was given a job as "Confidential Assistant" in GSA headquarters after being referred by the White House. A week later, he was given a "Veteran's Readjustment Appointment" as a federal protective officer, a Civil Service job.

The report said Wince was apparently hired despite a hiring freeze on federal protective officer jobs at the time. It said also that his "Veterans' Readjustment" appointment "was not legal," because those appointments were supposed to be made within a year after a veteran leaves the service. Wince had left the Army more than 14 months before the appointment.

"In spite of the hiring freezes, the okay to hire him came straight from the White House," a source familiar with the case told the Post-Dispatch.

In evaluating the matter, the commission said that "this case illustrates the extremes to which GSA officials would go to appoint high priority candidates through the special referral system." Wince could not be reached for comment.

The report said Carl Foster, who was Magruder's driver during the 1972 campaign, was given a job as a forklift operator at GSA's supply facility in Franconia, Va., on July 9, 1973.

Magruder, who was the deputy director of the Nixon campaign, has since gone to prison for his role in the Watergate cover-up case.

According to the commission, Alan Kaupinen, a GSA official who also worked on the Nixon re-election campaign, contacted a regional administrator to ask about vacancies that Foster might fill. Another high-level GSA official also helped, the report said, and ultimately Foster got the job.

One GSA personnel worker was quoted as saying he regarded one inquiry about Foster as tantamount to an order to hire him. The report said also that James Stewart, manager of the supply facility at Franconia, was simply told that Foster would be showing up for work. Normally, Stewart would have interviewed him and reviewed his qualifications before a vacancy was filled, the report said.

"Mr. Foster's application was given special treatment completely out of normal staffing channels," the report said.

It noted the involvement of such high officials as Kaupinen, and declared: "Normally they would not be involved in any way in the hiring of a WG-5 forklift operator. Their participation in this case, and in providing such extraordinary preferential treatment, is difficult to understand."

It said, however, that because the procedures followed were technically correct and Foster was well qualified for the job, no corrective action was required. The report said Foster seemed to have been "an unwilling party to the preferential treatment he received."

Eight persons in GSA were charged by the commission with Civil Service violations as a result of the investigation.

In its own response to the commission's findings, the GSA admitted that "inexcusible" abuses had apparently occurred, but contended that the report painted an unfair picture of the GSA as a patronage-ravaged operation.

In its 31-page confidential reply, which, like the commission's report, has never been made public, the GSA cited also accomplishments in placing blacks, women and young persons in GSA jobs.

The GSA said also that the "special referral unit" had been set up originally for a legitimate purpose—that of responding promptly to members of Congress and others who made inquiries, and searching for talent to rejuvenate the agency.

It said also that there was "little evidence of intentional violation of personnel laws or merit system principles." The GSA reply said that the disciplinary action recommended by the commission against GSA staff members was inappropriate.

The GSA is the Federal Government's housekeeping agency. It runs the buildings that the Government owns and buys supplies for them.

Other agencies also have been the target of investigations by the Civil Service Commission or by others for alleged preferrential treatment through "special referral units." These include the Department of Housing and Urban Development, the Small Business Administration, the Law Enforcement Assistance Administration, the volunteer agency Action, and the Social Rehabilitation Service of the Department of Health, Education and Welfare.

In another development today, it was learned that the commission's attempt to discipline the eight GSA employees may soon be challenged in federal court.

[From the St. Louis Post-Dispatch, Oct. 2, 1974]

PRESSED FOR JOB FOR GOP FRIEND

(By Robert Adams)

WASHINGTON, October 2.—The General Services Administration made "all kinds of special efforts" to find a career job for a Pennsylvanian after his Republican Representative asked for the help, the U.S. Civil Service Commission has concluded.

Confidential documents obtained by the Post-Dispatch indicate that the late Republic Representative John P. Saylor (Rep.), Pennsylvania, apparently wrote GSA a biting letter in 1971 asking why a fellow Pennsylvanian, James R. Nesbit, had not been hired as a federal protective officer.

A Dec. 1, 1971, letter from Saylor to William Casselman, the general counsel of GSA, asked for "some immediate assistance from this Republican Administration of which I am and have been asked to be a part, documents in the hands of Civil Service Commission investigators show.

A Commission report on an alleged "patronage ring" in GSA said efforts to employ Nesbit resumed after Saylor's letter and included a special 200-mile trip by a GSA personnel officer to Nesbit's home in Pennsylvania.

Casselman is now a counsel to President Gerald R. Ford. It could not be learned whether Casselman passed along Saylor's partisan complaint to GSA personnel officers. Casselman could not be reached for comment last night.

Under federal law, career jobs are supposed to be filed on merit. Partisan political considerations are expressedly ruled out by Civil Service regulations.

The commission described also two instances in which a GSA personnel officer said he deliberately wrote a job description to match the background of a prospective employee.

"I used his SF-171 (resume form) and my imagination as to what might be his duties," John P. Joynt, a GSA personnel officer, said in a statement about the establishment of a job for a man referred by Senator Charles M. Mathias (Rep.), Maryland.

The incidents were detailed by the commission as a part of a still-secret report on allegations that a "special referral unit" within GSA did special favors for some applicants referred by prominent Republicans and others.

The controversy over the special referral units has already moved to a federal court. Earlier this week, two GSA staff members challenged the Civil Service Commission's right to discipline them and asked a United States District Court to block any such action.

The suit charged, among other things, that at least one of the three Civil Service commissioners—Robert E. Hampton, its chairman—was involved in the special referral system.

The Post-Dispatch reported last week that that Hampton had sent a letter in 1970 to a high GSA official expressing a desire "to help" a Republican Representative whose cousin wanted a job. The cousin later got a career job with GSA.

The Post-Dispatch reported also that the GSA, whose present and former administrators are Pennsylvanians, appeared to pay special attention to referrals from Pennsylvania.

On the Nesbit case, the Civil Service Commission said Nesbit had applied for a low-level job as a federal protective officer.

Nesbit, who apparently was eligible for such a post in West Virginia, was reported to have turned down offers in Wheeling and Martinsburg there.

Soon after, on Nov. 1, 1971, Saylor wrote his letter to Casselman. The letter, commission investigators said, indicated a desire for an explanation as to why Nesbit had not been hired.

Whether Casselman took any action was not specified. But a commission account said that "efforts to employ Mr. Nesbit were then resumed."

A problem apparently developed, however, over what kinds of jobs Nesbit would be eligible for. Arthur G. Palman, a personnel officer with the GSA regional office that includes Pennsylvania, is quoted as suggesting that Nesbit come to Washington to discuss it. But Palman said he was told by a superior that the GSA should go to Nesbit.

The result, the commission said, was an extraordinary trip by a GSA staffer from Washington 200 miles to Nesbit's home in a small Pennsylvania town northeast of Pittsburgh.

The commission said the interviewer later reported that Nesbit was qualified in GSA only for the jobs of federal protective officer, guard and custodial laborer. The matter was eventually dropped.

"Mr. Palman estimated that the Nesbit case cost him and his staff at least one man-month as well as some travel money," the commission said.

"The evidence is clear that all kinds of special efforts were made in this case, apparently because of the strong interest of Congressman Saylor, Mr. Nesbit received a high degree of preferential treatment in GSA's apparent attempt to be 'responsive' to the Congressman," it said.

It said the fact that Nesbit was not given a job "does not detract from the fact that in this case the special referral system permitted partisan political influence to seriously disrupt personnel operations" in that GSA region, Nesbit could not be reached for comment.

One of the cases in which Joynt said he tailor-made a job description to fit a candidate involved that of Paul Caggiano, who was referred by Senator Mathias.

Joynt told commission investigators that in June 1971, he was asked to develop job description for a special assistant to the regional GSA administrator. The job was to pay about $20,000 a year.

"This job was to be for a Paul J. Caggiano and I used his SF-171 and my imagination as to what might be his duties in developing the description of the job," Joynt said. He said he believed that the job was not really needed, and that it seemed that "we were making a job for someone with political pull."

Caggiano soon landed the job. The commission concluded that "the facts indicate that a position was tailored to meet Mr. Caggiano's personnel qualifications rather than the needs of the service . . . violation of the merit principle of open competition is evident."

The commission noted, however, that Caggiano had moved to another post in the office of federal management and policy at GSA, and that he was qualified for the job.

Reached by the Post-Dispatch, Caggiano said he had no idea such efforts were being made for him.

"Good night," he exclaimed, "It's really amazing. That's just amazing to me."

Caggiano stressed his background in data processing and said he thought he had been hired because he was qualified.

"I guess everybody likes to think, as you go through life, that you got where you are on the merits," he said. "It gives you a funny feeling to hear all this."

A spokesman for Mathias also denied knowledge of, or asking for, any special favors. "The letters are routine buck-slips," the spokesman said. "The Senator doesn't even recall knowing him. Looks like somebody pushed the panic button."

Joynt said he had used his imagination also in making a job for John Grosnick as assistant chief of the Federal Protective Service Division. The commission said Grosnick was not believed to have been referred by a political source. It noted, however, that when Grosnick applied, the division chief was a man he had previously worked for in the Pennsylvania State Police.

The commission said "personal favoritism" was believed to be behind the action. "It appears that no other candidates were considered and the merit principle of open competition was violated," the commission concluded. Grosnick was reported to be traveling in Europe and could not be reached for comment.

Another instance of alleged favoritism involved Gary Scarpelli, the son-in-law of Jacob G. Kassab, Pennsylvania's secretary of transportation. Both are Democrats.

Scarpelli was given a temporary, 700-hour appointment as a building manager in Pittsburgh after first failing, and later passing, a Civil Service exam. The commission quotes his supervisor as saying he had not asked that the job be filled. I did not know about Scarpelli until he was told of his hiring and did not have a chance to consider other applicants.

Palman is quoted as saying the case was described to him as a "Sampson-Roush" referral of the highest priority. Arthur F. Sampson is the current head of GSA, and Larry F. Roush is commissioner of the public buildings service for GSA. Both are from Pennsylvania.

"The pressures to appoint Mr. Scarpelli resulted in special handling of his application at every step," the commission said. In telephone interviews, both Scarpelli and Kassab denied knowing of the alleged favoritism.

In another case, then representative Richard C. Poff of Virginia, now a justice on the Virginia Supreme Court, was reported to have called the GSA in 1970 about a job for Douglas Spradling as traffic management specialist.

One GSA official is quoted by a GSA staff member as saying that Spradling was being "crammed down his throat" by the central office. In July 1970, 12 employees of GSA submitted a petition protesting the hiring of Spradling, saying they had not been given a chance to compete.

"The evidence suggests but does not show conclusively that political considerations were involved in the decision," the Civil Service Commission said.

Defenders of the GSA say the commission's portrait is overdrawn. They cite figures indicating that of about 300,000 applications processed by GSA during the period covered by the investigation, only 3600 went through the referral system. Of the 40,000 persons hired, only about 300 went through the referral system, and roughly half of these were non-career jobs that do not fall under the merit system.

In its investigation, the commission noted also allegations that some appointments—even to career jobs—required political clearance by the Nixon White House. Such clearance would violate the non-partisan promise of the merit system.

The commission quotes an affidavit from G. C. Gardner, Jr., assistant administrator of the GSA, as saying: "I was shown a political clearance form with my name on it which I was told was prepared on me prior to my return to GSA in August of 1971."

Gardner, the commission noted, is "a career executive for whom political clearance was not appropriate." Gardner told the Post-Dispatch, however, that he never determined for certain whether the form was filled out by mistake, or whether he really had to be cleared.

"Obviously I'd resent it if it happened," Gardner said. "But I had to chuckle a little

about it. I vote, but I'm not registered with either party. They'd have a heck of a time trying to check me out."

[From the St. Louis Post-Dispatch, Oct. 3, 1974]

SPECIAL EFFORT MADE BY GSA TO FIND JOB FOR REPUBLICAN

(By Robert Adams)

WASHINGTON.—Personnel officers at the General Services Administration took "a personal interest" in a job candidate referred by Robert E. Hampton, chairman of the U.S. Civil Service Commission, and so told Hampton's office, the Post-Dispatch learned today.

Confidential documents indicate that the candidate, who was also referred by two prominent Republicans, eventually was given a career job as a specifications writer at GSA in 1970.

An internal GSA memo indicates that Lyle Emory Hutchison, who received the job, was listed as a "must case" after letters of referral were sent to GSA by Hampton; Robert G. McCune, executive director of former President Richard M. Nixon's inaugural committee in 1969; and Harry S. Flemming, who was then head of the White House personnel office.

Today's disclosure marked the second case in which Hampton personally referred a jobseeker who later appeared to get special treatment at GSA.

The Post-Dispatch disclosed last week that Dwight W. Jones, the first cousin of Representative Robert Price (Rep.), Texas, got a Civil Service job at the GSA after Hampton referred him and wrote: "If at all possible, I would like to help Congressman Price." Jones was rated a "must case" by GSA staff.

In the Hutchison case, Jack Lemay, a GSA personnel officer who was later one of eight persons charged by the Civil Service Commission with violating Civil Service rules in the operation of a "special referral unit," wrote a note for the file indicating that he had called Hampton's secretary and told her "we are taking a personal interest and will try to do something."

Hampton's office did not attempt to deny the authenticity of the documents or the facts contained in them.

Anthony Mondello, general counsel to the Civil Service Commission, was reluctant to discuss the matter because the commission's attempt to discipline the GSA employees has now been challenged in court.

But Mondello told the Post-Dispatch that Hampton "was certainly aware of the Hutchison case" when he and the other two commissioners unanimously rejected a contention by some of the GSA staffers that the commission's impartiality had been tainted.

The rejection mentioned the Jones case—in which Robert L. Kunzig, then head of GSA, wrote to Hampton that a job had been "established" for Jones—and said the commissioners found no impropriety.

"The commissioners specifically reject any inference or contention that this or any other referral to GSA by them was made in the knowledge that the referral would be treated in any manner contrary to applicable law, rules and regulations," the commission said in a Sept. 23 decision.

Mondello said he did not know, however, whether the other two commissioners were aware of Hampton's role in the Hutchinson case at that time.

Mondello said it could safely be assumed that if Hampton had any reason to challenge the accuracy of the documents on Hutchinson's placement, he would do so. The documents were not challenged.

The note about the call to Hampton's secretary was construed by some persons familiar with Civil Service rules as putting Hampton on "constructive notice" that special efforts were being made for Hutchinson.

Under the law, career jobs like Hutchinson's in the Federal Government are supposed to be filled on merit. Political or personal favors are prohibited.

But today's disclosure that Hampton personally referred Hutchinson to GSA, and apparently knew that "a personal interest" was being taken in the case, appeared certain to raise fresh questions about the propriety of Hampton's involvement.

Some observers contended that it is ironic for Hampton—the chief guardian of the nation's merit system—to be involved in an attempt "to help" a member of Congress by getting his cousin a job, or to knowingly sit by while "a personal interest" was taken in another of Hampton's referrals.

Documents obtained by the Post-Dispatch show that Hutchinson was first referred to GSA on Oct. 6, 1969 by McCune. McCune was then on leave as director of United States government programs for Lockheed Aircraft.

In a "Dear Bob" letter to Kunzig, then head of GSA, McCune wrote:

"I am pleased to send along to you the resume of a good Republican friend of mine, Mr. L. Emory Hutchinson (Hutchison), on the possibility that there might be an 'in the ranks' position that he could qualify for at GSA." McCune said he believed Hutchison was "planning to discuss a Government procurement position with Bob Hampton."

On Oct. 8, Hampton wrote to Rod Kreger, who was then assistant administrator of GSA, which is the Government's housekeeping agency:

"I am forwarding Mr. Hutchison's resume to you for consideration. Is there any chance that GSA can use his services?" The letter said.

On Oct. 29, Flemming wrote to Kunzig: "Mr. L. Emory Hutchinson (Hutchison), a staunch Republican, has had long and varied experience as indicated by the enclosed resume. He is interested in a procument type position with GSA; I'm sure he would be a valuable addition to your offices.

"I would appreciate whatever you can do on behalf of Mr. Hutchinson."

A handwritten postscript at the bottom says: "P.S. I am interested in this one."

A resume in Hutchinson's file at GSA contained the note that he is a "registered Republican in Maryland." It added that he had done "precinct work."

The resume is a personally prepared document, rather than the official Government Standard Form 171. It was not immediately apparent whether the resume was the one sent by Hampton, or McCune, or Flemming—or whether all three sent the same resume.

Under civil service regulations, party affiliation is to be ignored in filling career jobs.

Asked about the propriety of mentioning that Hutchinson was "a good Republican" in a reference for an "in the ranks" job, McCune told the Post-Dispatch:

"Had this been a Democratic Administration, and had he been a Democrat, and qualified for the job, I probably would have mentioned that fact. This has been part of the system for a long time.

"I wish it didn't have to be that way, quite frankly. But I've been in Washington for 20 years, and that's the way the system works. I guess it's like going to Notre Dame and saying you're a good Catholic."

Asked how he felt about having Hutchinson treated as a "must case," with an apparently large expenditure of staff time on his placement, McCune commented: "I guess I'm surprised I had that much clout."

McCune maintained, however, that he had not tried to subvert the merit system. He said some "in the ranks" jobs could conceivably have been "Schedule A" or "Schedule C" jobs that are exempted from Civil Service because of their proximity to policy-making positions.

McCune said he was a family friend of Hutchinson's, and believed Hutchinson's many years in the furniture business qualified him for a job at GSA, where functions included buying and maintaining furniture for government buildings.

A note to LeMay on Oct. 30 asks him to call Flemming's office "and keep them informed of status" on Hutchinson. A handwritten note by LeMay indicates that he called Hutchinson, called the White House personnel office, and called Hampton's office.

A Nov. 3, 1969, handwritten note to Kunzig signed "Bruce" observed that Hutchinson had been "recommended by Bob Hampton (in letter to Rod Kreger) and Bob McCune (exec director of inaugural committee)."

It contained also an unflattering evaluation of Hutchinson by another GSA staffer.

A staff memo Dec. 22 discusses the limited number of jobs available in GSA's federal supply service and asks the unnamed recipient: "Is this a must case or not???"

A note farther down on the page says that "Mr. Kreger said that this was not a must case—up to Mr. LeMay, wait until he gets back. Mr. Kreger does not see any reason to go further with it."

By March 25, 1970, however, Hutchison apparently had been elevated to a "must case." A memo from Kreger to Kunzig dated March 25 stated:

"We have completed the processing and are in a position to pick up Lyle E. Hutchison as a GS–13 (mid-level) specification writer in the federal supply office. He was a must case sponsored by Harry Flemming, Bob Hampton, and Bob McCune.

"I have attached letters for your signature to Flemming and McCune. I thought perhaps you would want to call Bob Hampton or mention it to him the next time you see him."

The word "fine," with Kunzig's initials, is handwritten at the bottom of the memo.

Reached by the Post-Dispatch, Hutchison said he had not realized that so much effort was being expended on his behalf.

He said if "a personal interest" was taken in his placement, "it was probably because of my background and my experience." He noted that he had run a furniture store before going with GSA, and had been in the business more than 20 years.

Hutchison acknowledged asking McCune to write a letter of reference, but noted that reference letters are often required for government jobs. He said also he called Hampton.

"From my point of view, I took the tests, became eligible, and then got the job," he said. "I walked over hell's half acre looking for one. I talked to the personnel people in all the agencies. But at the time, there was a freeze on. They would tell me they couldn't hire me."

Asked about any special treatment, Hutchison said: "You're telling me something that's new to me. I didn't know I was that important."

Questions about the propriety of Hampton's sitting in judgment on the GSA staffers who have been charged by the Civil Service Commission were raised in court this week by two of the defendants.

The defendants, Larry Roush and Ann Powell, said it was "bureaucratic hypocrisy for Hampton to discipline GSA staffers for

their purported work on a "special referral unit" when Hampton himself made referrals.

[From the St. Louis Post-Dispatch, Oct. 8, 1974]

FORD AID LINKED TO FAVORITISM CASE

(By Robert Adams)

WASHINGTON, October 8.—William E. Casselman II, who is now a counsel to President Gerald R. Ford, knew about and may have played a role in extraordinary efforts to place a Republican House member's constituent in a federal career job in 1971 and 1972, the Post-Dispatch learned today.

The United States Civil Service Commission later cited that case as one in which preferential treatment was allegedly given to a candidate for a civil service job in apparent violation of merit principles.

The incident took place while Casselman was general counsel for the General Services Administration. The Civil Service Commission has charged eight GSA staff members with allegedly giving preferential treatment to certain job candidates.

Documents obtained by the Post-Dispatch confirm a report last Wednesday of Casselman's possible involvement. It marked the first indication that a member of Mr. Ford's staff had been linked to an incident involving possible violation of Civil Service rules while at another agency.

Less than three weeks ago, President Ford issued a directive to all heads of federal agencies and departments urging them to comply with the Civil Service laws. He called on the officials to respect the merit system and keep political considerations out of career jobs.

Casselman, through an aid, refused to comment.

The aid, Barry Roth, said Casselman "feels it would be inappropriate for him to comment on this or any other matter that is or might be the subject of litigation." Two of the eight GSA staff members have gone to court to challenge the Civil Service Commission's charges.

The case in question involved what the commission later called "all kinds of special efforts" to place James R. Nesbit, a factory worker from Reynoldsville, Pa., as a protective officer with GSA. Nesbitt had been referred to GSA by the late John P. Saylor, a Republican Representative from Pennsylvania.

In a Jan. 17, 1972 letter to Saylor, Casselman detailed some of the efforts GSA was making to place Nesbit. A copy of the letter was obtained by the Post-Dispatch.

The letter indicates Casselman's awareness of an apparent willingness on GSA's part to hire Nesbit despite a Government-wide hiring freeze then in effect.

It shows also that Casselman knew about an extraordinary, 200-mile trip made by a GSA personnel officer to Nesbit's home in rural Pennsylvania. Knowledgeable sources said it was the only time in memory that a GSA staff member had journeyed to the home of a person seeking a job as a building guard for the purpose of interviewing him. Normally, such low-paying jobs are filled through routine Civil Service channels.

Another document, an internal staff memorandum dated Nov. 19, 1971, referred to a conversation in which Casselman was said to have told Saylor that GSA would take action to recruit Nesbit for the protective officer's job.

"Casselman's interest was known by everybody there," one source familiar with the case told the Post-Dispatch. "If there had been a one-plus priority, this would have been it."

According to a confidential Civil Service report on the "special referral unit" in GSA, Nesbit was offered two jobs as a protective officer but apparently declined both.

Documents and interviews with various sources indicate that the attempts to place Nesbit apparently began with a referral letter from Saylor, dated Aug. 20, 1971. The letter, addressed to Robert Kunzig, then administrator of GSA, noted that Nesbit had qualified for a GS–4 (entry-level) job as federal protective officer and was interested in such a post.

The Civil Service Commission report quotes an affidavit from Arthur G. Palman, a personnel officer in the GSA regional office that covers Pennsylvania, as saying that Palman received a call about job prospects for Nesbit in early September 1971. Palman is quoted as saying the call came from Jack LeMay, who was later charged by the commission with allegedly violating the merit system.

"Some confusion developed about where Mr. Nesbit would accept employment," the commission's report noted. It said he was offered jobs in Wheeling, W. Va., and Martinsburg, W. Va., but declined both offers.

Nesbit, however, contended he had actually wanted the Wheeling job and had not declined it.

In a biting Nov. 1, 1971 letter to Casselman, Saylor referred to a phone call Casselman purportedly made to Saylor's office on Sept. 30 regarding Nesbit.

"I was under the impression that this young man would be given 'top' priority for the vacancy in West Virginia and all that was necessary was to receive his acceptance," Saylor wrote.

But Saylor added that this apparently was not the case, and told Casselman:

"I believe I am due an explanation and some immediate assistance to avoid another embarassing situation from this Republican Administration of which I am and have been asked to be a part."

A Nov. 19, 1971 memorandum bearing the signature of A. W. Innamorati, who was then assistant commissioner for buildings management at GSA, continues the story. It was addressed to John F. Galuardi, who was then a regional GSA administrator.

It said a copy of Saylor's letter to Casselman was being attached. It then referred to Richard Fanske, who worked in the central office of the Public Building Service.

"Rick Fanske called and advised me that Mr. Casselman talked to Congressman Saylor, personally, and informed him that GSA would take action to recruit Mr. Nesbit for this position in Wheeling, W. Va.," the memo said.

"On this basis, there will be no written reply to Congressman Saylor and you should proceed to take action to recruit Mr. Nesbit."

Galuardi refused to comment on the memorandum. Fanske said he did not recall the Nesbit case. Innamorati told the Post-Dispatch that "I know Casselman had indicated an interest," but said that the phrase "take action" could simply mean checking to see where Nesbit was placed on the civil service register.

But another source told the Post-Dispatch, "The words 'take action' meant exactly what you'd expect them to mean in that context. They meant to do what was necessary to bring him on board."

A handwritten note between two other GSA staff members, with no dates, quotes another staff member as saying he understood "that there has been discussion perhaps between PHS and Mr. Casselman of setting up another position for Nesbit in Wheeling."

The commission's report says that efforts to employ Nesbit were resumed in the fall of 1971, but Nesbit could not place high enough on the list of eligible candidates. It quoted Palman as suggesting that Nesbit might come to Washington to see if he might be qualified for some other type of job. But Palman is quoted as saying that Le May refused, saying that GSA should see Nesbit instead.

On Dec. 15, Robert Hayas, a personnel officer with GSA, traveled to Nesbit's home in rural Pennsylvania. The trip was described as unique by sources.

"I've been in personnel 18 years, and I know of another one," said George Harrod, who was with GSA's personnel office at the time and is now deputy director of personnel for the Washington, D.C., city government.

"My philosophy is, They want the job. They're supposed to approach us. If it were a high-level position requiring unusual qualifications, and the man applying for it were ill or something, then maybe I could see it."

"What ticked people off," one source said, "is that they were beating their brains out to find a job for this guy (Nesbit)—and then he turned them down.

"The whole question is: Why would Casselman's office get involved anyway? He was the legal counsel. He's not supposed to be involved in hiring a guard. The personnel people do that."

A letter from Casselman to Saylor date-stamped Jan. 17, 1972, referred to Saylor's Nov. 1 letter and to "my subsequent telephone conversation" with two members of Saylor's staff.

"I thought a summary of our activity in trying to place Mr. James R. Nesbit of Reynoldsville, Pa., as a federal protective office would be of interest to you," Casselman wrote.

He then noted that the GSA was recruiting protective officers in Wheeling in September. Although Nesbit ranked eighth on the civil service register, there were three vacancies and was certified as eligible. But, Casselman said, in October, Nesbit declined an offer in Wheeling and another in Martinsburg.

Casselman wrote that he understood that Nesbit had objected to the working hours at Wheeling, and to the cost of living at Martinsburg.

"Since then it has been determined that Mr. Nesbit is still interested in the position in Wheeling," Casselman wrote. But he noted that other applicants for the job had placed him too far down on the civil service register, "even though GSA was willing to make an exception to the general hiring restriction and offer to hire him."

"To further assist us in trying to place Mr. Nesbit," Casselman went on, "one of the personnel technicians in our Region 3 office visited with Mr. Nesbit at his home in Reynoldsville, Pa., on Dec. 15, 1971, to obtain additional details concerning his previous employment experience to see if he could qualify for some other type position.

"His background is such that the best job prospect is that of a federal protective officer," Casselman said. He told Saylor the GSA was "still exploring the possibilities" of having him certified for such a job.

Casselman closed by promising to keep Saylor informed if any additional information were developed.

"The evidence is clear that all kinds of special efforts were made in this case, apparently because of the strong interest of Congressman Saylor," the Civil Service Commission concluded in its 54-page report on GSA. "Mr. Nesbit received a high degree of preferential treatment in GSA's apparent attempt to be 'responsive' to the Congressman.

"The fact that Mr. Nesbit was not appointed does not detract from the fact that in this case the special referral system permitted partisan political influence to seriously disrupt personnel operations in Region 3, in an apparent attempt to secure a job for Mr. Nesbit in violation of merit principles."

The report quotes Palman as saying that the Nesbit case cost him and his staff at least one man-month in time, as well as travel money. Hayas was quoted as saying that he alone spent several weeks on the case.

Reached at his home, Nesbit acknowledged writing to Saylor and said: "He's the one, I think, who set me up for that job." But he noted that he had gone through the civil service system and had been qualified, and "I didn't think they treated me any different from anybody else."

Nesbit said that Hayas, on his visit to Reynoldsville, had indicated that he might be able to get a GSA job if he came to Washington. But Nesbit said he preferred to live in a smaller city, so he kept his assembly-line job at a factory in Reynoldsville.

Casselman, 33 years old, was a legislative assistant to Representative Robert McClory (Rep.), Illinois, from 1965 to 1969.

In 1969 he was named deputy special assistant to then President Richard M. Nixon for congressional relations. He served as GSA's general counsel from 1971 to 1973, and became counsel to Mr. Ford as vice president on Dec. 12, 1973.

Casselman was named to his present job after Mr. Ford became President. He is one of three attorneys with the title of counsel to the President. Philip Buchen is President Ford's counsel with Cabinet rank.

[From the St. Louis Post-Dispatch, Oct. 10, 1974]

GSA HEAD, JOB SEEKER LINKED

(By Robert Adams)

WASHINGTON, October 10.—Arthur F. Sampson, head of the General Service Administration, told a Republican Senator in 1972 that the GSA was continuing to try to find a career job for a constituent "because of your deep interest," it was learned today.

The comment was made by Sampson in a Sept. 1, 1972 letter to Senator Charles M. Mathias Jr. of Maryland.

The letter concerned efforts to place Walter P. Mulhall of suburban Washington, who eventually was given a job under conditions that the Civil Service Commission said involved violations of the merit system.

Today's disclosure marked the first incident in which the name of Sampson, whose title is Administrator of GSA, had been linked in a case in which the Civil Service Commission found improper activity.

After the placement, Sampson apparently made a personal phone call to Mathias's office to tell him about Mulhall's new job. A letter from Mathias to Mulhall wishing him "the best of luck in your new position" referred to the call from Sampson.

When told by the Post-Dispatch about the Civil Service Commission's findings, Mathias' office immediately made the correspondence file on Mulhall available. Mathias is seeking re-election. An aid said that no special favors had been asked for, or known about, by the Senator's office.

Mulhall was apparently brought to Mathias's attention by Herbert J. (Jack) Miller Jr., a prominent Washington lawyer who now represents former President Richard M. Nixon. Notations on some of the letters from Mathias's office indicate that a copy was to be sent to Miller.

Mulhall, who said he did not believe he was granted any special favors, told the Post-Dispatch he knows Miller and may have mentioned his interest in a government job to him in 1972. Mulhall said he went to Mathias's office seeking assistance, but did not meet the senator.

"You surprise me so much I can't get over it," he said when the letters were read to him.

But Mulhall maintained his belief that he had received his GS–14 (mid-level) job in GSA's Automated Data and Telecommunications Service on merit, pointing to his 26 years experience in marketing and his certification by the Civil Service Commission.

The aid to Mathias repeated a statement made by the Senator after the Post-Dispatch disclosed last week that the Senator had been cited as the man who referred Paul J. Caggiano for a job that the Civil Service Commission also said involved merit violations.

"I want to get an explanation of why a government official felt he should bend the rules in a case when he certainly had not been urged to do so by me," Mathias's statement said.

The aid said Mathias planned also to send a letter to President Gerald R. Ford urging him to go beyond his recent reaffirmation of merit principles and take "affirmative action to deal with those involved" in improper activities.

Mathias's correspondence file on Mulhall begins with a June 20, 1972, letter from the Senator's office to Ken Duberstein, who was congressional liaison officer for GSA. Worded routinely, it asked the GSA to give "every proper consideration" to Mulhall.

On June 30, Sampson, who was then acting administrator, wrote back. He told Mathias that Mulhall's application had been referred "to key officials in several of our services" and that the departments were asked "to review all available and anticipated vacancies in an attempt to match his qualifications with a position."

On Aug. 15, Mathias wrote a letter repeating his hope that Mulhall would be "properly considered for a position" and thanking Sampson for the GSA's efforts.

On Sept. 1, Sampson wrote to Mathias that Mulhall had had interviews with various GSA officials on Aug. 11. Because of "personnel ceiling limitations and lack of vacancies in his field," Sampson said, no job had been found so far.

"Because of your deep interest, however, we are still pursuing other avenues and will advise you further within the next two weeks," Sampson said.

On Dec. 13, Mathias wrote Mulhall that "I was very pleased to have been telephoned by Arthur Sampson, Administrator, General Services Administration and advised that you have been accepted at a GS–14 rating with GSA."

Asked some time ago about Mulhall, Sampson told the Post-Dispatch that he did not recall the case. But he said it would not necessarily be unusual for the head of an agency such as GSA to be in personal contact with a senator's office about the filling of a civil service job.

One source familiar with the case, however, told the Post-Dispatch: "Sampson certainly had to know what was going on."

The Civil Service Commission, without naming either Sampson or Mathias, concluded that the hiring had been done improperly. "Based on the special interest shown in his appointment by the Senator, Mr. Mulhall was appointed to a position for which open competition had been improperly restricted and for which preferential consideration was given to Mr. Mulhall to the systematic exclusion of all other potential candidates," the commission said.

The commission's conclusions were contained in a "supplemental report" on its earlier 54-page study of an alleged patronage ring in GSA. The new report, which cites 24 additional cases of alleged merit-system violations, was made public today by the manpower and Civil Service subcommittee of the House Committee on Post Office and Civil Service.

Although the report does not name the political and other sources of the referrals to GSA, the Post-Dispatch learned that Mathias had been the Senator involved in the Mulhall case.

Reliable sources said that other political figures who made referrals in cases mentioned in the report included Republican Senators Hugh Scott of Pennsylvania, John C. Tower of Texas, Hiram L. Fong of Hawaii, and Norris Cotton of New Hampshire, and former Republican Representative Fred Schwengel of Iowa.

The report says that in 24 of the 25 additional cases studied, preferential treatment was given through GSA's "special referral system."

It indicates also that Robert Kunzig, former head of GSA and now a judge in the U.S. Court of Claims, apparently acquiesced in the alleged improper use of 700-hour "temporary appointments" in two cases.

It quotes Kunzig as telling one member of Congress that a woman he recommended was being given a temporary appointment, and adding: "During her 700-hour temporary appointment, we plan to initiate proceedings to obtain her permanent appointment to this position."

But the commission said that such use of a "temporary" appointment as a wedge for a permanent job "was improper under commission requirements."

One case cited by the commission involved a man named Richard Lee Finnerty, who was given a GSA job after being referred by a member of Congress. The Commission said that a special job of administrative aid was set up for Finnerty in the Kansas City regional office of GSA in violation of merit rules.

It quoted letters from the unnamed Congress member to GSA officials saying it was important to him that "absolutely everything be done on Mr. Finnerty's behalf," and that getting a job for Finnerty would be helpful to public officials, "especially those who think along our lines."

Investigative sources told the Post-Dispatch that the member of Congress in this 1971 case was Schwengel, who is now president of the U.S. Capital Historical Commission.

Reached by the Post-Dispatch, Schwengel said he knew Finnerty, whose daughter had worked in his Congressional office. He said he had referred Finnerty, who then was a constituent living in Keokuk, Ia., for government jobs. But he said he could not imagine having written letters with such language in them.

"I never demanded a job for anybody," Schwengel said. "There was no pressure. That's so uncharacteristic of anything I've ever done, that I just can't imagine it."

The commission, in its supplemental report recommended that the GSA review the necessity of the administrative aid post to which Finnerty was named.

The report noted that it had found no evidence of fraud or misrepresentation on the part of those who had been given the jobs. Sources familiar with the investigation said that such job seekers often were the unwitting beneficiaries of favors for which they had not asked.

The sources noted also that there was nothing improper in a referral, as such, from a Senator or a Representative. They indicated that the political figures who referred the job seekers may well have been unaware of the alleged preferential treatment.

In its supplemental report, the Civil Service Commission cited some of the techniques allegedly used to "get around" the merit system. It said one job seeker was described by a GSA staffer as "a very hot case." Others were referred to as "must cases" or "must placements."

In one instance, a GSA staffer was quoted as saying he was told by two GSA officials to "move fast" in finding a job.

In another, an applicant was purportedly told to rewrite her resume to conform to a job description. When even that failed, she was given a "confidential assistant job"—but is exempt from the career service.

One grateful applicant told a GSA staffer allegedly involved in the agency's special re-

ferral unit that her efforts were "essential to my securing employment," according to the report.

Representative David N. Henderson (Dem.) North Carolina, is chairman of the manpower and Civil Service subcommittee, which released the supplemental report today along with the commission's earlier 54 page study.

[From the St. Louis Post-Dispatch, Sept. 28, 1974]

UNCURBED PATRONAGE RINGS

Robert E. Hampton, chairman of the Civil Service Commission, says he was "utterly *shocked" to learn* that the White House under President Nixon had prepared a document detailing ways to circumvent the civil service system. His shock has not been translated into much reform.

The document was prepared as part of a deliberate program to place Nixon loyalists in key positions throughout the Government so that federal programs could be manipulated in order to help re-elect the President in 1972. This so-called "Responsiveness Program" and mounting evidence of wide-spread political influence peddling in several federal agencies which are supposedly to be staffed on a nonpolitical basis constitute, in Mr. Hampton's view, perhaps the greatest threat to the federal merit system in its 90-year history.

Yet a measure of how pervasive threats to the merit system have become is that Mr. Hampton himself has admittedly used his personal influence to help about 30 persons find jobs, including one candidate placed as a favor to a Texas congressman.

As disclosed by Washington correspondent Robert Adams, government investigators are looking into so-called "patronage rings" in several agencies and have already uncovered "clear and conclusive" evidence that "a special referral system" in the General Services Administration "gave improper and preferential treatment to candidates referred from nominally political sources."

Among those who received such treatment for job candidates were Gerald Ford, when he was Republican minority leader in the House, and Hugh Scott, the Republican minority leader in the Senate. The GSA, the agency charged with buying and maintaining federal property, allegedly gave candidates from Mr. Scott's home state of Pennsylvania preferential treatment and kept referrals from the Senator's office in a special file.

The irregularities in the GSA have been known to Civil Service investigators for almost a year now, and the question is what has been done to put the GSA house in order. A still-secret report called for "immediate and strong action," yet there have been inordinate delays in disciplining the employes singled out as participants in the GSA patronage ring.

Perhaps Civil Service Chairman Hampton, who defends his efforts to do a favor for a congressman—but concedes he "probably wouldn't do it again"—is not the best man to carry out a vigorous effort to defend the merit system from persistent political attack.

H.R. 16373—PRIVACY ACT OF 1974

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, soon after the House reconvenes next month, Members will have the opportunity to vote on H.R. 16373, the Privacy Act of 1974 (H. Rept. 93–1416). The bipartisan measure was unanimously reported by the Government Operations Committee by a 39 to 0 rollcall vote on September 24 and an open rule was granted by the House Rules Committee on October 8 calling for 1 hour of general debate. The crowded legislative schedule of the past several days unfortunately has prevented action on this important legislation before the October recess.

H.R. 16373 will provide an individual access to records about him being held by Federal agencies and give him the right to correct misstatements of fact in those records, in most cases. The bill has the "enthusiastic support" of President Ford, as I indicated in my remarks in the RECORD of October 9, 1974, at page 34838 inserting the full text of his statement on H.R. 16373.

Mr. Speaker, to better acquaint Members with the background on this legislation, I insert at this point the text of an article from the September 28, 1974, issue of Congressional Quarterly entitled "Privacy: Congress Expected to Vote Controls."

The article follows:

PRIVACY: CONGRESS EXPECTED TO VOTE CONTROLS

Privacy: The claim of individuals, groups or institutions to determine for themselves, when, how and to what extent information about themselves is communicated to others."—Dr. Alan Westin, Privacy and Freedom.

With a coalition of liberals and conservatives in and out of government leading the way, Congress is expected before adjournment to complete work on privacy legislation that for the first time would clamp controls on the federal government's collection and dissemination of personal information about individual citizens.

But federal agencies and the White House, while supporting the privacy concepts in the legislation, are lobbying against one proposal that would set up a watchdog panel to see that the agencies follow strict procedures and are seeking amendments that would prevent federal employees and applicants from obtaining their examination and employment investigation results.

The outcome could determine whether President Ford signs a final bill, according to William Phillips, staff director of the House Government Operations Subcommittee on Government Information, which has worked with executive branch officials on the privacy legislation.

Another Government Operations Committee staff source, however, said the panel could report "the most outrageous privacy bill, and in the moment of truth, everyone would go along with it so they wouldn't be on the record in opposition to privacy."

TRANSCENDING PARTISANSHIP

House and Senate privacy legislation, which would give Americans access to many of their records maintained by federal agencies, has drawn such diverse proponents as the Domestic Council Committee on the Right of Privacy, headed by President Ford; the American Civil Liberties Union (ACLU); the House Republican Research Committee; Representatives Barry M. Goldwater Jr. (R Calif) and Edward I. Koch (D N.Y.) and Senators Sam J. Ervin (D N.C.) and Charles H. Percy (R Ill.).

Koch, who along with Goldwater, has been in the forefront of the privacy issue in the House, asserts that the matter of personal privacy and individual rights "transcends political partisanship."

DIFFERENCES

While forces lining up behind Senate and House bills agree that individuals have little or no control over the information that is collected about them, strong differences of opinion exist on the best way to check—as Ervin puts it—"the government's voracious appetite for personal information about each of us."

Ervin, along with Goldwater, Koch and others, is convinced that nothing less than a new personal privacy board is required to dictate to federal agencies procedures for collecting and circulating information about individual citizens.

Ervin's insistence on this point was prompted by a survey of federal data banks conducted by the Senate's Constitutional Rights Subcommittee which he chairs. "Finding about these [data] systems has been difficult, time-consuming and a frustrating experience," Ervin wrote. "The subcommittee met evasion, delay, inadequate and cavalier responses [from certain agencies], and all too often a laziness born of a resentment that anyone should be inquiring about their activities. Some agencies displayed their arrogance by not replying at all. With others, extracting information was like pulling teeth."

A House source, who has worked closely on the privacy issue, put it bluntly: "We don't trust bureaucrats as far as we can spit." The board concept is incorporated in S 3418 introduced by Ervin and pending in the Senate Judiciary Committeee.

The Domestic Council Committee on the Right of Privacy, as well as government departments, would place personal information disclosure regulation within the federal agencies. "We're not thrilled with the thought of a privacy board or commission at this point," a spokesman for the panel said.

The committee has been working closely with the House Subcommittee on Government Information, which reported HR 16373 to the full Government Operations Committee Sept. 12. That measure leaves enforcement to the agencies rather than a separate board.

The committee took this approach, Phillips said, because "if you interpose a layer of bureaucracy between citizens and the agencies, you are courting an administrative monstrosity." Once a board is created, Phillips added, "it would be almost impossible to eliminate it."

The ACLU, meanwhile, is avoiding these squabbles altogether, taking the position that any movement on the privacy issue by Congress is a progressive step. "We're awed by any action," said Douglass Lea, director of the organization's Privacy Project, a nonprofit tax-exempt effort set up to monitor data collection by government and private institutions.

Despite assertions by privacy bill supporters that their proposals are comprehensive, both Senate and House measures provide broad exemptions for files containing national defense, foreign policy and criminal investigation data.

"This is one area where I feel that most proposed privacy legislation has been grossly deficient," Rep. Bella S. Abzug (D N.Y.) told the House April 2 during a colloquy on privacy organized by Goldwater and Koch.

Legislation introduced by Abzug "specifically includes records in this area, because I believe we cannot make an exception of one of the most abused areas and then expect people of this country to feel that we have produced a serious piece of legislation." Under Abzug's proposal, however, records that are being used in active criminal prosecution would not be disclosed.

LOBBY REPORT—2

FEDERAL DATA BANKS

Agency	Number of data banks	Number computerized	Number not reporting number of records	Number of records
ACTION	6	5	0	351,700
Administrative Office of the U.S. Courts	9	9	4	757,000
Appalachian Regional Commission	3	2	3	0
Civil Aeronautics Board	1	1	0	0
Civil Service Commission	13	8	4	18,972,800
Department of Agriculture	6	5	0	5,539,200
Department of Commerce	8	8	3	204,165,500
Department of Defense:				
Department of the Air Force	73	36	13	18,001,109
Department of the Army	385	382	12	34,467,849
Department of the Navy	20	12	6	6,154,368
Miscellaneous Department of Defense offices and agencies	19	13	3	2,626,090
Department of Health, Education, and Welfare	61	60	0	402,428,158
Department of Housing and Urban Development	27	25	6	9,862,305
Department of the Interior	1	0	0	79,800
Department of Justice	19	12	4	139,031,722
Department of Labor	4	3	1	24,000,000
Department of State	2	1	1	243,135
Department of Transportation	18	17	2	6,194,430
Department of the Treasury	46	38	7	155,571,458
Environmental Protection Agency	4	4	0	41,200
Equal Employment Opportunity Commission	5	5	0	131,000
Farm Credit Administration	3	1	0	2,900
Federal Communications Commission	12	12	5	2,253,481
Federal Deposit Insurance Corporation	2	0	0	30,000
Federal Mediation and Conciliation Service	1	1	0	1,000
Federal Power Commission	1	0	0	1,100
Federal Reserve Board	1	0	0	1,369
Federal Trade Commission	1	1	1	0
General Services Administration	2	1	0	119,000,160
Interstate Commerce Commission	1	0	0	1,750
National Aeronautics and Space Administration	1	0	1	26,931
National Credit Union Administration	1	0	1	512
National Science Foundation	4	4	1	375,505
Office of Economic Opportunity	13	13	3	108,360
Office of Emergency Ppeparedness	2	2	0	1,905,000
Office of Management and Budget	3	2	0	2,083
Railroad Retirement Board	9	4	5	15,468,000
Securities and Exchange Commission	6	6	0	679,500
Selective Service System	1	1	0	14,860,811
Small Business Administration	4	2	0	884,000
Special Action Officer for Drug Abuse Prevention	1	0	0	23,000
Tennessee Valley Authority	8	7	3	146,150
U.S. Atomic Energy Commission	6	6	0	1,088,600
U.S. Commission on Civil Rights	3	1	1	379
U.S. Information Agency	2	2	0	17,698
U.S. Postal Service	2	2	0	23,000
U.S. Tariff Commission	2	2	2	0
Veterans Administration	29	21	1	72,604,326
White House	7	4	0	151,940
Total	858	741	93	1,245,699,494

Source: Senate Constitutional Rights Subcommittee.

Privacy push

While observers say Watergate is responsible in part for the likely passage of a privacy bill this session, Douglass Lea of the ACLU believes the activities of the White House committee on privacy, the Department of Health, Education and Welfare, the ACLU itself and Goldwater and Ervin, among others in Congress, created a "billiard ball effect" on privacy, keeping the issue rolling in the Senate and House.

Liberals have been drawn to the issue, Lea said, because of their "disillusionment that massive record keeping just hasn't worked out," while conservatives "with breathing time after the social unrest of the last few years, have become aware of the potential of a police state."

Although the privacy issue faces few outspoken critics, "pockets of resistance do surface when you get down to specifics," Lea said, referring to amendments regulating the privacy of school records that were included in the 1974 education bill (HR 69—PL 93-380). The provisions barring federal funds to any educational institution or agency that permitted the release of a student's records without parental consent were an anathema to "education data massagers," Lea said.

FORCES INVOLVED

Major centers of activity on the privacy issue are:

The Domestic Council Committee on Privacy. Established by former President Nixon on Feb. 23, the committee was given responsibility for developing plans to protect an individual's right of privacy.

Under Ford's direction, the committee approved 14 specific proposals July 10 for "immediate action" by federal agencies. Included were initiatives to prohibit military surveillance of civilian political activities, to protect personal bank account records against disclosure to government agents, to safeguard unauthorized disclosure of federal tax returns and build privacy safeguards into federal computers and communications systems.

According to a spokesman for the committee, the panel will review the progress the agencies have made on the proposals at its next meeting this fall.

The committee takes credit for reversing a Nixon White House order that had given the Department of Agriculture permission to examine farmers' tax records, killing a General Services Administration plan for a new government data bank and winning House acceptance of the 1974 education records' privacy amendments.

The committee also has worked closely with the House Government Operations Subcommittee on Foreign Operations and Government Information in developing the privacy bill (HR 16373) sponsored by the panel's chairman, William S. Moorhead (D Pa.). Staff Director Phillips told the *Wall Street Journal* the White House committee has "probably done as much as onyone to call attention to the dimensions of this issue."

The House Republican Research Committee Task Force on Privacy. Chaired by Rep. Goldwater, the task force Aug. 21 issued a set of legislative recommendations for combating threats to privacy in the following areas: government surveillance, federal information collection, social security numbers, census information, bank secrecy, consumer reporting, school records, juvenile records, arrest records, medical records and computer data banks.

ACLU Privacy Project. Launched two years ago, the project serves as a clearing house and monitoring point on privacy matters, supplying reports and information to others working on the issue, including the White House committee, members of the House and Senate and congressional committees. A monthly *Privacy Report* is published by the project, detailing privacy abuses and actions taken by others to gain public attention on data collection.

The tax-exempt project is supported by foundation and business funds, including grants from the Marshall Field Foundation, IBM and Polaroid. The reason IBM is supporting the ACLU effort, according to Lea, is the corporation's "long range interest to see that confidence in the computer is not eroded."

While other private organizations, including the American Trial Lawyers Association have taken some initiative on privacy issues, the ACLU is the most active non-governmental group pursuing the privacy cause. "There are organizations we thought would have lined up with us—Common Cause and Ralph Nader," Lea said. "But they are wary of the issue. They want more disclosure (by government and business), and they seem to think there would be a conflict" by taking an active role on privacy.

The Privacy Project closely observes congressional action on privacy legislation, although the group has refused to take public positions on pending bills because of its tax status. The project, nevertheless, issued a memorandum March 1 outlining six categories of needed privacy legislation, including some 40 separate proposals.

The ACLU suggested that Congress take steps to protect citizens against invasion of their political rights, to protect individuals against abuse of the criminal process, to control wiretapping and computerized data banks and to increase citizens' ability to enforce privacy rights against government and private organizations.

Senator Ervin's forthcoming retirement has distressed the organization, which feels that he "alone has the seniority and influence among his colleagues, the subcommittee chairmanship (Constitutional Rights), the stability of an established political figure and the willingness to take on tough privacy and surveillance issues."

But some civil libertarians, the ACLU noted in its *Privacy Report*, "have sensed in Congress on any privacy issue a lazy 'leave it to Sam' attitude that may be dissipated when Ervin returns to North Carolina." The ACLU believes Ervin's departure may mean that privacy issues will be splintered among several senators with particular interests: Edward M. Kennedy (D. Mass.) on military surveillance, Gale W. McGee (D Wyo.) on federal employee rights, Charles McC. Mathias Jr. (R Md.) on criminal justice, Alan Cranston (D. Calif.) on bank secrecy and Barry M. Goldwater (R Ariz.) on data banks.

Congress' concern

In its Aug. 21 report on privacy, the House Republican Research Committee concluded that the "individual has been physically bypassed in the modern information process" because he is "assumed to waive any and all

interest and control over the information collected about him."

Under most information systems, an individual does not really know who has collected data about him or how many agencies or corporations are using it for what purpose, Rep. Goldwater maintains.

AREA OF CONCERN

Republicans cite Bureau of Census data collection and dissemination practices as one major area of concern.

Under penalty of law, each citizen is forced to divulge intimate personal facts about his public and private life, noted the Republican Privacy Task Force. The Census Bureau then sells parts of its collected data to anyone who wishes to purchase the information.

"As the [census] questions become more detailed and extensive, broad-scale dissemination becomes more threatening and frightening," according to the task force. "When used in combination with phone directories, drivers' licenses and street directories, census data may enable anyone interested to identify an individual."

While the task force points to census practices as a potential area for privacy abuse, Ervin's Constitutional Rights Subcommittee in a 1974 report on "Federal Data Banks and Constitutional Rights" reported the existence of three "peculiar data banks": Secret Service files on persons who make anti-government remarks or embarrassing statements about government officials; a Department of Health, Education and Welfare blacklist of scientists, and an Army computer system involving political surveillance.

BASIC LESSON

According to the committee's report, "There are immense numbers of government data banks, littered with diverse information on just about every citizen in the country." (*Chart, preceding page*)

But it was the committee's difficulty in determining the actual number and extent of data banks in existence that led Ervin to conclude: "The most basic lesson the subcommittee survey teaches is the absolute necessity of replacing this voluntary survey approach with a statutory requirement that all federal data banks be fully and accurately reported to the Congress and the American people."

The information-gathering impulse of the federal government is mirrored by similar developments in the private sector, according to Sen. Percy, a co-sponsor of Ervin's privacy bill (S. 3418).

Credit agencies with their consumer files have proliferated in recent years; educational institutions are beginning the process of computerizing student records; hospital and medical centers are finding computers the answer to much of their record keeping difficulties.

"When such information is stored on tape it is easily transferred from one user to another," Percy said. "The individual has no knowledge of the transfer, and no ability to correct information about himself that could ruin his chances for a new job . . . or be taken as cause for investigation by a law enforcement agency.

Which approach?

The legislative controversy over the impact of federal data banks on individual privacy began in the mid-1960s when proposals to set up a national data bank statistical center were discussed in the executive branch.

Although the idea was abandoned after outcries from the public, press and Congress that the data center would lead the United States directly into "1984," hundreds of bills have been introduced in Congress relating to other personal privacy issues. (In the 93rd Congress through March, 102 House bills on privacy had been introduced with 207 sponsors; in the Senate, various privacy bills were sponsored by 62 members).

Most of the pending bills are directed to one aspect of the privacy question: they range from banning the disclosure of Social Security numbers to prohibiting financial institutions from disseminating information on their customers to government agencies. Other bills would restrict existing practices of criminal information systems, ban political surveillance by the Army and control illicit uses of wiretapping.

With the introduction of the Ervin and Moorhead bills, privacy forces feel they have found a satisfactory approach to dealing with the central issue raised by the seemingly disparate pieces of legislation.

The common thread, said Percy, is the individual's right to control how, when and to what extent information about himself is communicated to others.

ERVIN AND MOORHEAD BILLS

Under the Ervin bill, an individual could not be forced to disclose any information not required by law, and he would have to be informed of his right not to disclose. He also would be notified of the existence of any information maintained on him and how the information was used.

In addition, a person would have the right to inspect information pertaining to him and have the right to challenge any information on the basis of its accuracy, completeness or necessity.

The bill also places strict restrictions on the dissemination of information contained in data systems, requiring an agency to request permission from the individual before distributing data about him to those not having regular, authorized access to the information.

But the most controversial part of the measure is the provision establishing a federal privacy board that would have the authority to intercede in the event an agency abuses data information procedures.

The Moorhead bill, on the other hand, which also grants an individual access to his federal records, would depend on self-enforcement by government agencies and, if that failed, by the federal courts.

Federal agencies feel that the federal privacy board plan "would insert a new layer of bureaucracy in their transactions," said Joe Overton, a legislative assistant to Rep. Goldwater. "They are dragging their heels and resisting an invasion on what they see as their traditional prerogatives."

Moorhead's subcommittee staff, Overton added, "believes in privacy, but they are also looking to efficiency in government" which might be affected by privacy board activities.

Staff member Phillips points out that a privacy board would be expensive to set up and "would be open to attack" because of that on the House floor.

"If Congress finds that self-enforcement (by the agencies) is not working, then it can always come back later and say, 'We're going to shove a commission down your throat'," he added. But the agencies "will take the bill seriously," because there are strong civil and criminal penalties for violations in the measure.

OUTLOOK

The subcommittee rejected the privacy board plan by a 7–2 vote, but the proposal was expected to be offered again during consideration of HR 16373 by the full Government Operations Committee.

Phillips said, however, that he does not expect the amendment to pass and that it probably faces defeat if offered on the House floor. Should the Senate adopt the idea, the issue then would have to be resolved in conference.

The major area of contention on the House bill is the effort by John N. Erlenborn (R Ill.) to prevent federal employees from gaining access to their examination and employment investigation results. An amendment by Erlenborn to provide these exemptions was defeated Sept. 19 by the Government Operations on a 22–11 vote and is not expected to win approval on the House floor. "I just don't know what Ford will do with a privacy bill that doesn't contain the exemptions," said Phillips.

Another potential trouble spot on the privacy legislation is the inclusion of private as well as federal data banks in the Ervin bill. But there is a certain reluctance by privacy forces to become involved in the regulation of private data banks.

According to the White House privacy committee, "Federal example and experience in this complex field should precede federal directives to the non-federal governmental and private sectors."

Douglas Lea of the ACLU agrees. "There is a lack of knowledge in this area. It would be easy to leap into regulating private activity if you're not careful."

And according to Joe Overton, "You don't want to legislate in the private sector until you know what you're dealing with. Information practices widely vary in the private sector. There's less sharing of data. The federal level is different. With these agencies, it's easier to exchange information."

CLIFFORD McINTIRE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 8, 1974

Mr. RHODES. Mr. Speaker, it was with a deep sense of loss that I learned of the untimely death of our former colleague and dear friend, Clifford G. McIntire.

Cliff came from the heartland of Maine—Aroostook County—potato country. He was drawn to the land, studied agronomy at the University of Maine and engaged in farming throughout his life.

After a 4-year stint with the Farm Credit Administration, he became assistant general manager of the Maine Potato Growers at Presque Isle.

He came to the 82d Congress after a special election to fill the vacancy caused by the death of Frank Fellows. For 14 years in the House of Representatives he served Maine and the Nation with dedication and distinction.

After leaving the Hill and until his retirement in December 1963, Cliff worked with the American Farm Bureau. His knowledge of Congress—of farming—and of the legislative problems connected with the law and land, led to his appointment to the President's Task Force on Rural Development, 1969–70; to the Advisory Council of the Public Land Law Review Commission, 1968–70; and to the board of directors of the U.S. Railway Association, for which confirmation was assured, and voted posthumously by the Senate.

Cliff McIntire epitomized the spirit of Maine. He was direct—he spoke sparingly—but tellingly. He truly represented the craggy independence that always has

characterized the Pine Tree State. You knew where Cliff McIntire stood—and why.

Our Nation has suffered a loss in being deprived of his presence and his talents. I join my fellow Members of the House in expressing our appreciation for having Cliff as our colleague—and I extend my condolences to his wife, Wilda, and to his children.

CLIFFORD G. McINTIRE

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 8, 1974

Mr. SIKES. Mr. Speaker, I am honored to join with my colleagues in paying special tribute to our esteemed friend and distinguished former colleague, the late Clifford G. McIntire who recently passed away. Cliff was my good friend and I enjoyed very much working with him during the 10 years he so ably represented central and northern Maine here in the Congress. He was a warm and genuine human being who spent much of his life in the service of his fellow man and his country. Before coming to Washington in 1951, Cliff served as an appraiser, supervisor, and regional manager for the Farm Credit Administration. Subsequently, he held an executive post with the Maine Potato Growers, Inc., of Presque Isle, Maine. These positions made his service on the House Agriculture Committee even more valuable. In 1965, he became director of the American Farm Bureau Federation's Natural Resources Department and later served as the bureau's Director of Legislation. He also served as a member of the President's Task Force on Rural Development and on the Advisory Council of the Public Land Laws Review Commission. President Ford just recently honored Cliff by appointing him to serve as a director of the U.S. Railway Association. To his bereaved family I extend my deepest sympathy and hope that they may find comfort in the knowledge that they are in our thoughts and hearts today, and that Clifford McIntire's good work will live on for many years to come.

DECISIONS UPHOLD FEDERAL ADVISORY COMMITTEE ACT

HON. LEE METCALF

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, October 17, 1974

Mr. METCALF. Mr. President, 22 months ago, the Federal Advisory Committee Act took effect. That law provides, among other things, that: First, a system be created to provide an orderly accounting and management of Federal advisory committees; second, the public shall be allowed to view this type of governmental decisionmaking; and third, timely notice be given to the public that these meetings will be held.

Generally, agencies are complying with the provisions of the act. In addition, the very small staff within the Office of Management and Budget assigned to oversee these advisory committees are valiantly attempting to comply with the act.

Fortunately, where the agencies have failed to interpret the act correctly, the courts have not. I have previously submitted statements for the RECORD concerning court decisions relating to the interpretation of the Freedom of Information Act, an integral part of the Federal Advisory Committee Act. (CONGRESSIONAL RECORD, vol. 119, pt. 29, p. 37742 and CONGRESSIONAL RECORD, July 25, 1974, p. 25350.) Another decision was inserted in the RECORD by Congressman OBEY (CONGRESSIONAL RECORD, vol. 119, pt. 26, p. 34444.) Last February, the Subcommittee on Budgeting, Management, and Expenditures conducted oversight hearings and investigations into the operation and effectiveness of the Federal Advisory Committee Act. Papers relating to several lawsuits concerning the Federal Advisory Committee Act were also printed in that hearing record.

Recently two more decisions relating to the act have been handed down, bringing the total favorable decisions to six.

Judge Bryant, in the District Court of the District of Columbia, held that—

(a) exemption 5 of the Freedom of Information Act—inter-agency and intra-agency memoranda—is inapplicable to advisory committees and cannot be used as a basis for closing meetings; and

(b) timely notice of advisory committees is defined to be at least thirty days before any advisory committee meeting (except under emergency situations).

District of Columbia Circuit Court Judge McGowan held that an advisory committee is not an agency, and as such, cannot use exemption 5 of the Freedom of Information Act as a basis for withholding certain National Institutes of Health peer review information from the public.

Mr. President, I ask unanimous consent that these two decisions be printed in the RECORD.

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

[United States District Court for the District of Columbia]

(Civil Action No. 1838-73)

ORDER

Aviation Consumer Action Project, et al., Plaintiffs, versus C. Langhorne Washburn, et al., Defendants.

Upon consideration of the plaintiffs' motion for summary judgment, the pleadings, the exhibits and affidavits submitted to the Court, and the arguments of counsel, it appears that there is no genuine issue of material fact, and that the plaintiffs are entitled to judgment as a matter of law. Accordingly, it is by the Court this 6th day of September, 1974.

Ordered and adjudged as follows:

(1) Plaintiffs' motion for summary judgment be and hereby is granted;

(2) Exemption Five of the Freedom of Information Act, 5 U.S.C. § 552(b)(5), pertaining to inter-agency and intra-agency memorandums and letters, is inapplicable and cannot be invoked by defendants or their agents or employees as to documents which have been voluntarily disclosed by the agency to members of an advisory committee who are not full-time officers or employees of the Federal government;

(3) Exemption Five of the Freedom of Information Act, 5 U.S.C. § 552(b)(5), is inapplicable and cannot be invoked by the defendants or their agents or employees as a basis for closing any meeting of the Travel Advisory Board or any other advisory committee from the public, or for excluding the plaintiffs or any other interested persons from any such meeting;

(4) The defendants and their agents and employees are hereby enjoined from excluding plaintiffs or other interested persons from any meeting of the TAB or other advisory committees, or from any portions thereof, unless a lawful written determination has been made in advance of the meeting by the Secretary of Commerce or his duly authorized agent setting forth the reasons why the meeting or portion thereof is required to be closed, in accordance with Section 10(d) of the Federal Advisory Committee Act, and such determination has been included in a timely notice of the meeting published in the Federal Register;

(5) Except for emergency meetings, the requirement of Section 10(a)(2) of the Federal Advisory Committee Act, that timely advance public notice be given by defendants of each meeting of the TAB or any of their other advisory committees, is not met by any notice not published at least thirty (30) days in advance of the meeting;

(6) The defendants shall keep a verbatim transcript of each meeting of the TAB, shall maintain a complete and accurate record of the persons present at any such meeting and copies of all reports received, issued, or approved by the advisory committee;

(7) The defendants shall maintain in the Central Reference and Records Inspection Facility in the Department of Commerce headquarters and shall make available upon request for public inspection and copying, in accordance with Section 10(b) of the Federal Advisory Committee Act, all records, reports, transcripts, minutes, appendices, working papers, drafts, studies, agenda or other documents (including all correspondence) which were made available to or prepared for or by the TAB;

(8) The defendants and their agents and employees shall issue a report at least annually setting forth the circumstances under which any meeting of the TAB is closed to the public and an accurate summary of its activities in any such closed sessions, in accordance with Section 10(d) of the Federal Advisory Committee Act, and within thirty (30) days of the date hereof the defendants shall prepare and file in the Central Reference and Records Inspection Facility of the Department of Commerce a report setting forth a detailed description of all matters discussed and conclusions reached during the portion of the June 19, 1973 meeting of the TAB from which the public was excluded.

WILLIAM B. BRYANT,
U.S. District Judge.

[United States Court of Appeals for the District of Columbia Circuit—No. 74-1027]

APPEAL FROM THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Washington Research Project, Inc. v. Department of Health, Education, and Welfare, et al., appellants.

(Decided September 12, 1974)

David M. Cohen, Attorney, Department of Justice, with whom *Irving Jaffe*, Acting Assistant Attorney General, *Earl J. Silbert*,

United States Attorney, and *Leonard Schaitman*, Attorney, Department of Justice, were on the brief, for appellants. *John A. Terry* and *Michael J. Ryan*, Assistant United States Attorneys, also entered appearances for appellants.

Michael B. Trister for appellee.

Bruce R. Hopkins and *Robert O. Tyler* filed a brief on behalf of the Association of American Medical Colleges as *amicus curiae* urging reversal.

Before McGOWAN and ROBB, *Circuit Judges*, and STANLEY A. WEIGEL,* *United States District Judge for the Northern District of California.*

Opinion for the Court filed by *Circuit Judge* McGOWAN.

McGOWAN, *Circuit Judge:* Appellee brought this action in the District Court to compel disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552, of certain information pertaining to eleven specifically identified research projects that had been approved and funded by the National Institute of Mental Health (NIMH), a unit of the Public Health Service of the Department of Health, Education, and Welfare (HEW). The eleven projects all involve research into the comparative effects of various psychotropic drugs on the behavior of children with certain learning disabilities. After *in camera* inspection of sample documents, the District Court ordered disclosure of all of the information sought, except that it contemplated that certain deletions might conceivably be made in respect of statements of opinion about the qualifications and competence of applicants for grants. The court further ordered the agency to amend its application instructions and regulations to conform with its decision. 366 F. Supp. 929. For the reasons hereinafter appearing, we affirm in part and reverse in part.

I

The information in dispute is contained in three types of documents:

1. *The Grant Application.*

The initial grant application, among other things, identifies the research applicant, any research organization with which he may be affiliated, his qualifications and experience, the budget estimates, and the research protocol or design. Subsequent to the approval of the initial grant application, there may be filed continuation applications, renewal applications, and supplemental applications. Projects are approved for a specific "project period" that may extend over several years, 42 C.F.R. § 52.2(b), but a continuation application must be filed each year to report progress to date and justify support for the coming year. *Id.* § 52.14(d). Renewal applications are required for periods beyond the originally scheduled project period, while supplemental applications are required for additional grants awarded because the amount previously awarded proves inadequate to carry out the project properly. *Id.*[1]

2. *The Site Visit Report.*

Outside consultants, engaged by HEW to review the grant application, frequently visit the location at which the research is proposed to be done, and thereafter prepare a report on their observations.

3. *The Summary Statement ("pink sheet").*

When the outside consultants have completed their work, an NIMH staff member assigned to them prepares a summary of their observations and deliberations and reports their recommendations. This statement will draw upon the site visit reports, if any.

The process by which applications are processed by NIMH and HEW, an understanding of which is necessary to appraise the significance of each type of document for FOIA purposes, is set out in considerable detail in the opinion of the District Court. Accordingly, we begin with only a brief recapitulation of how the process works.

Research of the type sponsored by NIMH is often of a highly sophisticated and specialized nature. In order to assure competent evaluation of each proposal, a system of so-called "peer review" has been established, using the expertise of nongovernmental consultants functioning in panels organized around particular specialized disciplines within the broader field of biomedicine. These panels, called "initial review groups" (IRGs), consist of from ten to twenty members, only one of whom, the Executive Secretary, is an NIMH employee.

Applications for NIMH research support are referred by the Executive Secretary to one member of the IRG as "primary assignee," and one or more other members with secondary responsibility. These assignees undertake to evaluate the application and gather such additional information as may be necessary to that task. This may involve a "site visit" to the facility at which the applicant proposes to conduct his research. A site visit may be made, for example, in order to observe an experimental technique to be used in the proposed research.

An evaluation of each application, and a site visit report where applicable, are written by the assignee group and circulated to the whole IRG, together with the application, prior to its next meeting. (IRGs meet three times a year.) The application is discussed at length and a recommendation voted. If approval is recommended, it is also given a relative priority rating since the cost of all proposals deemed worthy of funding may exceed the funds available.

Following the IRG meeting, the Executive Secretary prepares a Summary Statement for each application acted upon. The Summary Statement describes the proposal and recounts the substantive considerations that led the IRG to recommend approval or disapproval. It contains an opinion of the professional qualifications of the sponsor and an evaluation of his competence and facilities. The IRG's evaluation of the risk to human subjects, if any, is included, as is also a reference to the site visit report, if there is one. If there is a minority of two or more, the minority's view is also summarized, without attribution by name. The Executive Secretary may add a "Note" in order to clarify any matter not resolved by the IRG, call attention to factors other than scientific merit, including policy considerations, or incorporate information obtained subsequent to the IRG meeting at which the application was considered.

Each application and the corresponding pink sheet is submitted to the National Advisory Mental Health Council (NAMHC),[2] which was established to "advise, consult with, and make recommendations to" the Secretary on Public Health Service activities in the field of mental health, 42 U.S.C. § 218 (c). The NAMHC is composed of three officials—the Assistant Secretary for Health, the chief medical officer of the Veterans Administration, and a medical officer designated by the Secretary of Defense—and twelve private citizens appointed by the Secretary on the basis of their qualifications in science, medicine, and/or public affairs. 42 U.S.C. § 218(a).

The NAMHC may approve, disapprove, defer consideration of, or require additional IRG consideration of, any application. On occasion it does reject an IRG's recommendation of approval or disapproval,[3] but ordinarily, instead of passing upon the scientific merits of each application, it gives primary attention to policy direction and emphasis, generally acting on applications in subject matter groups. Applicants are notified of the outcome, but only about 90% of those receiving approval are actually funded by NIMH, to which the Secretary has delegated this function, due to limitations on funds. There is some ambiguity as to whether funding is determined solely on the basis of the ratings given by the IRGs and NAMHC, but the ratings may be presumed to be very influential in the funding decision.[4]

Each month NIMH makes public a list of all research grants awarded during the preceding month, including a general description of the project and its budget, and releases final progress reports received, except that release may be delayed up to six months pending publication by the researcher in a scholarly journal. The research design, proposed methods, and specific aims of a project are not made public, nor are the names or proposals of any applicants whose applications are disapproved.

II

The Freedom of Information Act requires disclosure, upon request, of the final opinions and identifiable records of each agency of the government, unless, in the case of the latter, they come within one of the nine specific exemptions in the Act. The burden of proof is on the agency opposing disclosure, and the exemptions therefrom are narrowly to be construed. The government relies upon three separate exemptions to justify nondisclosure of the various types of information here sought, as follows:

1. Exemption 4, for trade secrets and commercial or financial information received in confidence, is invoked to cover the research designs submitted in applications and described in the Summary Statements, site visit reports, and progress reports.

2. Exemption 5, for inter-agency or intra-agency memoranda that would not be subject to discovery in litigation, is said to cover the Summary Statements and site visit reports in their entirety, except insofar as purely factual information is involved.[5]

3. Exemption 6, which applies to personnel, medical, and "similar" files the disclosure of which would be a clearly unwarranted invasion of personal privacy, is raised with respect to statements of opinion in the Summary Statements and site visit reports as to the professional qualifications and competence of applicants who received grants.

A. Exemption 4.

The essence of the argument that the research designs submitted in the expectation of confidentiality are trade secrets or commercial information is that "ideas are a researcher's 'stock-in-trade.'" Their misappropriation, which, it is claimed, would be facilitated by premature disclosure, deprives him of the career advancement and attendant material rewards in which the academic and scientific market deals, in much the same way that misappropriation of trade information in the commercial world deprives one of a competitive advantage. Indeed, the government has been at some pains to argue that biomedical researchers are really a mean-spirited lot who pursue self-interest as ruthlessly as the Barbary pirates did in their own chosen field. Whether this is the sad truth, or whether, as appellee suggests, "secrecy is antithetical to the philosophical values of science," is not, however, an issue in this case; the reach of the exemption for "trade secrets or commercial or financial information" is not necessarily coextensive with the existence of competition in any form.

It is clear enough that a non-commercial scientist's research design is not literally a trade secret or item of commercial information, for it defies common sense to pretend

*Sitting by designation pursuant to Title 28 U.S. Code Section 292(d).

Footnotes at end of article.

that the scientist is engaged in trade or commerce.[6] This is not to say that the scientist may not have a preference for or an interest in nondisclosure of this research design, but only that it is not a trade or commercial interest.[7] To the extent that his interest is founded on professional recognition and reward, it is surely more the interest of an employee than of an enterprise, and we are far from persuaded that Congress intended in Example 4 to apply terms drawn from the business context to the employment market.[8] We cannot, consistent with the Act's recognized mandate to construe exemptions narrowly, *see Vaughn v. Rosen*, 484 F.2d 820, 823 (D.C. Cir. 1973), *cert. denied*, 42 U.S.L.W. 3523 (March 18, 1974); *Getman v. NLRB*, 450 F.2d 670, 672 (D.C. Cir.), *stay denied*, 404 U.S. 1204 (1971), extend them by analogies that lead so far away from the plain meaning of Exemption 4. Consequently, we hold that research designs submitted in grant applications are not exempt from disclosure under the Act. This holding extends to all types of applications—initial, continuation, supplemental, and renewal—and to progress reports made by grantees as part of the last three kinds of applications.

B. Exemption 5.

The applicability of Exemption 5 to the site visit reports made by members of the IRG, and to the Summary Statement written by the Executive Secretary to report on the IRG's recommendation to the NAMHC, turns on whether the IRG is an "agency" under the Administrative Procedure Act, of which the FOIA is a part. If the IRG is indeed an agency, then appellee's position that the Summary Statements and accompany site visit reports constitute its final opinions, which must be made available, 5 U.S.C. § 552 (a) (2) (A), is not without force. If, on the other hand, the IRG is not an agency but merely a unit within another agency, then these documents are identifiable records in the hands of that agency and it is our task to determine whether they are exempt from disclosure as intra-agency memoranda.

1. The IRG as an agency *vel non*.

The APA defines the term "agency" to mean "each authority of the Government of the United States, whether or not it is within or subject to review by another agency," with certain specific exceptions not applicable in this case. 5 U.S.C. § 551(1). The generality of this definition has required the commentators that have dealt with it to attempt an elaboration along more functional lines than the phrase "each authority" conveys,[9] but recent cases have made it clear that any general definition can be of only limited utility to a court confronted with one of the myriad organizational arrangements for getting the business of the government done. *See Grumman Aircraft Engineering Corp. v. Renegotiation Board*, 482 F.2d 710 (1973) (Regional Boards) (hereinafter *Grumman II*), *cert. granted*, 42 U.S.L.W. 3645 (May 28, 1974); *Soucie v. David*, 449 F.2d 1067 (D.C. Cir. 1970) (Office of Science and Technology); *International Paper Co. v. FPC*, 438 F.2d 1349 (2d Cir. 1971) (Staff of FPC); *Larche v. Hannah*, 175 F.Supp. 791 (W.D. La. 1959) (Civil Rights Commission), *rev'd on other grounds*, 363 U.S. 420 (1960). The unavoidable fact is that each new arrangement must be examined anew and in its own context.

Congress has authorized the Secretary of HEW to make only such mental health and medical research grants "as are recommended" by the various National Advisory Councils, in this case the NAMHC, 42 U.S.C. § 241(d), (i), that it established. 42 U.S.C. § 218.[10] It also, however, authorized the Secretary to "appoint such advisory committees (in addition to those authorized to be established under other provisions of law) . . . as he deems desirable for the purpose of advising him in connection with any of his functions," 42 U.S.C. § 217a(a), and to compensate nongovernmental members thereof. *Id.* at § 217a(b).[11]

The authority to establish advisory committees by administrative action was first exercised in the period after World War II, when the vast expansion of supported biomedical research made it "impractical to encompass in a council membership the expertise in all the numerous disciplines, fields, specialties, and areas represented in biomedical research proposals. . . . To overcome these deficiencies, initial review groups were established to assist the councils." S. REP. No. 93-381, 93d Cong., 1st Sess. 38 (1973). In 1968, when NIMH was established as a distinct part of HEW, this system was carried over with the creation of the NAMHC, and the Institute's decision to create the IRGs. *Hearings, supra* note 4, at 3620-21. The NIMH dual review process remains, however, "less formal" than that of the NIH: "IRGs are established or phased out as required by the size and nature of the grant review workload. . . ." S. REP. No. 93-381, *supra*, at 38. Ad hoc IRGs are formed to advise on particular applications "not within the competence" of any then-standing group. NIHM Handbook, *supra* note 2, at 9.

Under the prior decisions of this court, we think the IRGs are advisory committees, performing staff functions through the medium of outside consultancy, and are not agencies. The considerations raised in *Soucie v. David, supra*, and *Grumman II, supra*, point unmistakeably to this conclusion, which comports with our present impression of how this question should be handled. *Soucie* involved the status of the Office of Science and Technology, which, in addition to advising and assisting the President in coordinating federal policy for science and technology, was also authorized, as we emphasized, independently to evaluate federal programs.[12] It was created by an executive reorganization plan submitted to Congress and "explicitly considered" by the House. *Id.* at 1074. Congress approved the plan with the understanding that it was "delegating [to OST] some of its own broad power of inquiry in order to improve the information on federal scientific programs available to the legislature." *Id.* at 1075. It "clearly contemplated," as did the Executive, "that the OST would function as a distinct entity and not merely as part of the President's staff."[13] Finally, we noted that since the OST had published FOIA regulations, it had apparently considered itself, prior to the litigation, to be an agency subject to the APA—a consideration of some weight. *Udall v. Tallman*, 380 U.S. 1, 16 (1965). All of these factors taken together led to the determination that OST exercised "substantial independent authority," and to the conclusion that it was an agency subject to the Freedom of Information Act.

Some of the same factors considered in *Soucie* were present in *Grumman II*, which dealt with the status of the Regional Boards established by the Renegotiation Board. The Regional Boards' exercise of formal decision making power delegated from the National Board was found to be "within Congress' [sic] contemplation when it established the Renegotiation Board apparatus." Indeed, the statutory authorization there at issue was expressly that of delegating functions "to any *agency* of the Government, *including any such agency established by the Board*." 50 U.S.C. App. § 1217(d) (emphasis added). Further, the National Board had promulgated FOIA regulations for disclosure of some Regional Board documents, again indicating its own view, prior to litigation, that they were agencies subject to the FOIA. Furthermore, the Regional Boards fell squarely within the analytic definition supplied by Professor Freedman, whose consideration of this question is the fullest and most discerning, namely, they were the body in which "substantial 'powers to act' with respect to individuals [were] vested." Freedman, *supra* note 9, at 9. They had their own staffs to investigate and negotiate with contractors, and their "recommendation is communicated openly to the contractor prior to any assumption of jurisdiction by the National Board." 482 F.2d at 715. They were, in short, the agency with which an affected member of the public dealt, and from whose decision appeal might lie, depending upon the amount in controversy.

The contrast between the agencies involved in *Soucie* and *Grumman II*, on the one hand, and the IRGs, on the other, could not be greater. Unlike the OST, the IRGs do confine themselves to making recommendations; authority to make grants is vested in the Secretary, and authority to recommend doing so lies with the NAMHC. The IRGs act as consultants to the NAMHC; their members are strictly forbidden from communicating their group's recommendations to applicants. NIMH Handbook, *supra* note 2, at 30. Applicable regulations and administrative rules within NIMH and HEW have consistently reflected the view that the IRGs are not subject to the FOIA, *see id.*; 45 C.F.R. §§ 5.72(b), 5.73(a); and the authority under which they are appointed gives no hint of a congressional expectation that NAMHC's delegation of the initial review function would somehow make either more or less information available to the legislature or the public.

Clearly, the work now done by IRGs could again be done by the NAMHC if it sat continuously instead of meeting three times a year for about two days each time. Employing consultants to improve the quality of the work that is done cannot elevate the consultants to the status of the agency for which they work unless they become the functional equivalent of the agency, making its decisions for it. There is no doubt in this instance that the usually perfunctory review the NAMHC gives to a particular application—as opposed to the group of which it is a part—makes the IRGs' recommendations an often crucial element in the approval process. But, just as the APA makes the fact that a government authority's decisions are subject to review irrelevant in determining whether that authority is an agency, at least in this case the degree of scrutiny its decisions are given on review is equally beside the point.

The important consideration is whether it has any authority in law to make decisions. The IRGs have not; their favor is not necessary because the law empowers the Secretary to make grant awards if (and only if) the NAMHC so recommends. The fact that the NAHMC may be greatly influenced by the IRG's expert view does not make the IRG an agency. *See International Paper Co. v. FPC*, 438 F.2d 1349, 1359 (2d Cir. 1971). In *Soucie* this court did not consider whether the President generally accepted the advice of OST. In that case and in *Grumman II* we looked to the functions that OST and the Regional Boards respectively were empowered by law to perform. The alternative would inevitably involve the courts in determining the care with which the decisional officers of government agencies supervise their staffs, in order to determine whether in fact the staff is not the stand-in for the officer or agency—its recommendations his decisions—and whether it ought not therefore in law to be held accountable as the agency. This we cannot do. *Morgan v. United States*, 304 U.S. 1, 18 (1938); *United States v. Morgan*, 313 U.S. 409, 422 (1941).

Footnotes at end of article.

That is not to say that a staff recommendation may never achieve the dignity of an agency's final decision; it may do so when the agency adopts it as its own, and at that point its disclosure can be required. *American Mail Line, Ltd. v. Gulick*, 411 F.2d 696 (D.C. Cir. 1969) is a case in point. There the question was "whether an administrative agency [the Maritime Subsidy Board] may take affirmative action against a private party by means of a decision in which it states that the only basis for such action is a certain specified [staff] memorandum and then refuse to disclose the memorandum to the party affected by the action." While the question was answered in the negative, the reason was that the agency had made the memorandum the express and only basis for its decision and not that it had made the staff into the "agency." In the present case, however, leaving aside the problem of whether even the denial of a grant award is "affirmative action" against an applicant, the reasoning of the IRG is not the "only basis" for the Secretary's decision. The Executive Secretary's Note and the NAMHC's policy choices, and in some instances the latter's particularized scrutiny, intervene.[14] *Cf. Sterling Drug, Inc. v. FTC*, 450 F.2d 698, 706 (D.C. Cir. 1971). We hold, therefore, that the IRG is not itself an agency under the APA nor, consequently, subject to the strictures of the FOIA.[15]

2. Application of Exemption 5.

Having decided that the IRG is not an agency, nor its Summary Statements and site visit reports the final decisions of an agency, it becomes necessary to determine just how much of the disputed information in these intra-agency documents is exempt from disclosure. Exemption 5 applies only to matters, "which would not be available by law to a party other than an agency in litigation with the agency." While there are often problems in determining the precise scope of the exemption without the benefit of actual litigation the nature of which informs the breadth of discovery, *see Environmental Protection Agency v. Mink*, 410 U.S. 73, 86 (1973), its application in this case is relatively uncomplicated. As a general proposition Exemption 5 does not shield from disclosure "purely factual, investigative matters," as opposed to "materials reflecting deliberative or policy-making processes." *Id.* at 89. Even purely factual matter may be exempt, however, if it is inextricable without compromise of the deliberative process, *id.* at 91, and so too may be "a summary of factual material [that] is part of the deliberative process," even though the facts themselves are elsewhere on the public record. *Montrose Chemical Corp. v. Train*, 491 F.2d 63 (D.C. Cir. 1974).

In order to apply these propositions to the facts at bar, the contents of the Summary Statements and site visit reports need further elaboration at this point. We take as our texts appellee's Exhibit 1, the NIMH Handbook, *supra* note 2, at 33–36, documents as illustrated by the sample submitted to the court. The Summary Statements begin with (1) a concise resume, "no more than six or seven sentences," of the proposed project, its review by the IRG, and the reasons for the IRG's recommendation, including the contrary reasons offered by a minority.[16] There follows (2) a "brief description of the proposal," its "aims, methodology, and, for renewal, supplemental and revised proposals, the background or history." The next and "most critical" section is the IRG's critique (3) which discusses "the strengths and weaknesses of various aspects of the proposal in detail." [17] The "background and competence" of the applicant and his associates (4) are discussed, as are (5) "any special aspects of the facilities and equipment and the extent of departmental and interdepartmental cooperation" at the applicant's institution. The proposed project budget is then analyzed with reference to its adequacy, justification, and projected duration (6). Supplemental requests are related to previously approved amounts.[18] To all of this may be appended (7) the Executive Secretary's Note, described *supra* at p. 5, (8) the minority report of two or more dissenting members, and (9) a summary of any site visit report.

The site visit report itself contains, in addition to purely identifying material, such as application number, date, and persons seen, (10) evaluations of the proposal, the investigator, and his staff, (11) sections on the facilities and other support available at the institution and (12) the budget, and (13) "other comments." Because of the substantial overlap necessary between the site visit report and Summary Statements, site visitors are advised to follow the format for the latter document "since the site visit report, if accepted by the [IRG] can serve as a basis for the Summary Statement." NIMH Handbook, at 46.

From this mere recitation it is clear that most of the matters called for in the site report and Summary Statement for each application are evaluative, and call into play the policy of protecting the deliberate process, at which Exemption 5 is directed. *See EPA v. Mink, supra; Soucie v. David, supra.* Indeed, the only matters that are even arguably subject to compelled disclosure are the Summary Statements' (2) description of the proposal, its aims and methodology, and any factual matter contained in (9) the summary of the site visit report. In the site visit report itself, only (11) the statement of facilities, and (12) the budget, merit comment.

Of these four items, the two (2 and 9) in the Summary Statement are abstracts of other information—either the site visit report or portions of the underlying application. As such we think them covered by the reasoning of *Montrose Chemical, supra.* That case involved application of Exemption 5 to summaries, made by agency staff attorneys, of evidence developed at a public hearing. The summaries were prepared for and submitted to the Administrator of the Environmental Protection Agency "to assist [him] in his study of the record" on the basis of which he was obliged to make a decision. This court held the summaries exempt as an integral part of the deliberative process. Sensitive to the necessity of attaching varying degrees of significance to different facts in the course of epitomizing the record, we said:

"Even if they cited portions of the evidence verbatim, the assistants were making an evaluation of the relative significance of the facts recited in the record; separating the pertinent from the impertinent is a judgmental process, sometimes of the highest order; no one can make a selection of evidence without exercising some kind of judgment, unless he is simply making a random selection." 491 F.2d at 68.

No significant difference distinguishes the present case from *Montrose Chemical.* The research design and description of methodology in the application submitted for *in camera* inspection covers fifteen, single-spaced typewritten pages; their description in the Summary Statement is one page in length.[19] In the *Montrose Chemical* paradigm, the judgmental element arises through the necessity to select and emphasize certain facts at the expense of others. In the instant case, where the whole proposal must be described at least in general, various aspects of it are described in greater detail than others. In virtually every sentence the author must operate at a level of specificity that reflects his personal perspective on the material being summarized.

An example may be taken from the Summary Statement before us without compromising any information for which exemption is claimed. In the course of describing a proposal for evaluating the relative efficacy of a number of drugs in the treatment of hyperkinetic children, the following statement appears: "The assessment battery consists of a number of rating scales, and various cognitive and performance measures." Significantly, however, while the various performance and cognitive tests are then enumerated, the rating scales are neither identified nor described, but are said only to have provided sensitive in prior, unspecified studies. This difference of treatment may well reflect no more than the greater ease with which named tests can be referenced than rating scales described. It may, on the other hand, reflect the view that certain well-known tests have a definite reputation for reliability, and that rating scales are only so much surplusage. A different group of reviewers with a different set of views might well have elaborated on the rating scales' utility and never specified the cognitive and performances tests proposed. What the effect of such a choice might be on the proposal's prospects we need not guess. The point is simply that choices are and must be made by someone or some group with a unique perspective, and decisions may be based on them. Accordingly, the two items under discussion must also be held exempt from disclosure.[20]

The NIMH Handbook alone does not indicate whether the two items in the site visit report—(11) the facilities and (12) budget references—are meant to be narrative or analytic. The representative site visit report submitted to the District Court, which is of controlling significance,[21] suggests the latter, however, at least with respect to budgetary considerations. The short section on the budget relates the amount requested to the site visitors' analysis of the amount needed, and suggests for IRG consideration a possible economizing step. As such, it is clearly a part of the deliberative process and exempt from compelled disclosure. But this particular report makes no reference to the matter of facilities, neither describing nor rendering an opinion on the adequacy of the facilities available to the grant applicant.[22] The entire document, however, other than the opening paragraphs which describe the proposal and for which no claim of exemption is made, is an expression of the visitors' opinions and not a recitation of facts. This suggests that facilities references, if any, in the site visit reports for other of the applications sought by appellee would be of the same nature. In light of the parties' agreement, *supra* note 21, however, we need not choose between reliance on this speculation, with its potential effect of relieving the agency of its statutory burden of proof, and *in camera* inspection of all the site visit reports in suit. Finding no matter of the type sought in the controlling document, there is no relief respecting item (12) to which appellee can lay claim.[23]

III

Appellant challenges the District Court's jurisdiction to order the agency to amend its regulations to conform with the court's opinion. The FOIA, it is contended, "grants jurisdiction to the district courts only to review agency denials of requests for specific documents and to enjoin withholding of those documents" from the person who made the request. That is of course true insofar as it goes, but is not responsive to whether the court may not draw on powers apart from, and unabridged by, the FOIA in order to give complete relief where it is due. "With the express vesting of equitable jurisdiction in the District Court by § 552(a), there is

Footnotes at end of article.

little to suggest, despite the Act's primary purpose, that Congress sought to limit the inherent powers of an equity court." *Renegotiation Board v. Bannercraft Clothing Co,,* 415 U.S. 1 (1974) (dictum).

One can imagine circumstances, such as its actions to the known requirements of the Act in order to deter requests for inforwhere an agency simply refuses to conform mation by repetitive litigation, that would tempt a court to use any or all of "the usual weapons in the arsenal of equity," *Bannercraft Clothing Co. v. Renegotiation Board,* 466 F.2d 345, 354 (1972), *rev'd on other grounds,* 415 U.S. 1 (1974). In the case at bar, however, it is unnecessary to decide whether the District Court would be so empowered.

Appellee initiated the process, culminating in this action by a letter requesting access to documents relating to eleven specifically identified research grants. When the request had been denied in part and administrtive appeal exhausted, appellee filed a complaint the prayer of which requested that the court declare the plaintiff's right to disclosure of the disputed records and order their disclosure, and "[t]hat this Court declare invalid under the Freedom of Information Act the regulations issued by [HEW] which exempt from public disclosure all research protocols and all proposed grant applications." J.A. 6. In its opinion the District Court merely suggested that "[a]t a minimum, the defendants should promptly modify existing regulations and grant application instructions to bring them into conformity with the decision of this Court," but its order elevated this suggestion into an injunctive obligation presumably enforceable in the same manner as any injunction, namely, by contempt.

The FOIA requires each agency to make information, not exempt by the terms of the Act, available "in accordance with published rules." From this may readily be inferred an obligation to publish rules that accurately reflect the agency's substantive obligations under the Act, and rules that fail to do so are of no force when "any person" seeks access to information not exempt from disclosure under the Act. Pretermitting the very real question of whether a single request for documents creates a continuing case or controversy [24] sufficient to support an order to amend regulations of only speculative future effect on an FOIA plaintiff, there is no warrant in the record of this case for anticipating that HEW would not proceed in good faith to incorporate the substance of a final court decision into its rules and practices.

The District Court was sensitive to the public interest that the FOIA, "to the extent practical, be self-operative to assure prompt disclosure." It was equally aware of the necessity "that grant applicants be placed on notice that information submitted pursuant to an application for NIMH grant funds" is subject to public disclosure. We, of course, share the court's concern, but are without sufficient reason to doubt that appellant does also. Considerations of interbranch comity impel us to withhold coercive orders that are not demonstrably necessary. Cf. *Nixon v. Sirica,* 487 F.2d 700, 712 (D.C. Cir. 1973).

What we have held hereinabove is that the eleven initial grant applications involved in this case (all of which had been approved by HEW), together with any continuation, renewal, or supplemental applications incident thereto (either approved or pending), are not exempt from disclosure under the Freedom of Information Act. Contrarily, we have held that site visit reports and summary Statements are exempt under Exemption 5. The impact of this latter holding is limited in this case by the fact that HEW has voluntarily disclosed the purely factual matter contained therein, in an apparent recognition that such matters do not come within the purposes of the exemption. Lastly, we have found, in the circumstances of this record, an inappropriate exercise of equity jurisdiction in the District Court's injunctive command that HEW conform its regulations to the court's mandate.

The judgment of the District Court is, accordingly, affirmed in part and reversed in part; and the case is remanded for the entry of a decree consistent herewith.

It is so ordered.

FOOTNOTES

[1] We consider that continuation, renewal, and supplemental applications are all incident to the initial application; and we see no reason to distinguish between them for purposes of their availability to disclosure under FOIA.

[2] The District Court stated that "the Council members do not receive individual grant applications. Their decision is based solely on the review group Summary Statements," 366 F.Supp. at 934. The NIMH Handbook for Initial Review Staff states, however, that the NAMHC "reviews each application and its accompanying Summary Statement." P. 38. This publication was in the record before the District Court as Plaintiff's Exhibit No. 1. The only contradictory indication seems to be a statement in the deposition of Dr. R. S. Lipman, Chief of the Clinical Studies Section. Psychopharmacology Research Branch, NIMH. Dr. Lipman was Acting Executive Secretary at the time of his deposition, and was familiar with the operation of the IRGs but not with that of the NAMHC. When asked whether the latter group acted solely with the Summary Statements before it, he replied (p. 102):

A. I believe, and I am really talking off the top of my head, I believe they have all of the pink sheets and then they can have made available to them any particular grant [application] that they have a particular question about.

The best evidence of what the practice is would appear to be the official publication on which both parties have relied extensively and the accuracy of which neither has questioned in any particular.

[3] Instances are related in HOUSE COMM. ON GOVERNMENT OPERATIONS, THE ADMINISTRATION OF RESEARCH GRANTS IN THE PUBLIC HEALTH SERVICE, H. REP. No. 800, 90th Cong., 1st Sess. 62 (1967).

[4] The District Court stated that "[g]eneral priorities for funding are determined by the Director of NIMH, with the advice of the [NAMHC]," and no further elaboration is possible on the basis of this record. *See* Def. Exh. No. 2, *U.S. Government Information Policies and Practices—Public Access to Information from Executive Branch Advisory Groups, Hearings Before a Subcomm. of the House Comm. on Government Operations,* 92d Cong, 2d Sess., pt. 9, at 3619 (1972) (Statement of Dr. John F. Sherman, Deputy Dir., NIH). The finding that "[w]ithin these general priorities [approval] is in the order of numerical priority set by the [IRG]" is very likely correct, however, since often nobody other than the IRG will examine the scientific merit of a particular application.

[5] The purely factual information in these documents has been released by NIMH voluntarily.

[6] Public Health Service regulations provide that "[a]ny corporation, institution, agency or other such person, other than an individual, that is organized or operated for profit" is ineligible to receive a grant award. 42 C.F.R. § 52.11(a)(2). Only an individual grantee engaged in profit-oriented research, or a non-profit organization that engages in profitmaking ventures based on biomedical research, could conceivably be shown to have a commercial or trade interest in his research design. For the eleven grantees whose protocols are sought in this case, however, their institutional affiliations with colleges and universities (7), research institutes (2), hospitals and state agencies (1 each), make this possibility extremely remote. In addition it is established by an undenied allegation in the complaint that "[n]one of the grants is concerned with the production or marketing of the drugs being tested." ¶ 9, JA 5. This does not absolutely preclude the possibility of commercial activity, but in any event, the burden of showing the trade or commercial character of the research design information was on the agency, and since it did not introduce a single fact relating to the commercial character of any specific research project, it can hardly have carried its burden on this point.

[7] *See* note 6, *supra.*

[8] *See* Restatement of Torts § 757, Comment *b* (1939): *"Definition of trade secret.* A trade secret may consist of any formula, pattern, device or compilation of information which is *used in one's business,* and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." (Emphasis added.)

[9] *See* FINAL REPORT OF THE ATTORNEY GENERAL'S COMM. ON ADMINISTRATIVE PROCEDURE, S. Doc. No. 8, 77th Cong., 1st Sess. 7 (1941) ("the power to determine, either by rule or by decision, private rights and obligations"); 1 K. DAVIS, ADMINISTRATIVE LAW TREATISE § 1.01, at 1 (1958) ("a governmental authority, other than a court and other than a legislative body, which affects the rights of private parties through either adjudication or rulemaking"); Freedman, *Administrative Procedure and the Control of Foreign Direct Investment,* 119 U. PA. L. REV. 1, 9–10 (1970): "Where a center of gravity lies, where substantial 'powers to act' with respect to individuals are vested, there is an administrative agency for purposes of the APA. . . . [But] a definition stated thus broadly is not self-applying. It is an abstract proposition that does not neatly decide concrete cases."

[10] This system originated with the National Cancer Institute Act, which created, in addition to the Institute, the National Cancer Advisory Council. Ch. 565, § 3, 50 Stat. 560 (1937).

[11] *As added,* Pub. L. No. 87–838, 76 Stat. 1073; *see* Public Health Service Act § 301, ch., 373, § 301, 58 Stat. 691 (1944).

[12] "If the OST's sole function were to advise and assist the President, that might be taken as an indication that the OST is part of the President's staff and not a separate agency. In addition to that function, however, OST inherited from the National Science Foundation the function of evaluating federal programs. . . . By virtue of its independent function of evaluating federal programs, the OST must be regarded as an agency subject to the APA and the Freedom of Information Act." 448 F. 2d at 1075.

[13] The executive branch represented the proposed OST as being organizationally analogous to the Bureau of the Budget, the Council of Economic Advisors, the National Security Council and the Office of Emergency Planning. 448 F. 2d at 1075 & n. 22. Congress contemplated that OST would be sufficiently disitinct from the President's staff to be beyond the reach of executive privilege and thus responsible to Congress.

[14] The result may be that there is no "final opinion" of the agency—NIMH—accompanying its decision on whether to make a grant award. Whether this comports with existing notions of administrative fairness is not an issue in this case, nor do we see how it could be an issue for the courts in the absence of a legislative provision for judicial review of the decision.

[15] The rather sparse legislative history of

Section 2 of the APA is collected in Freedman, *supra* note 9, at 6–12, and analyzed with reference to the meaning of "agency." That history tends to confirm our view that IRGs are not agencies. STAFF OF SENATE COMM. ON THE JUDICIARY, REPORT ON THE ADMIN. PROC. ACT, 79th Cong., 1st Sess. 13. (Comm. Print 1945): "'Authority means any officer or board, whether within another agency or not, which by law has authority to take final and binding action with or *without appeal to* some superior administrative authority." *See* H. REP. No. 1980, 79th Cong., 2d Sess. 19 (1946). *See also* ATTORNEY GENERAL'S MANUAL ON THE ADMINISTRATIVE PROCEDURE ACT 9 (1947).

Whether the IRG is subject to the disclosure requirements of the Federal Advisory Committee Act, 5 U.S.C. App. I, § 10, is not a question before this court. We note, however, that that Act makes the FOIA standards applicable to advisory committees' reports and other papers only insofar as the head of the agency to which the committee reports fails to determine in writing that the reports or documents contain information within an exemption to the FOIA. *Id.* § 10(d). Whether such a determination has been made respecting IRG reports is not disclosed by the record in this case. *But see* Summary Statement, Dept. of HEW (Notice of determination to close certain meetings under authority of Executive Order 11671 of June 5, 1972), in *U. S. Government Information Policies and Practices, supra* note 4, at 3633, which made the same determination under the pre-Committee Act regime established by executive order. Similarly, the court is not now called upon to decide whether failure to make such a determination subjects the affected information to disclosure at the instance of "any person" as under the FOIA.

[16] From the Summary Statement submitted for *in camera* inspection it appears that exemption is claimed for the resume of the IRG's review and reasons, but not for the resume of the project itself, which gives only the most general indication of its subject matter and cannot be regarded as anything but purely factual and nonexempt.

[17] The critique is specifically directed to the following issues:

Are the aims logical? Is the approach valid and adequate? Are the procedures feasible? Is the research likely to produce new data and concepts or confirm existing hypotheses? What is the significance and pertinence of the proposed work with regard to the state of the field and importance of the aims? For continuation and supplemental requests, comment on past progress.

[18] When the IRG is an ad hoc committee, the names and institutional affiliations of each reviewer are listed. Five additional criteria are to be addressed in the case of foreign applications.

[19] The site visit report, which is two and one-half pages in length, is not summarized but rather incorporated by reference. Were it summarized the principle discussed in the text would apply equally to that summary.

[20] As in *Montrose Chemical*, the court does not confront a situation in which the underlying information, a summary of which is determined to be exempt is itself secreted from public inspection, and in which we said "a different result might be reached." The proposals summarized in item (2) are available by virtue of our holding in Part II.A, *supra*. The site visit reports summarized in item (9), insofar as purely factual, were not even claimed to be exempt, although, as appellant points out, they have very little factual content.

[21] The parties "agreed that the determinations made by the court based on this example would control the disposition as to other similar material covered by plaintiff's request and presently withheld." 366 F. Supp. at 932.

[22] The proposal in question did not require the use of technical medical equipment, which undoubtedly made the question of facilities irrelevant to the IRG's evaluation of the application.

[23] The District Court rejected appellant's argument that Exemption 6, which applies to certain files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, is an alternative ground for non-disclosure of any references, in the Summary Statements and site visit reports, to the professional qualifications or competence of a particular researcher. Our holding that the non-factual information in these documents falls within Exemption 5 extends to these expressions of opinion, and we therefore need not reach the merits of this argument.

Neither do we need to deal with the District Court's intimation that under certain circumstances HEW may delete from the site visit report or the Summary Statement an expression of opinion adverse to the qualifications or competence of particular individuals involved in the research project under consideration. The District Court, of course, found that these documents constituted the opinions of an agency and were disclosable as such; and it then referred to a provision of FOIA which says that an agency may make such deletions in an opinion. 5 U.S.C. 552(a)(3). We, of course, have reached a different conclusion on this latter score, and under our approach the deletion authority contained in the statute is not applicable.

[24] The District Court itself prefaced its consideration of this prospective relief with the words, "Apart from resolution of the instant controversy . . . ."

TRIBUTE TO CLIFFORD McINTIRE

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 8, 1974

Mr. SHRIVER. Mr. Speaker, I want to take this opportunity to pay tribute to a former colleague, Clifford McIntire of Maine. His untimely death has saddened all of us who knew him, and who served with him in this body.

Cliff was a dedicated and conscientious member of the House Agriculture Committee, and, throughout his service on that committee, played an important role in shaping our national agricultural policy.

After leaving the House of Representatives he continued his work in agriculture with the American Farm Bureau Federation, as director of the Natural Resources Department, and director of legislation. He served on the President's Task Force on Rural Development, the Advisory Council of the Public Land Laws Review Commission, and had just been appointed by President Ford as a director of the U.S. Railway Association.

Clifford McIntire was a dedicated legislator during his seven terms in the House, but in addition to his fine work here, he will be remembered as a man of dignity and integrity, and a fine friend and colleague. I extend my deepest sympathy to his widow, Wilda, and his entire family.

THE SERIOUSNESS OF FOREIGN OIL PRICING

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. WYMAN. Mr. Speaker, the enormous impact on the economies of major world powers of the unreasonably high OPEC nation oil pricing policy can become a world disaster in a matter of months. It can destroy nations as completely as aggression. Eventually it can destroy its authors because its ultimate effect is to precipitate worldwide inflation, starvation, unrest and eventual revolution.

The OPEC nations must cut their oil price at least in half and do it now. Even with a 50 percent reduction they will have more money than they know what to do with.

In this connection the attached articles by James Reston in the New York Times and Roberta Hornig in the Washington Star-News are significant:

[From the New York Times, Sept. 29, 1974]

STATE DEPARTMENT SUMMIT

(By James Reston)

WASHINGTON, September 28.—Over the weekend, the foreign and finance ministers of the United States, Britain, West Germany, France and Japan have been meeting privately at State Department to discuss the world economic crisis. This is the first indication that the major industrial nations have finally recognized that they must try to agree on common policies to deal with the common threat of worldwide inflation, soaring prices of oil and other raw materials and the consequent danger of economic depression and financial, social and political anarchy.

This was a limited meeting with limited purposes, and with some awkward handicaps. Canada, Italy, the Scandinavian countries and many others were left out, but it was at least a beginning by the big boys toward cooperation.

Earlier this year, they were dealing with this critical problem separately, and fussing with one another about how to analyze what everybody agreed was a worldwide crisis.

President Ford and Secretary of State Kissinger have been criticized in the last few days for overdramatizing the problem and seeming to threaten the oil-producing states with military action, if the latter did not roll back the prices that were disrupting the economies of the industrial and underdeveloped states alike.

"Sovereign nations," Mr. Ford said in Michigan the other day, "cannot allow their policies to be dictated or their fate decided by artificial rigging and distortion of world commodity prices."

"Throughout history," he added, "nations have gone to war over natural advantages such as water, food or convenient passages on land or sea." And now, he insisted, "exorbitant" oil prices set by the oil-producing nations and their cartel were threatening "the breakdown of world order and safety."

Mr. Kissinger was more subtle, but Mr. Ford's remarks were taken in the Arab world as a military threat, and this troubled the Japanese and the Europeans, for the threat did not seem to be credible. It violated the first rule of diplomacy, namely, that nations should never threaten to do what they are not prepared to do, or suggest policies their allies could not afford to support.

Nevertheless, the Ford-Kissinger speeches did dramatize the dangers, and, what was largely forgotten, insisted that cooperation by the industrial nations with one another and with the oil-producing nations was imperative if the world was not to drift into political, social and financial chaos.

What the President and the Secretary of State were saying, not too subtly, was that a continuation of soaring oil prices would shatter the world as we know it, that it would lead to unemployment and human misery all over the world, that democracy might not be able to survive inflation at the present rate and that it might even lead to Communist or other authoritarian governments in many parts of what now remains of the free world.

The facts before the ministers at the State Department were not in dispute. These facts demonstrated the strain on the industrial nations by the rise in oil prices and also the dramatic swing of monetary reserves to the producers of oil. Here are the basic facts and projections of the money flowing out of the industrial nations and to the oil producers as the result of the rising price of fuel.

PAYMENTS MADE

[In billions of dollars]

Year	United States	Other major importers
1972	4.9	14.0
1973	8.5	21.1
1974	25.2	74.8
1975	27.0	81.0
1976	30.3	90.7
1980	43.3	129.7
1985	64.0	192.0

The movement of revenues into the oil producing (OPEC) countries over this same period is estimated by the United States Government and the World Bank as follows:

[In billions of dollars]

Year	Oil revenues of OPEC countries	Reserves of OPEC countries
1972	18.9	----
1973	29.6	26
1974	100.0	----
1975	108.0	170
1976	121.0	----
1980	173.0	653
1985	256.0	1,206

On the basis of these staggering figures, the primary questions before the ministers in Washington were how the oil-consuming nations were going to meet these bills, and what the oil-producing countries were going to do with this vast and growing accumulation of petro-dollars.

The trend in the industrial world is toward more unemployment and social and political disruption. In the underdeveloped world, particularly in Africa and the Indian subcontinent, the trend is toward hunger, malnutrition and death. In the oil-producing countries, the trend is toward riches almost beyond absorption and control. In the world at large, the trend is obviously toward revolutionary change.

No wonder, then, that the State Department was surrounded this weekend with secrecy and security measures. The major nations have just begun to think together about the alarming consequences of the inflation. They are all diverted by domestic, economic and political crises, with weak governments, most of them facing elections, but at least they are now recognizing that they are faced with problems beyond their national control and have to find international remedies for what is obviously a worldwide danger.

[From the Washington Star-News, Oct. 16, 1974]

U.S. TIGHTENING SCRUTINY OF OIL NATIONS' INVESTING

(By Roberta Hornig)

The U.S. government is moving to determine if the oil-producing nations could upset the American economy through their foreign investments and bank transactions.

The tightening of monitoring procedures to better determine how members of the Organization of Petroleum Exporting Countries (OPEC) are investing their oil revenues was revealed today by Treasury Secretary William E. Simon in testimony submitted to the Senate Permanent Investigations subcommittee.

Specifically, Simon said, his department "is about to put into effect" a new weekly and monthly reporting requirement for banks doing business in the United States, and with branches elsewhere.

Further, he said, the government intends to study the adequacy of the present data-acquiring programs now conducted by various U.S. government agencies to get a better analysis of foreign investments.

The testimony by Simon, who is in Russia, is in answer to questions from Sen. Henry M. Jackson, D-Wash., whose Senate subcommittee is holding hearings today on the impact of high oil prices on the world economy.

Also scheduled to testify are Alan Greenspan, chairman of the President's Council of Economic Advisers; Interior Secretary Rogers C. B. Morton, who is also the Ford administration's new chief energy spokesman; and John Sawhill, chief of the Federal Energy Administration.

One of Simon's major points is that none of the oil-consuming nations knows exactly what the oil producers are doing with their growing revenues accruing from higher oil prices.

"We must recognize that OPEC countries are not prepared to inform fully the United States government, other countries, or international agencies as to the nature and location of their investments throughout the world or their future plans for imports of goods and services," Simon said.

Simon estimated that OPEC invested $7 billion in the United States between Jan. 1 and Aug. 31 this year. "of which over $4 billion, perhaps $5 billion, in U.S. treasury bills and other marketable government securities."

He estimated that the OPEC countries, during the same period, had invested about $3 billion in the United Kingdom and $2 billion in other European countries and Japan; a half-billion in international institution bonds; $2.5 billion in less developed countries and $13 billion in European currency markets.

Legislation requiring the Treasury and Commerce Departments to undertake a comprehensive study of existing investments in the United States is now pending in both the Senate and House and is supported by the Ford administration.

OPEC surpluses are being estimated now at a rate of roughly $5 billion a month.

Simon, in his testimony, said that "we cannot project with sufficient validity to be useful the volume of oil-producer funds which may be placed in any particular money market in the future."

He said that even in countries with more comprehensive systems to monitor capital imports, "it is often impossible to identify with certainly the ultimate beneficial owner of invested funds. In virtually all countries, banks are allowed to preserve confidentially . . . the identity of their depositors . . ."

Simon said the weekly reports to be required from banks will enable a better monitoring of "current developments" as they might affect the exchange value of the dollar. The monthly reports, he said, will give "a more comprehensive view of the banks' positions in major foreign currency."

Simon also listed 29 countries cited by the United Nations as being confronted with the potential of near-term bankruptcy or financial collapse because of high energy costs.

The countries include Cameroon, Central African Republic, Chad, Kenya, Lesotho, Malagasy Republic, Mali, Mauritania, Niger, Sierra Leone, Somalia, Sudan, Tanzania, Upper Volta, Bangladesh, India, Pakistan, Sri Lanka, Haiti, Senegal, El Salvador, Guyana, Honduras, Dahomey, Ghana, Ivory Coast, Guinea, the Yemen Arab Republic and the Democratic Republic of Yemen.

THE FACES OF HUNGER

HON. RALPH H. METCALFE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1974

Mr. METCALFE. Mr. Speaker, one of the most serious problems facing the world today is the specter of increasing world hunger. Drought, famine, natural disasters, and, unfortunately, governmental mismanagement and insensitivity have caused the deaths of many people throughout the world. What is even worse, it has been estimated that an additional 500 million people are in great danger of starving to death if steps are not taken quickly to alleviate their plight.

Presently, the areas where the problems of hunger are most severe are the Sahel region of West Africa, parts of East Africa, and the countries of South Asia. These areas, which contain some of the poorest nations in the world, have been struggling under the burden of a severe drought for the last 6 years. In order to bring the magnitude of hunger and death in these areas to the attention of the American people, the Chicago Tribune has been printing a series of articles on these drought-stricken areas. These articles have been excellently researched, written, and photographed by Tribune reporter William Mullen and Tribune photographer Ovie Carter, who spent nearly 3 months traveling through these areas. They are to be highly commended for their fine work, and the Chicago Tribune is also to be highly commended for helping to bring the problems of world hunger to our attention.

Mr. Speaker, the articles on world hunger which are being printed in the Chicago Tribune are informative and very moving. I include the first of these articles in the RECORD at this point. I am sure that my colleagues will find them informative, and I hope that they will help stimulate congressional action on this vital issue.

The article follows:

THE FACES OF HUNGER—FAMINE: SLOW DEATH OF 500 MILLION PEOPLE

(By William Mullen)

It is the same sun that rises each day over Singimarie Pachuniper, a tiny village in eastern India, and Kao, a tiny village in central Niger in the middle of Africa.

Dawn comes first to a refugee camp for farmers in Singimarie where 6-year-old Saku Barman rises unsteadily to his feet and totters out of an open lean-to into a listless day of numbing hunger.

Six hours later, dawn comes to the Sahara nomad camp in Kao where a spindly 4-year-old girl named Hameda weakly gets to her feet to face the same sort of day.

Once in the sun, Saku and Hameda, though *5,500 miles* apart, cast the same shadow.

They are the shadows of ghastly apparitions, of walking child-skeletons, doomed by the same natural and man-made forces to a short, unhappy existence on Earth.

"I don't think Hameda will survive much longer," a village official told Tribune photographer Ovie Carter and me when we visited on a chilly desert morning early in August.

"It will only take a cold now, or a case of diarrhea, and she will be gone."

Already too weak to stand on her own for long, Hameda's emaciated body clung spider-like to her mother's back most of the day.

Mother and child stayed close to each other and close to their skin tent. A row of tents stretched like a finger from the village into the rolling, brown desert dunes.

"There just isn't enough food coming in," the village official said. "We are losing two or three people every day now."

When we visited Singimarie several weeks later, the village teacher gave Saku Barman about the same chances for survival.

"Unless he gets some milk within a few days," the teacher said, "he will be dead. Twenty people have died already this week."

Saku and a younger sister spent their days walking like stick figures through the sweltering little town, wandering among a gaunt, ragged populace that was just as hungry as they.

Hameda is black, the child of desert nomads whose cattle and livelihood has been destroyed by a six-year African drouth.

Saku is brown, the child of rice farmers killed in a devastating August flood in India.

Until this summer, they were children of different worlds, separated by race, religion, culture, and way of life.

Weakened in the aftermath of flood and drought, starved by the world's inability to get food to them when they needed it most, they faced the same fate.

By the end of the summer, Saku and Hameda looked like brother and sister—dirty, naked, and dying. Their faces were no longer the faces of children, but immobile masks, deeply lined with unfilled form of skin.

The only emotion left was the terror that sometimes silently filled their eyes while they sat quietly thru the day, haunted perhaps by their own private child dreams.

By now it is likely Saku and Hameda are dead.

The thin lifeline of trucks that brought irregular food shipments to Hameda's village was stopped in the middle of August.

When we visited Saku's village, India had no food at all to deliver there. The government was just starting to ask around the world for emergency food donations.

The story of Hameda and Saku is, of course, not a new one. Famine has been a killer every year since history began.

But there is growing concern among world food, agricultural, and weather experts that the world has fallen into a situation much more serious than ever before.

They fear that the many thousands of children like Saku and Hameda who died this year have been carried away in the first wave of what may become the greatest disaster in history.

Many experts are predicting 500 million people will perish in famine by the year 2000.

Sayed A. Marei, secretary-general of the World Food Conference which will convene in Rome next month, believes current crop failures and poor food distribution have left 400 million people "permanently hungry."

"Over the past two years it [the food shortage] has become so serious that it quite literally threatens the survival of hundreds of millions of human beings around the world," Marei said.

"Such a threat carries with it the gravest implications for the peace and security of the world."

In three months of travel thru the African Sahel—the semi-desert area just south of the Sahara—and the flood-stricken northeast section of India, we saw why the experts are worried.

We saw in West Africa thousands upon thousands of acres of once productive pastureland destroyed by the growing Sahara Desert. No amount of aid or work could reclaim it—and so the entire lifestyle of nomadic cattlemen, who for centuries were able to live off the land, has been destroyed.

In Ethiopia we saw the aftermath of the drought destroy Emperor Haile Selassie's government and throw the nation into turmoil that threatens to disrupt any concentrated development effort for years.

In India we saw the intense resistance by mothers and fathers to any form of birth control. Their reasoning was simple. They must have at least six or seven children so that one or two would survive to adulthood and take care of them in their old age.

The story was the same in each of the countries we visited—Senegal, Mauritania, Malie, Upper Volta, Niger, Chad, Ethiopia, and India. Each country has more people than it has land and resources to feed them.

Tho the catastrophic drouth in West Africa and Ethiopia seemed to have been broken this year with a near-normal rainy season, people continue to die in the remote bush because it is impossible to get food to them.

India, which even in good years loses thousands of people to malnutrition, is quietly bracing for its worst famine since 1943.

The problem is that in recent years nearly everything that could go wrong with food production has gone wrong—and all at the same time:

The global energy crisis has dried up the flow of fuel and fertilizer to poor developing nations which, when they began using them in the last decade, thought they were going to be self-sufficient food producers.

World inflation and recession has forced the cutback in millions of dollars of development assistance from wealthy nations to the poor.

Emergency food reserves held by the world's wealthy nations have been depleted to their lowest level since World War II by several years of massive crop failures and natural calamities.

Erratic global weather patterns have wreaked havoc in the form of floods, storms, and drouth on millions of acres of crops in Africa, India, Russia, and North and South America. This year experts are predicting at least 2 per cent less food will be harvested than last year.

The impact of food production in one nation on the wellbeing of people in another nation on the other side of the world is very real and immediate.

Failures of the corn crop in Illinois this summer most certainly mean prices will go up and somebody, somewhere in the world for lack of money to buy the corn will go hungry.

Crop failures in Russia that two years ago forced the secret sale of 30 million tons of wheat from the U.S. had a dramatic effect on the rising price of bread for American housewives.

When Chicagoans last winter impatiently cursed their way thru lines at gas rationing service stations, farmers in India could not get gasoline to operate their irrigation pumps nor could they get petroleum based fertilizers for their crops.

Indian farmers, who were growing surplus crops three years ago, will harvest an estimated 10 million tons less food this year than the nation needs. That food the country can ill afford to replace thru world purchases.

While American mothers complained in the supermarkets this year about the mounting prices of bread and milk, the rising prices were causing more serious problems in Africa and India.

World grain prices shot up so steeply that the government of Niger couldn't buy and deliver enough food to Hameda's village, and she began to die.

Milk became so short in supply in the U.S. that we could no longer ship it to nations dependent on our powdered milk—like India—and Saku Barman began to die.

President Ford expressed his concern when he told the United Nations on Sept. 18:

"Developing and developed countries . . . we are all a part of one interdependent economic system.

"The food and oil crises demonstrate the extent of our interdependence. Many developing nations need the food surplus of a few developed nations, and many industrialized nations need the oil production of a few developing nations.

"Let us not delude ourselves. Failure to cooperate on oil and food inflation could spell disaster for every nation represented in this room."

Ford pledged that the U.S. would substantially increase its development aid to projects geared to increasing food production.

When he announced the U.S. would spend $475 million on such projects compared to the $253 million spent this year, however, the nation which will be receiving the aid were disappointed.

They were expecting far more, and in fact will ask for far more from all wealthy nations at the Rome conference.

They insist the main cause of the problem is unfair distribution of the world's wealth, noting that the U.S. has 6 percent of the world's goods and services.

The poor nations argue that birth rates of Europe and America have been steadily declining in proportion to the rising standard of living and education of their populations.

The same thing would happen, they say, if the wealthy nations transfused more of their wealth into the development of poor nations.

Dr. M. S. Swaminathan, director general of the India Council for Agricultural Research, said he hopes the U.S. will be won over to that point of view by the time the Rome conference starts.

"The crucial role the U.S. must play in Rome this November is to put the political will of the developed nations to work to alter the world's food problems," he said.

"Today's food problems are too important for more words. They need commitment and action."

At the conference, the poor nations will be asking the U.S. and Europe to buy them dam projects, irrigation systems, fertilizer, roads, and expertise.

"President Kennedy said we could wipe out hunger within our lifetime given the political will to do so," Swaminathan said.

"I think he was right, and I think he proved his point when you put a man on the moon. He wanted America to put a man there within 10 years. There was political will to do so, and it was done."

There is considerable doubt that the U.S. and Europe, reeling from inflation and recession, would be willing to foot the bill for the sort of assistance the poor nations will seek in Rome.

Rather than increasing its foreign aid, in recent years the U.S. has been cutting back both in money commitments and in the scope of its aid.

"Big showcase projects—building dams and highways—just isn't our bag anymore," one U.S. official in Ethiopia told me.

No matter how large or small foreign aid becomes in scope, it may not be able to alter the vast problems confronting us in the end.

Five years ago there was great hope that the so-called "green revolution" must wipe out hunger and malnutrition.

Scientists came up with new plant varieties and irrigation and fertilization schemes that transformed several chronic food-short nations in Asia and South America into food exporting nations.

But the scientists have yet to come up with a magic formula to curb the greed and self-interest of oil and fertilizer producing nations. They have put the green revolution out of reach for most of the world's farmers by quadrupling the price of oil and fertilizer in the last two years.

Medicine has tried to help by sending cheap vaccines to the far corners of the Earth, eradicating dozens of fatal diseases, doubling the life expectancy of the people of India and Africa.

But medicine has yet to develop a vaccine that could have filled the empty stomachs of the children of Singimarie when the village ran out of food.

Nor has medicine found a pill that cures the colds or the dehydrating attacks of diarrhea that were killing the malnourished children of Kao.

Massive dosages of foreign aid could build dams and harness rivers to help the impoverished nations of the world become self-sufficient.

But no amount of money can buy a monsoon season when the rain fails and the rivers go dry and the irrigation ponds evaporate.

In the villages and camps where people have already started to die, the arguments, speculation, and expectations for manmade solutions seem far away.

In those dark, faraway places where people day by day watch hunger erode the bodies of their families and neighbors, there is a quiet almost ethereal acceptance of things.

A mother's comforting hand placed on her starving child's head replaces words.

A father's prayer gives them hope.

"It is up to Allah," a nomadic tribesman told me in Niger. "If He wants us to live, we will get rain. If He wants us to die, then we shall surely die."

HONOR MEDAL FOR LOCAL SCOUT

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. MATHIS of Georgia. Mr. Speaker, on September 29, I had the privilege of presenting to a constituent of mine, Scout Joe Jones of Troop 106 in Albany, Ga., the Honor Medal for Heroism.

The Honor Medal, awarded by the National Court of Honor of the Boy Scouts of America, is given in rare circumstances when an individual saves a life or lives at the risk of his own.

Joe was credited with rescuing a 4-year-old neighbor from the swirling waters of a flood drainage ditch, right in front of a large culvert which carries water under the street. A local investigating committee determined that the young girl would certainly have drowned if it had not been for Joe's quick action. He, too, could have drowned in the deep water or been sucked into the culvert to certain death.

Mr. Speaker, I was especially honored to present Joe this award because he is not only my neighbor and a close friend of my son, he also brings such high credit to his family, friends, and church. I am enclosing a copy of an article that appeared in the Albany Sunday Herald regarding Joe's meritorious act prior to the receipt of his medal:

JUST A MATTER OF REFLEXES

(By Yvonne Williams)

"It all happened so fast, it was just reflexes, I guess," said 12-year-old Joe Jones.

The efforts of Jones to save the life of 4½-year-old Holly McGaughey from drowning last February belies the myth that Boy Scouts are concerned primarily with merit badges and camping.

The 12-year-old Jones lives at 415 Forest Glen Road and is a member of Boy Scout Troop 106 sponsored by Porterfield Methodist Church.

On that day in late February Joe stayed home from school with a slight fever. It had been raining heavily all day and he went outside to look at the flooded street in front of his house.

The McGaughey girl who lived several houses down from Joe was also outside and she talked for a while with Joe before going off to play in the flooded streets.

SWIFT CURRENT

Holly stopped to play on a curb where two flooded culverts drained beneath the street. A swift current had formed due to the large amounts of water being forced through the small four-foot wide drainage culverts. The water traveled through drainage pipes under the street for about 50 feet until it reached an opening on the other side of the street.

"Scum and debris had gathered on top of the water in the ditch and Holly must have thought you could walk on it," said Jones.

"She stepped off the edge and sunk like a rock," he said. The boy said he recalls the little girl "bobbing up" once and then going back under the fast moving water. Realizing that he could not reach her from the curb, Joe jumped into the swirling water.

Investigators have estimated that the water Holly fell into was some nine feet deep.

"I don't know how deep the water was but I know that it came up to my neck and I never did touch the bottom," said Joe.

"I grabbed Holly and set her up on the bank and then pulled myself out of the water. She was crying and coughing at the same time and I told her not to cry because she might swallow water. I just kept telling her that everything was all right."

Joe then rinsed all the mud and debris off of Holly with the garden hose and sent her home to put on dry clothes.

On Sept. 29, at Porterfield Methodist Church, Jones will be presented with the Honor Medal by Congressman Dawson Mathis for the National Scout Council's Court of Honor for his efforts in saving the life of his 4½-year-old neighbor.

According to the Boy Scout manual, the Honor Medal is awarded to Scouts who saved life or attempted to save life at the risk of their own. They must have shown heroism, resourcefulness, and skill.

The three-member Advancement Committee for the Chehaw Boy Scout Council was appointed to make a full investigation of the near tragic event and to submit a report to the National Scout Council.

The report submitted by Chairman Eugene Black Jr., Ron Dorminey and Sal Giovingo, said that although Joe's action "while brief, was definitely at the risk of his own life." The report said that "both children were in grave danger of being swept into the culverts and carried beneath the street through the culvert."

QUICK ACTION

The three men on the Scout Advancement Committee said they felt that "Holly McGaughey is alive and well today solely because of the quick and appropriate reaction of Joe Jones."

In addition to the award, Joe has been notified by Woodrow Sasser of American Family Life Insurance Co. of Columbus that he will receive a $500 scholarship.

Joe's parents, Mr. and Mrs. R. Bruce Jones, and his older brother Rickey say they are very proud of Joe's efforts to save the little girl from drowning.

"We really believe in Scouting," said Bruce Jones, "nowadays it's the best training you can give a boy."

MAOIST REGIME SUCCEEDS IN HAVING CONFUCIUS PLAQUE REMOVED FROM U.N. HEADQUARTERS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. FISHER. Mr. Speaker, a strange and significant event occurred in the United Nations on September 16 which has received little notice in the news media. I am referring to the removal, at the behest of Red Chinese, of the green marble plaque which was presented by the Republic of China in 1968 to commemorate the 25th anniversary of the founding of the world organization.

We are informed the plaque was inscribed with Confucius "Ta Tung Essay," the great commonwealth of peace and prosperity in which mutual confidence is promoted and good neighborliness cultivated. This, we are told, is the main thought of Confucius and this is also the lofty ideals and principles with which Dr. Sun Yat-sen, the Chinese national father, founded the Republic of China.

It would appear, therefore, that the conception of Confucian "Ta Tung Essay" is completely in line with the principles embodied in the Charter of the United Nations. And it would appear the Communist action in having the plaque removed was highly reprehensible and in effect a challenge against the U.N. Charter.

Under leave to extend my remarks, I include an article which appeared in the October 6, 1974, issue of Free China Weekly. This article relates to the reaction of President Chiang Kai-shek in regard to the removal of the plaque. The article follows:

PRESIDENT SAYS COMMUNISTS SHOW FEAR OF CONFUCIUS IDEALS IN INCIDENT AT U.N.

President Chiang Kai-shek declared Sept. 29 that the removal of the Confucius marble plaque from the U.N. headquarters in New York was another indication of the Chinese Communists' fear of the pervasive influence of the Sage's teachings.

In a message to the Confucius-Mencius Society, holding its annual convention at the City Auditorium, President Chiang said the U.N. Secretariat knuckled under to the persistent demands of the Chinese Communists and removed the marble plaque from the U.N. building last Sept. 16.

The marble plaque was presented to the U.N. by the Republic of China six and a half years ago. The plaque was inscribed with an excerpt from "The Great Learning", one of the Four Books of Confucius classics. The quotation is from a Confucius ideal of a utopian commonwealth.

President Chiang, the honorary president of the Confucius-Mencius Society, said the Chinese Communists have revealed their fear of the deep and pervasive influence of the traditional Chinese culture by insisting that the plaque be removed. They fear, he said, that the Confucius ideals will permeate the whole world. They had to have the plaque removed because it was a constant reminder of the contrast of Mao Tse-tung's atrocities and crimes.

President Chiang also told the convention that the anti-Confucius drive, which has been going on for some time on the China mainland, is an indication of Chinese Communist fear for the San Min Chu I (Three People's Principles), which embodies the Confucian teachings. The ideals are deeply-ingrained in the Chinese culture. Any anti-Confucian drive, said the President, is against the very essence of traditional Chinese culture and is doomed to fail.

The teachings of Confucius, President Chiang continued, are everlasting and irrepressible. They are always new and fresh. Light and justice will in the long run prevail over darkness and dictatorship. Now that Mao has amassed all the evils in the world in himself, President Chiang declared, the anti-Confucius drive will only hasten his downfall.

The President said Confucius has preached "benevolence" throughout Chinese history. Confucian students who have practised the Sage's teachings have come to the fore to defend the nation in its dark hours. He told members of the Confucius-Mencius Society that Confucian teachings again would help the nation in its task of national recovery.

FAKE CLAIMS RISE FOR D.C. WELFARE

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. PARRIS. Mr. Speaker, public assistance statistics for April 1974 published by HEW this past August indicate that in April of this year, 30,010 District of Columbia families with 74,117 children, a total of 101,585 recipients, received $7,046,927 under the aid to families with dependent children—AFDC—program, a significant rise over the February 1972 figures which showed 88,550 recipients and $4,957,436 in AFDC expenditures. A shocking corollary may be drawn from the above figures in light of the revelation by the October 11 issue of the Washington Star-News that in 1973 and 1974, according to a survey by the D.C. Department of Human Resources, an average of 12.6 percent of the welfare recipients were ineligible for aid, 25.4 percent were overpaid, and 4.2 percent were underpaid. In summary, these statistics mean that approximately 42.2 percent of welfare cases have been receiving an incorrect grant. The District of Columbia has been paying an average of $2,818 per year to 3,781 ineligible AFDC cases, an estimated $758 per year in overpayments to 7,623 cases, and an average of $758 per year less to 1,260 cases.

Through projection, the AFDC payments to ineligibles and overpayments—less underpayments—result in an annual cost of over $15.5 million in Federal and D.C. funds.

Since welfare recipients automatically qualify for the food stamp program, most AFDC families can get them as "assistance" households. The monthly average number of food stamp recipients, in the District of Columbia during fiscal year 1974 was in excess of 113,500 of whom 85,800 were on public assistance. It is estimated that the bonus value of food stamps issued to the latter group in fiscal year 1974 amounted to $17,049,328. Since 12.6 percent of recipients on welfare rolls were found to be ineligible in fiscal year 1974, a conclusion can be made that this group received $2,148,215 in bonus value of food stamps. The amount of overpayments that went to the 25.4 percent group is difficult to estimate. It is conservatively estimated to be about $550,000.

Abuses of these two welfare programs cost the taxpayer $18.2 million, a sizeable sum which exceeds by a factor of 5 the amount the D.C. taxpaying families with incomes above $15,000 would pay in surtax should that proposed revenue-raising measure become a reality.

President Ford in his comments on the proposed surtax stated that an average $15,000/year income family will pay *only* $72/year more in taxes. Should 1970 statistics on the income of D.C. families hold true today, this means an added revenue of about $3 million, a far cry from the welfare boondoggle of $18.2 million. This is the reason why I and some 100 of my colleagues in the House of Representatives believe that our first priority is to eliminate this wasteful spending before we legislate additional taxes on the already overburdened productive sector of our society.

The Washington Star-News article of October 11, 1974, follows:

FAKE CLAIMS RISE FOR D.C. WELFARE

The number of people illegally receiving welfare payments in the District rose 3.3 percent this year, according to a survey by the D.C. Department of Human Resources.

Between 1973 and 1974, the study indicates, an average of 12.6 percent of the welfare recipients were ineligible for aid. In addition, 25.4 percent of the recipients were overpaid and 4.2 percent were underpaid.

Both this year and last year 800 of the more than 29,000 public assistance cases were sampled to indicate the rates of errors made in public assistance.

Joseph L. Yeldell, director of the human resources department, said the city has until June 30 to meet federal guidelines that set maximum levels of 3-percent ineligibility and 5 percent overpayment.

Failure to meet these standards could mean the loss of $1.6 million in federal funds during a six-month period, Yeldell said yesterday.

Yeldell blamed the increase in errors on a lack of adequate staff in the payments assistance administration and on procedural changes required by federal regulations.

Last January, Yeldell announced that all new public assistance applications would be thoroughly checked out to reduce the number of errors.

Yesterday, he said that beginning Nov. 1 the payments assistanance administration would be reorganized, staff will be increased and every case on the roles will be reviewed before June 30.

Yeldell said the agency workers will visit each home within five days of application and also will rectify all cases every 90 or 80 days.

Additional personnel will be hired immediately, using federal funds under the Comprehensive Employment Training Act. The new employes will be clerks, aides and computer operators. They must be District residents who have been unemployed for 30 days or more and "to the maximum extent possible, current public assistance recipients will be hired," Yeldell said.

He said his department expects to receive about half of the $2 million given to the District under the CETA program administered by the U.S. Department of Labor.

The federal money expires after 13 months. At that time, Yeldell said, he hopes to keep the additional employes on with District funds. He said that even with the increased staff, there will be about 100 vacancies in his department.

THE BICENTENNIAL CHALLENGE—STRENGTHENING INTERNATIONAL MUTUAL UNDERSTANDING

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, original sound ideas are rare, and when they are presented they merit special attention. One such idea, world peace through mutual understanding internationally of people to people, was propounded recently by Deputy Assistant Secretary of State Alan A. Reich to the Rotary Club of New York.

Secretary Reich presented a 12-point program through which American voluntary associations could effectively play a role toward furthering world peace through mutual understanding. Through his broad experience, Secretary Reich is well qualified to present such a practical program to the American people. His recommendations merit the thoughtful consideration of all who read the CONGRESSIONAL RECORD.

The speech follows:

BICENTENNIAL CHALLENGE—STRENGTHENING INTERNATIONAL MUTUAL UNDERSTANDING

INTRODUCTION

It is a pleasure and privilege to address again the New York Rotary Club and particularly on the subject of the "Bicentennial Challenge and Strengthening International Mutual Understanding." This Club has had over the years an international program with considerable radiating impact. New York City, since its founding, has lead in the development of the nation and of the American ideals to be commemorated in 1976. New York symbolizes for the United States and the world the internationalism and global concern required of Americans as we enter our third century.

The American Revolution Bicentennial commemoration is international.

The American Revolution Bicentennial Administration has designated three themes—heritage, festival, and horizons—for the Commemoration. Each has important international implications. The heritage theme recalls the ethnic origins and diversity of America and the fact that our way of life owes much to other peoples of the world. Their contributions find rich expression throughout the United States. Reflecting together upon this heritage and its meaning will result in significant and constructive international dialogue.

Recently I somewhat mistakenly referred to *"our* Bicentennial" in a conversation with a cabinet minister of a nation making plans for the Commemoration. He interrupted and noted politely, "The Spirit of '76 belongs to us, too, you know!" His remark brought home to me the fact that others around the world share with us and hold dear the ideals and values associated with our Revolutionary period. Other nations have been guided by the American model in establishing their systems of governments. George Washington's words, "the basis of our political system is the right of people to make and to alter their constitutions of governments" have had world-wide meaning.

The festival theme suggests the opportunities international visitors will have to discover and get to know America and our people. Over a year ago, the President, through the Department of State and our embassies, officially invited other nations to participate in the Commemoration. It will be much more than a celebration, more than parades, and more than fireworks. There will be cultural, sports, arts, and other attractions both in the United States and abroad which will enhance the understanding of our respective achievements and societies.

Last month, appreciation of the American democratic system in surviving the Watergate problem was expressed by leaders and writers around the world. One Asian newspaper, traditionally anti-American, commented, "Never before have the ideals of freedom and democracy emerged more triumphant than from the trial and torment of Watergate. The whole world," the editorial added, "owes this land and people a solemn homage. . . ." Thomas Jefferson set the tone when he said, "Here we are not afraid to follow truth wherever it may lead, nor to tolerate any error as long as reason is left free to combat it." The United States is seen by peoples around the world as custodian of the ideals of democracy, and they wish to help ensure its continuation for the benefit of mankind.

The horizons theme of the Bicentennial is perhaps the most important to all of us because it looks to the future. John Adams put it succinctly when he said, "I like the dreams of the future better than the history of the past." The notion of the continuing revolution and all it stands for is captured in the growing awareness that we are interdependent; if mankind is indeed to survive, we must cooperate. Problems which a few years ago were national, now are global. Our neighbors' problems are ours, and vice versa. Improving the quality of life is a world-wide challenge.

Concerns with population, inflation, food, and resources require cooperative action. Strengthened informal relationships and people-to-people bonds help improve the climate for cooperation in solving these problems which know no national boundaries. The Commemoration will focus not only on the U.S. future, but also on goals and aspirations for mankind.

People-to-people relations further international mutual understanding and are relevant to world peace.

Why, you might ask, are people-to-people relations and informal communications activities of concern to the State Department? Formal diplomatic channels, of course, are crucial for the conduct of official business and the resolution of differences between nations. To an unprecedented degree, however, the problems nations confront, the means they choose to solve them, and even the perceptions people of one country have of another, evolve outside official channels. Diplomacy has gone public. Foreign affairs is no longer the exclusive domain of the professional diplomat. The tone and content of our international relations are set increasingly by the vastly expanding contacts which occur between Americans and other peoples of the world.

The geometric increase in citizen involvement in world affairs has special significance for the diplomat. When people-to-people bonds and networks for two-way communication are fully developed, there will be a greater readiness to seek accommodation, and to negotiate. When people know and understand each other and appreciate their differences, the likelihood of confrontation diminishes, and prospects for peaceful solutions are enhanced. This rationale governs the interest of the State Department in the furtherance of meaningful people-to-people interchange.

In the past few years, scholars increasingly have studied the relevance of informal, non-governmental communications activities to matters of war and peace. Social scientists are developing a more scientific base for such activities. Their research suggests that the existence of informal communications tends to reduce the level of tensions when conflicts of interest occur and contributes to a climate of opinion in which conflicts may be negotiated more effectively. Second, informal relationships create a greater openness in individual attitudes toward other nations, peoples, and cultures. These predispositions also lead to greater readiness to communicate and to resolve differences peaceably. Third, social scientists tell us that international cooperation and two-way exchange contribute to world-mindedness and to an internationalist perspective on what otherwise might be viewed as purely national problems.

Finally, international people-to-people relationships help develop enduring networks of communication which cut across political boundaries and reduce the likelihood of polarization along nationalist lines. The Bicentennial Commemoration provides both the occasion and the opportunity for expanding and strengthening these people-to people relationships.

Many bicentennial international activities are underway.

As you know, the Bicentennial Commemoration has no single national focus. It is nationwide, involving all our states, communities and people. In addition to the American Revolution Bicentennial Administration in Washintgon and the ten regional offices, every state has its own commission. Many cities, including, of course, New York, have commissions and active programs.

Many other governments of the world, as well as private individuals and organizations of other nations have asked the Department of State and the American Revolution Bicentennial Administration for suggestions as to what they might do to commemorate the Bicentennial and in the process strengthen ties with the American people. Many exciting Bicentennial activities are being planned by governments and peoples of other nations. A sampling includes:

Chairs in American studies to be established in foreign universities.

Establishment of chairs for studies of foreign nations in American universities.

Symphony orchestra tours to the United States.

National folk group participation in the Smithsonian Folklife Festival and in community festivals throughout the United States.

Endowment of library collection of Americana.

Commissioning of a number of historical books, studies, and films about the American experience.

Historical and philosophical conferences abroad on American civilization.

Theatre and opera tours and traveling museum exhibits to the United States.

As other nations are developing their Bicentennial programs, Americans too are incorporating an international dimension in their planning. Many of the local programs being organized and carried out by state and community Bicentennial groups involve peoples of other nations. Here in New York, you have a number of exciting international projects. The International Salute will feature exhibits from other nations.

The South Street Seaport Restoration Project in Lower Manhattan will recall New York's early maritime connections with the rest of the world. The Bicentennial Visitors Center and Council is organizing for reception of New York's visitors. Statue of Liberty events will feature the importance of immigration to the development of the United States.

Across the nation there are many programs aimed at providing international focus for the Bicentennial horizons program and at improving understanding over the long term. A few examples are:

Operation Sail '76 is a visit of tall-masted sailing vessels from around the world to come to New York City on July 4, 1976 and visit other world ports.

The World Theatre Festival, a non-profit foundation based in New York, will sponsor appearances of distinguished theatre companies from around the world.

The American Host Program, through its "Meet the Americans" project, is organizing home hospitality for foreign visitors.

Numerous international conferences are being planned such as the World Food Conference to be held at Iowa State University.

The California Bicentennial Commission is sponsoring a publications program on ethnic contributions to California history.

Binational, international exchange, and ethnic organizations are developing new exchange-of-persons programs.

The American Council of Polish Cultural Clubs is conducting a poster contest on Polish immigration to the United States.

The American Medical Association is inviting counterpart associations of other countries to attend their 1976 annual convention to review medical contributions to man's well-being over the past 200 years.

The American Association of Museums is organizing a program for American museums to exhibit foreign contributions to America's development.

Sister Cities International plans to increase from 1,100 at present to 1,976 by July 4, 1976 the number of U.S. and foreign cities affiliated in sister city relationships.

The American Historical Association is offering a prize to the author of the best historical work on the American Revolution written in a language other than English.

These few projects I have singled out are essentially international in character. There are, however, international dimensions in many programs which are primarily domestic in nature.

The organizers have found ways to make them international as well. One of the most promising is the recently-announced American Issues Forum conceived by Walter Cronkite. The Forum is intended to effect a year-long nationwide dialogue by people in all walks of life and all levels of education concerning the values which have characterized our national development and their relevance to the future. One of the nine major issues

to be discussed is "America's Role in the World, Past, Present and Future."

Community service organizations are a potent force for international mutual understanding.

In government and in the private sector, there is much to be done. Service organizations, such as Rotary International through its people-to-people programs, are contributing a great deal to international mutual understanding. Rotary's international youth exchange, involving 700 youths throughout the world annually, is a model program with considerable impact.

The Rotary Club matching program, which links Rotary Clubs in 151 countries with counterpart clubs for direct Rotarian-to-Rotarian relationships and shared service projects is equally impressive. Rotary's world community service program has helped people throughout the world. Through Rotary's small business clinic program, many individuals in less-developed countries have been helped to self-sufficiency and community contribution.

The mere existence of some 15,000 Rotary Clubs joining 750,000 Rotarians in 151 countries is a potent force for world peace. Rotary is made up of leaders from all segments of society; these fraternal relationships—professional to professional, businessman to businessman and so on—generate two-way communication and further mutual understanding.

Another service which Rotary Clubs perform is the advancement of international person-to-person programs of other organizations in their communities. In my own travels throughout the United States, I have been impressed with the extent to which Rotary and other service clubs have initiated and developed, for example, sister city affiliations, professional and people-to-people exchanges, international hospitality programs, and international activities of local performing arts and sports groups. These activities contribute to strengthened bonds between participating local groups and their counterparts in other nations.

Can community service organizations do more?

Leaders of private organizations frequently ask us in the Bureau of Educational and Cultural Affairs what they might do to increase international understanding. I would only hope Rotary and other community service organizations in the United States would do more of the same—demonstrating so well the capacity for commitment of the American people to furthering world peace. The Bicentennial Commemoration provides the focus. Specifically, I urge community service organizations to undertake in whole or in part the following 12-point program:

1. Expand home hospitality and community orientation programs for international visitors (including doctors and other professionals, businessmen, diplomats and military and government leaders).

2. Develop programs for continuing ties with the international alumni of area universities and colleges.

3. Enlist the cooperation and support of U.S. corporations operating internationally for meaningful public service activities.

4. Expand and strengthen programs of art, sports, and cultural interchange.

5. Develop and improve community programs for foreign students to enhance their experience while in the United States.

6. Internationalize your community involvement by affiliating with an appropriate international organization in cooperation with the U.S. National Commission for UNESCO.

7. Support established people-to-people, youth, and binational exchange programs.

8. Strengthen relationships with professional counterpart organizations in other countries.

9. Expand programs of international interchange involving America's ethnic and racial minority groups, drawing upon their special sensitivity and competence in cross-cultural communication.

10. Form international institutional linkages affiliating universities, hospitals, schools, institutes, libraries, and museums for exchange relationships.

11. Establish university chairs of international studies.

12. Maximize the goodwill generated by ensuring public visibility for these activities both here and abroad.

The challenge, the Bicentennial challenge, is to develop durable mechanisms which will continue beyond 1976 to contribute to international mutual understanding. While the Government can help, meeting this Bicentennial challenge will depend far more upon America's private sector strengths of initiative, diversity, and dynamism.

Such a Bicentennial commitment and program will be in our national interest as well as in mankind's interest of improving the climate for working together on our global problems. I thank the Rotary Club of New York and Rotary Clubs throughout the United States for your very real contribution in helping to build the "human foundations of the structure of peace."

THE 20TH ANNIVERSARY OF VADA BUILDERS, INC.

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. MATHIS of Georgia. Mr. Speaker, on Saturday past I had the honor of delivering the main address at the 20th anniversary celebration of Vada Builders, Inc., a farm equipment manufacturing firm located in the southern part of the Second District of Georgia. Vada Builders, Mr. Speaker, is living proof of the success of our free enterprise system and of what dedication and hard work can accomplish. The founders and managers of Vada Builders, and others like them all across America, are truly the backbone of the American economy. These are the individuals who produce, who employ, and who keep the system running for the good of us all. Yes, they themselves prosper in the process, and rightly so, yet their enrichment is only a trifle compared to the prosperity accorded the hundreds they employ and the thousands who appreciate the goods and services they provide. As Americans become increasingly cynical of our free enterprise system, I think there is a lesson to be learned from the story of Vada Builders, and I hope that the following story will demonstrate the continued vitality of the free enterprise system and how it contributes to our own well-being:

VADA BUILDERS, INC.

Vada Builders, Inc. was founded in 1954 as a small welding and repair shop. It was housed at the time in an old tin-roofed wooden shed at the Vada crossroads. The company then was primarily a "blacksmith" shop. It continued to operate like that through the fifties and into the sixties. Business was pretty fair until a fire completely destroyed the operation during the winter of 1966. The only thing that was saved was an old warehouse which still functions today as just that—an old warehouse. There was no insurance to speak of ($10,000) when fire struck, so for all practical purposes, the company was wiped out. Up until that time, though, the company was a big builder of hunting buggies for wealthy plantation owners, truck bodies, cultivators, and some peanut wagons and a few cotton wagons. Sales were less than $100,000 dollars. After the fire in 1966, the company was cranked up again with help from the Small Business Administration. A building 200 x 50 w s initially constructed at the site of VADA Builders, Inc. today. Since then, the company has grown and prospered. Additional square footage was added and today that figure stands at 65,000 square feet. Of course from 1966 until the present time, the company has been growing in other ways as well. Sales have gone from less than a million per year in 1970 to a projection this year of 5 million. The product line has grown from truck bodies and hunting buggies which are no longer manufactured, to peanut and grain drying wagons, cotton wagons, tobacco curing systems, stock trailers, implement trailers and cultivators. In 1973, VADA of Oklahoma, Inc. was founded by VADA Builders, Inc. of Georgia. That plant is located in the Southern Oklahoma city of Springer. Primary units of manufacture there are peanut drying wagons and cotton wagons. During the first year of operation of the Oklahoma plant, sales there passed the one million dollar mark.

Today, VADA Builders, Inc. markets products in Georgia, Florida, Alabama, North and South Carolina, Virginia and will move later this year into Mississippi and the "export" market. U.S.S. Agri-Chemicals is marketing our new tobacco curing system in the Carolinas as well as various other merchandise in our product line. Goldkist, Inc., based in Atlanta, is also marketing a number of drying trailers, stock trailers, implement trailers, and other products all built by VADA, but carrying the Goldkist label, thru their network of FMX stores throughout Georgia, Florida, and Alabama. The number of employees in the Vada, Georgia plant is about 160 with a total weekly payroll of approximately 15,000 dollars. Production capacity varies according to the various units being manufactured. About 20 peanut drying trailers can be built daily and about 15 cotton wagons per day. On the average Vada puts into manufacture near 1.5 million pounds of steel per month.

The man behind the VADA operation today as he has always been is Levy L. Harrell, Sr. He is 58 and a staunch Christian. He has earned everything he has the hard way. Today, he plays a semi-retired role but appears at the plant almost every day. He tends to big financial matters but always has a word for the employees of VADA. He drives a Cadillac and likes to fish. He spends some time at his trailer located on Lake Seminole. He is very easy-going and real down to earth. He is very proud of his sons that run the plant. He is married to Christine Sellers Harrell and they live in a fashionable brick home in Vada. Four of his sons run the Georgia plant with the fifth son, Levy Harrell, Jr. serving as plant manager of the Oklahoma plant. His middle son Bobby Jack Harrell, serves as General Manager and Executive Vice-President. His oldest son, Ronnie Harrell, serves as Production Manager and runs the day-to-day activities in the production area. His second to youngest son, Gary Harrell, serves as Secretary-Treasurer and attends to the bookkeeping and finance functions. His youngest son, Hugh Harrell, serves as Plant Manager. He attends to the production scheduling and works hand-in-hand with engineering. Calvin Culverson is the Sales Manager, Larry Harrell, no relation to the other Harrells, is the Chief Engineer; Dwight Godwin serves as Cost Accountant and Management Consultant, and Jim Turknett is Personnel Director.

THE GREAT PAYCHECK RAID

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. HARRINGTON. Mr. Speaker, the American people are quite understandably outraged at the declining value of the dollar. Inflation is, without a doubt, the single greatest problem facing us today. Even as the purchasing power of the dollar declines and inflation claims a larger part of the working person's paycheck each week, the Federal budget continues to grow larger, making greater and greater demands on the already overburdened lower and middle income level taxpayers.

These same taxpayers have recently been deprived of an opportunity to control the rise of prices directly by means of price controls, which President Ford has ruled out, and since the price of basic foodstuffs and commodities continues to rise at an ever-increasing rate, despite the availability of WIN buttons, our constituents plead for and demand relief. As elected Representatives, we are obligated to provide this relief, by whatever means we can. We cannot control prices in the supermarkets or on the farms of the Nation, but we do control the Federal purse and the less money we appropriate from that purse, the better off the majority of taxpayers will be financially.

Members of Congress will benefit, too, with the renewed support and confidence of the people, who certainly view us now as shirking our responsibility to the American taxpayers by not taking grasp of the situation to cut Federal spending and alleviate the tax load. Instead, we continue to pass legislation which aggravates the problem and frustrates the taxpayers.

This past summer, I inserted in the RECORD a series of articles from the Boston Herald American highlighting the increasing burden of Federal taxes on working persons.

The author of this series, Bill Duncliffe, has brought his exceptional talent to bear on this issue and has produced an unusually perceptive look into attitudes which prevail among disgruntled taxpayers.

I would like, at this time, to share with my colleagues the articles which I did not insert in the RECORD before the August recess.

The texts follow:

THE GREAT PAYCHECK RAID: HUB EARNERS SHORT-CHANGED

Each week your livelihood—and that of every other person in Massachusetts—is being picked apart by a multitude of national, state, and local taxes.

But while everyone is aware of how much is taken in withholding and Social Security taxes, few realize how large a slice of their income is being consumed by the many other levies to which they are subjected.

Two typical wage earners opened up their financial records and family budgets to the Herald American in order to explore just how these indirect and hidden taxes hurt them.

What was found—and what it all means, to you as well as to them, is told in this series, "The Great Paycheck Raid."

(By Bill Duncliffe)

A blue-collar worker whose $201 paycheck is being butchered by the raid which a whole horde of open and hidden taxes is making on it each week is angrily certain that in many ways he is being robbed—principally because he happens to be a resident of Boston.

He's convinced that both the suburbs and the state are playing Boston for a patsy, that they are refusing them the right to win a measure of relief from that oppressive load.

One articulate though understandably biased authority on the subject maintained that not only is the blue collar worker correct all the way down the line, but predicted that if the situation is allowed to remain unchanged it will not be Boston—but the state and the suburbs—who will lose the most.

At the moment, though, the taxpayer, a factory hand and family man, isn't all that worried about future damages to someone else. He's more concerned about what his present problem is doing to him, and he said:

"When you come right down to it the whole setup is screwy. I live in Boston and I love the city, but a guy who lives in Wellesley, Newton or one of those places and works here doesn't pay through the nose the way I do.

"The state is killing us, particularly in the way it makes us pay assessments for the T and the MDC, and the way it hits us for all the costs of Suffolk County, even though Chelsea, Revere, and Winthrop are as much a part of it as we are.

"Take the T: it's a pretty good transportation system, I guess," he continued. "I really don't know, though, because I don't use it. Yet I've got to pay more on its deficit each year than a guy who lives in one of the suburbs and uses it every day.

"And what about my car? Okay, compulsory auto insurance isn't a tax in the strictest sense of the word but I've got a 1971 Maverick and I had to pay $350 to register it this year.

"But the guy next door registered his in Newton—and he's paying only half as much as I do.

"So sure. I'm disgusted living in Boston—but it's not the city's fault. It's the state's, and it's the fault of those suburbs who have enough members in the legislature to defeat any idea that would shift part of the burden from us and put it on their shoulders.

"Outsiders coming into Boston every day to work are getting off lighter than I am—and I think that kind of a setup is lousy."

Though he doesn't put it quite that bluntly, Richard Wall, Mayor White's budget director, couldn't agree more.

Wall, who was born in Massachusetts but went out of state—to Philadelphia and Cincinnati—to get his experience in municipal finance, said nothing he learned in those cities prepared him for the shock of how Boston is hamstrung by the heavy hand of the state government.

"The city's name is a dirty word in the legislature," he declared. "The quickest way to get a bill is to label it a 'Boston bill.' Year in and year out mayors of Boston have gone up to Beacon Hill with pleas and ideas for relief—and every year they've come back down again, emptyhanded.

"It's a matter of emotional attitude, I think. There's a general antipathy toward the central city in the minds of a great many people, and there is little sympathy among them for the city's problems—even among those who are in many ways dependent on the city."

Wall said that about half of all those who come into Boston each day to their jobs live in the suburbs; each day they receive—for free—the services that residents must pay for, and he believes that is eminently unfair.

"You ask yourself what would happen to the suburbs if Boston suddenly vanished from the face of the earth," he said. "The economics of the situation are that those suburbs would immediately go bankrupt.

"A healthy Boston is vital to the survival and prosperity of the entire area, and I believe the entire area should contribute to making it healthy."

As a land mass of business activity and commerce Boston is well-fed economically, Wall declared, but as a city government it is starving—and he insisted that the state is largely to blame for that.

For one thing, he said, Beacon Hill has made a mockery of real home rule by blinding Boston with all sorts of restrictive policies and mandates, has forced it to accept obligations it did not want, and has prevented it from using devices that would enable it to march long way toward solving the problems that now beset it.

And one of those devices, he declared, is a payroll tax—withheld from the wages of everyone holding a job in the city.

As a "Boston bill" that is a hardy and regularly rejected perennially in the legislature, and Wall does not delude himself into believing that it will become law in the foreseeable future.

Yet he insisted that it is a fairer and less regressive tax than the one which owners of Boston's homes and business properties, and those who rent space for them, are whacked with now.

"Both Philadelphia and Cincinnati have a payroll tax of three percent," he said, "and they get more from that than they do from the property tax.

"Neither one had to ask their state Legislature for approval. The city government just voted it in, and that was that. But Boston has to go hat-in-hand to the State House for everything."

Wall's reference to the real estate tax was made in this context: Well back in the past city was a hive of factories and other manufacturing activities—all of which were dunned for large hunks of money annually on their property.

But, he said, over the years the emphasis shifted from manufacturing to service industries, which generally yield a smaller amount in taxes, and he declared:

"If we were able to levy a payroll tax we'd get more money from it than we get from manufacturing plants. If we had real home rule we'd have been able to shift to a payroll tax as the economic activity shifted.

"But it's tough getting used to the fact that Massachusetts local government is so closely regulated by state law. For example, you can't change a municipal charter without getting the state's approval for it.

"Yet year after year at least one bill goes through the Legislature which lays more costs on municipal government. You hear a lot about mandates now, about how cities and towns are protesting against the state's policy of forcing programs or policies of one kind or another on local communities without providing the money to pay for them.

"I believe those protests are valid—and yet, for more than 100 years now Boston has been saddled with a mandate to pay all the costs of running Suffolk County. It's the only county in the state where that kind of arrangement is in effect, and in the new city budget the county costs amount to $23,000,000.

"That's a mandate we've been trying to get changed for a number of years. Every year Boston asks for it—and every year the Legislature refuses."

A new mandate which could cause widespread conflict in the city and town halls throughout Massachusetts in time to come went into effect July 1. It requires that in cases where local officials cannot come to terms with their police or firemen on a new contract their dispute must, as a last step, be submitted to binding arbitration. Each party would choose a representative and would agree on a third, impartial, arbiter.

The three arbiters to whom a given dispute would be handed for settlement would have

to choose between "the final and best offer" made by either side.

Boston does not yet have any problem with that particular mandate since its contract with the Police Patrolmens' Union does not run out until June 30, 1975. The city is now negotiating with firemen, whose pact expired this past June 30, but Wall said he believes agreement will be reached with them soon. What concerned him about the mandate, however, was this:

"There is not much history of binding arbitration to judge by, so we don't really know how great an effect this new law will have," he declared. "But we are concerned about it because it places a vital decisionmaking function in the hands of an outsider who will, to a significant degree, establish how large a community's tax rate is going to be."

In any event, the state is apparently far more ready and willing to intrude upon home rule than it is able to meet its responsibilities to the cities and towns that are so greatly affected by its decisions.

And Boston is no different than any other community in that respect.

Wall said that in the upcoming year Boston will get approximately $90,000,000 in state aid—and while that might sound like a lot, it's only about 80 percent of what the city is entitled to receive.

In substance, what that breaks down to is that Boston—and people like the blue collar worker—are being short-changed of what is rightfully theirs to the tune of $18,000,000 in this year alone.

It is for that, as well as all the other reasons listed above, that he is certain he's being jobbed, and he said that no one has shown him—yet—where he's wrong.

THE GREAT PAYCHECK RAID: ANOTHER HIKE IN REAL ESTATE TAXES COMING

(By Bill Duncliffe)

Any time now, a new raid will be made on the paychecks of every home owner and rent payer in Massachusetts—and in the case of the white-collar worker whose personal budget has been examined in this series it will take between $2 and $5 more a week from his earnings.

The raid will take the form of still another increase in constantly rising real estate tax rates in the state's 351 cities and towns and, depending on which expert is right, the rise will range from eight to 20 percent.

Last year the white-collar worker paid $25 a week in property taxes on a $35,000 Cape which he and his working wife are trying to buy in one of Boston's bedroom communities.

If Lyman Ziegler, vice president of the Mass. Taxpayers' Foundation, is close to correct with his educated guess of an eight percent jump, that particular home owner will be clipped for another $2 a week. What will keep the rate from going higher in many areas, he said, is a new formula for distributing state aid which will give 200 communities more money from that source, but will leave the other 151 with less than they received in the past.

If Kennedy Shaw, executive director of the Mass. League of Cities and Towns, hits the target with his estimate of "more than 10 percent," the tab will be at least $2.50. He wants a closer look at that new formula before deciding that it's as marvelous as its adherents claim.

But both Shaw and Robert Hathaway, the league's legislative director, said a spot check indicates that an increase of 20 percent in some communities won't be all that unusual—and if the white-collar worker is unfortunate enough to live in a town with a problem of that size he'll be dunned for a full $5 a week more than he's paying now.

The impact of figures like that on the livelihood and future of anyone owning a home or commercial property in Massachusetts may perhaps best be measured in terms like these:

In 1973, for the first time in seven years, the annual rate of rise in real estate taxes was less than 10 percent—primarily because many cities and towns used the money they got from revenue sharing for tax reduction.

Despite that, the total take, statewide, from that one operous levy was $2,168,000,000—a boost of 5.8 percent more than in 1972, according to the Taxpayers' Foundation.

If Ziegler's estimate of the expected increase is correct, then an additional $173,440,000 will be taken from property owners this year.

If Shaw's prediction on the low side proves true, they'll have to find an extra $216,800,000 to keep their community tax collector happy.

If his high-side guess turns out to be the rule rather than the exception, they will have to come up with $325,200,000 more.

Thus, while most of the comment and quarreling in the public forums of Massachusetts at the moment revolves around whether the state will need another $200,000,000 or so in boosted taxes to help pay its bills, the unlovely fact is that the projected and little-publicized rise in property levies could approach and even outstrip that monstrous figure.

The remarkable thing about all this is that, somehow, in spite of the insatiable inroads which real estate taxes make on everyday earnings, people like the white-collar worker are managing to pay them. They may be living on short rations, but they're finding the money for their taxes.

"Cities and towns are collecting 97 percent of their bills, so no one's losing their home," Ziegler declared. "And if that's the standard by which to judge you would have to conclude that while the property tax may be unfair and regressive, the money is still there.

"People are somehow making the payments."

Ziegler and everyone else with any knowledge of the problem are agreed that too heavy a chunk of public money is raised by putting one arm on home owners and rent payers, and on those who hold business properties. Last year, according to charts made by the Taxpayers' Foundation, property levies claimed 56 cents out of every tax dollar raised by local and state government in Massachusetts.

This year's bite will be at least as large, and on that point Shaw said:

"What strikes me is the psychological ease with which we extract income taxes from people. They never see the money that's withheld from their paychecks, they don't realize how much is being taken out and they don't complain.

"Yet they go up the wall when they get their property tax bill because the money for that comes right out of their household budget.

"They can see the services their property tax buys; they can see police and fire protection, schools, and the like. But in many cases their income tax money is going overseas, or to subsidies that benefit some other part of the country or society, and they actually see only a small part of what they're paying for.

"The taxpayer tends to get more upset at the property tax because of the way it is raised and because it comes in one big bill that changes his mortgage payments. The income tax is automatically adjustable to the inflationary factors in our society. A worker gets a cost-of-living raise and his income tax automatically goes up. But the property tax isn't adjustable that way, and so the taxpayer gets hit in one shot."

During the late sixties, Shaw said, tax rates jumped like Mexican beans because of inflation, the beginning of collective bargaining or municipal employes, and other factors. In the past few years the rise has slowed because of revenue sharing. Now; however, they're on the way up again—"perhaps faster than before"—because of a worsening inflation and a tougher collective bargaining law which mandates compulsory arbitration of wage disputes with police and firemen when all other means of reaching agreement on a new contract prove futile.

Gov. Sargent's new budget contains $786 million in local aid for cities and towns, and Ziegler is hopeful that a new and complex formula for deciding who gets how much of it will enable many communities to keep their tax rates under reasonable control. It's fairly certain, too, that revenue sharing—which still has two years to run—will help in those localities which apply it to their rates.

But though Sargent and the Legislature have appeared to be more concerned this year than in the past over the plight of home owners, "local aid" they offer is like an 80-cent dollar.

As a rule, cities and towns get about 80 percent of what they're entitled to under the law, and any time there's a shortfall in local aid, the difference has to be made up by the property tax.

In addition, the Commonwealth persists in its practice of mandating programs such as kindergartens, police incentive pay, school lunches, etc., on cities and towns—without providing the means to pay for them.

"This whole thing has become a question of faith," Hathaway said. "The state mandates programs because it doesn't have any faith that the local communities will carry them out on their own—and the communities don't have any faith in promises by the state to reimburse them."

Ziegler, Hathaway and Shaw all agreed that the campaign to restrict the fiscal autonomy of School Committees is by no means the central issue, although education does claim an enormous share of municipal costs.

According to Ziegler, the experience of other states indicates that there really wouldn't be any great change in school spending if a City Council or Town Meeting were given a veto over School Committee budgets. What he urged was that committees be given professional help in their negotiations with teachers. He declared:

"We've got to strengthen the school board and give them the facts and the attitude they need, the attitude that they and they alone can speak for the public interest and have as much a duty to demand things of the teachers that will strengthen education and help children, than the teachers have to make demands on them."

Hathaway said fiscal autonomy is a "paper tiger issue," and Shaw added:

"Tax reform is a far more significant issue than fiscal autonomy because both the schools and local governments are living on the same limited tax base, and instead of fighting each other we ought to be trying to change that.

"I believe we are at one of those times in history where a really significant economic change is being dictated by the conditions under which we live. The load on the property tax is unfair and it just can't carry the burden that's being placed on it.

"So now there is talk of transferring the costs of education to the state, as other states have done. What we are advocating is moving welfare to the federal level, and education to the state. This will take the curse from property taxes—and it's an idea whose time will come, sooner or later.

"Everyone says that education is a function of the state, and if the state took it over legislators would be more responsive and more responsible because they'd have to find the money for every program they mandate.

"I'm confident that this kind of a change is coming," Shaw maintained. "All these

pressures—inflation, etc.—will dictate it, as will national trends, court cases and a basic sense of fair play.

"Educators and local government must work together to put this program across, because if it ever becomes law property taxes will have to decrease."

Whatever drop occurs, however, will be less pronounced in the cities than in suburban areas because of the "urban markup factor."

That's a gobbledegook term which means that it costs more per person to operate an older city than a newer suburb because the city has more senior citizens, more poor and more minority-group families.

Because of that—and because a city such as Boston usually has a smaller ratio of taxable property from which to draw its funds—police and fire protection cost more, welfare and public education cost more, and everything involved in the operation of a municipality costs more.

But any decrease at all, however large or small it turns out to be, will help make the owning of a home more of a pleasure and less of a problem for the white-collar worker and people like him.

[From the Boston Herald American, July 16, 1974]

THE GREAT PAYCHECK RAID: TAX SQUEEZE FELT BY ALL

(By Bill Duncliffe)

Massachusetts is a Commonwealth caught between two "highs"—and those being hurt most by that state of affairs are people whose paychecks are being raided every week by the insatiable assaults of a legion of hidden and openly-imposed taxes.

They include the blue collar worker who is left with slightly more than $100 to feed, clothe, and house his family of five after all three levels of government bite into his salary of $201 a week. They include couples like the white collar worker and his wife who between them earn $19,000 a year and surrender 38 percent of it to tax collectors on the Federal, state, and local levels. They include people subsisting on pensions or savings, whose standard of living is lowered by inflation and by the multitude of levies they are required to pay.

In short, they include just about everyone old enough to know the difference between a dime and a dollar.

The "highs" that will largely affect their future livelihood are contained in these contrasting sets of statements:

Massachusetts looks especially good to any industries desirous of setting up shop here because of the high degree of reliability and skill which its labor force possesses.

But it also looks especially bad to many of those same industries because of the high and steadily-escalating level of government spending, and because there seems to be no disposition on the part of anyone at the State House to do anything about it.

Those statements are not necessarily beyond dispute; they are, rather, expressions of informed opinion on the part of office holders and experts whose concern about the state's economy is a continuing thing.

But what is beyond dispute is that new business means new jobs—and new jobs usually result in a spreading of the tax burden among a larger number of people and companies. However, the state has been desperately short of both business and jobs in recent years, and the deepening gravity of the situation is shown by the latest government figures which show 203,800 unemployed here.

That adds up to a jobless rate of 8.1 percent locally compared to a national average of 5.2 percent—and that compels those who are working to contribute more, via taxes, to the support of those who are not.

The question is, who's to blame for that depressing condition—and the answer is, it depends on who you ask.

In the view of House Majority Leader Rep. Thomas P. O'Neill, Jr., the current doldrums are not particular to Massachusetts, but are general to New England.

"When a new industry thinks about coming here they take several things into account," he said, "and among them are taxes, power costs, transportation, nearness of the product to the market, and the stability of the workers.

"The truth is that on an over-all basis we haven't had many new industries come into this area," O'Neill continued, "and I'm told that there are a lot of companies talking about moving out—although I don't know of anyone who's gone yet.

"But we are close to the major markets here, and our transportation system is more than adequate as long as we keep the railroads running. As far as stability is concerned, the average worker in Massachusetts is absent from his job no more than five percent of the time—but in many areas of the country the absentee rate runs as high as 15 percent.

"I've met textile people who left here years ago to locate in the south, and all they talked about was how reliable the employes they had here were compared to what they've got now.

"So the difficulty is, I think, in taxes and the cost of energy—and that last is a real crunch because of the added fuel charges.

"We've had progressive government for years in this state, and that always costs more. We had Workmen's Compensation a long, long time ago—and some states don't have it yet. And we've got pension systems here—and other areas still don't have them."

O'Neill's thesis that high taxes are a by-product of social progress is not accepted in toto by other authorities on the subject. One business-oriented tax expert maintained that Massachusetts is in such desperate straits now because no Governor for the past 20 years—Democrat or Republican—has made the state's economic health his Number One concern, and he said:

"There is absolutely no realization in the legislative and executive branches of government that we're in trouble. Spending beyond income is a bi-partisan thing, and the politicians give no thought whatever to where the money is coming from.

"I think we're at the point where taxes and the cost of government in Massachusetts are a detriment to the growth of the economy. If we don't control both we're going to have an increasingly unhealthy load on the economy that will drive more businesses—and jobs—out of the Commonwealth.

"We've got to have people at the State House who will face reality and stop passing new programs without providing the money to pay for them. We've got to have department heads who will be able to justify every dollar they ask for, and we've got to force them to look at their programs with a critical eye.

"Until we do we'll never be able to put a dent in state spending and we'll never be able to give the taxpayers of Massachusetts, large and small alike, the assurance that their government has an honest concern for their wellbeing."

The expert maintained that Gov. Sargent, while not necessarily hostile to industry's interests, is certainly indifferent to them—and many businessmen agree with him.

That is an allegation which Sargent denies heatedly and repeatedly. His most recent attempt to put the lie to it centered around a $101,000,000 program that would, he said, create 33,000 new jobs by:

Floating $48,000,000 in loans to help industries that either want to expand or locate here;

Releasing $40,000,000 in state highway money for road building over the next three years, and

Asking the Legislature to okay $13,000,000 in additional housing subsidies which would be used to create jobs in the construction industry.

The announcement of his program, coming at the tail end of the legislative session and the beginning of his summer-long drive for re-election, left Sargent open to charges that he was playing politics with unemployment.

He denied that too—but apart from that he insisted that the picture of him as anti-business is a false one, and he declared:

"I think it's time for the business community to recognize the many advantages we've got here, and to use the many incentives we've made available for them, rather than be forever talking gloom."

Sargent said that when he took over as Governor in early 1969 he could see that the state's economy was headed for trouble, and so he asked a task force of businessmen and labor leaders to come up with a program to expand industry here. "I told them that if that meant tax incentives and legislative proposals, okay, let me see them," the Governor declared, and added:

"What they recommended became 12 bills that were passed by the Legislature and signed by me—but what amazes me is that when I held a seminar in Springfield recently I found out that a lot of business leaders didn't even know about these things."

Among the measures Sargent said he made available were a $500 tax credit to any company for each new employe taken from the welfare or unemployment rolls, as well as tax breaks on purchases of machinery and anti-pollution equipment, on industrial development financing, and on excises and tangible property taxes assessed against corporations.

"Several months ago I met with Wall Street investors," the Governor said. "They knew about the tax incentives and the other things we'd done—and they liked them. They told me they were innovative proposals and because of them they were looking favorably at Massachusetts for investment purposes.

"I see evidence that the economy is on the upswing here. I see indications that the companies along Rte. 128 are winning major new contracts. I maintain that there are 50,000 more jobs here than there were a year ago, and we are seventh among the states in terms of foreign money being invested here. So while there are still problems to be solved, I think there are a lot of encouraging signs in the economy."

Gordon D. MacKay, a Boston insurance executive who is also one of the guiding spirits of Citizens for Economy in Government, described Sargent's 12-point program as "bandaid treatment for a basic problem," and said what's needed more than anything else in Massachusetts is to create the justified impression that this state is being run well.

That can best be done, he said, by budget reform.

"We've got to develop a system of measurement that will enable us to look at various programs and make cuts or changes in them where indicated. When money is short the average family takes steps to live within their budget. They tighten their belts, do without some things, and develop alternatives. We don't think the state government has explored alternatives. They've just added taxes and more taxes.

"Many other states have been able to cut taxes—but we haven't. They've measured output, what they're getting for their tax dollars—and we've never done that.

"The businessman is a person oriented to the bottom line, and we need to create a positive attitude that this state is being run well," MacKay maintained. "When that's done the word will spread, and new business will be attracted here.

"In order to correct the bad impressions about Massachusetts—like its being known as Taxachusetts, for example—we've got to get state government squared away and create the reality that it is being run well and efficiently.

"After all, how do you think the marginal businessman—not the big corporations but the marginal businessman—feels when he *reads about* a new tax increase here? We're trying to create the attitude that this state is interested in business—and to transfer that attitude into action is what we've got to do."

[From the Boston Herald American, July 17, 1974]

THE GREAT PAYCHECK RAID: SARGENT A MINORITY OF ONE ON BALKING TAX BOOST

(By Bill Duncliffe)

How much more will the paychecks of the blue collar worker, the white collar worker—and you and I—be raided for in additional state taxes next year?

If Gov. Sargent is right, not a dime—as long as the Legislature refuses to open the public purse for any program or proposal requiring a large outlay of dollars.

But Sargent, up to now, has been a minority of one on that issue.

The overwhelming majority of private experts and public officials to whom this reporter talked were convinced that Sargent will have no choice but to seek anywhere from $100,000,000 to $400,000,000 more in taxes in 1975.

If they are right, the money will probably have to come from the sales, income, and corporation levies—and that will assault everyone's paycheck with blows like the following:

Anyone who pays $75 in sales taxes this year will pay $100 next year, if the rate is increased one percent. However, at least one legislator believes it could go up two percent, or could be made a general rather than a limited tax. If either happens, the impact will be even rougher.

Anyone who has $5 taken from his paycheck for state income taxes will probably be dunned for another dollar a week in 1975.

And if the rule-of-thumb cited earlier in this series is accurate, half of whatever tax increase is charged to corporations will be passed on to their customers.

Nor is that necessarily all.

One of the more powerful lawmakers at the State House, who out of a sense of self-preservation asked that his identity be withheld, said that two rather hair-raising innovations might be explored.

The first would be to place a tax, similar to the sales levy, on such "services" as a haircut and car on TV repairs, and he guessed:

"About $80,000,000 could be realized from that source alone."

The second would be to make any income tax increase that might be approved next year applicable to incomes earned this year. To do that, he declared, would be to provide "instant money," which he claimed, may very well be needed if the state's financial situation is as serious as Sargent's critics say it is.

But the Governor told this reporter they have been wrong before—and he happens to be right about that.

And he insisted they'll be proven wrong again—and that remains to be seen.

"For the past three years a lot of people have been saying we needed a tax increase of $100,000,000, or $200,000,000, or whatever," he maintained, "but for the past three years we've been able to hold the line on taxes while tripling the aid we give to the cities and towns.

"That's been particularly tough to do in a time of inflation but we were able to do it by:

"Extreme austerity, cutting back on state activities and not filling jobs simply because they became vacant;

"By being very conservative in estimating how much we'd realize from various taxes. For example, we expect to get $30,000,000 more from the corporation tax than anyone outside this administration predicted;

"We anticipated we'd get revenue-sharing money from the Federal government, and I was one of three governors who worked hard in Washington and elsewhere to win approval of that program, and;

"There is $100,000,000 which is owed the state by the Dept. of Health, Education, and Welfare. We have documented bills for every dollar of that. We're under-estimating what we'll get from that source, but even if we get $35,000,000 we'll be in good shape.

"With that money, the additional $30,000,000 from the corporation tax, and $35,000,000 in reversions from departmental budgets we'll be all right.

"So there shouldn't be any new tax program in '75. There are a lot of problems remaining, but if the economy picks up and we get the money we expect we'll be all right."

Sargent said, however, that the legislature's failure to pass more of his reorganization program—which once was figured to save about $100,000,000—disappointed him greatly and he declared:

"The urgency of reorganizing state government is greater now than it ever was, and if I'm still here in January we've got to give priority to ramrodding the rest of that program through the Legislature."

Sargent's claim of austerity appears to clash with figures put together by the Mass. Taxpayers Foundation which, in an analysis of his new budget, noted that since 1969 the number of permanent state employes had increased from 50,219 to 62,578—a jump of 24.6 percent. And that does not include temporary or '03 help. The Foundation also counted, in Sargent's budget requests, 56 programs or items that were being included for the first time.

The Governor's reply to those statistics is that, first, higher education has been hugely expanded during his tenure, that a number of community colleges have been opened, as well as a state medical school at Worcester and the new multi-million dollar campus of UMass-Boston.

"We had to ask for a lot of jobs for those schools because there is no sense in putting up buildings like that if there's no one to staff them," he said.

In addition, he decided, many of the jobs added to state rolls were the responsibility of the Legislature which passed laws and mandated programs that made more hiring unavoidable.

"Another thing," the Governor continued, "I want an additional 200 state troopers to fight crime in this time of violence because I feel they're absolutely necessary. But at the same time we're letting jobs in other agencies go unfilled—so what we're dong is shifting priorities."

One of those who are certain that Sargent will have to put the arm on the public for more taxes is Sen. James A. Kelly, Jr., (D.) of Oxford, chairman of the Senate Ways and Means Committee.

For one thing, Kelly said, the new budget is many million dollars short of breaking even, and for another, Sargent has made commitments to the future that will entail large sums of money. The Governor will need between $60,000,000 and $80,000,000 more for state employes, and he'll need at least $60,000,000 to meet the state's obligations to its elderly, disabled, and blind under the Supplementary Security income program, Kelly said.

"Neither the Legislature or the Governor has seriously tried to cut spending," he maintained. "They talk austerity but they're still spending. We're not going to cut costs by eliminating services but by making them more efficient, by getting people out of administrative jobs and moving them out into the field where they can provide services to the public."

Kelly stressed, however, that the vast majority of state employes give a good day's work for a good day's pay—but he conceded that there are some people paid for no-show jobs and others who not only don't do their own work but prevent others with more enthusiasm from doing theirs.

"We're trying to squeeze loafers out by forcing department heads to justify what they've got, to choose between those who are doing their jobs, and those who are not," he said. "If we could cut the cost of government by one-twentieth, in this year's budget that would wipe out the need for a new tax program."

One of the few people outside of Sargent's executive suite who thought—for a while—that there was some slight chance of avoiding a tax hike was Rep. Joseph D. Early (D.) of Worcester, vice chairman of the House Ways and Means Committee.

But Early's hope was hedged by two big "ifs"—if Sargent's budget could be cut to $2,715,000,000, and if no deficiency budget to keep state agencies running until next June 30 became necessary.

The first hope was dimmed when the lowest the budget could be cut to was $2,732,000,000, and the second didn't do any better when Early became reasonably sure Sargent would have to look for more money via a deficiency budget.

At least one such budget has been submitted in each of the last ten fiscal years, and Early saw no reason why this one should be any different.

"He is just trying to get by the November election," Early said. "He's trying to be all things to all people and promising them things he can't possibly deliver on fully. But the deficiencies won't show up until after November, and so he'll have to come in some time later with a request for more money."

Early maintained that the state budget is loaded with fixed costs for such things as food, personnel, and fuel, and he said that a way must be found to "un-fix" them to some degree. And he declared that in some areas what Massachusetts needs is management and clear thinking.

"For example," he declared, "when we started the state pension system 20 years ago the cost was $2,000,000 a year.

"The employes' contribution was five percent. But over the years we've increased the benefits without increasing the contribution—and this year pensions will cost at about $170,000,000.

"I wanted to raise the contribution to seven percent, but we couldn't get it through. I told teachers and state employees that they were killing the pension system without an increase of that nature.

"And then, there are our judges. They're in a non-contributory pension system and it never cost us anything because they never retired. But then we made it mandatory for them to retire when they reached the age of 70, and in one year we knocked out 40 of them.

"Their pensions came to 75 percent of their salary, so that meant they get $25,000 a year. Now maybe $25,000 doesn't seem like much—but multiply that by 40 and it comes to $1,000,000 a year.

"It's in places like this, and in state aid for school construction, for example, we need management and direction."

[From the Boston Herald-American, July 18, 1974]

THE GREAT PAYCHECK RAID: TAX PICTURE BAD, GOOD

(By Bill Duncliffe)

The immediate future contains a mixture of both bad news and good for everyone whose quality of life is being wounded by the slashes in their income being inflicted each week by The Great Paycheck Raid.

First, the bad news:

Despite all the bright and "it's high time" talk coming out of the Capitol, there is no chance whatever of a cut in the Federal income tax being passed before the end of the year.

Plus which, despite the long labors of the House Ways and Means Committee, there is no chance either that Congress will get around at this session to correcting some of the more obvious inequities that now exist in the nation's tax laws. The impeachment proceedings and the pressures of an election year will act to shove that issue aside until 1975 at the earliest.

Those same factors will give the kiss of death to any hope that the same Committee will allow the House to vote on the bill proposed by Rep. James A. Burke of Milton and cosponsored by 132 of his colleagues to give low and middle-income wage earners a break on their Social Security tax.

As for Sen. Kennedy's proposal to increase the personal income tax exemption to $825, forget it for now. Next year, maybe—but it will still be a tough one to win.

On the state front the common feeling is that whoever wins the governorship in November will have to perform the political equivalent of walking on water if he is to avoid asking for a massive tax hike next year.

There is, however, no discernible hope of a miracle where the auto excise tax is concerned. Bills to reduce it and to require local authorities to make automatic refunds of overpayments to motorists were scuttled by the Legislature this year, and it will take a complete change of mind for them to become law in the foreseeable future.

"The rate ($66 per $1000 of valuation) is too high, and enforcement of the tax is replete with red tape and mistakes," said Eivhard W. Hoover of the AAA. "Take the refund procedure, for example. If a department store over-charges you the refund will ordinarily be handled quickly and with little trouble.

"But neither the state or the local communities will do that. If you don't know you over-paid they won't tell you—and that's wrong."

Even more unjust and oppressive, in the view of tax and financial experts and officials, is the steadily-escalating cost of government in Massachusetts —but there is virtually no chance of any significant reduction either in state spending or the number of state employes.

The more realistic goal is to control the growth of both.

On the municipal scene the prospect is that property tax rates will continue to rise—primarily because of inflation, school costs, and the new collective bargaining law that requires compulsory arbitration as an ultimate step in settling contract disputes with police and firemen. For a time, the new Special Education law appeared to be a major factor in this regard—but the decision of the Legislature to provide $26,000,000 in "up front" money to help cities and towns put it into effect this coming September eased its impact considerably.

The expected rise in real estate rates would be slowed somewhat in 200 of the Commonwealth's 351 communities by a new formula increasing their cut of state aid—but that will come at the expense of those other cities and towns whose share is reduced.

In either case, whatever sum any community gets will almost certainly be less than it is entitled to under the law—because the historical fact is that Massachusetts usually makes good on about 82 percent of the aid it has pledged to its cities and towns.

In spite of all the depressing evidence however, there are some encouraging—if less substantial—signs that officials on all three levels of government are beginning to tumble to how the Great Paycheck Raid is causing hardship for those they are supposed to serve. In Washington, there is increasing pressure not only for tax reform but welfare reform—changing the system so that the needy can live in dignity and hope and the taxpayer can be sure his money is being dispensed wisely and fairly. There is support, too, for the thesis that welfare should be solely a Federal function—and if that ever becomes law a huge load will be lifted from the state's tax structure.

Despite the bungling and filibustering which bushwhacked the tax-cut efforts of Sen. Kennedy and several of his colleagues it will come up again in 1975, and it is quite likely that Burke—if he is reelected—will be able to shake his Social Security bill loose from Ways and Means and bring it before the House for a decision.

At the moment, he is about four votes short on the Committee, an Burke's expectation is that if he gets those few he will win by a large margin in the House.

Both Burke and House Majority Leader Thomas P. O'Neill, Jr., insist that there is every prospect that, as far as tax reform is concerned, Ways and Means will retain the "little man loopholes" used by many people in filling out their income tax returns. These include deductions for union dues, medical insurance premiums, state gas taxes, and the like.

But while allowing those to remain, the Committee will very probably urge that other, larger loopholes which work to the advantage of major oil companies and other members of "Big Business" be closed. Almost certainly that will prove to be one of the toughest fights of all in the next session of Congress.

In Massachusetts a new reform bill will—if signed into law by Gov. Sargent—make the next state budget a truly "open" one from beginning to end. It is the combined product of the thinking of Rep. Joseph D. Early (D) of Worcester, House Speaker David M. Bartley (D) of Holyoke, and a coalition of groups that included the Citizens for Economy in Government, League of Women Voters, Mass. Taxpayers Foundation, Common Cause, Massachusetts, and Citizens for Participation in Political Action.

* * * but proponents claim that this would mean that school costs would be spread more justly over all segments of the population rather than on the property owner alone.

But will it—and any or all of the other remedies suggested above—be approved? And if approved, will they work?

Those are the key questions, and the answer to them is while they may be approved they cannot possibly work without the active and articulate—and persistent—help of blue collar workers and white collar workers alike, without the pro or con contribution of everyone whose taxes help pay the freight of government.

There are always cries that too much money is being spent, and that government must stop frittering funds away on every program that's proposed by this special-interest group or that. But a survey made by Joseph Napolitan Associates of Springfield for Citizens for Economy in Government indicated that many taxpayers are talking out of both sides of their mouth.

The survey, based on 798 personal interviews with people reflecting the state's population characteristics, showed that more than twice as many citizens—39.6 percent to 16.5 percent—would rather cut back services than raise taxes.

Yet, given a list of 16 specific services, those interviewed recommended reductions in only three—and wanted more money spent on ten others.

"The contradiction of people at the same time demanding less spending but more services clearly shows the political dilemma facing the Governor, legislators, and local officials in dealing with fiscal chaos in Massachusetts," said Henry S. Lodge, executive director of CEG. The only answer is a government which works seriously to maximize the effectiveness of every tax dollar."

But no public official can really do that unless he or she knows what the public thinks about any given problem or program. Speaking strictly about the situation at the State House—although his words would apply equally well on the national or municipal level, Peter Keyes, legislative director of Common Cause, said:

"Legislators don't hear from their constituents on many issues. Sure, they hear on such things as gun control, abortion, and the like, but virtually no one knows that court clerks, for example, have an organization and they're up at the State House every year looking for a raise. Other groups of workers and officials have organizations doing the same thing, and the public isn't aware of them.

Legislators are pressured by these groups, but there is no countervailing pressure from the people back home—and lawmakers have to know how their constituents feel if they are to do a truly effective job."

So that's it. Apathy, a widespread hopeless feeling of "what's the use of saying anything" has allowed The Great Paycheck Raid to go as far as it has. What's needed now to change things for the better is constant, constructive action by people like the $200-a-week blue collar worker, the white collar worker with an income nearly twice as large—and people like you and me.

MASS TRANSIT LEGISLATION BEFORE ADJOURNMENT

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. MADDEN. Mr. Speaker, the House of Representatives is vitally concerned that this Congress pass a mass transportation bill this year. I was most pleased when some weeks ago, after 3 days of debate, this body by a large majority passed the mass transportation bill that was reported from the Committee on Public Works. This is a long range 6-year bill which would establish a permanent program in the mass transportation field.

This bill has been languishing in the other body for several weeks and no action has yet been taken.

During the last 10 to 15 years, traffic congestion has multipled several times until today our economy is being threatened by millions of workers, shoppers, business, and industry being tied up in urban traffic tangles by bumper-to bumper truck, automobile, bus, and railroad congestion.

Not all Members of this Congress, especially those from rural communities, are directly contending with this unspeakable traffic burden now being endured by the citizens in metropolitan areas. In some cities, workers are now being delayed from 30 minutes to an hour and a half in getting to and from their work in factories, industries, offices, and shops.

Members of Congress from urban areas during past years have, with few exceptions, supported farm subsidies and other forms of aid to rural areas throughout the country. We are now asking our colleagues to reciprocate by supporting mass transit.

I recently sent a telegram to the American Transit Association which reaffirmed our position that the Public Works Committee bill on mass transportation should be moved by the other body. This is still my position, and I believe that, if the other body would hold immediate hearings on a mass transportation bill and report it out right after the recess, there could be a quick conference and legislation would be forthcoming before we adjourn for the year.

It is my firm feeling that such action should be taken by the other body, and I urge Senator HARRISON WILLIAMS of the Senate Committee, and other Senators who have done such a great job in the past in the field of mass transportation, to move now to meet with the Committee on Public Works and give us the bill we need.

BURKE SEED LEGISLATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. MOAKLEY. Mr. Speaker, I am pleased to learn that we will have an opportunity, after the recess, to vote on legislation to provide free seeds to the American public.

This bill was introduced by my distinguished colleague from Massachusetts (Mr. BURKE) and has been ordered to be reported out by the Committee on Agriculture. The gentleman also has been assured of prompt action on this measure by the Committee on Rules. I wish to commend both committees for their prompt action in this regard.

This legislation will greatly encourage home gardening and could have a significant impact in reducing food prices. Since Richard Nixon first took office 5 years ago, consumer prices have risen 38 percent.

Food prices have paced this rise and—with energy, interest, and housing costs—have represented the major contributing factors in our overall inflation.

Even a very small garden could significantly cut the vegetable purchases of the average family. Individually, it could have a significant impact on the cost of living for a family. In the aggregate, it could have an equally beneficial impact on the cost of groceries.

But, not only is this good legislation, it is one of the best examples I have seen in my short time in Congress of the impact of one man with a good idea.

All of us in this chamber have been looking for ways to cut consumer spending to relieve inflationary pressures. And here the gentleman has offered an idea for a program which involves an expenditure by the Government of only $6 million which can reduce consumer spending by $380 million—in effect, a 6,000-percent return on our investment.

But all of us know that putting a good idea in the form of a bill does not automatically make it law. This bill has reached the point it has because of the tireless efforts of the gentleman from Massachusetts. He has walked the corridors of Capitol Hill, seeds in hand, buttonholing Members. On our first encounter, I left with a package of cucumber seeds and the gentleman left with a firm commitment.

I would like to take this opportunity to urge my colleagues to support this measure when it comes up for a vote next month and to commend our distinguished colleague for his tireless efforts on behalf of the American consumer.

LONG PRESENTS PROGRAM TO COMBAT INFLATION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. LONG of Maryland. Mr. Speaker, I shall oppose the President's proposals for an income surtax and increased investment tax credit.

The 5-percent tax surcharge is offered to finance a proposed investment tax credit for industry which will cost the the U.S. Treasury about as much as the surtax will increase revenues.

The investment tax credit is a wasteful gimmick which only subsidizes investments that companies would have made anyway; thus, it adds to inflation without adding new supplies of goods and services.

There are, however, a number of other steps the Federal Government can take to combat inflation effectively, I am submitting a list of my own proposals, as follows:

(1) Cut the Federal budget.—*Rep. Long has introduced a resolution calling for a two-thirds reduction in the growth of the Federal budget.* Rep. Long pointed out that, during the last five years, the expenditures of the Federal government ballooned by about 9% each year, thus causing the government to fuel inflation by adding to the money supply. Rep. Long's resolution calls on the Congress to limit the growth of the Federal budget to no more than 3% per year, thus curbing the growth of the national debt.

(2) Stop market-shelf price boost.—*Rep. Long has sponsored a bill to eliminate the annoying practice in many stores of re-pricing merchandise* which has already been displayed for sale at a lower price. Rep. Long's bill would make it illegal for any retailer to increase the price of a commodity once that item has been priced for sale.

(3) Cut export of U.S. food.—*A larger food supply at home would mean lower prices.* Rep. Long has sharply criticized the past sales of U.S. grain to Russia, and has supported programs to help small farmers around the world grow more food themselves, rather than rely on U.S. food assistance.

(4) Increase world's food supply.—*Rep. Long has sponsored the Food Research and Development Act, a bill to increase America's and the world's food supply (and thereby cut long-term food prices)* by developing better means of food production, processing, irrigation, and livestock breeding.

(5) Cut taxes for savers to increase mortgage money, boost homebuilding.—*Rep. Long has introduced legislation (co-sponsored by 31 other Congressmen) to exempt the first $500, or $1,000 on a joint return, of savings account interest from Federal income tax.* Rep. Long's bill helps those lower- and middle-income savers who have been hit hard by inflation. In addition, Rep. Long's bill would *boost the housing market by providing more construction and mortgage funds through savings banks.*

(6) Plug tax loopholes.—*Rep. Long has sponsored several bills to plug the tax loopholes for the wealthy which drain the Treasury and add to the tax burden of the average taxpayer.* Such reforms would be aimed at capital gains taxes, farm 'loss' deductions claimed by wealthy investor-farmers, special tax treatment of foreign subsidiaries of U.S. corporations (including foreign tax credits claimed by oil companies), and the oil depletion allowance.

(7) Reduce energy costs, break up monopolistic energy companies.—*Rep. Long has sponsored the Energy Industry Competition Act to halt the anti-competitive practices of oil, gas, coal, and oil shale companies.* Large, integrated energy companies would be compelled to divest themselves of a segment of their operations, leading to increased competition and lower prices.

(8) Increase U.S. oil yields.—*Rep. Long pushed for and got an increase of appropriations for research on increasing the yields from existing oil wells.* Such advanced oil recovery techniques could produce more oil from existing wells—prices should drop with the increased supply.

(9) Stop automatic rate hikes.—*Rep. Long has sponsored a bill to require that utility companies justify any rate increases in a public hearing*—forbidding use of such mechanisms as the "automatic fuel adjustment clause."

(10) Ease materials shortages by boosting recycling.—*With industry facing higher prices for scarce raw materials (often controlled by foreign suppliers), Rep. Long has sponsored the Resources Recycling and Conservation Act.* Rep. Long's bill provides incentives for recycling and conserving raw materials which have been in short supply.

(11) Cut wasteful paperwork required of businesses.—*Rep. Long's Federal Paperwork Burden Relief Act seeks to eliminate billions of dollars worth of paperwork which businessmen must provide to the Federal government.* Businessmen now spend $18 billion a year to fill out Federal forms. Much of this money could be used for more productive purposes.

(12) Assure pension rights.—*Rep. Long was a leader in the recent passage of a bill to assure that retired persons receive the pension benefits to which they are entitled,* by insuring pension funds and requiring strict compliance with pension regulations.

(13) End ups and downs in benefits for the elderly.—*Rep. Long has introduced a bill to guarantee that, when Social Security benefits are increased, those on veterans' pensions do not receive reduced benefits.* Many elderly persons, living on such fixed incomes, are particularly vulnerable to inflation.

(14) Remove limits on wages for those getting social security.—Many retired persons on Social Security find that they still must do some work to make ends meet. *Rep. Long's bill assures that those who must earn are not penalized by an offsetting reduction in their Social Security benefits.*

(15) Collect debts due to the U.S.—*Foreign nations owe the United States more than $45 billion, and many of these debts are long past due. Rep. Long's bill would require payment on these debts.* If any of these debts can be collected, repayment would alleviate our balance of payments problems and put needed funds into the Treasury.

(16) Curb inflationary world-wide arms spending.—*Rep. Long has called for an Arms Sales Limitation Conference to limit spiraling arms sales and thus hold down world-wide inflationary defense spending.* Middle East oil producers raise oil prices, and worsen the U.S. balance of payments, in part because they desire to purchase new supplies of arms and weapons.

DOG FIGHTING

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. O'BRIEN. Mr. Speaker, professional dog fighting, an illegal sport in this country, has been on the rise over the last few years. We must put a stop to it. Therefore, I have joined Mr. KYROS and several other colleagues in sponsoring legislation to amend the Animal Welfare Act making interstate transportation of fighting dogs for purposes of sport, wagering or entertainment illegal.

The following is the testimony I gave at recent hearings held on this bill by the Agriculture Committee's Subcommittee on Livestock and Grains:

Mr. Chairman, my name is George M. O'Brien. I represent the 17th Congressional District in Illinois which includes the counties of Will, Kankakee and Iroquois and most of Bloom Township in Cook County.

I am here today to urge immediate action on H.R. 16715. This bill, which I have joined Mr. Kyros in sponsoring, would help to put an end to the cruel and illegal practice of professional dog fighting.

Although these savage spectacles are banned in every state of the Union, they continue. It is well known that Illinois is a major center for this so-called "sport." In my own district, at least two Will County communities have been the scene of numerous fights and dog-fighting conventions. Local breeders of pit bulls, the dogs most commonly used for fighting, are now under investigation.

Unfortunately, all the recent publicity and the investigation have only served to drive the fight promoters further underground.

Fans, owners and promoters claim we are making a big fuss about nothing. A fellow who refused to identify himself, naturally, told one of my aides recently that dog fights are just good clean fun, not much different from horse racing. It is just as natural for a pit bull to fight and die as it is for a Thoroughbred to race, he claimed.

Of course he insisted that the dogs don't die very often or even get hurt badly. Reminded that dozens of kittens and dogs are killed in training just one fighting dog for the pit, our anonymous friend suggested that was as good a way as any for getting rid of unwanted pets.

I beg to differ with him on all counts. There is no comparison between a regulated, legal and beautiful sport such as horse racing and the sordid, clandestine death duels of dog fighting. A more apt comparison would be the Roman circuses that featured gladiators and men fighting wild beasts.

Furthermore, neither racing nor fighting to the death come naturally to horses and dogs. A Thoroughbred may run naturally but he must be highly trained in order to win races. Without training, pit bulls, or any dog, would not battle so desperately.

One has only to see the stomach-churning film presented here by Mr. Duncan Wright, president of the American Dog Owners Association, to know that the dogs do suffer death and maiming in these fights.

As for the argument about proper disposal of unwanted pets, I hardly believe that allowing a live animal to be torn apart is more humane than putting it to sleep or finding it a home.

While cruelty is the overriding evil of dog fighting, this practice is also closely tied to criminal activities. We have all heard testimony that wagering is heavy at these fights and that the stakes are phenomenally high. In addition, Mr. Frank McMan of the U.S. Humane Society has said that investigations are going on concerning two murders in Texas in connection with a dog fighting ring.

In my own district, police have reported that at least one witness to a local fight refused to testify out of fear. Fear of what, I don't know. But it does seem odd that any spectator at such a "good clean sport" would be afraid to talk about it. I've never met anyone who was afraid to talk about a basketball or football game.

There is only one way we can put a stop to dog fighting and the host of other activities related to it. We must enact strong federal legislation that will make it impossible to transport the dogs across state lines to follow the fight circuit. Our bill, H.R. 16715, could do this. It would also hit violators with a substantial fine of at least $1,000 and could land them in prison for a year. Or both.

The fact that the fights continue is clear indication that our present state laws are just not enough.

Mr. Chairman, I urge you to give this matter serious consideration and to report out a bill quickly so that these savage duels may be stopped.

EXHIBIT OF WORLD WAR II COMBAT ART

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. SHRIVER. Mr. Speaker, the U.S. Navy under the sponsorship of Navy Secretary J. William Middendorf is currently conducting an exhibit of World War II combat art in honor of the President and Members of the Congress who have served with the sea services of the United States. This exhibit, which includes some 190 paintings, is an exciting collection of the works of artists who served along side the men and women of the Navy, Marines, and Coast Guard during World War II, and is being held in conjunction with the 199th birthday of the U.S. Navy.

For those Members of the House and the Senate who have not already seen this superb collection at the Reserve Officers Association Minuteman building at 1 onstitution Avenue, I urge that they do so before the exhibit closes on October 31. The paintings are on display from 10 a.m. to 4 p.m. weekdays.

A WELCOME CHANGE

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. ROBISON of New York. Mr. Speaker, President Ford's testimony in further explanation of the Nixon pardon, as presented today to the Hungate Subcommittee, was a beautifully forthright—and characteristically candid and honest—attempt by him to lay at rest those suspicions which, in the aftermath of Watergate, have surrounded his motives in granting it.

Whether or not those suspicions—supersuspicions, I called them on yesterday—have now been erased, remains to be seen. But it would be my early judgment that most of them have been—leaving, then, only a question of President Ford's judgment in granting a pardon to the former President when he did, and as he did. As to that, as regards all Presidential actions and decisions, opinions will continue to differ. But that situation is something far different from thoughts and rumors to the effect that some sort of Machiavellian "deal" existed as between Richard Nixon and Gerald Ford.

In light of our recent experiences, the idea that chicanery exists almost everywhere in high political circles is one that is going to be hard to put behind us as a people. If, however, that is an attainable objective, our success in achieving it is going to greatly depend upon the actions and attitudes of President Gerald R. Ford—whose chief task is not only to heal the Nation's more obvious wounds in the post-Watergate months immediately ahead, but also to do everything he can to restore credibility to the White House, and the Presidency, thereby reviving public confidence in our political system and institutions. This is not to suggest that Congress, too, cannot make a similar contribution. It is, instead, to note that, under our system and our appreciation of it, it is the Presidency—and certainly not the "imperial" Presidency of recent past—that has traditionally tended to be the fountainhead of popular confidence and trust in our governmental structure.

Mr. Speaker, I have every confidence that President Ford is up to the personal challenge posed to him in this, as in other respects. I have such confidence, perhaps I should add, if—and it is a rather big "if"—he is given a chance. His first 30 or so days in office were, as we recall of an unusual "honeymoon" nature. The public reaction to the granting of the pardon abruptly ended much of that temporary—and perhaps overdone—era of good will, and evidently in a manner not contemplated by President Ford when he announced his decision.

Neither he, nor we, can retrace our steps in that regard and it is even possible, one assumes, that it was just as well for all concerned that the fact of the pardon "stopped in its tracks," as Arthur Schlesinger, Jr., has put it, "too headlong a return—after the Nixon

resignation—to the bad old habits of awe and reverence" for the Presidency. As Mr. Schlesinger further notes—

By pardoning his predecessor, (Mr. Ford) has mercifully postponed our return to those barbaric practices of President-worship that made Watergate possible.

Well, in any event, Mr. Speaker, I think it is well and good in this context that President Ford has, throughout this difficult time for him, remained so true—at least as I see it—to his pre-Presidential self. Today, perhaps as at no other time yet since he assumed the Presidency, has the American public had a chance to see and listen to the Gerald R. Ford most of us have known, and trusted, and appreciated, for a good many years—17 years, in my case. His explanation of the pardon will not satisfy everyone, of course—how could it be expected to do so? But, surely now, nearly all of the critics of that act will accept it, if it was a mistake, as an honest mistake. To that extent, then, President Ford today rendered a service of possible historic impact for the institution that is the American Presidency—an office he is now privileged to hold.

His willingness to attempt to do so, under the equally historic conditions surrounding his voluntary appearance before a congressional subcommittee, is—as Godfrey Sperling, Jr., chief of the Washington bureau of the Christian Science Monitor has recently written in other regards—

A welcome change in a capital that has been badly stained by evasiveness and duplicity.

I will now include Mr. Sperling's full column from which those words are taken, as a way to carry forward, and conclude, the theme underlying these thoughts of mine:

THE UNCOMPLICATED GERALD FORD

(By Godfrey Sperling, Jr.)

WASHINGTON.—A reporter was holding forth with some of his fellows on his problems of "selling" his findings to his editors on the presidential pardon of Richard Nixon: "I've been looking in all sorts of directions," he said, "and talking to everyone close in to the President. And I am convinced that there was no deal, no funny stuff, no chicanery. I think he did it for the reasons he stated—that he thought he could get Watergate behind him and that he did, indeed, think he was performing a Christian act by giving Nixon a pardon right away and not making him wait for it.

"But my editors keep prodding me to see if there isn't something else behind the move. After Nixon and Watergate they have become so accustomed to lying and evasiveness that they just can't accept the fact that this President is a man who may make mistakes—but that he acts honestly and directly. They continue to think that Machiavellian acts are going on behind the scenes in the White House. So they keep pushing me to look harder."

Another reporter in the group, nodding his head while the other talked, broke in to say: "My editors are acting in the same way. Watergate has made them supersuspicious. It's only natural, and we should be looking hard. But I keep telling them that this President is different from the last—that he approaches decisions the way most people do. But they keep telling me to look under the rug."

These White House reporters, huddling in the briefing room just a few minutes before the new presidential press secretary, Ron Nessen, arrived on the scene, were all in agreement on one point: President Ford might or might not turn out to be a notable achiever. His simplicity of approach might provide useful answers or it might turn out to be frightful oversimplification. But they saw him following a forthright path. "He may at times make bad decisions," one particularly hard-nosed reporter put it, "but he will make them honestly."

This thesis of an uncomplicated, easy-to-read President Ford is one that is gaining ground here, even among the most cynical of the Washington press.

Disciples of the theory of a candid, straightarrow Gerald Ford are convinced that some of his most important acts thus far must be explained in the most simple way—in the manner in which Mr. Ford himself explains them.

Here are examples of presidential decisions that have evoked widespread controversy and varying interpretations—and where Mr. Ford's own story is at least holding its own in this city of very suspicious reporters:

Amnesty. Some newspaper articles have said the President decided to come up with a limited amnesty plan simply to counter the adverse reaction that would come when he pardoned Mr. Nixon. Mr. Ford's own explanation is that his children—and, particularly the son who is the divinity student—persuaded him that this was the right thing to do. Mr. Ford has also indicated strongly that amnesty and pardon were two, separately, arrived at, decisions.

The presidential hint that a blanket pardon of Watergate-related defendants was forthcoming. There were stories which indicated Mr. Ford actually had decided to move in that direction and was only turned away when he heard the widespread negative repercussions from the American people.

Another analysis has concluded that this was a presidential "trial balloon." In such accounts Mr. Ford was pictured as rather craftily and quite politically testing the wind before deciding what to do with these defendants. But the President has said that all he meant to say was that if these defendants asked for pardon, he would examine the cases individually. He said he never had any intention of issuing a blanket pardon.

Had the President committed a giant-sized "blooper" by opening the door to wide speculation that he was going to follow the presidential pardon by pardoning everyone involved? Those who support the "honest-but-sometimes-misguided-President - Ford" theory would say "yes." They would say that if he had consulted with his inner circle of advisers and friends, he would have kept his mouth completely shut on this subject. But they would reject the theory of a clever maneuver of stratagem on Mr. Ford's part.

All this is not to say that those presidential watchers who might roughly be called "Ford believers,"—those who tend to accept his explanations—are not so unrealistic as to think that what Mr. Ford does is completely unrelated to his perception of political implications. They know that, on the contrary, this is a President who is also a skilled politician.

But those who now are underscoring the Ford credibility in this city—and who are asserting that there is absolutely nothing of the scheming Nixon in Ford—are merely saying that when this President says something was done for a certain reason you can believe him.

They see it as a welcome change in a capital that has been badly stained by evasiveness and duplicity.

THE 93D CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington Report entitled "The 93d Congress":

THE 93D CONGRESS

The 93d Congress may go down in the history books as the Congress that pushed a President out of office, but it has done much more than that. Even before taking a recess for the November elections, its list of accomplishments marks it as an unusually productive Congress. So far, it has:

Re-asserted its Congressional role in war-making;

Established a mechanism to regain control over federal spending;

Adopted a pension reform to give 25 million workers some assurance of retirement benefits;

Strengthened federal programs for grade and high schools;

Established the first major federal housing program since 1968;

Enacted campaign reform legislation to limit contributions and spending in federal elections;

Passed a four-year farm bill to spur food production and end subsidies when market prices are high;

Authorized construction of the Trans-Alaska Pipeline, sharply accelerated energy research and development, and created the Federal Energy Administration to increase the supply of energy;

Stepped up the fight against cancer, encouraged the formation of organizations to improve the delivery of health care and emergency medical services; and

Among dozens of other notable pieces of legislation, created an independent corporation to provide legal services to the poor, raised the basic minimum wage while extending coverage to an additional 8 million workers, and gave the District of Columbia citizens the right to elect local officials.

Congressional action on 10 of 15 appropriation bills reduced the President's request for funds by a net of $3.15 billion. (House appropriations actions so far this year have reduced Presidential budget requests by $4.5 billion, and for the first time in recent memory the House acted on most of the fiscal year appropriation bills before the spending year began on July 1.)

The record of the 93rd Congress is still incomplete, but it is apparent that it was not obsessed with impeachment. When the Congress returns after the elections, it will have only a few weeks to work on a full agenda, including the nomination of Nelson Rockefeller to be Vice-President, the President's new economic policy, and measures dealing with strip mining, trade reform, and health services extension, along with completion of the regular fiscal year appropriation bills.

Of course, there will be some casualties, among them probably tax reform and national health insurance. The Congress ducked some tough questions, such as inflation and committee reform, but even if the Congress does nothing more, it has already produced a record surpassing most recent sessions of the Congress, and it gave the nation leadership at a time when the Presidency was disabled.

This solid performance by the 93rd Congress is much better than many people had thought. In view of the intensive media coverage of Watergate, they believed, quite understandably, that the Congress was doing

nothing but dealing with Watergate and impeachment.

Nevertheless, the majority of Americans (54%) still give the Congress a negative rating, and nearly two-thirds of the electorate say Congress does not inspire confidence in government. It is interesting to note that the only time Congress has had a positive rating in the last decade was when it was passing the programs President Johnson sought in the early 1960's.

It may be that Congress cannot provide the kind of dynamic and comprehensive leadership the people want and apparently expect. A number of political and organizational realities limit the role that the Congress can play. These realities include the sheer weight of the work load of the Congress, the complexity of the issues with which the Congress deals, and the difficulties of developing a consensus on these issues. Each year the Congress deals with over 25,000 pieces of legislation, appropriates over $300 billion, and oversees the vast interests of the federal government. It does this with insufficient staff support, meager information resources and limited computer assistance, while trying to reach a higher level of agreement, by accommodation and compromise, among 535 strong-willed politicians who represent vastly different constituencies. At the same time the Congress seeks to buttress the law it eventually enacts by the process of discussion and consensus building so that the law will be acceptable to, or at least tolerable for, most groups and individuals in the nation.

An appreciation of these limitations will help in understanding what the Congress can and cannot accomplish. Given these limitations and the difficult political climate of these last two years, the Congress has performed tolerably well, although there is obviously much room for improvement.

TRIBUTE TO CLIFFORD G. McINTIRE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 8, 1974

Mr. BELL. Mr. Speaker, it is with great respect that I join my colleagues in a tribute to the memory of Clifford G. McIntire, an able representative in the Congress for 10 years.

This unfortunate occasion brings with it a sense of acute loss at the passing of such a distinguished former colleague.

Throughout his career, Clifford McIntire lost no opportunity to acquaint himself thoroughly with the problems and needs of his constituents. By coordinating his administrative abilities, his practical knowledge of agricultural affairs, and his untiring concern, he served those needs well. The rural regions of Maine, in particular, should be much indebted to Cliff McIntire for his invaluable assistance in the formulation of agriculture legislation and programs of rural development. His single-minded dedication to the people he represented earned for him the respect of his colleagues and the privilege of serving the administration in several advisory capacities.

Consequently, I wish to extend my sincere condolences to Clifford McIntire's widow and to other members of his family.

JOSEPH F. LESTER, A HUMANITARIAN

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. FLOOD. Mr. Speaker, I have known Joe Lester for many years as a leading businessman, a humanitarian, and as a close friend. I was, therefore, most gratified to read a column in the Wyoming Valley, Pa., Observer of October 13, 1974, written by Rena Baldrica, which highlights this outstanding man's long career. As a long time friend of Mr. Lester's, it gives me a great deal of personal pleasure to have the aforementioned column inserted in the RECORD.

The column follows:

ANTHRACITE VALLEY NEWS

(By Rena Baldrica, Columnist)

From time to time my column has been the source of information on individuals or events long forgotten by the general public. Today we featured facts about one gentleman, Mr. Joseph F. Lester of Trailwood, Bear Creek. His love of humanity, spreads benevolence among his fellow man. His integrity and concern in his beliefs, should be brought to light.

For the many years Mr. Lester has donated his time and efforts to the cause of humanity. We people as a little group, made up of several nationalities, have a chance to pay tribute to a self made man, an active crusader in the cause of freedom.

In April of 1955, he was honored by Kingston Businessmen's Association who formally conferred on Mr. Lester the "Man of the Year" award. He served on the Committee of One Hundred to bring industries to the Valley.

During World War II, Mr. Lester formed a committee to sell War Bonds and was credited for selling over 6 million dollars worth of United States Savings Bonds. Mr. Lester is a civic-minded person, who has always tried to repay his debts to America and Wyoming Valley for his success in his adopted country.

Mr. Lester was born in the North Eastern part of Poland near Krakow. He was educated in Poland and came to America in his late teens.

After working as a bus boy, a waiter, a photographer, a newspaperman, and a car salesman, in 1920 he came to Wilkes-Barre and worked as a salesman for W.B. Chevrolet Co. In 1924 he was given the franchise for a Chevrolet dealership in Luzerne. He moved his business a year later to Kingston, and there remained until he retired.

In 1928, General Motors Export Co. sent Mr. Lester to Poland, where he directed the opening of General Motors Assembly Plant in Warsaw, Poland, which is still operating.

In 1936, the flood having ruined the building his business was in, he changed his franchise from Chevrolet to Pontiac. In 1949 he constructed the Pontiac Automobile establishment on Pierce St. in Kingston. His trade name was Lester Pontiac Co.

He is Life Member and director of the Wyoming Valley Motor Club, Director of the Wyoming Valley Veterans Association Army Ordnance Association, and a member of the YMCA. He recently retired as a trustee of Wilkes College. He is a past president of the Pennsylvania Heart Association, Director and past president of the Tatra Club. In 1938 he received the highest award, the Order of Polonia Restituta from the President of Poland, for unselfish devotion to his fatherland.

In 1963 Congressman Dan Flood and Joseph Lester helped christen the nation's 53rd nuclear submarine in memory of General Casimir Pulaski. The move was approved by the late President John F. Kennedy. The Casimir Pulaski is equipped to fire missiles with a range of 2,500 miles, a strong defender in the cause of freedom.

Mr. Lester is retired having spent 35 years as an automobile dealer.

He has been elected for the past 7 years as national president of the General Pulaski Heritage Foundation and trustee co-founder of Kosciuiszko Foundation, New York.

With the help of Cong. Dan Flood, Mr. Lester has directed the construction of an American Research Hospital for the children in Poland, more specifically the city of Krakow.

Mr. Lester's efforts have been here and in Poland. His generosity merits the badge of distinction, because, one must not forget that compassion, especially when children are involved and helped, must be recognized be it here or in any foreign land.

His help to the blind children in Krakow, gives him the right to be called a Humanitarian here and in Poland.

THE CIA: CHILE AND ELSEWHERE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. HARRINGTON. Mr. Speaker, in an editorial published in the Christian Science Monitor of September 19, 1974, Charles W. Yost offers some valuable insights on the subject of covert operations and their influence on the United States standing in the international community.

Focusing on the role of "dirty tricks" in a generally acknowledged post-cold war period, Mr. Yost examines the question of our national interest, the various interpretations which are attached to that phrase and the discrepancies among those interpretations.

As a member of the Foreign Affairs Committee, the relationship between the Central Intelligence Agency's covert activities and this Nation's foreign policy are of particular concern to me, and I commend the article, which is printed in full below, to the attention of my colleagues:

THE CIA: CHILE AND ELSEWHERE

(By Charles W. Yost)

NEW YORK.—Is it not high time that the United States Government, Congress, and people drew some operative conclusions from the repeated and embarrassing public predicaments in which the CIA has involved them over the past 15 years?

The most recent debate on the subject arises from the avowal by the director of the agency that it did expand considerable sums in Chile to prevent Allende's accession to power and, after he had nevertheless acceded, to weaken or undermine him.

I have not had an opportunity to examine the record sufficiently to judge whether, as claimed, other witnesses misled congressional committees on this point, though there certainly is prima facie evidence that they were not wholly candid. I should myself, however, support the U.S. Government's contention that, whatever the CIA may or may not have done in Chile, it did not "overthrow" Allende.

Allende was overthrown by Chileans. He never at any time had the support of the majority of the people. He was overthrown because he and his more radical adherents alienated, frightened, and ultimately radicalized in the opposite sense the unconverted majority, particularly its most powerful element, the military.

It is necessary to make this point in order to clarify the broad issue—whether admitted CIA activities in Chile, even if they played no substantial part in the overthrow of Allende, were in the national interest of the U.S. I would argue that they were not.

American and other Western spokesmen have for the past half century been pointing out that, while the Marxist revolutions in the Soviet Union and elsewhere were no doubt directed to noble ends, the atrocious means so often employed grossly distorted and even vitiated those ends. Yet since the onset of the cold war the U.S. has taken a leaf out of the Communist book and too often resorted to means so shabby we dare not avow them. In the long run this does not pay.

Ignoble means debase and demoralize the actors, corrupt and brutalize those acted upon and, in so doing, transform and disintegrate the end itself. This is as true for democrats as for Communists.

The consequence of a quarter century of "dirty tricks" by the CIA, that is, the U.S. Government, has been to make the agency throughout the world a symbol for unscrupulous intervention in other people's internal affairs and hence often to undermine, rather than to serve, the objectives of U.S. foreign policy.

We see how it is almost universally believed in Greece that the CIA inspired the July 15 coup in Cyprus which set in train the subsequent disasters. I believe this is a mistaken judgment, because upsetting the status quo was so obviously counter to U.S. interest. But the fact it is plausible to suppose that the CIA might have inspired the coup if it had been in the U.S. interest lends color to the accusation.

A New York Times story last week quotes a telegram from the U.S. Ambassador in Delhi to the effect that the recent revelations about CIA activities in Chile have confirmed the worst suspicions of the Indians about that agency and caused Indira Gandhi to wonder whether the Indian Government may not be the next target for elimination. This is hardly the image of its foreign policy and practice the U.S. Government should wish to see widely held around the world.

Supporters of CIA activities of this kind think of themselves as "hard-nosed" realists. The Bay of Pigs is one instructive example and Gordon Liddy's little operation at Watergate is another.

The fact is that "dirty tricks" conducted by agents of the U.S. Government very rarely serve the national interest of the United States, even if one interprets these interests in strictly "cold-war" terms. Experience has shown that they cannot be adequately "controlled" within the executive branch, because it is so often the controllers, as in the case of the Bay of Pigs and perhaps of Chile, whose perceptions and judgments are at fault.

Vietnam has tragically demonstrated the limitation on the capacity of the U.S. to determine the structure of an alien society even by a massive injection of armed force. How much less likely that America could hope to do so by clandestine operations. The U.S. can, no doubt, occasionally contribute to the rise or fall of a particular government or politician, but over the longer run indigenous forces, which it cannot control, will determine whether this superficial change has any lasting effect.

In referring at a public meeting in Washington last week to proposals that CIA abandon its covert action programs, director William Colby said: "In light of current American policy, it would not have a major impact on our current activities or the current security of the United States."

While the triple use of the word "current" is ominous, this statement is mildly reassuring. It is to be hoped that the President and Secretary of State will be persuaded that, in the broader perspective, these "dirty tricks" do more harm than good to the national security and should be phased out.

AN UNUSUAL FELLOW—THE HONORABLE LUTHER HARTWELL HODGES

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, earlier this month, on Sunday, October 6, my State, our Nation, and the world suffered a great loss with the death of Luther Hartwell Hodges.

He served long and well—as a top executive with Marshall Field & Co., as Lieutenant Governor and then Governor of North Carolina, as Secretary of Commerce under Presidents John F. Kennedy and Lyndon Baines Johnson, as president of Rotary International, as chairman of the board of the Research Triangle Foundation.

Earlier, in the 1930's, he was appointed to the State highway commission by Gov. J. C. B. Ehringhaus, and, during World War II, he served as head of the textile division in the Office of Price Administration.

It was my privilege to serve in the North Carolina State Senate in 1959 when Governor Hodges was rounding out the longest tenure of any North Carolina chief executive. We became friends at that time, and our friendship continued until the day he died at his home in Chapel Hill.

For the benefit of my colleagues I am including in the RECORD some of the editorial tributes to Governor Hodges that appeared in some of the North Carolina newspapers.

They sum up the man—his life, his careers, his long service—quite well, and to them I would like to add a recollection that was somehow overlooked and largely forgotten, I imagine, by those who have joined in paying editorial tribute to this exceptional man.

My recollection, which has been verified by Mr. Ed Rankin, who was administrative assistant to Governor Hodges, was that during the fifties he advised Mr. Rankin and others that it was his personal preference that no bridge, building, park, highway, or other permanent structure be named for him during his lifetime.

Governor Hodges was one who put greater stock in intangibles—truth, love, and human spirit—than in brick and mortar.

He was one who appealed to others to serve unselfishly, one who spurred others on to help their fellow human beings, one whose exemplary life was such that he lives on through those of us who knew and loved him.

Governor Hodges was an alumnus of the University of North Carolina at Chapel Hill, a member of the class of 1919. He was a student there along with the late author Thomas Wolfe, the retired newspaperman Jonathan Daniels, and our distinguished senior Senator, the Honorable SAM J. ERVIN, JR.

It is a fitting tribute to Luther Hartwell Hodges that his beloved alma mater is establishing in his memory—not a dorm or classroom building—but a professorship in business ethics.

The editorial tributes to Governor Hodges follow:

[From the Asheboro Courier-Tribune, Oct. 9, 1974]

AN UNUSUAL FELLOW

Luther Hodges was an unusual fellow. He never really retired nor showed any signs of preferring inactivity to public service of one nature or another.

Every North Carolinian knows the Horatio Alger story of Mr. Hodges' climb from the tenant farm to the corporate boardroom. "Retiring" from an executive position with Marshall Field textile mill chain, he ran for lieutenant governor and succeeded to the governor's office upon the death of Gov. William B. Umstead in 1954. He won a term in his own right two years later and served the longest of any North Carolina chief executive, six years.

It was a distinguished governorship. No schools were closed during these turbulent years nor was there racial violence in the wake of the U.S. Supreme Court's ruling which knocked down racial barriers in American schools. A consummate salesman, the governor's sales pitch for North Carolina-made products skirted the ridiculous, especially when he posed in a shower wearing a wrinkle-free suit.

But it was the kick in the seat of the pants the state needed. After all, business means jobs—and that's something the governor—who rose from the poverty-stricken ranks—understood.

"Operation Bootstrap" we remember as a sort of huckster promotion to attract industry into the state, but it wasn't a failure considering the state's relatively healthy state with a stable industrial mix. The governor will share a bit in our success of late in depicting the state of North Carolina as a good place to work and live.

He represented all that was good in the state. The mixture of salesmanship blarney, common sense and public decency which were all part of the Hodges image were good for the state.

And Horatio Alger lives! Other sons of tenant farmers should look to the example Luther Hodges set during the productive rags-to-riches lifetime.

[From the Durham Morning Herald, Oct. 8, 1974]

GOV. LUTHER HODGES

We need not repeat in these lines the long and impressive list of contributions that former Gov. Luther Hodges, who died Sunday, made to life in North Carolina.

Few would deny that he was one of the state's most distinguished and successful governors, businessmen and citizens. In his long career, he seemed almost to personify that which is best about North Carolina.

When he ran for lieutenant governor in 1952, he campaigned as a businessman, not as a politician, who wanted to bring good business principles to state government. Yet he became an exceptionally adroit politician, a politician in the best sense, whose high ethical sense, energetic devotion to progress

and insistence on the sane, sensible middle way helped to bring North Carolina through the turbulent 'fifties in good shape.

He did not personally believe in the desegregation of the schools, but North Carolina was lucky to have him as governor when the first token desegregation came to the state. The Pearsall Plan adopted under his governorship, was an astute exercise in compromise during an uncompromising time. It saved the state from the futile resistance of the kind undertaken in Virginia, yet it was never invoked to close a school or to pay the private tuition of a single North Carolina student. It set the stage, as much as anything else, for North Carolina's entry into the even more drastic social revolution of the 'Sixties.

Former Gov. Terry Sanford summed it up best, perhaps, when he said. "His courage and sense of fairness and enlightenment calmed the angry seas of racial strife and established North Carolina as a model for the nation."

Gov. Hodges was also a model for the genre from which he sprang, the nation's industrialists and businessmen. But the enormous energy he invested in bringing industry to North Carolina, the Research Triangle Park and his own successful business career marked only one aspect of the man. As governor, as secretary of commerce, as an author and a speaker, he continued right up until the closing days of his life to emphasize that businessmen not only have a duty to make money—they have a responsibility to do it honestly and to contribute to the social welfare of their community and nation.

Luther Hodges was a conservative in a basically conservative southern state. But his was an enlightened, creative conservatism which never ceases to grow and which builds upon the best that we have. North Carolina was fortunate to have his energy, his surefootedness and his inspiration in her service for such a long period of time.

[From the News and Observer, Oct. 8, 1974]

LUTHER HODGES LIVED A FULL LIFE

When Luther Hodges ran for lieutenant governor in 1952, a lot of people thought him just another retired businessman looking for something purposeful to keep busy. The notion sprang naturally from his arduous climb from tenant farmer's son to $75,000-a-year executive of the Marshall Field textile mill chain.

But unlike many young men who pursue success and attain it in maturity, Hodges was neither tired nor overly impressed by achieving it. He retained a young man's sense of vigor, optimism and openmindedness. He regarded retirement as merely a different set of circumstances for more growth and achievement.

Hodges won that lieutenant governor's race as a novice politician because he worked hardest at learning public affairs and campaigning for votes. And hindsight tells us that if Gov. William B. Umstead had not died two years later, propelling Hodges to the governorship, Hodges very likely would have earned it in his own right. Indeed, he did win a full term in the 1956 gubernatorial election.

Those were the turbulent years of school integration in the South. Though some of us sharply questioned the "safety valve" plan which Hodges promoted in North Carolina, it closed no schools. This state escaped the racial violence he counselled against, too.

Industrial promotion and economic development most marked his years as governor. Hodges was comfortable in the board rooms and the waiting rooms as a salesman for his state. Often he was successful. He pursued many avenues. He prevailed on the legislature to cut taxes for corporations. He cooperated for a series of pictures for Life magazine, promoting North Carolina products. (One of the photos showed him in a wrinkle-free suit taking a shower, another showed him hitching his well-pressed pants over his North Carolina-made underwear.) The gimmickry was a sidelight to substantive economic leadership such as founding the Research Triangle Park.

He learned to be a politician. He preferred Lyndon Johnson at the 1960 National Democratic convention. He became an indefatigable campaigner for John F. Kennedy, and later launched yet another public service career as U.S. secretary of commerce.

In 1964, he came back for another retirement and another decade of work for the Research Triangle and other North Carolina causes. Few men in this state's history lived so fully as Luther Hartwell Hodges.

[From the Raleigh Times, Oct. 7, 1974]

GOV. LUTHER HODGES SERVED NORTH CAROLINA WELL

Luther Hodges, who died yesterday after suffering a heart attack at his home in Chapel Hill, was the epitome of the American success story.

Starting his career as a mill hand he went on to become governor of North Carolina.

He was born in Pittsylvania County, Va., March 9, 1898, but his early life was tied to nearby Leaksville, N.C., where the family moved when he was two. His father worked in the textile mills there. Hodges himself worked as an office boy in the mills 1910–1911. He also worked as a mill hand during summer vacations. He obtained an AB degree from the University of North Carolina at Chapel Hill in 1919 then went to work as secretary of the general manager of the Leaksville mills.

Hodges went on to become general manager of the Marshall Field and Co. mills in 1938 and was made vice president of the company in 1943. He retired in 1950.

He was active in the Rotary Club and was a member of the Highway Commission under Governor Ehringhaus in the early 1930s. Hodges took part in Democratic Party politics at the precinct and congressional district levels.

But he was a political unknown when he decided to run for lieutenant governor in 1952.

He set out to change this. He told friends later that during the campaign he never bought more than one-gallon of gasoline at a time. He'd pull into a service station, buy a gallon of gas, shake hands all around and say "I'm Luther Hodges. I'm no politician, but I'm running for lieutenant governor. I'd appreciate your vote." Then passing out cards he'd move on to the next service station or restaurant where he'd go through the routine again.

Although he was a definite underdog, he won. He became governor Nov. 7, 1954, when Gov. William B. Umstead died.

He finished the term, then was elected governor on his own Nov. 7, 1956 and served until Jan. 5, 1961. He thus served longer than any governor in this century.

By moving from an unknown to governor, Hodges showed that it was still possible to beat the bushes and get elected without the backing of a political machine.

Hodges was appointed secretary of commerce by President Kennedy and continued the post under President Johnson.

As governor, Hodges advocated the so-called Pearsall Plan as a safety valve toward integration in the state's schools. At the same time he said he hoped it would never be used.

Before it was struck down by the federal courts it allowed closing of schools under certain conditions and allowed the state to grant tuition to students not wishing to attend racially mixed schools.

It was passed by the legislature and okayed by the voters but was never used.

Hodges once told an interview "I consider the calm manner in which North Carolina handled its integration problems the number one achievement of my administration. It also was the thorniest problem."

He'll be remembered for the formation of the Research Triangle which he and banker Robert Hanes of Winston-Salem pushed to entice high quality industry into the state. Hodges wished to create jobs for persons leaving the farms.

Hodges was dignified and looked every bit the part of the governor. Yet he posed in his underwear for a Life photographer in a move to help the state's industry.

He was a man of action, a man needed for the times. He continued to be active right up to the end. He will be missed by North Carolina and particularly the Research Triangle area.

[From the North Carolina Leader, Oct. 15, 1974]

PURPOSE

Before they were married a few years back, Mrs. Luther Hodges told the Leader, "The Governor is, in so many ways, about the youngest person I've ever known."

Anyone who came in contact with this remarkable man had to agree.

He was a man of action with a probing mind and vision about the future of North Carolina.

Just a few weeks ago, we heard him explain Research Triangle Park—its reason for being—to members of the Chapel Hill Rotary Club, which he founded.

"We wanted to raise the income level of North Carolina and keep the young men and women educated in our schools at home instead of having them seek higher paying jobs in the North or West," he said.

Prof. Joel Carter of the University of North Carolina faculty whispered, "Any meeting is enhanced just by his being there. He has such integrity!"

Former Gov. Luther Hodges' integrity, dedication and purpose were a beacon light in the development of Research Triangle Park.

The Leader, as the Research Triangle's newspaper, enjoyed a unique, joyful relation with him. We weren't around him a great deal, but interviews with him were fun; his quick-witted mind supplying the answer to the next question before it was spoken.

His wife, Louise, brightened the last years of his life. They were almost inseparable.

We remember one autumn morning seeing them stroll together with Louise Hodges reading aloud from a book.

"What book are you reading?" we asked.

Governor Hodges chuckled and supplied the answer.

"It's a joke book," he confessed. And we thought he knew all the jokes!

He lived to see his dream come true in Research Triangle Park. However, as he himself reminded people in a special article he wrote for the Leader in 1969, the "unremitting dedication" of North Carolina citizens is always needed to see that things keep happening in Research Triangle Park.

MANPOWER POLICIES FOR A NEW ADMINISTRATION

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the National Manpower Policy Task Force recently completed a policy

statement of substance and importance. For the information of my colleagues, I want to share this statement with them for their review and thought at this point:

MANPOWER POLICIES FOR A NEW ADMINISTRATION

The beginning of a new administration is an appropriate time for reviewing past policies, assessing current conditions, and analyzing *future needs*. The National Manpower Policy Task Force offered its assessments and recommendations at the beginning of the Nixon administration, hopefully with same positive impacts. In this policy statement, we briefly review the manpower policies of the last six years, and offer unsolicited advice to policymakers in the Ford administration and in Congress.

PAST PERFORMANCE

The major manpower policy thrusts of the Nixon years were the decentralization, decategorization, and consolidation of manpower programs. These were ultimately combined in the passage of the Comprehensive Employment and Training Act in December 1973. A solid achievement, it was the right approach for the right time. The initial impetus for manpower programs was necessarily national, but with a decade of experience to build upon, the time had come to adopt the results of that experience to the particular needs of local labor markets. The passage of the Comprehensive Employment and Training Act was only a first step. A major effort will be required before the chief elected state and local officials will acquire a full appreciation and understanding of manpower problems and before state and local manpower staffs will develop the necessary planning and administrative skills.

The Department of Labor, which retains federal responsibility, has several difficult assignments. It must continue to confront some manpower issues which are national in scope, such as the problems of youth, older workers, and veterans, and accept responsibility for aiding migrant workers, Indians, and others whom state and local government cannot, or would not, effectively serve. It also must maintain a monitoring and evaluation role to assure that national objectives specified in the Comprehensive Employment and Training Act are pursued, and to provide technical assistance without "hovering" over state and local decisionmakers.

The Nixon administration left office with another important, but unfinished, accomplishment to its credit—the introduction of a plan to reform the welfare system. Earnings from employment is the preferred source of income in the American, as in any other society, but a basic floor of economic security should be a social right of all citizens in an affluent society. A guaranteed minimum income accompanied by work incentives and income supplements for the working poor appears to be a desirable way to accomplish the goal. While the Nixon administration faltered in its commitment before Congress might have acted, important groundwork was laid in formulation of the concepts and education of the public.

In other manpower policy areas, the Nixon administration's record was mixed. It opposed the introduction of a public employment program as a countercyclical device and as an initial small step toward guaranteeing employment. However, once Congress insisted, the executive branch followed through with vigor and determination in its administration of the program.

On the negative side, the administration was responsible for cutting back badly needed budgetary support for manpower services as well as community antipoverty agencies which had gained valuable experience as deliverers of manpower and social services. It contributed to spreading a negative image of manpower efforts, far beyond what was justified by evaluation data. Budget retrenchment made the decentralization of programs to state and local officials more difficult as they faced the unwelcome task of breaking a smaller loaf among an increasing multitude of potential clients.

THE CURRENT SCENE

The Ford administration faces difficult manpower challenges. The most immediate issue is to cope with the problems of unemployment and inflation. Joblessness is rising to socially and politically unacceptable levels, yet "double digit" inflation persists, a pace never before known in peacetime. Traditional methods of fighting inflation have always visited their major costs on those least able to bear them—those already at the lower margins of the labor market. Strong voices in the federal establishment and outside continue to advocate fighting inflation with insufficient regard for rising unemployment. But the current inflation did not originate with labor shortages, excess labor market bargaining power, or excess demand. Labor market bargaining power is now obviously a factor, but it must be recognized as an effort to "catch up" after remarkable restraint. We believe that the use of weapons with adverse labor market impacts to fight an inflation which counts no labor market phenomena among its causes will be costly, ineffective, and above all, inequitable. Yet, the pace of inflation must be slowed, and we have no pat answers how to deal with the situation.

One thing is certain, however. Increased monetary and fiscal restraint will further boost the already high levels of unemployment. Whatever policies are adopted, we believe that society has a clear responsibility to protect and compensate those who bear the burden of national policies aimed to reduce inflation for the rest of us.

Unemployment compensation and public assistance benefits are first line defenses. President Ford's proposal to bolster unemployment compensation by extending regular benefits 13 weeks and implementing a special program of up to 26 weeks for workers who qualify for compensation on the basis of employment and earnings but who are not in covered industries, are necessary and timely steps, but not enough. Except for those for whom gainful employment is not a reasonable alternative, income support is not desirable. To idle willing hands is no way to fight an inflation originating in shortages. Public service employment was sufficiently successful under the Emergency Employment Act of 1971 to win the approval of liberals and conservatives alike. It makes sense because it maintains productive activity and output. It is less costly than often supposed because its expenditures are partly offset by savings in income maintenance programs. Creation of public service jobs is less inflationary than the customary "trickle down" approach of creating employment by generating aggregate demand for goods and services. It requires minimal capital investment and rations its jobs directly to the unemployed. While public employment measures could become a disguise for unproductive income maintenance and could replace other public budgetary commitments with no real increase in jobs, these abuses can be minimized by prudent public administration. The major issue is not whether to introduce public employment programs, but on what scale. The Task Force has previously recommended a public service employment program providing work for one quarter of the unemployed above 4.5 percent, with an automatic "trigger" releasing funds for use in depressed local labor markets as national unemployment rates increase. The Ford administration's plans for a Community Improvement Corps to hire unemployment insurance exhaustees for short-term public works and beautification projects emphasize temporary, work-relief at low wages. An annual average of over 1.8 million persons exhausted benefits in the past three years, and there may be many more in the coming year. If a plan is adopted which provides jobs for a large proportion of these unemployed, it could be a very useful tool. But the Community Improvement Corps is not a substitute for an expanded program along the lines of the Emergency Employment Act which served a broad range of the unemployed and funded needed "regular" jobs above as well as at the entry level, thus insuring transitional opportunities. Provision should be made not only for those who exhaust compensation benefits, but for those who lose their jobs and want to continue working. President Ford's proposal might complement an expanded public employment program along the lines initiated in 1971 subject to a 4.5 percent trigger funding formula.

Public service employment is only a piece of an antistagflation manpower policy. A recession is also an appropriate time to upgrade the skills of the labor force. The costs of training otherwise unemployed people are reduced by the drop in their foregone earnings. Trainees are not tempted by job availability to drop out before completion of training courses, and employers are not likely to raid the training facilities. Program administrators are not so anxious to reduce training time to the minimum, and substantial skills can be provided. Training must remain a central component of manpower policy.

The public employment service is a necessary cornerstone of our manpower efforts. Important improvements have been and are being made to augment its ability to serve both employers and jobseekers. Experiments have demonstrated that, in addition to its direct placement functions, it can do more to spread job market information and improve the abilities of employees and employers to exercise their own initiative in the job market. Shortening the duration of frictional unemployment is an obvious contribution to reducing overall unemployment. Vigorous steps are, therefore, needed to increase the effectiveness of the public employment service and to fully utilize its resources under CETA.

Despite notable progress in the last decade, race, sex, and age discrimination still persist. Differences in skill, experience, productivity, and labor market mobility account for only a portion of the high average unemployment (and lower earnings) among minority groups and women. The immediate goal should be to eliminate market discrimination to assure that persons with equal skills and abilities are treated equally. In the longer run, differences in training, education, and work experience must, then, be attacked. A more vigorous antidiscrimination policy and enforcement is needed both in the short- and long-run to achieve these aims.

Finally, continued research is needed into the functioning of labor markets. The current economic crisis has suggested how much there is still to be learned. Research is a long-range investment, not to be cut back in short-run emergencies. The limited funds invested in labor market research have been carefully husbanded and for the most part wisely spent. Advancing the frontiers of knowledge and experimenting with new approaches are high risk activities where failures are more likely than successes. Yet, there is no other road to progress. Continued research into improving productivity and labor market efficiency is an indirect but not

unimportant weapon against both unemployment and inflation.

THE LONG-TERM CHALLENGES

In addition to pressing immediate needs, longer-range challenges also cannot be ignored. The American people, guided by (or guiding) every administration since World War II, have made Herculean efforts to upgrade the quality of the nation's human resources. That expenditures on education have risen from $6 billion to over $100 billion a year is only one gross indicator of those efforts. With a vast deficit in human resource development stemming from a severe depression and a major war, followed by a rapidly changing technology, the corrective action was timely and positive. As a result, no persistent skill shortages remained even during the tight labor markets in the past decade. In the 1970s circumstances have changed, and imbalances in the supply of and demand for skilled and highly-educated manpower are becoming a more and more frequent occurrence. In a society where freedom of occupational choice is an unchallenged right, planning and information are needed to guide human resource investments in order to maintain a balance between supply and demand and to avoid wasteful surpluses or shortages.

Accompanying that investment in human resource development was the challenge of absorbing into the work force the swelling cohort of youths, the product of the high postwar birth rates. That group has now passed through the years of formal education. Continual improvements in the quality of preparation given youth for productive lives will be needed, but the quantifiable challenge is a declining one. However, human resource development needs do not end with a high school or college diploma. Whether because of changing technology and social priorities or due to the changing occupational preferences of maturing workers, a need for institutional facilities to provide recurrent education—upgrading and mid-career changes—will be a continuing challenge in which the efforts of individuals, public institutions, and employing organizations must join. Opening second or subsequent careers and other productive outlets for the persisting energies of the longer-lived population and assuring that educationally disadvantaged people are not left out, are parts of that same challenge.

In the long run, increased productivity is the major route to raising living standards. Much has been learned by employers about motivating employees, but little of it has been applied in public policy. The new career education emphasis relating schooling to work can be expanded for adults as well as children and youth. Areas of particularly slow productivity growth can also be identified and attacked.

As another ever-present long-range challenge, we always have the poor with us. Manpower programs have helped many individuals to surmount the handicaps they have faced in job market competition, but someone is always at the end of the line. The task of helping them is a never-ending, but an essential one. Current efforts to improve the efficacy of the remedial manpower system which evolved over the last decade should not obscure its fundamental mission—to provide a helping hand to those who are failing in or being failed by the labor market.

Finally, there remains the challenge to design a system that would provide adequately for those who cannot support themselves, but without destroying incentives for the able-bodied to contribute to their own maintenance. Work and welfare have typically been portrayed as mutually exclusive alternatives. For an increasingly large proportion of the population, however, the choice is not work *or* welfare, but work *and* welfare. The need is to provide income supplements to the working poor with a decent support for all at a level which is compatible with an affluent society.

A MANPOWER AGENDA

In summary, this is no time to slacken human resource development efforts nor to visit the costs of anti-inflation efforts upon those who have been less the villains and more the victims than others. Despite the occasional stumblings of trial and error and fluctuations in commitment, the manpower experience overall has been one of persistent progress. That progress should continue with:

1. Augmentation of decentralized planning and administrative capabilities under federal policy guidance.
2. Compassionate efforts to promote self-support methods of income maintenance, combining, where necessary, work with welfare, rather than treating the two as separate systems.
3. Priority of improving the employability and employment opportunities for those facing disadvantages in their competition for jobs.
4. Vigorous antidiscrimination enforcement.
5. Long-range investment in human resource development including early and recurrent career education for adults as well as youths.
6. Expansion of public service employment as both a countercyclical tool to protect the unemployed and as a transitional process for the disadvantaged.
7. Continued emphasis on training and retraining during the recession to take advantage of immediate lower costs and to spark productivity during recovery.
8. Search for other opportunties to increase productivity and reduce labor costs.
9. Research into labor market behavior and institutions.
10. Most of all, recognition that the current inflation did not start in the labor market and cannot be cured there.

These general principles, implemented programatically based on a dozen years of experience with manpower policy, can, we are convinced, contribute both to short-run problem solution and long-run national progress. They can be the basis of wise manpower policy for a new administration.

The National Manpower Policy Task Force is a private nonprofit organization of academic manpower experts. It is devoted to the promotion of research in manpower policy. This statement represents the combined judgment of the Task Force members. Despite divergence of opinion on details, the members agreed to a unanimous statement without indicating individual exceptions.

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HUMANITIES ENDOWMENT'S "COURSES BY NEWSPAPER"

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. BRADEMAS. Mr. Speaker, as the chairman of the Select Education Subcommittee, which has jurisdiction over the National Foundation on the Arts and the Humanities Act, I want to bring to the attention of my colleagues the Courses by Newspaper program supported by the National Endowment for the Humanities.

The programs makes available, through 200 newspapers, weekly 1,500-word lectures by a faculty of nationally and internationally known scholars. It is estimated that the newspapers reach 20 million Americans, and that 15 million of them have read one or more of the lectures.

In addition, Mr. Speaker, 180 colleges and universities last year offered credit for successfully passing a test based on the full 18-week lectures, and almost 5,000 students enrolled for credit.

Mr. Speaker, the Courses by Newspaper program was conceived of last year as a pilot program involving five newspapers and five colleges and universities.

But the response has been extraordinary, leading to the involvement of 180 institutions of higher education and 200 newspapers such as the Decatur, Ala., Daily; the Honolulu Advertiser; the Elkhart, Ind., Truth, in my own congressional district; the Boston Globe; the McGuire, N.J., Airtides and others.

Because this important program, supported by the National Endowment for the Humanities, will be of interest to every Member of Congress, I insert, at this point in the RECORD, a description of the Courses by Newspaper program from the September 30 Chronicle of Higher Education:

"COURSES BY NEWSPAPER" STARTS ITS SECOND YEAR

(By Beverly T. Watkins)

Readers of some 200 newspapers will have an opportunity this week to brush up on their American history—for college credit if they wish—as "Courses by Newspaper" begins its second year.

Part of a projected trilogy keyed to the forthcoming American Bicentennial, the 1974–75 course, "In Search of the American Dream," will offer 18 "lectures" through both daily and weekly newspapers nationwide.

The first course, the 20-week "America and the Future of Man," had appeared in 273 newspapers by the time the 1973–74 academic year ended.

Some 126 institutions, including two-year and four-year colleges, universities, and college extension programs, will offer academic credit for the second course. Almost 5,000 students enrolled last year at the 180 institutions that offered credit.

SUPPLEMENTARY LEARNING KIT

Courses by Newspaper, developed and coordinated by the extension division of the University of California at San Diego, offers weekly 1,500-word lectures by a "faculty" of nationally known scholars to newspaper students numbering in the millions. If they wish, readers may purchase a supplementary learning kit that includes an extensive reader, a study guide, and self-tests.

" 'In Search of the American Dream,' will focus on the persistence . . . of the utopian spirit that animated this country's beginning," according to Robert C. Elliott, professor of literature at the university and academic coordinator of the program. Course content will span American history from "Columbus Discovers Utopia," the first lecture, through "Crisis and Continuity: the 20th Century" and "Now and History," the concluding lectures.

The authors, in addition, to Mr. Elliott, who wrote the introduction and first lecture, include Winthrop Jordan, University of California, Berkeley; Michael Kammen, Cornell University; William Goetzmann, University of Texas; Jay Martin, University of California at Irvine; and Robert Penn Warren, Yale University.

The project to distribute college-level material through the country's most widely read medium almost overwhelmed its developers with its success last year, according to Caleb A. Lewis, director of media programs at the University of California at San Diego's extension division and project director for the newspaper courses.

An evaluation of the 1973–74 program by a researcher at California State University, San Diego, revealed that more than 75 per cent of the potential readers had read some of the lectures.

For all its success, however, Courses by Newspaper has not been without problems. And, although it has benefited from its experience, the project faces a dilemma this year that may not be easily resolved.

Courses by Newspaper, financed by the National Endowment for the Humanities with additional support last year from the Exxon Education Foundation, was developed primarily for those who don't participate in higher education, according to Mr. Lewis.

"We wanted to reach those who aren't involved because education is unavailable; those who are afraid of education because of some past experience or because they feel it is all beyond them because [they feel] they are so stupid," he said.

PROJECT EXPANDS GREATLY

What was conceived as a modest undertaking to expose the unexposed to higher education exploded into a project that also involved people with formal higher education but no degree, degree-holders, senior-high-school students, and even some university graduate students.

The pilot study planned for five selected newspapers and five matching colleges expanded into a project that included such diverse papers as the Decatur (Ala.) *Daily*, Denver *Post*, Honolulu *Advertiser*, Elkhart, (Ind.) *Truth*, Boston *Globe*, McGuire (N.J.) *Airtides*, Kansas City *Star*, Tullahoma (Tenn.) *News*, and the Seattle *Post-Intelligencer*, plus nearby colleges.

At the end of the year, 4,974 people had enrolled for credit at participating colleges and an additional 6,630 had purchased the learning kit at $10.

Following a telephone survey of newspaper subscribers in five cities—San Diego, Denver, Shreveport, La., and Huron and Chamberlain, S.D.—Oscar J. Kaplan, director of the Center for Survey Research at San Diego State, estimated that of the potential 20 million readers nationwide, 15 million had read one or more of the lectures. The poll showed that 35 per cent of Chamberlain *Register* readers and 27 per cent of Huron *Daily Plainsman* subscribers had read "America and the Future of Man," which was second in popularity only to "Dear Abby."

Although no figures are available on the number of students who actually received credit for the first course, 1,769 took a difficult 30-item multiple-choice final examination. Some traveled many miles to complete it.

"We had one student who went from Jackson Hole (Wyo.) to Salt Lake City and another from Nova Scotia to the University of Massachusetts," said Mr. Lewis.

The overwhelming response to Courses by Newspaper has caused the project some trouble.

"We definitely underestimated the problems involved in matching newspapers and colleges," said Jane L. Scheiber, editorial director and assistant director for the project.

Under the plan, the first newspaper in any city to apply for the course receives the exclusive right to it for that area. This arrangement has caused some friction within the Copley News Service, which distributes the lectures, according to Ms. Scheiber.

The large institutional response meant that "we faced four to five times as many colleges as we could accommodate," said Ms. Scheiber. "We tried to go with the land grant institutions where we could," she said, "but we sometimes had trouble recruiting the right college for the newspaper."

"The biggest mistake," acording to Mr. Lewis, was limiting participation to four-year institutions. "We wanted to keep the course at an upper-division-equivalent level to make it consistent across the country. If someone wanted to transfer units from the University of Tennessee to Oregon, they'd be talking about the same thing," he said.

But intense pressure from junior and community colleges, plus the fact that four-year colleges offered the course for lower-division, upper-division, and even graduate credit—and some senior high schools picked it up for honors programs—prompted Mr. Lewis to reverse that decision. This year "the junior colleges are as welcome as anyone," he said.

Ironically, a new problem unique to the medium now faces Courses by Newspaper.

"The newsprint shortage has caused a downswing in the number of papers participating this year," said Mr. Lewis, who estimated a drop of about 75 and a proportional drop in readers.

However, if Courses by Newspaper is funded for its third year as originally planned, Mr. Lewis expects "participation to double in all areas."

"Newspapers are evaluating the course now," he said. "Some are taking full-column ads asking their readers if they want it again. They're surprised at the response—not the size of it but the intensity. Those who want it, want it badly," he said.

FOREIGNERS TAKE OVER U.S. BANK

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. RARICK. Mr. Speaker, the Franklin National Bank of New York upon being declared bankrupt on October 8, has been taken over by six European banking concerns and is operating as the European-American Bank & Trust Co. Apparently, the transfer was so smoothly engineered by the Federal Reserve and banking interests that the bank was open the next morning with the same employees and the depositors did not lose a penny.

The same apparently cannot be said for the U.S. taxpayers since the Franklin National fiasco has reportedly now cost $100 million and is expected to even go higher.

In May of this year the Federal Reserve Banking system, in a futile attempt to bail out Franklin National reportedly agreed to loan it up to $1.1 billion at its "discount" window.

In the meantime as the national debt grows—now estimated at public and private to be $2½ trillion—our inflation increases and other American banking interests are overextended, the American people are told that we must continue our bankrupt foreign policies of sharing our food, energy and credit with all the world.

Recently the East German Communist party leaders in gaining diplomatic recognition from our Government, advised that they are looking forward to most favored nation trading status with our country. This means not only the advantage of a devalued U.S. dollar, but also on subsidized credit terms cheaper than any American can obtain.

Today we are advised that Treasury Secretary Simon in Moscow is proposing most favored nation trading status and credits with the Soviets.

Soon there must be a day of reckoning with the share-the-wealth policies of the one-worlders and the domestic crisis of the American people being understood by all. The Franklin National Bank incident should remind us that the foreigners are not only rapidly getting control of our food and money, but now they are even taking over our banking institutions.

I insert the related news clippings following my remarks:

[From the Washington Post, Oct. 17, 1974]

BANKRUPTCY PETITION FILED BY FRANKLIN

NEW YORK, October 16.—Franklin New York Corp., the holding company that used to control Franklin National Bank, filed for bankruptcy in Federal District Court here today.

The holding company's chief asset was the stock of the bank which was declared insolvent on Oct. 8 by federal banking authorities. At that time, most of the bank's assets were sold to European-American Bank & Trust Co., which is owned by six large European banking concerns.

An attorney speaking for the holding company said the papers were filed this morning at 10. He said it was "a voluntary petition in bankruptcy."

Officials of Manufacturers Hanover Trust Co., which is known to have loaned Franklin New York Corp. $30 million earlier this year before Franklin National Bank's troubles were made public, couldn't be reached for comment on the latest Franklin development.

(Another large creditor listed in the papers is Morgan Guaranty Trust Co., acting for some of its customers.)

[From the Wall Street Journal, May 23, 1974]

FED'S LENDING TO FRANKLIN NATIONAL BANK IS ABOUT $1.1 BILLION, A HIGH FOR SUCH AID

(By Edward P. Foldessy)

NEW YORK.—Franklin National Bank's borrowings from the Federal Reserve System have reached about $1.1 billion.

Neither thhe bank, a subsidiary of Franklin New York Corp., nor the Fed would confirm the figure, a record in terms of Fed aid to a troubled bank. In the middle of last week, the level of Franklin's Fed borrowings was around $750 million.

The $1.1 billion figure, obtained from usually reliable sources, represents about a quarter of the bank's deposits and borrowings from all sources.

It was learned yesterday that officials of the Federal Reserve Bank of New York have been asking other large New York banks to resume "normal banking relationships" with Franklin National to the extent that they can.

The reserve bank has been noting that Franklin is solvent according to the U.S. Comptroller of the Currency and that the Fed itself has been lending funds to the troubled bank.

On May 10, Franklin New York announced plans to skip dividends on its common and preferred stocks because of poor earnings. Later it disclosed a large loss in its foreign exchange department that it said was caused by unauthorized dealings by one of its traders.

Franklin currently is adjusting its previously reported first quarter earnings, partly to reflect the trading losses. But according to some sources, the restatement may go well beyond the foreign exchange losses and show a sharp net loss for the period. The restatement is expected to be made public either today or tomorrow.

Franklin originally reported first quarter operating net of 582,000, or two cents a share, down 83% from $3.6 million, or 68 cents a share, a year earlier. At the time, it said income from foreign exchange trading in the quarter rose $2.3 million from the year-earlier period.

Franklin has had to borrow from the Fed because of its difficulties in obtaining funds from normal channels. But the loans from the Fed have had a beneficial side effect: bargain basement prices for the borrowed money.

In borrowing from the Fed, Franklin pays an 8% annual rate of interest (the Federal Reserve's discount rate) on loans backed by eligible and acceptable collateral, such as U.S. government securities. An 8½% rate is paid on advances backed by other types of collateral, including long-term municipal securities, mortgages and long-term corporate loans.

By contrast, the cost of funds in the open money market recently has hovered in the 11% to 12% range. Thus, on $1.1 billion, Franklin stands to save from $500,000 to $750,000 a week in interest costs over what it would have to pay in the open market if it were able to tap that source.

The Fed hasn't publicly specified the amount of funds it stands ready to inject into Franklin or the amount of collateral Franklin has available for such purposes. On May 12 the Fed said the bank had a "large amount of acceptable collateral available to support advances." At the time the Federal Reserve said that it could make loans to any solvent bank and that the U.S. Comptroller of the Currency had found Franklin to be solvent.

According to sources, the Federal Reserve's request that bankers resume normal activities where possible with Franklin hasn't received much response. At least two banks have turned down the request almost out of hand, they said.

Originally, reports circulated that the Fed was waging an arm-twisting campaign to have banks resume so-called federal funds trading with Franklin. Federal funds are uncommitted reserves banks lend each other. But sources within the Fed said the reserve's suggestion to bankers was broader; involving all types of interbank relationships.

Fed sources stated that the reserve bank in each case reminded bankers of their legal responsibilities to their own shareholders and depositors, and, in effect, cautioned them to enter only those kinds of transactions that would be considered prudent for the benefit of their banks' depositors and shareholders.

[From the New York Times, May 13, 1974]

RESERVE COMMENTS ON BANK CASE

WASHINGTON.—The following is the text of a statement made today in response to inquiries about the Franklin National Bank by George W. Mitchell, vice chairman of the board of Governors of the Federal Reserve System:

"Inquiries have been raised in recent days about the position of Franklin National Bank. The bank has reported a poor earnings record recently, and the management of the controlling holding company announced Friday that it would recommend that the regular dividend payment on both comomn and preferred stock be passed. The board is familiar with this situation and looked carefully at the bank's condition in connection with the proposed acquisition of Talcott National Corporation by the bank's holding company. Its decision earlier this month was to turn down this proposal in part because it felt that management's energy should be devoted to the remedial program for the bank, which is now underway.

"There is, of course, the possibility that—with many rumors about the bank—Franklin National may experience some unusual liquidity pressures in the period ahead. As with all member banks, the Federal Reserve System stands prepared to advance funds to this bank as needed, within the limits of the collateral that can be supplied. Working with Franklin National, the Federal Reserve Bank of New York has determined that there is a large amount of acceptable collateral available to support advances to the bank from the Federal Reserve Discount window if they are needed.

As a matter of general policy, the Federal Reserve makes credit extensions to member banks, upon acceptable collateral, so long as the borrowing member bank is solvent. We are assured by the Comptroller of the Currency that Franklin National Bank is a solvent institution.

Chairman Burns, who is in Europe, has been kept informed of developments. Since this matter does not require his personal attention, he has no intention of changing his travel plans which call for his return to Washington later this week.

[From the Washington Post, Oct. 17, 1974]

HOW U.S. INSURANCE SETUP SAFEGUARDS YOUR SAVINGS

(By Jane Bryant Quinn)

NEW YORK.—Surprising numbers of otherwise prudent people have taken to storing cash in safe deposit boxes. They're willing to forgo the interest that cash might earn because they think that savings accounts aren't safe.

Yet, in the largest U.S. banking failure to date—the collapse of New York City's Franklin National Bank—depositors didn't lose a penny. The government engineered an overnight sale of the bank's assets to the European-American Bank, which opened for business the next morning with the same doorkeepers and the same tellers.

So far, the Franklin National disaster has cost the Federal Deposit Insurance Corp. $100 million. That sum will go much higher, but the FDIC now has reserves of $5.8 billion, plus another $3 billion line of Treasury credit.

It's possible that, in the year ahead, other poorly managed banks will buckle under the weight of bad loans. But the government can handle it. Here's the background on the insurance system that protects your savings:

The FDIC and its sister insurer, the Federal Savings and Loan Insurance Corp., were born in the Depression. Their task was to rebuild America's confidence in the banking system by guaranteeing every depositor that the first $2,500 of his savings would be as safe as the U.S. Treasury. Since then, the insured amount has risen to $20,000.

From 1934 until last year, the FDIC paid out $903 million to 502 banks that failed (or were forced into shotgun mergers). But that money was not lost. In return for its largesse, the FDIC acquires some or all of the assets of the failed bank. This year, for example, it has become the lucky owner not only of stocks and bonds but apartment houses, cattle ranches, hotels and even a fishing fleet.

Over time, the FDIC sells these assets and even may make a profit on them. Since 1934, it has recovered $779 million of the $903 million it dispensed. That's a total loss of only $124 million over 40 years. Its average annual profit on investments (mostly U.S. government securities, once the ranches and fishing fleets are sold) comes to $400 million. The FDIC could save other Franklin Nationals out of profits alone.

Whenever a bank has failed, the FDIC has paid off, within days, on all accounts up to the insured limit. Subsequently, the bank's assets have been liquidated in such a way that 93 per cent of the uninsured deposits also were paid back.

The books of the FSLIC tell a similar story. In 40 years, some 103 savings and loans have failed or needed financial aid, for a total booked loss so far of $167 million. Reserves now stand at $6.6 billion. Its record for helping depositors couldn't be much better; the FSLIC says that no one has ever lost a nickel in an insured S & L, even on accounts larger than $20,000.

A bill that went to the President for signature Oct. 10 would raise the amount of insured savings from $20,000 to $40,000. That means that, if your thrift institution got into trouble, up to $40,000 in each account would be paid off in a matter of days.

If you had an individual account, a joint account with a spouse, a trust account and a joint account with a parent you'd be entitled to up to $40,000 on each of them. Eventually, you'd also get back most of your savings over $40,000. But a better idea is to keep excess savings in a different institution. Then you're insured in both places.

But check to see that your savings are indeed insured by a state or federal agency. A few states still permit banks and S & Ls to operate without government backing. With financial conditions so uncertain there's no sense taking that risk.

[From the Washington Post, Oct. 17, 1974]

SIMON BACK FROM TALKS IN U.S.S.R.

President Ford will decide on whether to allow a suspended multimillion-dollar Soviet grain deal to go ahead after being briefed by Treasury Secretary William E. Simon, who has just returned from Moscow.

Simon spoke briefly to reporters on his return from a four-day visit for economic talks with Soviet officials.

He said he had full and frank discussions with the Soviet leaders, including the agreement reached by two grain companies to sell some 3.4 million tons of corn and wheat to the Soviet Union.

President Ford blocked the $500 million transaction earlier this month, principally because fears of domestic shortages following a particularly bad summer had pushed up prices to a point where they threatened to worsen inflation.

Simon said he would discuss the matter with Mr. Ford. But, he added, "The President must make the decision."

[From the Washington Post, Oct. 17, 1974]

SIMON ENDS TALKS IN MOSCOW ON TRADE

Moscow, October 16.—Secretary of the Treasury William E. Simon said today the U.S. government shares Soviet Communist Party leader Leonid Brezhnev's desire to resolve trade problems between the two countries.

Simon spoke with newsmen at the airport before he left for Washington after two days

of talks with Soviet officials, including Brezhnev.

At a banquet ending the talks last night, the Soviet party chief made a hard-line speech in which he said the Soviet Union's domestic policies were irrelevant to increasing U.S.-Soviet trade.

Simon told newsmen he did not find the speech surprising. "We share his desire to get the resolution on MFN and trade," he said.

He was referring to congressional efforts to deny the Soviet Union "most favored nation" trading status and credits until the Kremlin eases emigration restrictions which are applied mainly to Soviet Jews.

[From the Washington Star-News, Oct. 14, 1974]

U.S. DEBT OF $2.5 TRILLION HELD ECONOMY THREAT

NEW YORK.—The total debt of every segment of American society has swelled to $2.5 trillion and poses a serious threat to the nation's economy in this inflationary period, Business Week magazine says in its latest edition.

"Never has the debt economy seemed more vulnerable, with a distressing number of borrowers and lenders in precarious shape," the magazine said.

Since the close of World War II, the nation has borrowed an average net of $200 million a day, the magazine said.

Now the debt is so huge that it would take more than one-third the gross national product of Japan, the world's second-largest capitalist economy, just to pay this year's interest on the American debt, the magazine said.

Of the total debt, $1 trillion is in corporate debt, $600 billion in mortgage debt, $500 billion in U.S. government debt, $200 billion in state and local government debt, and $200 billion in consumer debt.

Business Week said the debt "is an ominously heavy burden with the world as it is today—ravaged by inflation, threatened with economic depression, torn apart by the massive redistribution of wealth that has accompanied the soaring price of oil."

The magazine said the consensus among economists was that the economy still was not overborrowed but the breaking point was drawing near.

"In the end, the world may very well escape disaster," Business Week wrote, "but there is no way it can escape change. The very assumptions on which the United States built its debt economy, for instance, must be rethought. Not in the foreseeable future will any nation pile up debt as rapidly as this nation."

The magazine said corporations had tripled their debt in the past 15 years, and consumer debt had soared 50 percent in the past three years.

In a separate article, the magazine says that a survey of 550 major nonfinancial corporations found that 23 percent or 114 of the companies as of last June "had amassed more total debt . . . than they carried in equity."

FAMILY LIFE IN RUSSIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

SOVIET LIFE ORIENTED TOWARD FAMILY

(By Robert G. Kaiser)

(Washington Post Foreign Service)

MOSCOW.—Imagine a Soviet apartment: Four women sit around a table, periodically tossing down slugs of vodka. They are playing cards—loudly—and telling war stories—more loudly still. A man, the husband of one of them, enters wearing an apron, carrying a tray full of hot cups of tea.

With nervous, jerky gestures he tries to clear empty vodka bottles off the table and serve the tea. The women start complaining to him about the food, the dirty table. He shrugs his shoulders. Finally the guests decide it is time to go home. The husband fetches their coats and boots.

When her pals are gone the man's wife throws her arms around him drunkenly. "Don't touch me!" he shouts. She responds indignantly. "Whatsa matter, doncha think I can drink? I drink on my own money, you know . . ."

Speaking of money, the husband complains, she doesn't give him enough housekeeping money to do the shopping. She brushes him aside . . .

Difficult to imagine? For a Soviet audience watching a group of comedians acting it out, this scene is hysterically implausible. The theater rocks with laughter. The audience obviously loves the mirror image of Soviet family life that the comedians create.

Reality, as one of the comedians explains in an introduction to the skit, is different: Papa comes home from work and reads the paper. Mama comes home from work and goes shopping, makes supper, does the laundry and ironing, and helps the children with their homework. Sometimes, papa helps out after dinner by turning on the television set.

In Russia, "A good wife doesn't let her husband help her keep house. She keeps it clean herself, sews and weaves for her husband and children. A good wife is always merry—she always smiles and makes her husband's life easy and pleasant. A good wife doesn't interfere in her husband's business talks, and in general is mostly silent."

Well, those were the rules in the 16th century, when this prescription for a good wife was written in the "domostroi" or "rules of the household" that were then accepted by church and state. Though contemporary Russian society has little in common with the 15th century, the influence of the domostroi is still evident.

Yet mama's role has grown enormously, although she continues to act as a servant of the rest of the family. In the 16th century, papa was the lord of the manor, but today he is much less imposing, and much less influential. A woman who allows her husband to loaf around the apartment while she does all the housework is also—in many families—the pillar of family life and the chief decision maker.

The Russian family is one of the institutions that Russians love most about their country. In its ideal form, the family is a fortress of love and mutual protection whose walls shield all within from an uncertain outside world. Though reality may seldom live up to these grand intentions, sentimental Russians (and that means virtually all of them) often overlook the family's failures and romanticize its accomplishments.

Modern Soviet society does not challenge traditional family relationships the way the fast-paced societies of the industralized West do. There is no sign of the hedonistic lifestyle here: No amusement industry to fill leisure time, no cult of youth and beauty, no consumer industry for children or cemeteries for pets. The Soviet population is relatively stable and immobile.

Parents have time for children, and children for parents. Soviet sociologists claim that comparative surveys of Russian and Western families show that a mother or father here is likely to devote more of her or his week to the children than does a Western parent. There are fewer distractions, at least in the evening and on weekends, and perhaps—as many Russians would insist—a greater desire to share the child's life.

"Sometimes it's silly," one mother recently admitted. "We sit around in our apartment—me, my husband, my parents, maybe an aunt and uncle—and everybody is looking at Kolya [age 8]. 'What's new with you, Kolya?' 'How's life, Kolya?' 'What's happening in school, Kolya?'—That's all you hear for hours at a time."

At the opposite extreme is the story told in a woman's letter to the radio program "Man and Society," perhaps the nearest Soviet equivalent to a personal advice column.

"My life has been a nightmare," the woman wrote from Magadan, a remote corner of Eastern Siberia not far from Alaska. "I got married in 1946, and hoped to raise a happy family. . . ." Her first son was born in 1947 and—"perhaps to celebrate this event," her husband took a drink of vodka that was his downfall. A lifetime of drinking followed. "Our family survived extreme material difficulties, since more than half our income was spent on vodka."

Finally, after 21 years of marriage, she and her three children decided to throw him out of the house. To get away from him completely they went to Magadan. Papa stayed in the industrial city where they'd lived, still drinking. He remarried, then divorced, then moved in with another woman. Several years ago he had a stroke, which left him paralyzed. Learning of this, mother and children decided to invite him back.

"He getting better now," the woman wrote. "He's back at work, and most important, he isn't drinking any spirits. But life has already passed us by. We can't repeat our youth . . ."

Alcoholism is a perpetual epidemic in this society. There are no published statistics on the consumption of vodka or the prevalence of alcoholism, but evidence of it can be seen on the streets of any village or town. Perhaps 40 per cent of all divorces are caused by drunkenness, according to sociologists' research.

Vodka and wine play an important role in Soviet family life. What does an ordinary worker's family do to celebrate a birthday or a big event? "Buy a bottle of vodka," is the most common reply. An enormous Russian woman who works as a janitor confided that she would need 20 [half pint] bottles for the four-day May Day weekend.

Family celebrations are likely to happen at home. Millions of Soviets—very likely the vast majority—never go to a restaurant. (Restaurants are neither good nor common. In Moscow, the best-served city in the country, there are 127 of them—or one for every 55,000 inhabitants.) The Russian "table" for a big occasion is another of the things Russians love most about their country.

Besides vodka, it will be piled high with a dozen different "zakuski" (hors d'oeuvres), from canned sprats in oil to elaborate Caucasian chicken in walnut sauce. The company can easily spend an hour or two over these washing them down with the toasts that inevitably accompany the consumption of alcohol.

A soup may follow the zakuski, and a piece of meat, or perhaps a duck, will follow the soup. Mama and grandma serve and clear the dishes—none of which match each other—and yell at the young people to eat more of everything. Three generations crowd around the table, many sitting on stools, because there are never enough chairs, and all crowded, because the table is always too small. The men tell jokes and give toasts, the girls gossip and tease.

There is no cocktail hour, no coffee in the drawing room afterward (there's no drawing room), and somehow, it is usually more fun than any dinner party in Washington or London.

If Soviet society lacks the distractions from family life typical of Western countries, it has substitute distractions of its own. The most important of these is the requirement that able-bodied women, particularly in the city, hold a full-time job.

For some traditionalists, this is an outrage. Alexander I. Solzhenitsyn, the author,

stated the conservative view of women at work in his recently published open letter to the Soviet leaders:

"How can one fail to feel shame and compassion at the sight of our women carrying heavy burrows of stones for paving the street . . .? When we contemplate such scenes, what more is there to say, what doubt can there possibly be? Who would hesitate to abandon the financing of South American revolutionaries to free our women from this bondage?"

Old women doing hard physical labor are an embarrassment to many Soviet officials, but the general notion that women should work is not. "The state's interest presupposes only one decision," Elena Ivanova, a senior editor of the government newspaper Izvestia said recently. "The country needs hands for work, including women's hands . . ."

To a large extent, women agree. In surveys, half or more of the working women questioned regularly say that they work for the satisfaction and enjoyment, not just for the money. Mrs. Ivanova points out that 60 per cent of the college graduates in the country are women. "Do they want to sit at home and waste their qualifications?" she asked. "Of course not." Polls show that the higher a woman's level of education, the more she wants to work, regardless of the number of children she has.

The compromises available to an American middle-class woman who wants to raise a family and pursue a career are not available here. The Soviet economy is rigid, and Soviet institutions live by a stern rule book. They do not believe in women taking 10 years off, or starting a career at 35, or working part time. Either you work, or you don't.

The inflexibility of the system puts a psychological strain on women. As one sociologist observed recently, Soviet women may start life on an equal footing with males, study, begin work and marry on the basis of equality, but suddenly lose their equality with the arrival of a child, if not earlier.

In Russian families a child is the mother's business, whether or not her job, her housework and shopping already fill her time. A working woman with a child in this society has an enormous amount of work—30 hours a week, according to one survey, on top of a work week that averages 45 hours including transportation to and from the job.

If she finds a place for her baby in a nursery or kindergarten, a Soviet woman is still on call in case of illness. Day care centers won't keep a sick baby, for fear others will catch the illness, so the mother must take care of her child at home. (She is given some paid leave from work for this purpose.)

Work discipline is lax in most Soviet factories and offices. Many women manage to do errands on office time. "A woman scientist in our institute is about one-third as productive as a man," a research chemist claimed.

Babysitters are virtually unheard of here. Either the baby goes out with the adults, or mama stays home—unless there's a grandmother who can be persuaded to look after the child. Soviet teenagers don't seem to have the entrepreneurial spirit or the confidence of their elders that would be necessary if they were to copy the American babysitting system.

Like most Soviet workers, a working woman is entitled to a month of paid holiday each year. In theory, this vacation could be devoted entirely to the family, and often it is. But it is common for Soviet parents to take separate holidays. This is officially—though coincidentally—encouraged.

Places in trade union sanitoria, rest homes and resorts—the most sought-after holiday spots in the Soviet Union—are allocated at work. Unless husband and wife work in the same place, they cannot expect to get spaces in the same resort at the same time. So they often go off alone at different times of the year. The effect of this on family life has been repeatedly criticized in the press and in sociological studies, but without apparent effect.

(There aren't spaces in these resorts for even half the population, so many Soviet citizens do take their vacations with their families—even if they'd rather not.)

The question remains what is Russian family life really like? Hopefully some of the answers have been included in these articles, but a lot of them haven't. For an outsider who has had only a limited opportunity to see families at home, many of the answers remain out of reach.

For an American, it is instructive to reflect on typical aspects of middle-class American life which have no obvious equivalent here. The list is long.

There is no family car in the Soviet Union, save in about one in 14 families in Moscow, one in 70 for the country as a whole. There is no house, but rather a small apartment for the luckiest families (in urban areas, about half the total), and a room for the others. It is an officially stated goal of Soviet housing policy that every citizen should have his own room in his own apartment, but the goal is just a distant hope now.

The consumer goods that set the tone of American family life don't exist here. There are no cold Cokes in the refrigerator (which is tiny, if it exists), no cartons of milk brought home by the milkman, no garbage disposals or food freezers.

There is nothing here to compare with the organized activities that occupy American children and become the focal points of so many families' lives. Schools don't have organized athletic teams or—except in special cases—bands or orchestras. Dancing classes, pottery classes, church choirs—none exist. Nor do part-time jobs for young people.

Life in the Soviet Union is quieter, duller and harder than in the West. It is also more secure. No one need fear unemployment, inflation or a financially catastrophic illness. On the other hand, no one outside a very special elite can realistically hope to visit the Champs Elysees or the canals of Venice. The state provides, but it also withholds.

In the unique environment that Soviet society has created, family life goes on in recognizable patterns. Kids come home from school, have something to eat, go out to play. Mothers prepare supper, fathers read the evening paper, everybody watches television. "We're living well," Russians like to tell each other, "Life is good."

Moscow.—Money—a remnant of capitalism that is supposed to disappear when true communism is achieved—still exerts a powerful influence on daily life in the Soviet Union.

Rubles and kopecks do not have the tyrannical power that dollars and cents achieve in American life, because Soviet society is not as oriented toward consumption. It couldn't be, since it doesn't produce a fraction as many consumer goods.

Here the issue is still subsistence, or something a little better. The average Soviet family spends its entire income on necessities, with little left for frills. A five-ruble bottle of champagne is a grand splurge for many. On the other hand, extreme poverty is unusual.

To a foreigner who developed monetary reflexes in the capitalist world, the role of money in Soviet society seems unique—not for what it can do, but for what it cannot.

The acquisition of a lot of money does not assure a Soviet family a radical improvement in its standard of living. Sudden wealth would allow a better diet and more clothes, but mere money won't buy a big new apartment, a new car or a summer vacation in Yugoslavia.

Those things are allocated, not sold. The best apartments are assigned to Communist Party officials and other influential citizens. The opportunity to buy a new car is similarly distributed as a privilege. Foreign travel is the rarest—and thus the most coveted—privilege of all, and no amount of money can substitute for the official permission to go abroad.

"For many people," a Moscow film director recently argued, "money doesn't give satisfaction—it creates difficulties. Spending money is difficult.

He explained: A family without pretensions can quite easily maintain a simple life—a basic diet, ordinary clothes worn until threadbare, vodka and television for entertainment. Such families are common.

If a sudden jump in income induces that family to try to live better, life becomes complicated. Any attempt to improve the family's diet, for instance, would require a large increase in the amount of time devoted to shopping. Good foods are the hardest to get, and they attract the longest lines in the shops.

A determined effort to acquire the best food available in Moscow absorbs hours a week beyond the time it would take to purchase a diet of cheese, salami, bread, cabbage and dairy products.

It is no easier to buy clothes. "Some people," the movie director said, "can never buy a new suit—when they've got the money, there are no suits, and when there are suits, they haven't got the money." Women interested in acquiring the best Yugoslav or Hungarian fashions that are sometimes sold here must devote hours to scouring the stores and collecting inside information. (A tip from a salesgirl about when Polish sweaters are going on sale is worth a week of window-shopping.)

The movie director thinks many people are so put off by these difficulties that they would rather live their simple, subsistence lives. But many Soviet citizens are also willing to go to whatever lengths are required to get more and better consumer goods. The other day a full colonel in the Red Army was seen in Moscow waiting patiently in a long line to buy a pair of Hungarian shoes.

Money does talk on the Soviet black markets which seem to be extensive.

The term is misleading, for many "black market" sales are simply unofficial exchanges between friends at free market prices. For six to eight rubles, for instance, one can buy a one-ruble coupon valuable in special hard-currency shops that sell imported goods. The coupons are sold by people who have worked abroad and earned hard currency, or had it sent to them by relatives.

This winter a pair of foreign-made ladies' boots on platform soles cost 150 rubles on the black market. The prices for foreign-made double-breasted sheepskin coats began at 750 rubles.

The official press periodically reveals that bribery is a phenomenon of modern Soviet life. A man with a wife and daughter, theoretically entitled to a two-room apartment could offer the right local official 1,000 rubles and find himself with three rooms. A man building a cottage in the country might get the lumber he needs with a well-placed "tip" in a state construction organization.

Millions of Soviet citizens are prepared to risk a little money in the hope of making a lot. State sponsored lotteries are popular. So is the race track in Moscow, where betting is allowed, though the payoffs are miserly. In many offices, the female employees, maintain a "black cash box" to which each contributes five or ten rubles a month, then takes her chance in a winner-take-all drawing.

The average family lives on a modest budget. According to published statistics, that family (composed of 3.5 people and 1.6 wage earners) has a monthly income of about 220 rubles. This is $285 at the official exchange rate, but the comparison is misleading. A small Soviet-made Fiat costs 5,500 rubles. A pound of tomatoes in the farmers' market may cost four rubles in early spring.

According to the book "Family Needs and Income," published here in 1967, a well-balanced, nutritional diet costs about 50 rubles per person per month. Thus the typical fam-

ily would have to spend 175 rubles a month on food, were it to eat that well. In fact, most families seem to spend 40 to 60 per cent of their cash income on food, and settle for something less than the ideal diet.

Another 10 to 20 per cent goes for rent, gas and electricity. (Rents are heavily subsidized by the state.)

That leaves the average family with, say, 50 to 100 rubles a month for clothing, transportation, entertainment, medicines (which are only partially paid for by the state medical system) and incidentals. Thus a basic item like a 200-ruble television set will absorb all the family's spending money for two or three months.

Wealthier people—members of the Soviet middle class—have family incomes of 350 to 600 rubles a month, which leave them a little more flexibility. A chemist and his wife who make 500 rubles a month say they spend at least 220 on food for themselves and two sons. The rest goes on ordinary expenditures, "and we never have anything left at the end of the month."

Other middle-class families invest in the status symbols of contemporary Moscow—antique furniture (which was scorned just a few years ago), old jewelry, china, crystal and carpets.

Some people save money, too. Soviet savings banks (which pay 2 per cent interest) have deposits of about 70 billion rubles, an average of 280 rubles per man, woman and child in the country. This appears to be rainy day money. When asked, most people express surprise at the size of personal savings, and claim they themselves spend all they earn. One explanation for these savings is that many people cannot find the products they would happily buy, if they were available. The waiting time to buy a car stretches to several years in many towns.

Some of these savings undoubtedly belong to the very rich—a tiny slice of Soviet society, whose lives have little in common with ordinary citizens'. A couple like Roman Shedrin, the composer, and his wife, Maya Plisetskaya, the prima ballerina of the Bolshoi, probably earn several thousand rubles a month—more than a worker can make in a year. They have a large Moscow apartment, a foreign car, a big country dacha, hired help, foreign clothes and much more that ordinary Russians never even dream of.

ST. RITA'S GOLDEN JUBILEE CELEBRATED

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. PARRIS. Mr. Speaker, this year St. Rita's Church in Alexandria, Va., is celebrating its 50th anniversary as a parish. On Sunday, October 20, the cornerstone from the original church building will be relaid next to the cornerstone in the present church.

For the interest of my colleagues, I would like to insert at this point in the RECORD a recent news article describing the golden jubilee celebration. It is my understanding that it is the intent of the parish to place a copy of today's CONGRESSIONAL RECORD with other memorabilia of church history under the cornerstone.

ALEXANDRIA PARISHIONERS CELEBRATE ST. RITA'S GOLDEN JUBILEE

It was a grand night for singing and celebrating as St. Rita's Church of Alexandria marked "Fifty Golden Years" as a parish last Saturday night, the evening beginning with a Solemn Mass of Thanksgiving in the modified Gothic-style church at 3815 Russell Road.

Memories were evoked for the parishioners from the first moment of the entrance procession, for along with their new Bishop of Arlington, Bishop Thomas J. Welsh, who was making his first visit to their church, were familiar faces which had come and gone over the years, their former bishop, two former pastors, former associates and two former deacons, now ordained; Sisters of St. Joseph who had long taught in the parish school, and lectors. Later some lay members of the community who had a long history in the church, some as charter members of the little community who first met in a cobbler's shop in 1913, and then the little church in Mt. Ida, a mission of St. Mary's built in 1914, were to form the offertory procession.

Bishop Welsh was the principal celebrant at the Mass which combined folk music and Latin hymns, and he was flanked by retired Bishop John J. Russell of Richmond and their pastor, Father Francis L. Bradican.

Seated in a place of honor in the sanctuary was Msgr. Leonard J. Koster, first pastor of St. Rita's when it was elevated to parish status in 1924, now pastor-emeritus of St. Charles, Arlington.

Father Edward P. Browne, pastor from 1967–72, in his homily traced the history of St. Rita's, but said, "If you talk only about the buildings, you're not talking about a parish. A parish is most of all the people," he said, "and the priests who spread the gospels and help to build community. We have been blessed with a good, dedicated, zealous priesthood, varied in talent, varied in virtue, but one in dedication to the people. My life with the people of St. Rita's," he said, "were among the happiest years of my life because of the people. They are unique," he said, "because there are children in the school, whose parents and grandparents built the church before them and they are still carrying on. We are indebted to those of the past," he asserted, "and we must continue to build ourselves, so that we will have something to pass on to those in the future. As we celebrate this Golden Jubilee, may it awaken in us a renewed sense of community and may we especially remember Msgr. Emmett P. Gallagher." (Msgr. Gallagher, who died in 1968, had become pastor in 1947 and had overseen the building of the present church and school complex.) "Let us pray for the future," Father Browne concluded, "that God will bless St. Rita's with many young men and women who will dedicate themselves as priests and Sisters."

Bearing the gifts at the Offertory were five parishioners, whose family roots go deep in the church's history, Mrs. Catherine Cousins, Anthony Giammittario, Miss Frances Conlon, Miss Mary Conlon, and Miss Camille DeLane, first organist of the original church.

It was a happy, ebullient crowd of 250 which gathered later for a reception and dinner at the round, red-covered tables at the Ramada Inn on North Fairfax Street. A string trio circulated throughout the room playing "requests" and Bishop Russell displayed a fine tenor as he joined in "Santa Lucia," and Father Bradican in "Galway Bay." For Bishop Welsh there was the "Pennsylvania Polka."

Father Bradican spoke of his pride in St. Rita's, and thanked all the laity who had helped "to make it what it is" as well as the Sisters of St. Joseph for their work in the parish school. He paid tribute to the former pastors and "especially Msgr. Gallagher, who set us up and got us started. We shall work unitedly for the good of the parish to help each other and make it one of the finest in the diocese," he told his people. Msgr. Koster, first pastor, called "those days the happiest of my life. It has always been a family," he said. His final words were drowned out by a standing ovation.

Bishop Russell who served as bishop from 1958–73, said, "I come in great, good humor as your 'retarded' bishop. I am able to look back and say these have been good years," he said. "All through the years St. Rita's has been a wonderful parish. I hope that it will continue to be even though we are 'separated' brethren," he said, referring to the division of the diocese of Richmond. "Down in 'the holy city,' we miss you," he concluded, "but we pray that God will bless your new bishop and will bless you."

Continuing the jocular tone of Bishop Russell's remarks, Bishop Welsh told him, "We're glad to have you back and hope you have no trouble at the border." To the people of St. Rita's he said, "No amount of searching had found any substitute for a parish. This celebration, this jubilee," he said, "represents a great continuity of priests and people, and a spiritual continuity.

"The Church," he said, "has been caught up in the acceleration of change, as well. But there is one thing that does not die, and that is the devotion to the saints of the places where we worship." He spoke of the "downgrading of devotion to the Blessed Mother. I don't know quite what was behind it," he said, "but we stand in need of the kind of continuity that you have had in your parish of St. Rita. There hasn't been any real change," he said. "Thoughts have been updated, but real theologians are as true today to patron saints and especially to the Blessed Mother as they ever were. Pope John, who gave us the Vatican Council, said 15 decades of the Rosary a day," he said, "and the Council wrote at great length about the Blessed Mother, more than any other Council. When Pope Paul closed the Council, he gave Mary one more name—'Mother of the Church.' This is not ancient history," the Bishop said, "this is in recent days. It is a crucial fact," he said, "that from the earliest moments of the Church, Mary has been included in essential dogma of the church."

ENVIRONMENTAL PERSPECTIVE

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. JONES of Alabama. Mr. Speaker, the quality of the environment is of proper concern to each citizen. The concern is reflected in the great volume of legislation introduced in the Congress each session with the objective of improving the quality of life available to the people of the Nation.

The intensity of concern can sometimes cause loss of perspective on the distance the Nation already has traveled toward the common goal of a better environment.

A refreshing examination of the ecological situation has been published in the Huntsville, Ala., Times by the associate editor, Mr. Bob Ward, from an interview with a farmer in north Alabama, Mr. Holland Baker.

Mr. Baker's thoughtful comments and Mr. Ward's skillful presentation of the views are most worthwhile and I include them as a part of my remarks so that others may appreciate this fresh perspective:

ENVIRONMENTAL PERSPECTIVE: ONE MAN'S VIEW OF HOW BAD IT ISN'T

(By Bob Ward)

At 60 years of age, Holland Baker seems a tad too young to be termed an oldtimer. Still, he likes to talk about how things used to be, back in the good old days. Except, as he remembers them, they were

the bad old days. But, that is, with respect to what is today lumped under the twin headings of Ecology and The Environment.

What disturbs Baker is the popular view that the natural environment has reached its sorriest state ever, that pollution of the elements and despoilation of the land have never before been so bad. He regards such thinking as alarmist and he blames it on "mass hypnotism"—and on ignorance, of past conditions as well as present.

"It seems like so often some of the best-educated people are so ignorant on this ecology thing," says Baker. "I claim the ecology is in better shape than it's ever been."

Holland Baker, it should be quickly noted, is no ecologist, no certified scientist of any kind. He has a small farm on Highway 72 West at Monrovia, to which he has recently retired after 25 years as a Huntsville postal worker. His own formal education was brief, stopping short of high school. But this father of two grown children reads a great deal, he is widely traveled, and his first-hand experience with the environment does date back better than half a century.

He can cite dozens of examples of an environment that is today better, not worse, than it used to be.

"Think how it was in the 1920s and '30s" he says. "To tell you the truth, this whole country—and by that I mean the Southeast—was washed away back then. We had forest fires all the time. And about the time trees got big enough to make a stick of stovewood, they were chopped down and burned up.

"Now, I don't go back to the last century, but my father did—he was born right after the Civil War. About the time of the end of that war, this country was used up and worn out. It had been 'cottoned to death,' as they say."

As one small indicator of how soil conditions have changed, Baker points to the 100-acre farm on rolling land he bought in 1946. He had applied for a Farmers Home Administration loan to help him buy the place. It took the agency almost a year to decide to let the loan go though, he recalls, "because the land was so poor, they weren't at all sure the place was worth even the $330-a-year payment on the loan."

"This land, like a lot of other land around here, was absolutely worn out. There wasn't one acre on the place that was considered Class A land—land that would make a bale of cotton to the acre."

Today, his land is restored to production, thanks to fertilizers and years of caring for it. Because it is so heavily contoured, it remains marginal land for row crops and fit only for grazing, and so Baker has it in pasture for the beef cattle he raises. But the soil conditions have been so restored, he says, that his land could produce up to two bales of cotton per acre for a year or two—until, with the plant cover gone, all the topsoil had washed away.

Baker's point is that he, along with virtually all farmers today, have learned not to mistreat this facet of the environment that way.

But that's not by any means all that's changed.

"Across the board, the ecology is in so much better shape than it was 40 or 50 years ago," argues Baker good-naturedly, "it's just amazing to me that people are so perturbed over it. Any area you could name is improved. Back 35 years ago, for instance, when Huntsville had 16,000 population and there were probably 10,000 cars in the county, those cars were probably doing far more polluting per car than cars today do.

"And take the coal fires we used to have. They were the worst air polluters. I've had asthma all my life and I used to go into town in wintertime on a frosty morning. Every store burned coal for heat, as did an awful lot of houses, and the air would be so heavy with smoke. And back then all the smokestacks at the mills and factories and laundries were belching forth thick black smoke all the time."

And then there were the forest and woods fires.

"A lot of people out in the country," Baker recalls, "would set the woods on fire, and just let them burn, and there would be a smoky haze all through the air around the mountains here. The farmers did it to improve the browse for their cattle. Well, we don't see much of that today. People today think all forest fires are so bad, but the Indians used to do the same thing and so do foresters today.

"And people now yell about others who might burn a pile of leaves in their yard, and then these same people turn around and go inside to build a fire in their fireplaces that burns for hours and puts out 10 times as much smoke."

And consider water pollution. Huntsville Spring Branch, for example, decades ago was so filthy it was called—well, as Baker delicately explains, it had "the appellation of a common four-letter word in front of the word 'Creek.'"

"They dumped all the sewage of Huntsville into it," he recalls. "It went all the way to the river, just open like that. But that was nothing unusual back then. Every city between Asheville, N.C., clean on down and around to Paducah," Ky., at the other end, dumped their sewage into the Tennessee River—untreated. And most of them took their drinking water from just above where they dumped their sewage. They called themselves purifying it before using it, but I don't know how much purifying they really did in those days."

Fish and wildlife are other ecological concerns which Baker mentions.

"We used to fish on the river a week without catching a thing," he remembers. "Now, after they've built the dams, you can't go without catching fish. The ecologists today yell against building dams, but dams help fish and wildlife. There weren't any ducks along the river here until the dams were built, not to mention all the fish that were killed and land ruined before flood control came.

"And take wild game, for instance. My daddy never saw a deer. Now they're all over the place. And beaver were only a fond memory around here. Now you see them; they've worked their way up Limestone Creek from the Tennessee and are beyond the Capshaw area now. I've got squirrels returning to my place after all these years, now that the nut trees are getting big. And woodchucks are taking over the place. And I even get wild duck in my pond."

Baker is especially critical of environmentalists' alarm over phosphates, particularly phosphates in detergents under attack because they cause excessive algae growth in rivers and lakes.

"The phosphates you find in detergents," he argues, "are approximately the same chemical constituents in many fertilizers, such as the one I use. But the fish in my pond are waxing fat on the same chemicals they're trying to ban in detergents. I think the public is being fed a lot of malarkey on phosphates. It's largely because of phosphates and other chemical fertilizers that we're now getting 50 to 60 bushels of corn per acre. The average corn yield in this country used to be 15 to 16 bushels.

"Now, I don't have anything against organic faming—I keep a compost heap myself. But what a lot of people who are against chemical fertilizers forget is that they produce a lot more stalk and stem, which is turned under and makes more humus to enrich the soil. And it's yet to be shown that any of these fertilizers cause cancer, as some have been saying."

Oil spills, another environmental concern, do not trouble Baker unduly. "Oil spills at sea are nothing new," he says. "There's no telling how many big tankers were sunk by German subs along the Atlantic and Gulf coasts during World War II. A lot of that oil washed up on our beaches then, but I don't know of any lasting ecological damage from it."

Baker doesn't have unkind words even for strip-mining. He thinks reclamation of strip-mined areas would be nice, but he questions its necessity. He lately has seen some strip mines of 30 and 40 years ago and he says: "You can hardly tell what they were, they look almost natural now, mostly grown over—and with no reclamation."

It's not that Holland Baker is in favor of environmental damage or pollution. It's that he feels the American public has gained a "warped view" of our ecological ills from "the mass media, especially television."

"Things get blown out of proportion and they get the people in a trauma," he says. "It's some kind of mass psychological thing, mass hypnotism. But most people are better off today, environmentally as well as materially, than they ever were. They just don't know it. As old Will Rogers said, 'Everybody's ignorant, just about different things.'

"I'm for ecology, myself," Farmer Baker insists. "If I hadn't been, I sure wouldn't have spent the better part of my life trying to make this place better.

"I suppose my point is that there is really nothing man can do to Nature that, given enough time, Nature can't repair."

No doubt the people living elsewhere today near some major rivers and lakes choked nearly to death with man-made pollutants hope he's right.

WAYS AND MEANS COMMITTEE CREATING NEW TAX LOOPHOLES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. VANIK. Mr. Speaker, I was very concerned when the President in his economic message of October 8, 1974, gave a blanket endorsement to the tax bill which has been developed by the Ways and Means Committee. This tentative bill is more loophole than reform. Some have tried to give the committee's bill the odor of tax reform—but it reeks or special interest loopholes. The American people must not be fooled into accepting this tax bill as a reform bill.

I would like to include at this point in the RECORD a column of October 17, 1974, by the economics writer of the Washington Post, Mr. Hobart Rowen, entitled "Creating New Tax Loopholes":

CREATING NEW TAX LOOPHOLES

(By Hobart Rowen)

By endorsing the House Ways and Means Committee tax "reform" bill, President Ford has focused attention—no doubt unintentionally—on what could be one of the major tax giveaways in U.S. history.

As it now stands, the bill is not a tax "reform" bill at all, although it does reduce or eliminate a few special privileges, notably the oil depletion allowance.

But the main thrust of the proposed legislation is to create $3 billion to $4 billion worth of new loopholes for businessmen, and those wealthy individuals whose income is largely derived from capital gains rather than wages.

Thus, although the bill contains $1.6 billion in tax relief for the working poor (not enough to compensate for inflation) it is on balance a bad piece of legislation which benefits upper income brackets in too many ways while leaving what Rep. Henry Reuss (D-Wis.) calls "the old established loopholes" very much alone.

Take the capital gains proposal, which has most true tax-reformers up in arms. At present, 50 per cent of a capital gain—say on securities—is excluded from any tax if held six months. The generous Ways and Means Committee would exclude 1 per cent in addition for each year the asset is held over five years, but not over 25 years.

That neat trick would increase the exclusion to a potential 70 per cent and presumably make stocks more attractive to buy—as well as persuade those holding stocks over a long period of years and said to be "locked-in" by potential tax liabilities to take their profits (with a minimum tax bite) and buy new stocks.

Economists Roger Brinner and Alicia Munnell point out: "While a declining inclusion ratio would not solve either the inflation nor lock-in problem, such a change would significantly reduce the tax rate on capital gains." For individuals in the 70 per cent top bracket, their tax on capital assets held 25 years would be cut from 35 per cent to 21 per cent.

The Committee's proposal, if it worked to solve the lock-in problem, might be a shot in the arm for the ailing brokerage business. But it would cost the Treasury at least $1 billion a year, while the biggest capital gains loophole of all—the nontaxation of capital gains at death—remains untouched.

The surest way of tackling the lock-in problem, as Brinner and Munnell point out, is to provide a tax on capital gains transferred at death. Tax expert Joseph A. Pechman of the Brookings Institution estimates the current cost of that loophole, which allows wealth and power to be transferred from generation to generation, at $3 billion a year.

Other bonanzas created by the bill:

Industrial Development Bonds—Presently, private industry has a nice little racket under which it can finance up to $5 million of an expansion in a six-year period at public expense. This is done through issuance of tax-exempt bonds by a state or local government to finance a new facility. Not only does this system provide tax-exempt investment possibilities for high income individuals, but the companies lease the plants at low rents because the construction borrowing costs are less than normal due to the tax-exempt gimmick. But now the committee proposed to take off the $5 million ceiling. With the sky the limit, the potential tax loss is another $1 billion.

Savings Account Interest—The bill would exempt the first $500 of interest in savings accounts ($1,000 per couple) in an effort to help thrift institutions keep deposits, and thus aid the housing industry. Whether new savings would be encouraged is debatable. But what is clear is that high-income families would benefit most (a family would need nearly $20,000 in a 5.25 per cent passbook account to accumulate $1,000 in interest), and the Treasury would be out an estimated $1.8 billion.

Tax Simplification—Many deductions presently itemized would be replaced by a lump sum deduction up to $650 whether or not a taxpayer had actually qualified for any. The net result: taxpayers with many and varied expenses which are now deductible would be short-changed, while others would get what amounts to a tax cut from Uncle Sam. Net estimated cost: $400 million.

As mentioned earlier, there are some worthwhile things in the bill, including a heftier minimum tax, a reduction in real estate shelter possibilities, a limitation on tax-free junkets for doctors, lawyers, and other professional groups, and tightening of taxes on salaries earned abroad.

But such welcome steps are as nothing alongside the new loopholes and old ones such as tax-free bond interest, the existing capital gains benefits, and the "DISC" giveaway that allows corporations to avoid taxes on export sales. Better no bill at all than this one!

IN SUPPORT OF VETO OVERRIDE OF HOUSE JOINT RESOLUTION 1163

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. BIAGGI. Mr. Speaker, I support the motion to override the President's most recent veto, of House Joint Resolution 1163. I find this action to be an unfortunate move by the President and one which should not be tolerated by the Members of this body.

It has been almost 3 months since Turkey invaded Cyprus yet still we find ourselves debating the issues of both our continued providing of aid to Turkey and our efforts toward restoring peace to Cyprus. Yesterday we in the House passed an effective compromise amendment to the resolution which gave the administration until December 10 to work out an agreement on Cyprus, with the condition that if any of the aid which we provide to Turkey was shipped to Cyprus, the President would be authorized to terminate aid to Turkey immediately. This was a responsible and vitally important amendment, one which could prevent any further military aggression by Turkey in Cyprus. Yet once again, the administration has chosen to reject our efforts at bringing peace to Cyprus and has once again demonstrated its lack of concern for the future security of Cyprus.

I reluctantly supported the compromise reached yesterday, reluctantly to the extent that I would have preferred, and have supported legislation in the past which would cut off aid to Turkey immediately. Her blatant violations of the Foreign Assistance Act with respect to use of military aid dictated to me that this aid should be cut off forthwith. However, realizing that compromise was needed, I supported the Rosenthal amendment.

However, I cannot support the President's veto today. While we have been debating this issue, the crisis on Cyprus has continued virtually uninterrupted. The Turkish Army continues its illegal and ruthless control of more than one-third of Cyprus using our military aid in open defiance of the Foreign Assistance Act, yet confident knowing that they have a friend in the administration which seems content to allow them to continue their actions without any interruption.

I most vehemently disagree with the contention of the President that any decision to cut off aid can only prolong the Cyprus crisis. Unless we asset ourselves in preventing any further shipments of arms to Turkey, Turkey will be in an excellent position to solidify her position on the island, and it is this that will prolong the misery and suffering for more than a quarter of a million Greek Cypriots.

We are again confronted with a historic opportunity to override a Presidential veto. A vote to override is critical if we are to maintain our commitment to the people of Cyprus. We must support the bill we passed yesterday if we are to get the machinery in motion which will bring the two sides in this conflict to the negotiating table. We must demonstrate unequivocably to Turkey that continued violation of the Foreign Assistance Act will no longer be tolerated.

Above all, we have an opportunity to assert ourselves in an important matter of foreign policy. Our vote last week indicated that we in Congress still are content to play a subservient role. Our vote today may be the last chance we have to maintain our strong positions with respect to aid to Turkey. Failure to override this veto will only serve to prolong the Cyprus and intensify the embittered feelings of the Greek community who have viewed with a sense of betrayal the U.S. Government's failure to act in the wake of Turkey's action. Most importantly a vote to override will tell those Greek Cypriots who have seen their families and friends, killed, their homes destroyed and their future imperiled, that we are still committed to assisting them, and that we are still the champions of freedom for all men. We cannot forsake the people of Cyprus any longer, for their hour of need is upon us. I urge a decisive and overwhelming vote to override this veto today.

HUD SECRETARY JAMES T. LYNN COMMENDED

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, in the midst of what I consider unfair criticism of Secretary of Housing and Urban Development James T. Lynn, I would like to share with my colleagues my own perspective on Secretary Lynn's performance, which I believe has been very creditable in the most difficult of circumstances.

No Secretary of Housing has worked as closely with Congress as has Jim Lynn. I can assure my colleagues that the reason we have a new housing bill (the Housing and Community Development Act of 1974) and not a veto is due in large measure to Secretary Lynn's untiring efforts to find common ground between a number of powerful interests, which have been at odds for over 3 years of housing legislation. During the committee's months-long drafting sessions on this legislation, Jim Lynn visited with each committee member individually to exchange views. He spent several hours in my office discussing my proposal to provide loans for elderly housing construction which he ultimately supported. The bill which passed authorizes $11.2 billion for housing, and charts a new direction for the Federal housing and development effort. So let us not say that Jim Lynn has been ineffective.

As in all compromises, no one is entirely satisfied with the final version of the new housing law. I fought hard to keep the Model Cities program fully funded for an additional 3 years, and I was the author of a new elderly housing construction program, as well as a pro-

hibition of discrimination against women in mortgage credit. Nevertheless, I did not get everything I wanted in the legislation. In the process, however, I did develop a firm respect for Secretary Lynn, who demonstrated that he cares about housing as much as I do. He is a dedicated, hard-working leader.

I also fought last year to continue full funding for existing housing and community development programs, after a moratorium on these programs was announced, but I do not hold Secretary Lynn responsible for that decision. The moratorium was imposed before he became Secretary, and the decision was not made by HUD, it was made by President Nixon. It was a decision that no one in the administration could have overturned.

Mr. Speaker, we now have on line an $11.2 billion housing program. It is the first opportunity Jim Lynn has had to demonstrate what he can do for housing. I believe he deserves a fair chance to perform on his own, and to be judged objectively on his own record.

TENNESSEAN NAMED "POSTMASTER OF THE YEAR"

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1974

Mr. JONES of Tennessee. Mr. Speaker, at its recent annual convention in Hollywood, Fla., the National League of Postmasters named as the U.S. Postmaster of the Year, Mr. W. C. Herndon of Camden, Tenn., which is located in the congressional district I represent.

I have known Mr. Herndon personally for many years and know him to be not only a fine postmaster and noted leader in community affairs, but a man of honor and integrity. He is an outstanding American, and we in Tennessee's Seventh Congressional District are indeed proud of him.

Mr. Speaker, at this point I would like to insert in the RECORD an article from the Camden, Tenn., Chronicle of October 10, 1974, concerning Mr. Herndon's award:

Postmaster W. C. Herndon of Camden has been named the U.S. Postmaster of the Year. The award was presented on September 27 in Hollywood, Florida by Dr. Andrew Holt, president emeritus of the University of Tennessee and a member of the Board of Governors of the U.S. Postal Service during the annual convention of the National League of Postmasters.

Earlier in the year Herndon was named Postmaster of the Year in Tennessee at the State Convention at Paris Landing in July. His selection as Postmaster of the Year came from a field in which competition was tough. All other states had chosen their representatives with which he had to compete.

The award was based on recognition and appreciation of his outstanding service in the Camden Post Office and this community and to the National League of Postmasters.

The honor reflected credit upon himself, the entire postal service and honored the National League. Those were the criteria on which the selection was based.

During the two days that Herndon served as president of the State Tennessee beat all other states in the membership drive.

Postmaster Herndon has been an influential and dedicated worker in many facets of community life. He is active in Boy Scouts, having earned the Silver Beaver Award by the National Council. His efforts in the Cancer Crusade have been untiring. As both a Sunday School teacher and a Deacon, he serves well in Camden's First Baptist Church.

Today, Herndon is a Lt. Colonel in the U.S. Army Reserve. He teaches classes for the military. He is proud of the Army and has a reason to be.

During World War II, he served in the European Theatre of Operations where he was taken prisoner by the Germans and held for four months.

Veteran organizations have chosen him as V.F.W. Commander and American Legion Commander locally. He has served as State Vice-Commander of the American Legion and in 1973–74 he served as National Vice-Commander of the organization's Council on Americanism.

Postmaster Herndon and his wife, Peggy, reside on Woodland Drive in Camden. Their son, Joe, is a senior at the University of Tennessee in Knoxville where the postmaster graduated in 1949.

As coincidence would have it, the same Dr. Andy Holt who presented Herndon his National Postmaster's award was the same Dr. Holt, who as president of U.T. presented him the diploma in 1949.

Another Tennessean was honored at the recent meeting in Florida. Kenneth Jennings of Powell, Tennessee, was elected president of the National League of Postmasters.

CLIFF McINTIRE

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 8, 1974

Mr. POAGE. Mr. Speaker, all who served with Cliff McIntire in the Congress knew him as an able and distinguished legislator. Those of us who served with him on the Agriculture Committee, because of a close personal relationship, knew him also as a gentleman in the highest meaning of that word.

He was considerate and helpful, kind and understanding. His counsel was sought by his colleagues. He was unstinting in service to his country, and in the field of agriculture he was truly a national authority.

News of his untimely death saddens all who knew Cliff McIntire, and I join with his countless other friends in extending sympathy to his wife and the other members of his family.

SENATE—*Monday, November 18, 1974*

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

PRAYER

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

Eternal Father, we give Thee thanks for this Republic, "one nation under God," and for all the privileges and responsibilities of citizenship. Lift us now above the contention and controversy of the election arena to the place of wise statesmanship and confident leadership which shall benefit the whole world. By Thy presence here make us new in mind and heart, fit for our tasks.

Grant Thy grace and protection to the President that his mission may promote good will and advance the cause of justice and peace among the nations.

Deliver the "Holy Land" from all that is unholy. Stay the threat of war and establish the reign of justice and enduring peace.

Come to the great needy world of humanity. Open man's heart to Thee that he may walk in Thy light and possess Thy peace.

And to Thee shall be all praise and glory. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, October 17, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER FOR RECOGNITION OF SENATOR SYMINGTON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the joint leadership has been recognized tomorrow, the distinguished Senator from Missouri (Mr. SYMINGTON) be recognized for not to exceed 15 minutes.

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

ORDER FOR RECOGNITION OF SENATOR CLARK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the distinguished Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), has been recognized and has disposed of his time, my 5 minutes be allocated to the distinguished Senator from Iowa (Mr. CLARK).

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

A TIME FOR COOPERATION

Mr. HUGH SCOTT. Mr. President, I see that we have a new rug. This will lend some comfort to our footing, and I hope that our improved footing will lead not to improved footwork, but to better headwork.