speaking student barely completes the eighth grade.

Employment statistics for those of Spanish origin have remained virtually stagnant in the years since the establishment of the Cabinet Committee, causing the Spanish speaking to suffer even more than the average American from the effects of our economic decline. The statistics are grim: As of the fourth quarter of 1974, out of a labor force of over 4 million, 325,000 Spanish-speaking Americans were unemployed, averaging 8.2 percent unemployment as opposed to the national average of 6.1 percent. And among the 62.7 percent of the Spanish origin labor force who do find jobs, incomes are so low that the median income for Chicanos and Puerto Ricans average $7,908 and $7,163 when the average figure for the United States was $12,051. Forty percent of all Spanish-speaking persons earn between $4,000 and $10,000, and 63 percent of all Chicanos earn below $10,000 per year. And from 1969 to the present time, there has been no increase in real income for the Spanish speaking, whereas the population as a whole has had a 4 percent increase.

These statistics point to another aspect of the Spanish-speaking employment dilemma, for it is a well-known fact that white collar and professional level employment among the Spanish-speaking community is scarce. Through my work on the Treasury, Postal Service, and General Government Appropriations Subcommittee, I am more than aware of the miniscule percentages of Spanish origin persons in the managerial levels of Government in the Federal agencies. Thus, a continuing lack of opportunity holds nearly 30 percent of Puerto Rican and Mexican-American families below the recognized poverty level, while Federal programs of assistance continue to be notoriously unsatisfactory. The Spanish speaking continue to experience every social ill that accompanies the state of poverty in this land of so-called opportunity.

It is evident that a path to equal opportunity must be paved through the recreation of an agency devoted solely to the concerns of the Spanish speaking. Further, it is imperative, that this office, once it has been reestablished, must concentrate full time on the massive problems encountered by the Spanish-speaking community, rather than squandering its energies on partisan political causes. Those unique needs and concerns must be paramount in the work of this agency until the social and political barriers presently confronting the Spanish speaking are forever knocked down.

HOUSE OF REPRESENTATIVES—*Wednesday, January 29, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Trust in the Lord and do good.—Psalms 37: 3.

O God and Father of us all, whose goodness faileth never and whose truth endureth forever, in the midst of pressing duties and persistent demands we open our hearts unto Thee praying that the light of Thy spirit may shine upon our pathway revealing the way to righteousness, justice, and peace.

Keep our hearts clean, our minds clear, and our spirits courageous as we face the tasks of these trying times. Lead us and lead our people into the realm where good will reigns, truth rules, and justice regulates the affairs of all.

Before this altar of prayer we dedicate ourselves to Thee and to our Nation for the welfare of all mankind; through Christ our Lord. 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.

TO AMEND WOOL PRICE SUPPORT PAYMENTS BILL

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

Mr. RONCALIO. Mr. Speaker, today I am introducing legislation which would retroactively amend existing regulations governing the computation of wool price support payments as provided by the National Wool Act of 1954.

This bill would authorize payments to producers under applications therefor previously filed or to be filed in cases where a bona fide sale of the wool was made by the producer but he is unable to present evidence of payment due to default by the purchaser.

My bill provides relief for wool producers in Wyoming and other States who in 1970 consigned and delivered wool to a marketing agency in Colorado from which they received promissory notes, none of which were ever paid by that agency, and on which wool incentive payments were made. Subsequently, in 1972, these producers' incentive payments were withheld by the Department of Agriculture because the Department found the earlier payments to be improperly determined under existing regulations. These regulations presently provide that the grower's application for payments must be supported by a final accounting for the wool. A promise to pay, even though supported by a promissory note has not been accepted as the equivalent of a payment within the meaning of the regulations governing incentive payments.

This decision has caused considerable hardship for those producers who acted in good faith in consigning their wool to an agency they considered to be financially responsible.

Similar legislation introduced in the last Congress received the support of the Department of Agriculture and the Office of Management and Budget. I urge my colleagues to support this bill to insure an equitable treatment of these wool producers.

RESOLUTION TO OPPOSE A CEILING ON SOCIAL SECURITY COST-OF-LIVING INCREASES

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

Mr. BRADEMAS. Mr. Speaker, on behalf of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), the distinguished chairman of the Subcommittee on Social Security of the Committee on Ways and Means, the gentleman from Massachusetts (Mr. BURKE), and myself, I am today introducing a House concurrent resolution which expresses the sense of Congress in opposition to President Ford's recent proposal that social security cost-of-living increases be held to 5 percent this year.

The President wants Congress to reduce the expected 8.7 percent social security cost-of-living increase which will automatically go into effect on July 1 of this year.

The President is asking 30 million needy social security recipients—children, the elderly, and the disabled—to take a 40-percent cut in the scheduled 8.7-percent increase in benefits as a part of his program to combat recession.

This is an unfair burden to ask these people to bear on top of the ravages they have already suffered from soaring inflation.

Mr. Speaker, the 92d Congress widely anticipated the need to protect social security recipients from the threat of rising prices by approving an automatic cost-of-living increase in social security benefits tied to the rise in the Consumer Price Index.

We must not turn our backs on these deserving people, and we must not approve the President's ceiling on social security increases.

I insert, at this point, a list of those who have agreed to join Mr. O'NEILL, Mr. BURKE of Massachusetts, and me as cosponsors. The number of cosponsors so far totals 108:

LIST OF COSPONSORS

Ms. Abzug, Mr. Ambro, Mr. Ashley, Mr Aspin, Mr. Badillo, Mr. Beard, Mr. Bedell, Mr. Biaggi, Mr. Bingham, Mr. Blouin, Mr. Boland, Mr. Bonker, Mr. Carney, Mr. Carr, Mr. Clay.

Mr. Conte, Mr. Conyers, Mr. Cornell, Mr. D'Amours, Mr. Daniels, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Dingell, Mr. Downey, Mr. Drinan, Mr. Early, Mr. Edwards of California.

Mr. Eilberg, Mr. Evans of Colorado, Mr. Fascell, Mr. Fisher, Mr. Fithian, Mr. Florio, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Fulton, Mr. Gaydos, Mr. Harrington, Mr. Hayes, Mr. Hefner, Mr. Helstoski.

Mr. Hicks, Mr. Hinshaw, Mr. Howe, Mr. Hubbard, Mr. Hughes, Miss Jordan, Mr. Jacobs, Mr. Harris, Mr. Hawkins, Mr. Howard, Mr. Kastenmeier, Mrs. Keys, Mr. Koch, Mrs. Lloyd, Mr. Long of Maryland.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. McCormack, Mr. McHugh, Mr. Mazzoli, Mr. Meeds, Mr. Melcher, Mrs. Meyner, Mr. Mikva, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Morgan, Mr. Mottl, Mr. Murtha, Mr. Nix.

Mr. Nowak, Mr. Oberstar, Mr. Patten, Mr. Pattison, Mr. Pepper, Mr. Perkins, Mr. Reuss, Mr. Richmond, Mr. Riegle, Mr. Risenhoover, Mr. Rodino, Mr. Roncalio, Mr. Rosenthal, Mr. Roush, Mr. Santini, Mr. Sarbanes.

Mr. Seiberling, Mr. James V. Stanton, Mr. Stark, Mr. Studds, Mr. Thompson, Mr. Udall, Mr. Walsh, Mr. Wirth, Mr. Yatron, Mr. Young of Georgia, Mr. Zablocki, Mr. Zeferetti, Mrs. Boggs, Mr. Brooks, Mr. Moorhead of Pennsylvania, Mr. Edgar, Mr. John Burton.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1767 TO SUSPEND FOR 90-DAY PERIOD AUTHORITY OF PRESIDENT UNDER SECTION 232 OF TRADE EXPANSION ACT OF 1962

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, January 29, 1975, to file a report on the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 16, 1975, and before the beginning of such 90-day period; and for other purposes, along with any supplemental, minority, and/or separate views.

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

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO SIT WHILE HOUSE IS READING A MEASURE FOR AMENDMENT UNDER 5-MINUTE RULE DURING 94TH CONGRESS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have permission to sit while the House is reading a measure for amendment under the 5-minute rule in the 94th Congress.

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

There was no objection.

TENTH ANNIVERSARY OF JOB CORPS PROGRAM

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

Mr. PICKLE. Mr. Speaker, today marks a very important anniversary for nearly one-half million Americans, in particular, and our society as a whole. The anniversary marks the 10th anniversary of the Job Corps program—the program with a heart, and a mission.

Many of us were here in the heady days of 1964 and 1965. Those days saw the passage of legislation designed to cure the many hatreds of our people—poverty, racism, disease, and economic inopportunity.

To conduct this fight, a program was needed to put young men and women on the road to productive lives and out of the alleys to lifelong poverty and despair. His goal was the motivation for the Job Corps.

Since the Job Corps got under way in 1965, nearly one-half million people have worked in the Job Corps program, learning a skill and accepting the challenge America offers.

Mr. Speaker, one of the proudest and biggest days in my life was April 10, 1965. On that day, President Lyndon Johnson, a warrior against poverty, dedicated the Gary Job Corps Center in San Marcos, Tex. This center, located in President Johnson's congressional district, and near his alma mater, knew President Johnson's love and dedication to opening the doors to all Americans—regardless of race or economic background.

On that day, he quoted Thomas Wolfe, and it is well to repeat those words today:

To every man, his chance.

To every man, regardless of his birth, his shining golden opportunity.

To every man the right to live, to work, to be himself, and to become whatever his manhood and his vision can combine to make him.

This, seeker, is the Promise of America.

Beautiful and wonderful words on an important occasion.

Mr. John Stetson, National Job Corps Director, and his staff are doing a good job in keeping alive these goals. This program says that our Government does care about our young men and women, and that we want them to understand responsibility, to believe in opportunities, and to prepare for those jobs by good training.

Mr. Speaker, I also insert an editorial from the January 26, 1975, Washington Post, in the RECORD at this time:

THE JOB CORPS AT 10 YEARS

". . . an example of a curent poverty program that should be eliminated is the Job Corps. This is one program that has been a failure. It sounds good, but it costs $10,000 a year to train a man for a job that may not even exist. That's the government way of doing it."—RICHARD M. NIXON, April 1968.)

In reaching its 10th anniversary this month, the Job Corps deserves congratulations on several counts. The most basic of these is for its mere survival. From the beginning, it was among the most sharply attacked of the poverty programs. Its purpose was to train young men and women—16 to 21—in skills that would qualify them for jobs. But it was immediately clear that much more than this was involved. The early Job Corps centers, in the description of OEO's first director, Sargent Shriver, were "filled with kids this country has literally dumped." Eighty per cent had not seen a doctor or dentist in 10 years, 24 per cent had eye trouble, more than 60 per cent came from broken homes, the average schooling was nine years but reading proficiency was on the fifth grade level, and a third of the enrollees had behavorial problems. The Job Corps was much more than an employment program; it was dealing in human renewal.

The program's critics, offended that tax money was being spent on dropouts, toughs and supposedly hopeless cases, seized on isolated incidents—a fist fight between two recruits became "racial turmoil"—to discredit Job Corps. Few were more determined to do it in than Richard Nixon. The comment above was one of many about Job Corps in his 1968 campaign, but he had his facts wrong: the costs were much lower, the jobs did exist, and corporations and unions were partners with the government. For all his misguided determination, Richard Nixon never killed the program. The idea behind it was too sound—as many allies in the Senate and House understood—and the need among the young unemployed was too great.

Today, the program has become an accepted part of the Ford administration's manpower efforts. Sixty-one centers are operating for 14,000 men and 5,000 women. In 10 years, nearly half a million trainees have been enrolled; the cost per enrollee in FY 1974 was $3,098. Unfortunately, evidence suggests that the Job Corps is still under some of the pressures it has endured all along. Funding in the last fiscal year was $176 million, down from $185 million in 1973 and $212 million in 1972. According to one Labor Department official, at one time there were 94 Civilian Conservation Centers but today the number is 27.

Some money is being saved by these cuts and closings, but assuredly it is the kind of short-term savings that eventually means little when compared with the losses; what the nation must pay to meet the needs of those on welfare, in prison and on the unemployment lines. With none of the skills or help they would receive in Job Corps, many youngsters may be destined for one or another of those fates. President Ford has hailed the Job Corps for having "sustained a remarkable record of success." If that's the case, what is needed now is a new commitment to develop the program. The need for Job Corps today is considerably greater than when it began.

AIDING OUR ENEMIES

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

Mr. VAN DEERLIN. Mr. Speaker, as many of our colleagues know, Ecuador has just seized five U.S. tunaboats beyond the 12-mile limit. This hostile action shattered a truce of nearly 2 years during which none of our ships was molested in what we and most other seafaring nations regard as international waters.

Besides constituting an act of piracy against the fishermen involved, the latest seizures also threaten to undermine the Law of the Seas Conference scheduled to resume this spring in Geneva.

Our own laws are quite specific about countermeasures to discourage aggression by nations dependent on the United States for economic and/or military assistance. Cut them off, the statutes say, but for perhaps understandable diplomatic and humanitarian considerations our Government at times has seemed loath to get tough with the offenders.

I take the floor now, Mr. Speaker, to urge in the strongest possible terms that the United States move at once to cut off military sales to Ecuador, in direct response to the seizures that occurred over the weekend. I am told the tentative allocation for Ecuador in the current fiscal year is $12.5 million in military sales plus

$400,000 for military training. I have no quarrel with the additional $5.4 million scheduled to be disbursed in Food for Peace and economic/technical programs; this help benefits individuals instead of the derelict Government of Ecuador.

But the law is the law, and the Foreign Military Sales Act, as amended, requires that such sales be terminated for 12 months following the seizure on the high seas of a fishing boat. Only the President is authorized to waive this requirement, and then only when in his judgment national security might be compromised by withholding the aid.

I cannot see how holding back the arms money from Ecuador could have any negative impact at all on our national defenses. In fact, the opposite might well be true: Cutting off military sales could have a positively beneficial effect, in that Ecuador could not buy as many weapons to harass our fishing boats.

Unless he can give us compelling reasons for releasing these funds, the President should allow the law to take its course. To act otherwise would be to capitulate to piracy, and encourage it to continue.

AIR TRAGEDIES

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

Mr. DEVINE. Mr. Speaker, yesterday I went through a very saddening experience in attending four funerals in 1 day.

We are all aware of the tragic crash of a private plane last Saturday, January 25, wherein three close personal friends, respected citizens, and community leaders from my district lost their lives along with two very fine and dedicated pilots.

Columbus, Ohio, has received more than its share of air tragedies in the past 2 months, and the National Transportation Safety Board has its hands full in conducting hearings and investigations, not only relating to this most recent crash, but also the loss of 93 lives on December 1 when TWA flight 514 from Columbus to Washington crashed on the approach to Dulles International Airport.

The Columbus Dispatch carried a very fine editorial memorializing the passengers and crew in the private aircraft, and I am including it with my remarks:

AIR CRASH VICTIMS ENRICHED HUMANITY

The tragic private plane crash that killed three prominent Columbus business executives and the crew of two as it neared its Columbus-to-Washington destination resulted in a deep loss to our entire community.

All five, including Edgar T. Wolfe Jr., publisher and chairman of the board of the The Dispatch Printing Co., were under 50 years of age, with much of their already fruitful professional careers still ahead of them.

With Mr. Wolfe as passengers in the plane were Frederick W. LeVeque, a real estate executive, and Carlton S. Dargusch Jr., well-known attorney. Pilots of the twin-engine plane were Richard White and Robert D. Hatem.

Like Mr. Wolfe, Mr. LeVeque and Mr. Dargusch were highly regarded for their numerous civic endeavors, designed for the betterment of the community in which their roots ran deep.

Each of these men bore a distinguished family name and thus inherited respective traditions which they not only were expected to, but which they did carry forward with excellence and dignity.

As a son and namesake of the late Edgar T. Wolfe Sr., publisher of the former Ohio State Journal, Mr. Wolfe early learned the responsibilities of his profession which enabled him, in turn, to become a progressive and outstanding publisher himself.

Too, he maintained a special interest in aviation and was always a strong supporter of the continuous development of Port Columbus, which his father helped found in the late 1920s.

Although seldom in personal evidence, Mr. Wolfe was a strong supporter of public development enterprises which he believed necessary to the growth and sound economic advancement of the entire metropolitan area.

He approached these with a single-minded devotion in an effort to assure their success.

He was an inquisitive and serious-minded man and one of his numerous personal interests attesting to that was the breeding of Charolais cattle. Often he would lay aside his avid pursuit of outdoor sports for this enticing venture.

Like Mr. Wolfe, Mr. LeVeque followed the path of a distinguished father, a professor of architecture, who became a figure of note in the community through the development of Olentangy Village and subsequently as co-owner of the LeVeque-Lincoln Tower.

Over the years, Mr. LeVeque maintained the Tower as the focal landmark of the Columbus Civic Center along the Scioto River.

Situated as this huge and significant office building is, it was only natural that he should venture into the off-street parking business.

This he did, starting at the Tower itself and then further developing that enterprise into other off-street parking places elsewhere in the city.

As is the character of leaders, Mr. LeVeque gave immensely, too, of his personal time to other productive pursuits. These included, primarily, his work for Children's Hospital, the Boy Scouts of America and the Columbus School for Girls.

Another that should not go unmentioned was his active leadership in the annual Columbus Pro-Am Golf Tournament for charity.

Mr. Dargusch also was of the mold of his collegues with whom he died.

He, too, came of notable family, the son of retired Gen. Carlton S. Dargusch Sr., who has made an outstanding career in military service, the law and in government.

The youngster Mr. Dargusch responded also to his heritage and within the limitations of his professional environment pursued numerous productive activities.

He had distinguished himself in the law, legislation and politics and had built a comparatively large and sucessful law firm. Too, he was an intensely active leader.

Outside his professional and business obligations, Mr. Dargusch gave his personal time to his church—Trinity Episcopal.

Mr. White, as chief pilot, and Mr. Hatem, as co-pilot, in the private aviation concern in which they were employed were well known as accomplished men in their field, too.

Both held the respect and affection of those whom they worked and lived.

The sudden and tragic deaths of these five men cannot be other than a grievous loss to the entire community and to their families.

One of the great ironies is that all should have been snatched from life at the very threshold of still greater accomplishments to come. Yet, for those contributions already given, there is universal gratitude.

The families of each are, indeed, offered the sincere condolences of all of those lives they touched and made richer during the time each was among us.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 28, 1975.

Hon. CARL ALBERT
Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:32 P.M. on Tuesday, January 28, 1975, and said to contain a message from the President concerning increased assistance to South Vietnam and Cambodia.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, U.S. House of Representatives.

INCREASED ASSISTANCE TO SOUTH VIETNAM AND CAMBODIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–30)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

To the Congress of the United States:

Two years ago the Paris Agreement was signed, and several weeks later was endorsed by major nations including the Soviet Union, the United Kingdom, France and the People's Republic of China. We had succeeded in negotiating an Agreement that provided the framework for lasting peace in Southeast Asia. This Agreement would have worked had Hanoi matched our side's efforts to implement it. Unfortunately, the other side has chosen to violate most of the major provisions of this Accord.

The South Vietnamese and Cambodians are fighting hard in their own defense, as recent casualty figures clearly demonstrate. With adequate U.S. material assistance, they can hold their own. We cannot turn our backs on these embattled countries. U.S. unwillingness to provide adequate assistance to allies fighting for their lives would seriously affect our credibility throughout the world as an ally. And this credibility is essential to our national security.

VIETNAM

When the Paris Agreement was signed, all Americans hoped that it would provide a framework under which the Vietnamese people could make their own political choices and resolve their own problems in an atmosphere of peace.

In compliance with that Agreement, the United States withdrew its forces and its military advisors from Vietnam. In further compliance with the Agreement, the Republic of Vietnam offered a comprehensive political program designed to reconcile the differences between the South Vietnamese parties and to lead to free and supervised elections throughout all of South Vietnam. The Republic of Vietnam has repeatedly reiterated this offer and has several times proposed a specific date for a free election open to all South Vietnamese political groups.

Unfortunately, our hopes for peace and for reconciliation have been frustrated by

the persistent refusal of the other side to abide by even the most fundamental provisions of the Agreement. North Vietnam has sent its forces into the South in such large numbers that its army in South Vietnam is now greater than ever, close to 289,000 troops. Hanoi has sent tanks, heavy artillery, and anti-aircraft weapons to South Vietnam by the hundreds. These troops and equipment are in South Vietnam for only one reason—to forceably impose the will of Hanoi on the South Vietnamese people. Moreover, Hanoi has refused to give a full accounting for our men missing in action in Vietnam.

The Communists have also violated the political provisions of the Paris Agreement. They have refused all South Vietnamese offers to set a specific date for free elections, and have now broken off negotiations with the Government of the Republic of Vietnam. In fact, they say that they will not negotiate with that Government as it is presently constituted, although they had committed themselves to do so.

Recent events have made it clear that North Vietnam is again trying to impose a solution by force. Earlier this month, North Vietnamese forces captured an entire province, the population centers of which were clearly under the control of the South Vietnamese Government when the Paris Agreement was signed. Our intelligence indicates, moreover, that their campaign will intensify further in coming months.

At a time when the North Vietnamese have been building up their forces and pressing their attacks, U.S. military aid to the South Vietnamese Government has not been sufficient to permit one-to-one replacement of equipment and supplies used up or destroyed, as permitted by the Paris agreement. In fact, with the $700 million appropriation available in the current fiscal year, we have been able to provide no new tanks, airplanes, trucks, artillery pieces, or other major equipment, but only essential consumable items such as ammunition, gasoline, spare parts, and medical supplies. And in the face of the increased North Vietnamese pressure of recent months, these supplies have not kept pace with minimally essential expenditure. Stockpiles have been drawn down and will soon reach dangerously low levels.

Last year, some believed that cutting back our military assistance to the South Vietnamese Government would induce negotiations for a political settlement. Instead, the opposite has happened. North Vietnam is refusing negotiations and is increasing its military pressure.

I am gravely concerned about this situation. I am concerned because it poses a serious threat to the chances for political stability in Southeast Asia and to the progress that has been made in removing Vietnam as a major issue of contention between the great powers.

I am also concerned because what happens in Vietnam can affect the rest of the world. It cannot be in the interests of the United States to let other nations believe that we are prepared to look the other way when agreements that have been painstakingly negotiated are contemptuously violated. It cannot be in our interest to cause our friends all over the world to wonder whether we will support them if they comply with agreements that others violate.

When the United States signed the Paris Agreement, as when we pursued the policy of Vietnamization, we told the South Vietnamese, in effect, that we would not defend them with our military forces, but that we would provide them the means to defend themselves, as permitted by the Agreement. The South Vietnamese have performed effectively in accepting this challenge. They have demonstrated their determination and ability to defend themselves if they are provided the necessary military material with which to do so. We, however, may be judged remiss in keeping our end of the bargain.

We—the Executive and Legislative Branches together—must meet our responsibilities. As I have said earlier, the amount of assistance appropriated by the previous Congress is inadequate to the requirements of the situation.

I am, therefore, proposing:

—A supplemental appropriation of $300 million for military assistance to South Vietnam.

The $300 million in supplemental military assistance that I am requesting for South Vietnam represents the difference between the $1 billion which was authorized to be appropriated for fiscal year 1975 and the $700 million which has been appropriated. This amount does not meet all the needs of the South Vietnamese army in its defense against North Vietnam. It does not, for example, allow for replacement of equipment lost in combat. It is the minimum needed to prevent serious reversals by providing the South Vietnamese with the urgent supplies required for their self-defense against the current level of North Vietnamese attacks.

I believe that this additional aid will help to deter the North Vietnamese from further escalating their military pressure and provide them additional incentive to resume the political discussions envisaged under the Paris Agreement.

All Americans want to end the U.S. role in Vietnam. So do I. I believe, however, that we must end it in a way that will enhance the chances of world peace and sustain the purposes for which we have sacrificed so much.

CAMBODIA

Our objective in Cambodia is to restore peace and to allow the Khmer people an opportunity to decide freely who will govern them. To this end, our immediate goal in Cambodia is to facilitate an early negotiated settlement. The Cambodian Government has repeatedly called for talks without preconditions with the other Khmer parties. We have fully supported these proposals as well as the resolution passed by the United Nations General Assembly calling for early negotiations among Khmer parties.

Regrettably, there has been no progress. In fact, the Communists have intensified hostilities by attacking on the outskirts of Phnom Penh and attempting to cut the land and water routes to the capital. We must continue to aid the Cambodian Government in the face of externally supported military attacks. To refuse to provide the assistance needed would threaten the survival of the Khmer Republic and undermine the chances for peace and stability in the area.

The Cambodian Government forces, given adequate assistance, can hold their own. Once the insurgents realize that they cannot win by force of arms, I believe they will look to negotiations rather than war.

I am, therefore, proposing:

—Legislation to eliminate the current ceilings on military and economic assistance to Cambodia, and to authorize the appropriation of an additional $222 million for military aid for Cambodia, and

—An amendment to the fiscal year 1975 budget for the additional $222 million.

To provide the assistance necessary, the present restrictions on our military and economic aid to Cambodia must be removed and additional money provided. The $200 million in military assistance currently authorized was largely expended during the past six months in response to the significantly intensified enemy offensive action. In addition, I have utilized the $75 million drawdown of Department of Defense stocks authorized by Congress for this emergency situation. Since the beginning of the Communist offensive on January 1, ammunition expenditures have risen and will exhaust all available funds well before the end of this fiscal year. To meet minimum requirements for the survival of the Khmer Republic, I am requesting an additional $222 million in military assistance and the elimination of the present $200 million ceiling on military assistance to Cambodia. I am also requesting elimination of the $377 million ceiling on overall assistance to Cambodia. This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country.

I know we all seek the same goals for Cambodia—a situation wherein the suffering and destruction has stopped and the Khmer people have the necessary security to rebuild their society and their country. These goals are attainable. With the minimal resources and flexibility I am requesting from you, the Congress, we can help the people of Cambodia to have a choice in determining their future. The consequences of refusing them this assistance will reach far beyond Cambodia's borders and impact severely on prospects for peace and stability in that region and the world. There is no question but that this assistance would serve the interests of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1975.*

APPOINTMENT AS MEMBERS OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

The SPEAKER. Pursuant to the provisions of section 5(b), Public Law 93–131, the Chair appoints as members of the House Commission on Congressional

Mailing Standards the following Members of the House: Mr. UDALL of Arizona, chairman; Mr. CHARLES H. WILSON of California; Mr. HOWARD of New Jersey; Mr. DERWINSKI of Illinois; Mr. QUILLEN of Tennessee; and Mr. LOTT of Mississippi.

APPOINTMENT AS MEMBERS OF JOINT COMMITTEE ON ATOMIC ENERGY

The SPEAKER. Pursuant to the provisions of 42 United States Code 2251, the Chair appoints as members of the Joint Committee on Atomic Energy the following Members on the part of the House: Mr. PRICE of Illinois; Mr. YOUNG of Texas; Mr. RONCALIO of Wyoming; Mr. MCCORMACK of Washington; Mr. MOSS of California; Mr. ANDERSON of Illinois; Mr. LUJAN of New Mexico; Mr. HORTON of New York; and Mr. HINSHAW of California.

COMMUNICATION FROM THE MAJORITY LEADER—NOMINATION AS MEMBER OF FEDERAL ELECTION COMMISSION

The SPEAKER laid before the House the following communication from the majority leader, which was referred to the Committee on the House Administration:

January 14, 1975.

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

DEAR MR. SPEAKER: Pursuant to P.L. 93-433, Sec. 310(B) I recommend the Honorable Robert Tiernan as my nominee to serve as a member of the Federal Election Commission.

Sincerely,

THOMAS P. O'NEILL, Jr.

December 16, 1974.

COMMUNICATION FROM THE MINORITY LEADER—NOMINATION AS MEMBER OF FEDERAL ELECTION COMMISSION

The SPEAKER laid before the House the following communication from the minority leader, which was referred to the Committee on House Administration:

December 16, 1974.

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

DEAR MR. SPEAKER: Pursuant to Public Law 93-443, Sec. 310(B), I recommend the Honorable Vernon W. Thomson of Wisconsin as my nominee to serve as a member of the Federal Election Commission.

Yours sincerely,

JOHN J. RHODES,
Minority Leader.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The chair wishes to state that pursuant to the provisions of section 208(a), title 2, Public Law 443, the nomination of the Honorable Robert O. Tiernan, of Rhode Island, is submitted for the term ending April 30, 1977, and the name of the Honorable Vernon W. Thomson, of Wisconsin, is submitted for the term ending April 30, 1980.

CALL OF THE HOUSE

Mr. CHARLES H. WILSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 8]

Abzug	Emery	O'Brien
Alexander	Esch	Pattison, N.Y.
Andrews, N.C.	Evans, Ind.	Pepper
Aspin	Fish	Pike
AuCoin	Fraser	Pritchard
Baldus	Goldwater	Railsback
Beard, R.I.	Hannaford	Rees
Beard, Tenn.	Harsha	Santini
Bell	Hébert	Scheuer
Bolling	Holt	Sebelius
Bowen	Howe	Shipley
Brown, Calif.	Ichord	Shriver
Burgener	Jarman	Snyder
Chappell	Jeffords	Steed
Chisholm	Jones, Okla.	Steelman
Clay	Ketchum	Stuckey
Cochran	Krebs	Taylor, Mo.
Collins, Ill.	LaFalce	Teague
Conlan	Lent	Udall
Conyers	Litton	Walsh
Corman	McClory	Waxman
Crane	McHugh	Whitehurst
Daniel, Robert W., Jr.	Macdonald, Mass.	Wiggins
Deliums	Milford	Wilson, Bob
Dent	Mills	Wilson, Charles, Tex.
Derwinski	Mitchell, N.Y.	Winn
Diggs	Moffett	Wydler
Dodd	Moss	
Duncan, Oreg.	Nolan	

The SPEAKER. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HEARINGS ON ILLEGAL ALIEN LEGISLATION

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Citizenship, and International Law of the Committee on the Judiciary, has scheduled one day of public hearings on February 4 to consider H.R. 982, a bill which I have introduced along with Chairman PETER W. RODINO to make it unlawful for employers to knowingly hire illegal aliens.

This hearing will be held in room 2141 at 10 a.m. on February 4. We have invited officials from the Departments of Justice and Labor to testify on this legislation, as well as representatives of organized labor.

As my colleagues will recall, this urgently needed legislation passed the House of Representatives in both the 92d and 93d Congresses and I am hopeful that it will receive expeditious consideration in the current Congress.

Those who desire to submit statements for inclusion into the hearings record should address their request to the Subcommittee on Immigration, Citizenship, and International Law in room 2139, Rayburn Building.

GASOLINE RATIONING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 5 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, in the current debate over alternatives to reduce fuel consumption, gasoline rationing has been suggested as an equitable, efficient, and economical means of achieving this objective.

In order that the rationing alternative can be fairly evaluated, however, I think we should be mindful of the inequities and serious economic hardships that any system to individually ration gasoline, no matter how well intentioned, would create.

With this in mind, I am submitting for consideration by my colleagues a timely and thought-provoking editorial on gasoline rationing which appeared in the Washington Post of Sunday, January 26, 1975.

The editorial follows:

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation.

Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea nearby to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer reationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

THE NEED FOR PAROLE REORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 10 minutes.

Mr. RAILSBACK. Mr. Speaker, there is an urgent need for reform of this Nation's Federal Board of Parole. As a member of the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice I have had the opportunity to visit correctional institutions across the country. They included the Cook County Jail, the Statesville Penitentiary, the State Prison in Vienna, and the St. Charles Training School for Boys in my home State of Illinois. I have learned firsthand that parole is one of the most important concern's of every inmate from the day he enters prison. However, the Federal parole system has been variously described as arbitrary, capricious, and oppressive. It has often been unresponsive to the needs of inmates and thus generated enormous animosity and resentment.

In November 1973, the U.S. Board of Parole initiated a major reform by publishing the standards used to assist the board in determining when a convict can be released from prison. Although this was a significant step in the right direction and is very much appreciated by the members of the subcommittee, there remains a need for additional reform. Herman Schwartz, parole authority and professor at State University Law School, Buffalo, claims that the Board still has too much discretionary power. He states that—

> Insofar as the guidelines simply codify past practice, all they do is to project forward the terrible injustices and arbitrariness of the board in the recent past. It's true there will be more equity. All prisoners will be treated with equal unfairness.

Another charge levelled at the Board concerns the domination of its members by officials of the Justice Department. The Board currently operates within the Justice Department and relies upon the agency for its budget requests.

It is in response to these significant criticisms and my own personal observations that I am cosponsoring H.R. 13826, the Parole Reorganization Act of 1975. This legislation was previously introduced in the 93d Congress but failed to reach the floor. I am hopeful that the bill will receive the early attention of the House this year. The Parole Reorganization Act establishes an independent Board of Parole consisting of a national board and five regional boards. It also provides for more equitable parole procedures and assures due process for inmates in the initial parole hearings and in parole revocation or appeal hearings.

The bill serves to correct many of the inherent abuses of our present parole process. Under the system now in practice, when a violation of parole results in its revocation, the parolee is reincarcerated without any credit for the time spent on parole. This means that if a parolee spent 2 years of a 10-year sentence in prison and 7 years on parole before having his parole revoked, he could then be forced to spend 8 more years in prison. This is manifestly unfair if we consider that the institution of parole has been defined by the courts as "imprisonment." Presently, a prisoner can be forced to serve a combined sentence greater than that imposed by the sentencing judge. The Parole Reorganization Act would correct this obvious injustice by giving the parolee credit for the time spent on parole.

In addition, a shift in emphasis would now take place such that the Board would be forced to take the initiative to either parole an inmate or show that there is a high likelihood that he will violate the law, that his release would be incompatible with the welfare of society, or that the prisoner's release at that time would so deprecate the seriousness of his crime as to undermine respect for the law. It should not be incumbent upon the prisoner, with his meager resources, to establish that he should be paroled.

The bill would also provide for the termination of parole supervision after 5 years of clean street time unless it is probable that the parolee would then violate the law. As it now stands, a parolee who was initially given a long sentence is unable to envision an end to the restrictions of his parole. The proposed change would reduce the amount of staff time spent on someone who no longer needs supervision. It would also eliminate unnecessary continued punishment.

While I recognize the need to protect society we must not abrogate our responsibility to the prisoner who is also a member of that society. The Parole Reorganization Act of 1975 provides for more equitable and meaningful parole procedures and thus serves to aid in the restoration of the convict to a free and productive life. The ultimate beneficiary of these changes can only be the society as a whole.

SUPPORT THE ECONOMY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, I wish to draw the attention of my colleagues and businessmen across the country to a very important and innovative program established by the Apache Corp. to reinvigorate the economy.

The corporation has established a plan called "Support the Economy Program," which in today's acronym-oriented society is called STEP. The company is offering cash incentives to the first 10 percent of their employees who purchase new automobiles or major appliances.

I strongly commend the company for

this dynamic step it is taking. If emulated by other companies, it could mean a giant leap forward for the economy.

I submit the letter and description of the plan for the information of my colleagues:

APACHE, CORP.,
Minneapolis, Minn., January 24, 1974.

Hon. ALBERT H. QUIE,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN QUIE: I am writing to you as a concerned citizen who fears both the potential social and economic consequences of our continuing and deepening recession.

I am also a businessman who believes that private industry has much to contribute at this critical hour in our nation's history.

We have inaugurated a plan we call "Support the Economy Program" (STEP). We are offering cash incentives to the first 10 percent of our employees who purchase new American built 1975 model autos or major appliances. A base incentive of $150 will apply to all autos with an additional $50 applying to higher mileage models. A $25 incentive will apply to appliances. While only a minor part of our business is directly related to these industries, we have come to the simple conclusion that we can do most to help ourselves by helping others.

We recognize that governmental action is urgently needed. But, if the private sector can also be sufficiently innovative, our initiatives could supplement yours in important ways.

Our company is small and even insignificant in the total scheme of things. That is why I have written to business leaders across the country urging them to start programs of their own to encourage consumers to make *planned* purchases that will aid in the liquidation of inventories and help restore consumer confidence.

And that is why I am writing to you. Because of your position, your influence is great. Any support you might give to this kind of initiative would be beneficial and could help get this program moving across the country.

Such efforts could send a positive "ripple effect" reverberating through our economy. I urge you to help us—and America—if you honestly conclude, as we have, that this additional private initiative could make an important difference.

If your busy schedule permits, I would greatly appreciate your personal reactions. A program outline is attached.

Very truly yours,

RAYMOND PLANK.

EMPLOYEE BACKGROUND—APACHE'S "SUPPORT THE ECONOMY PROGRAM" (STEP), JANUARY 24, 1975

AUTOMOTIVE INCENTIVE

$150 cash for the first 400 American made automobiles or pickup trucks purchased or leased by full time Apache or wholly-owned Apache subsidiary employees.

$50 extra ($200 total) if the automobile is rated at 18 miles per gallon or more by the current EPA highway fuel economy rating. This is to be verified on bill of sale by dealer. 18 miles and over includes some models from each of the four major auto manufacturing firms.

Incentive available to all full time Apache or Apache wholly-owned subsidiary employees.

Limited to one automobile or pickup per employee.

Offer good until February 28, 1975 or until incentive for the total of 400 vehicles has been reserved.

APPLIANCE INCENTIVE

$25 each for the first 800 American made major appliances purchased.

Eligible appliances: washer, dryer, range, refrigerator, freezer, air conditioner, dishwasher, micro-wave oven.

Limit of two appliances per employee; but the same employee may take advantage of both automotive and appliance incentive.

Incentive available to all full time Apache or Apache wholly-owned subsidiary employees.

Offer good until February 28, 1975 or until total number of allocated appliance incentives have been reserved.

MECHANICS OF PROGRAM

Employee applies to local Program Administrator for an available auto or appliance incentive.

Administrator authorizes incentive if company allotment has not been used up. Allotment determined as follows:

10 percent of employees may purchase or lease an automobile or pickup.

10 percent of employees may purchase up to two appliances.

Incentive will be paid after bona fide sales documents (including EPA highway rating for cars) are presented to Program Administrator.

Two employees may not pool their incentives to jointly purchase one auto or appliance.

OPEN HOUSE AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, today I am introducing a package of nine congressional reform measures which I have designated, "the Open House Amendments of 1975." Taken together, these measures would further open the proceedings of the House to the public and insure greater individual Member accountability.

Stated briefly, my amendments provide for radio and TV broadcasting of House floor proceedings, public access to committee records, further opening committee meetings and House-Senate conferences to the public, banning proxy voting and increasing recorded votes in committees, prohibiting party caucuses from issuing binding instructions on Members' committee and floor votes, providing by law ample time for each new House to debate and amend its proposed rules, and forbidding committee chairmen to bring up bills under a suspension of the rules without either the consent of the ranking minority member or a majority of the committee.

CONSIDERATION OF HOUSE RULES

Mr. Speaker, at the beginning of this 94th Congress, I joined with other Members on my side of the aisle to protest the manner in which we were considering our new rules. The rules resolution had been brought out of the Democratic Caucus, we were given no opportunity to review the proposed changes in advance, only 1 hour of debate time was allotted, and there was no opportunity for amendment. Not only did we complain that the Democratic Caucus rules stripped away at least two reforms adopted in the House just last October, but that the full House was not being given full opportunity to determine the rules of its proceedings as guaranteed by the Constitution. Our own Republican Task Force on reform had already endorsed numerous other reforms, most of which are contained in the package I am introducing today; and yet, we were precluded from offering these on the floor or mandating the Rules Committee to report back its recommendations within a specified time.

As I pointed out in my floor remarks at that time, House rules are designed as much for the protection of a minority against the wantonness of power of a majority, as they are to facilitate majority rule. And yet, the minority was permitted no input in the rules of the House in the 94th Congress.

Because this very abbreviated and restrictive procedure for considering new rules is unfair to all House Members, I have introduced a bill to amend the United States Code to require that each new House take up to 10 hours to debate the proposed rules resolution, with time equally divided between the majority and minority, followed by full opportunity for amendment.

I would like to point out to my colleagues that this is precisely the way the House once operated, and there is no reason we cannot again follow such a procedure given the paucity of House business during the early weeks of a new Congress. Dr. George Galloway, in his excellent "History of the United States House of Representatives" makes the following observation:

> Except for the exciting contests that marked the general revisions of 1860 and 1880, the customary practice in post bellum days, when a new House met, was to proceed under general parliamentary law, often for several days, with unlimited debate, until a satisfactory revision of former rules had been effected. Proposed changes in the old rules were discussed on these occasions in a leisurely, good-natured way and the meaning of the complex code of the House was explained to the new Members.

Galloway goes on to quote from L. G. McConachie's book, "Congressional Committees" (1898) on the importance of these first debates in a new House:

> Discussion of the rules does not mean cold argument over phraseology, clear reasoning upon scientific legislative methods. It is the impassioned utterance of men newly gathered together, and as yet unacquainted with each other, but fresh from constituencies whose districts completely cover the broad surface of the United States. . . . In these discussions upon the broad subject of the State of the Union, a large part, often the largest part of the talking is made up of random speeches by the newer members. The older fellows sit back, say nothing, listen. The new man may break some ice as to the meaning of the complex code which governs proceedings, but the old man gathers large ideas as to the character of the complex mass of membership which will soon come under his directing and governing hand.

So, not only did these first debates provide the full House with ample opportunity to discuss, learn and change the

rules, but also afforded new Members a chance to step forward and introduce themselves and their views. This shatters the myth that the unwritten rule in the House has always been that new Members should be seen and not heard.

BROADCASTING HOUSE FLOOR PROCEEDINGS

Mr. Speaker, this leads into another reform which I am proposing: The audio and video broadcasting of House floor proceedings. Our Joint Committee on Congressional Operations recommended this last year after holding extensive hearings at which I was privileged to testify. My resolution is directly patterned after the joint committee's proposal that "Congress move forward with a carefully designed but limited test to determine the ultimate feasibility and desirability of a permanent system for broadcasting activities in the House and Senate Chambers," and that "this test begin as soon after the opening of the 94th Congress as possible and continue through the 1st session."

Had arrangements been made for this late last year, time could have been set aside in the House for reactions to the President's state of the Union message as well as for a more extended debate on the adoption of our rules. I could envision a series of debates on our economic and energy problems in the early part of the new session, even before legislation is reported from committees. This would certainly help to further educate the public, acquaint it with the new Congress, and focus on the various aspects and conflicting views on the major issues of the day.

OPENING UP THE CONGRESS

Broadcasting floor proceedings, taken together with greater utilization of our existing rule permitting broadcasting of committee hearings, should go a long way toward opening up the House to the public. I have proposed several other rules toward this end in my "open house" reform package. As things now stand, while committee hearings must be open for all but a few exceptions, committee meetings, including important markup sessions may be closed by majority vote for any reason. I have proposed that the same rule which applies to committee hearings be applied to committee meetings as well. I have also proposed that all House-Senate conferences be completely open. The rule just adopted in the House would permit either a majority of House or Senate conferees to vote to close a conference. This may or may not result in more open conferences. My proposed rule would insure complete openness by requiring that no conference report be considered in the House unless the conferees, in their statement, include an assurance that all conference sessions were open to the public.

I have also proposed several other amendments aimed at greater openness. As things now stand, while a record of committee actions must be kept, the public may only see the recorded vote portion of that record. My proposed amendment would insure public access to the entire record, except for certain classified materials. With respect to committee voting, I have introduced resolutions to once again ban all proxy voting in committees, another to permit any Member of a committee to demand a rollcall vote and to require a rollcall vote on all motions to report a bill or resolution. Taken together, I think these proposed rules will help to increase Member accountability to the public as well as attendance at committee meetings.

I have also introduced a resolution which restricts the right of a chairman to unilaterally request that a bill reported from his committee be considered under a suspension of the rules. My new rule would require that either the chairman and ranking minority Member, or a majority of the committee, by rollcall vote, must approve bringing up a bill in this manner. I think it is important to stress that the suspension procedure is but another form of closed rule, allowing only 40 minutes debate on a bill, no opportunity for amendment, and requiring a two-thirds vote for passage. One chairman last year admitted that he had brought a bill up under suspension because he wanted to kill it. We must put an end to such a cynical abuse of the suspension procedure and insure that the work of the committee is not lost at the last minute by such tactics.

BINDING CAUCUS INSTRUCTIONS

Finally, Mr. Speaker, I have introduced a resolution which would, in effect, prohibit either party caucus from binding its Members' votes on committees or on the floor, contrary to their conscience. This rule would further permit any Member claiming to be so bound to raise a point of order at the time he casts his vote on the provision or measure he is bound to vote for or against. Such tactics to require a Member to put obedience to caucus above conscience or constituency are completely alien to our representative system and must be exorcised in our House Rules. The Democratic Caucus rules now provide for such binding instructions; our own House Republican Conference does not and will not as long as I am chairman.

A Member may vote contrary to his caucus instructions on floor votes if he declares in caucus or afterward in writing that he has made a prior commitment to his constituents in the last campaign or feels the provision in question is of dubious constitutionality. He may not deviate from the instructions if he simply feels in good conscience that the provision in question is bad or wrong. And under no circumstances can he deviate from caucus instructions concerning his votes in committee. The rationale here, as explained in a Democratic study group paper issued last year, is that a Member serves on a committee at the pleasure of and as a creature of the caucus only. He has no constitutional right to a seat on a committee and thus must not concern himself about voting his constituency on a committee. He is there to do the bidding of his creator, the caucus.

Mr. Speaker, I appreciate the fact that some will argue that such caucus instructions are integral to the functioning of party government in various parliamentary systems. But this is not a parliament; it is the Congress of Representatives of the people of the United States, chosen by the people to represent the interests of the people of this very diverse and pluralistic land. Even our two major parties tend to reflect this diversity, and this is a major source of their strength. Permitting a small group within a party caucus to dictate how a Member should vote is completely contrary to the republican nature of our system. As I have pointed out on previous occasions, the majoritarian nature of caucus rule is a myth since as few as 74 of the 290-odd Democrats—a majority of a bare caucus quorum—may bind Democratic committee votes.

I would also like to point out that the device of party instructions is not necessarily permitted in all parliamentary systems. The constitution or "basic law" of the Federal Republic of Germany, for instance, specifically forbids such instructions in article 38:

(1) The deputies to the German Bundestag shall be elected in general, direct, free, equal and secret elections. *They shall be representatives of the whole people, not bound by orders and instructions, and shall be subject only to their conscience.*

Mr. Speaker, if our counterpart in West Germany, the Bundestag, is constitutionally free of binding party instructions, and yet is still able to operate under a responsible party system, why shouldn't our Democratic colleagues in the House be able to do the same? I am not proposing a constitutional amendment; but I am proposing an amendment to our House rules prohibiting our party caucuses to bind Members contrary to their consciences. Obviously, the Democratic Caucus could still issue instructions if they changed their rules to permit their Members to vote contrary to those instructions as a matter of conscience. My proposed rule is also carefully drawn in such a way that only a Member directly affected by such instructions could raise a point of order. This could not be raised by a Republican Member. Thus, if all Democrats are still willing to suffer the whip without a whimper, the caucus could ignore the prohibition without consequence.

At this point in the RECORD, Mr. Speaker, I include a summary of my "open house" amendments as well as the full text of each:

SUMMARY OF ANDERSON "OPEN HOUSE AMENDMENTS OF 1975"

(1) *Broadcasting House Floor Proceedings*—This resolution authorizes and directs the Speaker to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings, to be made available to commercial and public broadcasters for news and public affairs programs following 60-day trial period.

(2) *Prohibit Binding Party Instructions*—This resolution amends clause 1 of House Rule VIII to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes contrary to his conscience, and provides that

any Member so bound may raise a point of order.

(3) *Public Access to Committee Records*—This resolution amends clause 2(e)(1) of House Rule XI to provide that all records of committee action be made available for public inspection except for such material which may endanger national security or violate any law or House rule. Present rule only provides that record of rollcall votes shall be open to public.

(4) *Proxy Voting Ban*—This resolution amends clause 2(f) of House Rule XI to completely prohibit proxy voting in committee.

(5) *Open Committee Meetings*—This resolution amends clause 2(g)(1) of House Rule XI to require that all committee meetings be open unless the committee, by majority vote in open session, determines meeting should be closed because public disclosure of matters to be considered would endanger the national security or violate a law or rule of the House. Committees would still be permitted to meet in private for internal budget or personnel discussions.

(6) *Rollcall Votes in Committees*—This resolution would amend clause 2(1)(2) (A) and (B) to permit any Member in committee to demand a rollcall vote on any proposition, and to require a rollcall vote on all motions to report a matter.

(7) *Suspension of Rules*—This resolution would amend clause 1 of Rule XXVII to require that either the chairman and ranking minority Member of a committee or a committee majority, by rollcall vote, must request that a matter reported be considered under a suspension of the rules.

(8) *Open Conferences*—This resolution amends clause 6 of House Rule XXVIII to require that all House-Senate conferences be open to the public and that each conference report contain a statement to that effect.

(9) *Consideration of House Rules*—This bill would amend Title 2 U.S.C. Chapter 2 ("Organization of Congress") to require that, at the convening of a new Congress, ten hours of general debate be allocated on proposed House rules resolution, equally divided between the majority leader and minority leader, and that amendments to the resolution shall be in order.

H. RES. 110

Resolved, That, notwithstanding any ruling or custom to the contrary, the Speaker of the House of Representatives is hereby authorized and directed to take immediate action to implement a plan for the audio and video broadcasting of proceedings in the Chamber of the House of Representatives. After a 60-day trial period, to provide for technical adjustments, such broadcasts shall be made available to commercial and public broadcasters, network organizations as well as local stations, for use live or recorded on videotape for delayed use in news or public affairs programs as they see fit.

SEC. 2. The Speaker is further authorized to delegate responsibility for the direction of such program to any existing or temporary committee as he may deem appropriate. In no event shall the House, the Speaker, or such duly authorized committee exercise any control over the selection of materials for broadcast use.

H. RES. 111

Resolved, That rule VIII of the Rules of the House of Representatives is amended in the following way:

Rule VIII, clause 1 is amended by adding the following:

"No Member may be bound by order or instruction of his party caucus or conference to vote contrary to his conscience. A point of order shall lie with respect to any provision or measure so voted in committee provided it is made by a Member so bound and was first made in committee in a timely manner and improperly overruled or not properly considered. A point of order shall also lie with respect to any provision or measure on which a Member has been bound, by order or instruction of his party caucus or conference, to vote in the House of Committee of the Whole, contrary to his conscience, provided such point or order is made by a Member so bound."

H. RES. 112

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(e)(1) is amended to read as follows:

"(e)(1) Each committee shall keep a complete record of all committee action which shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee, except for such information, the disclosure of which, the committee determines would endanger the national security or would violate any law or rule of the House of Representatives. Such record shall include a record over every vote on any question, whether by voice, division or rollcall. Information on any vote on any question shall include a description of the amendment, motion, order or other proposition, and, in the case of rollcall votes, the name of each Member voting for and each Member voting against such amendment, motion, order or other proposition, and the names of those Members present but not voting. Rule XI, clause 2(k)(7) is amended by adding the following: "consistent with the provisions of subparagraph (e)(1) of this clause."

H. RES. 113

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(f) is amended to read as follows:

"(f) No vote by any Member of any committee or subcommittee thereof with respect to any measure or matter may be cast by proxy."

H. RES. 114

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(g)(1) is amended to read as follows:

"(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee and subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by a rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of matters to be considered would endanger national security or would violate any law or rule of the House of Representatives. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1)(C) of rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters."

H. RES. 115

Resolved, That rule XI of the Rules of the House of Representatives is amended in the following way:

Rule XI, clause 2(1)(2)(A) is amended by adding the following:

"A rollcall vote on any question in committee may be demanded by any member of the committee."

Rule XI, clause 2(1)(2)(B) is amended by adding the following:

"A rollcall vote shall be required on every motion to report any bill or resolution of a public character."

H. RES. 116

Resolved, That rule XXVII of the Rules of the House of Representatives is amended in the following way:

Rule XXVII, clause 1, is amended by adding the following:

"Nor shall any rule be suspended for the purpose of considering any matter reported from a committee unless the chairman and ranking minority member of the committee, or a majority of the committee, in open session, with a quorum present, by a rollcall vote, requests that such matter be considered under a suspension of the rules."

H. RES. 117

Resolved, That rule XXVIII of the Rules of the House of Representatives is amended in the following way:

Rule XXVIII, clause 6 is amended to read as follows:

"6. Each conference meeting between the House and Senate shall be open to the public. The explanatory statement accompanying each report made by a committee of conference shall include a statment affirming full compliance with this clause, and it shall not be in order to consider any report which does not include such a statement."

H.R. 2287

A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the Ninety-fifth and each succeeeding Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 2 of title 2 of the United States Code is amended by adding at the end thereof the following new section:

"§ 29A. Consideration and adoption of the Rules of the House of Representatives.

"At the first session of Congress after every general election of Representatives, in the exercise of its constitutional right to determine the rules of its proceedings, the House of Representatives of the Ninety-fifth and each succeeding Congress shall consider and adopt the rules of its proceedings. After general debate on the resolution incorporating the proposed rules, which shall be confined to it and shall continue not to exceed ten hours, to be equally divided and controlled by the majority leader and the minority leader, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion."

(b) The chapter analysis of chapter 2 of title 5 of the United States Code is amended by inserting immediately below the item relating to section 29 the following:

"29A. Consideration and adoption of the Rules of the House of Representatives."

PANAMA CANAL: ATLANTIC END BRIDGE-ROAD PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in much current propaganda for a new Panama Canal treaty to surrender U.S. sovereignty and ownership over the Canal Zone to the Republic of Panama, it is often charged that the zone separates that country into parts. This fact was fully understood by our statesmen in the early part of this century, among them Pres-

ident Taft who recognized that the Canal Zone "runs through the heart" of Panama.

In 1903–04, when the Canal Zone was acquired, there was relatively little traffic between the two parts of Panama and that could be handled by existing roads or small vessels. After completion of the canal, the need for crossing facilities became increasingly apparent.

The first step toward providing them were taken by Congressman Maurice H. Thatcher, a former member of the Isthmian Canal Commission and Governor of the Canal Zone during peak construction, 1910–13, who in 1929 introduced and in 1930 secured enactment of legislation establishing a free ferry system across the Pacific entrance of the canal at Balboa and the construction of a highway in the zone connecting the western terminals of the ferry with the road system of Panama. Both were officially named by the Congress in his honor.

These ferries were operated until 1962 when they were replaced by the impressive Thatcher Ferry Bridge, also named the Progress in his honor.

During World War II there was a second ferry system operated across Limon Bay at the Atlantic end of the Canal Zone to handle the heavy traffic of those years in connection with canal defense. Today, there are no adequate crossing facilities in the Atlantic terminal of the canal. The only means for doing so is a small automobile bridge at one of the Gatun locks, which is not satisfactory for general use.

The time is now approaching for the construction of suitable bridges and roads at the Atlantic end of the Canal Zone to connect with the road systems of Panama for the convenience of residents of both the zone and Panama.

To provide the indicated bridge and road facilities I have introduced the following measure:

H.R. 199

A bill to provide for construction of certain bridges, approaches, and roads in the Panama Canal Zone, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to serve the needs of the Canal Zone and the Republic of Panama, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed—

(1) to construct, or cause to be constructed, across the Atalntic sea level portion of the Panama Canal, and maintain, a bridge clear of all locks and dams of the canal and with a clearance not less thn the clearance of the Thatcher Ferry Bridge in the Canal Zone;

(2) to construct, or cause to be constructed, and maintain, a bridge at a suitable point across the Chagres River in the Canal Zone; and

(3) to construct, or cause to be constructed, and maintain, such approaches to each such bridge, and such additional roads in the Canal Zone, as may be necessary to provide appropriate highway connection of each such bridge with the road system of the Canal Zone and the road system of the Republic of Panama.

(b) Such bridges, approaches, and roads shall be constructed and maintained for the accommodation of the public and shall be made available for use by the public free of tolls.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

(d) There are authorized to be appropriated such sums as may be necessary to finance the construction, operation, and maintenance of such bridges, approaches, and roads in accordance with this Act.

ILLEGAL ALIENS—A NATIONAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, on January 14, I reintroduced H.R. 982, an amendment to the Immigration and Nationality Act, which will make it unlawful to knowingly hire aliens who have not been legally admitted to this country for permanent residence or have not been authorized by the Attorney General to work while in the United States on a temporary basis.

This bill, which I first introduced in the 92d Congress in 1972, has twice passed the House of Representatives by an overwhelming majority. Such legislation was needed at that time, and the statistics relating to apprehension and deportation of illegal aliens clearly demonstrate that the problem has now reached severe—almost crisis proportions. It is significant to note that the number of illegal aliens removed from this country in the last fiscal year was double the number legally admitted for permanent residence under our present immigration law.

It is quite evident that in the absence of remedial legislation, the situation will continue to worsen rapidly. Population growth and increases in the labor forces of the economically less advantaged countries in this hemisphere, which are the source of most illegal aliens, are growing rapidly. A doubling of the work force in many of these countries is indicated for the next decade. These "push" factors, coupled with the economic attractiveness of employment in the United States, will intensify the illegal aliens problem unless corrective action is taken.

All of us are aware of the tremendously high unemployment in the United States today. Millions of Americans are desperately seeking employment but are unable to find it. At the same time, those hundreds of thousands of illegal aliens who have already entered our labor market continue to deprive Americans and legal residents of needed job opportunities.

The impact of these illegal aliens upon our Nation and the economy is severe, particularly in this recessionary period. When I served as chairman of the Immigration Subcommittee in the 92d Congress we held hearings in seven cities beginning in 1971 and heard numerous accounts and illustrations of the impact.

A Department of Labor witness testified that illegal aliens indeed take jobs that would normally be filled by American workers. They depress wages and impair working conditions and compete with unskilled and less educated Americans—the disadvantaged to whom our manpower programs are directed.

The Commissioner of Immigration last fall testified that with passage of this legislation and with some increases in manpower and resources for his agency 1 million jobs would be opened up for unemployed Americans and legal resident aliens.

Illegal aliens increase the burden on taxpayers in many ways. Welfare and unemployment costs are accelerated when citizens' efforts to find employment are thwarted because illegal aliens are holding jobs. We heard testimony that these aliens avoid income taxes and send much of the money they earn out of this country. Perhaps as much as $1 billion or more yearly is removed from our economy this way, accounting for a large part of our balance-of-payments deficit.

In addition, the illegal aliens reduce the effectiveness of employee organizations, and themselves represent to unscrupulous employers a group that is highly susceptible to exploitation.

In the hearings, we heard of many instances of aliens who had come illegally to the United States to improve their lot, yet were victimized by those who pretended to aid them.

Many pay exhorbitant sums of money for documents, fraudulent or otherwise, which are used to unlawfully enter this country.

The illegals, who are more to be pitied than scorned, are always mindful and fearful of detection and apprehension. Consequently they are in a precarious position, subject to substandard wages and working conditions and forfeiture of overtime and fringe benefits.

Since the illegal aliens are usually unskilled or low skilled workers, they compete most directly with members of minority groups who have been traditionally denied opportunities to improve their skills and always make up the largest portion of unemployed persons. In many instances, these are native-born Mexican Americans or aliens lawfully admitted to the United States.

I am fully convinced that the benefits which will accrue to ethnic and minority groups from this legislation will far outweigh any risk that such individuals will lose their jobs—a possibility which some have feared may result. Furthermore, the bill has been carefully drafted to preserve the job security of all American workers and afford new employment opportunities for U.S. citizens and aliens legally in the United States.

Immigration is basically good for the United States. Immigrants have built this Nation and will continue to benefit our country by offering their skills and talents. But immigration must be orderly. Aliens coming to the United States, whether as immigrants or nonimmigrants must come within the provisions of the law.

Our Government cannot condone fraud in connection with its immigration laws. Nor can we look the other way when aliens admitted as nonimmi-

grants violate their status by taking unauthorized employment, which means one more job opportunity is lost for a citizen or legal alien.

More particularly, firm action must be taken against those unscrupulous employers who cruelly and selfishly exploit this source of cheap labor for their economic advantage.

Although the Immigration and Nationality Act imposes severe criminal penalties on the alien who surreptitiously enters our country across the border, it has proved to be an ineffective deterrent, as demonstrated by the vast numbers who now enter each year. Moreover, there is no penalty for the employer who makes use of this labor supply for his own ends. This bill will cover the void which now exists in the law, and by removing the employment incentive I believe it will act as an effective deterrent to further illegal entry.

In summary, the adverse impact of millions of illegal aliens on the labor market, public service programs and our balance-of-payments deficit is overwhelming and a comprehensive legislative solution is urgently needed.

As a result I have asked the Immigration Subcommittee to give this bill their immediate attention.

CORRECTIONS AND PRISON REFORM LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, in the past decade we have seen this Nation's Chief Executives, its Attorneys General, its successive Chief Justices, the Director of its Federal Bureau of Prisons, and every group which has explored the situation, call for a change in America's prison system and its programs for rehabilitating criminal offenders. In recent years we have also read studies prepared by the Federal Bureau of Investigation, the Law Enforcement Assistance Administration, and countless government and private groups which confirm that the number 1 contributor to crime in this Nation is the discharged recidivist who resumes a life of crime. We have also seen studies which establish that the most critical time in determining whether or not a person released from prison will turn again to a life of crime is in the first weeks and months following his release from custody.

No one can deny that the Congress has a grave responsibility in the area of the control of crime in this Nation. The Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice has tried to meet this responsibility in recent years by examining in depth every single aspect of our Nation's corrections system. Confident that we can cut crime in this country if we reduce the present rate of recidivism, the subcommittee will continue to explore in depth the way we treat criminal offenders sentenced to our Nation's penitentiaries, and the condition in which we release offenders to make their way in the community.

I am today introducing with many of my fellow Members of Congress, five measures whose enactment I believe will constitute a major step in reducing the rate of recidivism of criminal offenders in this country. This legislative package is designed to insure that offenders incarcerated in our jails and prisons will be afforded the constitutional rights which they are guaranteed, so that their institutional treatment will prevent, rather than foster, bitterness and hostility toward the society which keeps them confined. The second purpose of this legislation is to assure that upon release from confinement, exoffenders will receive the assistance necessary to enable them to live a life free from crime and become reintegrated into the Nation's society as productive citizens.

At a very minimum we must accomplish these goals. We cannot forget that 95 percent of the people now in our prisons will someday reenter society "outside the walls". To ignore the need for reform of our present system of dealing with criminal offenders is to insure continued escalation of crime rates in the future.

The bills I am introducing today are the following:

PAROLE REORGANIZATION ACT

This legislation was introduced in the 92d and the 93d Congresses. The time for its passage is now at hand. It provides for establishment of an independent and regulated U.S. Parole Commission and for the detailed infusion of due process into the Federal parole system. Our subcommittee has held extensive hearings on this legislation and it has been the subject of much discussion by members of the committee, the U.S. Board of Parole, and the Department of Justice.

OFFENDER REHABILITATION FUND

This bill creates a fund for loans and small gratuities to Federal prisoners upon their release from custody. The bill is the result of an extensive study by the General Accounting Office of the present and past use of loans and gratuities to prisoners in the Federal Bureau of Prisons. It is an effort to assist the former inmate during the critical weeks immediately following release from custody and to permit him to join the mainstream of our society in a productive way and not return to crime.

FEDERAL CORRECTIONAL OMBUDSMAN ACT

This bill was originally introduced by Mr. METCALFE to establish a U.S. correctional ombudsman. It provides for an independent third party to investigate the complaints of the staffs and inmates of our Federal prisons, and provides for inspection and subpena powers.

INMATE RELIEF ACT OF 1975

This bill provides for civil action in the protection of constitutional rights of those individuals confined in State institutions. It is intended to reflect current case law and to provide legal standing for those inmates who believe they have been mistreated or dealt with unfairly while confined.

VOTING RIGHTS FOR EX-OFFENDERS

This bill provides for the right to vote in Federal elections to criminal offenders upon their release from correctional institutions. It was passed by the full Judiciary Committee late in the 93d Congress, and it is my belief that this legislation will receive prompt attention in the present Congress.

No one should be deceived by the legislation I am introducing today. Even its immediate passage would not solve the twin problems of how to reduce crime in our society, and how to deal decently with individuals sentenced to confinement in our Nation's prisons. It is, however, an important first step. For this reason, the subcommittee intends to schedule early hearings on this legislation and to press vigorously for action by the Congress on these extremely important issues.

EXPLANATION OF THE BILL TO AMEND THE RAILROAD UNEMPLOYMENT INSURANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, the Railroad Unemployment Insurance Act has not been kept abreast of changing economic conditions and of changes that have occurred from time to time in the Railroad Retirement Act, particularly, the enactment of the Railroad Retirement Act of 1974. The result is that the act still carries a maximum limitation of $400 per month on the creditable and taxable compensation and carries a benefit table ranging from $8 to $12.70 per day. The law also requires that there be earnings of at least $1,000 in the base year in order to qualify and minimum employment in at least 7 months the first time the employee qualifies.

My bill would modernize the act in each of these respects. Sections 1 and 4 of the bill eliminate the $400 per month ceiling on creditable and taxable compensation and, instead, would now apply only the ceiling corresponding to the one applicable to the wage base under the Social Security Act. This is substantially what we did with railroad retirement in the enactment of the amendments last year.

Section 2 of the bill revises the benefit table to a range of earnings from $500 per base year to $5,000 and over, with benefits ranging from $10 to $33 per day. One must understand that the law provides, in addition to a benefit table, a provision that benefits shall be not less than 60 percent of the last daily rate of compensation in the base year, so that actually the table provides maxima on top of that.

Another problem lies in the fact that in the railroad industry seniority is especially well developed and unemployment tends to be concentrated among the shortservice employees. The minimum employment period of employment in 7 months particularly imposes a hardship in times like the present when there is widespread unemployment and, in the railroad industry, it is concen-

trated among the empolyees with least service. My bill would eliminate the 7-month requirement and would enable an employee to qualify if he has earned at least $500 in the base year. These amendments, in conjunction with the provision in section 3 for accelerating the benefit year so as to bring it closer to the base year, should provide substantial relief for hardships now being experienced.

There is no question but that more benefits will be paid, and hence there will be larger expenditures under the bill. This should be substantially covered by the increase in the tax base. The railroads, for too long, have had the advantage of a completely artificial ceiling on the taxable compensation for unemployment insurance purposes.

It is urgent that Congress act on this bill with the greatest expedition. The same reasons of urgency have prompted me to provide that the bill will be effective as of January 1, 1975.

LAWSUIT TO ENJOIN THE UNITED STATES FROM PARTICIPATING IN FURTHER MILITARY ACTION IN CAMBODIA

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

Mr. DRINAN. Mr. Speaker, I will be filing a suit next week which will seek a preliminary injunction restraining the United States from carrying on military and paramilitary activities in Cambodia. The suit will be brought against President Gerald R. Ford and other high-ranking officials and will be filed in the Massachusetts Circuit of the U.S. District Court.

In the last 4 years the Congress has repeatedly prohibited funds from being used to support military action in Cambodia and other parts of Southeast Asia. Provisions in the Continuing Appropriations Act of 1974 specify that—

> None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam by United States forces.

The Foreign Assistance Act of 1971 prohibited the United States from providing advisors to military or paramilitary forces in Cambodia as well. In addition, current military activities in Cambodia by the United States appear to be in violation of the 1973 Paris Peace Treaty.

Despite a clear congressional mandate, available evidence indicates that U.S. personnel are engaged in combat, combat support, and intelligence activities in Cambodia. Our Government appears to be advising and directing the operations of the armed forces of the Lon Nol regime on a day-to-day basis. These activities include frequent aerial reconnaissance by the U.S. Air Force, the furnishing of intelligence data, recommendations with respect to bombing targets, airlifting military supplies, military ground operations such as sabotage and rocket attacks, maintaining of U.S. personnel in excess of the congressional limitation of 200, and providing economic and military assistance to the Lon Nol regime. U.S. activities in the Cambodian civil war are not marginal, but rather, decisive. They have been amply documented in an excellent statement in the CONGRESSIONAL RECORD on December 3, 1974, pages 37943–37946.

Previous cases decided in the first circuit such as Massachusetts against Laird have indicated that the courts will step in and enjoin, or declare illegal, military operations conducted in contravention of a congressional mandate.

While it is impossible to predict the actions of the court in this suit, it would certainly seem that recent disclosures in Cambodia provide a mandate for judicial intervention.

Mr. Speaker, I am pleased to announce that the following Members of the House have joined me as coplaintiffs in this lawsuit. They are as follows: KEN HECHLER, BENJAMAN S. ROSENTHAL, DONALD M. FRASER, DON EDWARDS, FORTNEY "PETE" STARK, MICHAEL HARRINGTON, BELLA S. ABZUG, RONALD V. DELLUMS, JOHN F. SEIBERLING, RICHARD L. OTTINGER, GEORGE MILLER, BOB CARR, HERMAN BADILLO, HENRY HELSTOSKI, FREDERICK W. RICHMOND, EDWARD R. ROYBAL, GEORGE E. BROWN, JR., and YVONNE B. BURKE.

Due to the importance of this suit, I think it is important that my colleagues be more fully apprised of the issues involved here. Consequently, I include here a draft of the complaint which I will be filing in the First Circuit of the Federal District Court on Friday:

[U.S. District Court for the District of Massachusetts]

DRAFT COMPLAINT

Robert F. Drinan, et al., Plaintiffs, v. Gerald R. Ford, individually and in his capacity as President of the United States; James R. Schlesinger, individually and in his capacity as Secretary of Defense; John L. McLucas, individually and in his capacity as Secretary of the Air Force; Henry A. Kissinger, individually and in his capacity as Secretary of State, and John Gunther Dean, individually and in his capacity as United States Ambassador to Cambodia; William L. Colby, individually and in his capacity as Director of the Central Intelligence Agency, Defendants.

I. NATURE OF THE ACTION

1. Plaintiffs seek a preliminary injunction restraining defendants from carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and from furnishing advice, support, training and intelligence to the military forces of the Lon Nol regime, on the ground that such activities are in violation of the mandate of Congress, the Constitution of the United States, the Paris Peace Treaty and other provisions of domestic and international law. Plaintiffs also seek appropriate declaratory relief.

II. JURISDICTION

2. This is a civil action seeking a declaratory judgment pursuant to Title 28 U.S.C. § 2201 *et seq.* and injunctive relief, pursuant to Title 28 U.S.C. §§ 1331(a) and 1361, adjudging that certain operations currently being conducted in, over, off the shores of, and respecting Cambodia under the direction of defendants are in violation of domestic and international law, restraining defendants and their agents from engaging therein. Jurisdiction is conferred upon this Court by Title 28 U.S.C. §§ 1331 and 1361; Title 5 U.S.C. §§ 701–706; Article I, Section 8, Clause 11, and Article I, Section 2, Clause 5 of the Constitution of the United States and the Fifth Amendment thereto. The matter in controversy involves rights, privileges and immunities valued in excess of $10,000 exclusive of interest and costs.

III. PLAINTIFFS

3. Plaintiff Robert F. Drinan is the duly elected Member of the United States House of Representatives from the Fourth Congressional District of Massachusetts, residing at 140 Commonwealth Avenue, Newton, Massachusetts.

[Insert additional plaintiffs.]

4. The above-named plaintiffs, hereinafter referred to as "Congressional plaintiffs," have been deprived by the action of the defendants of their Constitutional and statutory right to participate, with other members of Congress, in deciding where American forces are to be committed to combat, combat-support operations or to activities likely to draw such forces into combat. In addition, they have a right to compliance, by the executive branch, with their lawful mandate, and are entitled to a determination as to the legality of defendants' actions complained of herein, under their Constitutional duty to determine whether a resolution of impeachment is called for.

IV. DEFENDANTS

5. Defendant Gerald R. Ford is the President of the United States and Commander in Chief of the Armed Forces, and in these capacities, it is his duty "to take care that the laws be faithfully executed" and he is responsible for all the actions of all the defendants and their agents.

6. Defendant James R. Schlesinger is the Secretary of Defense and is the official responsible for the conduct of the Armed Forces of the United States.

7. Defendant John L. McLucas is the Secretary of the Air Force and, in that capacity, is the civilian official directly responsible for and in control of the operations being conducted by the United States Air Force in Southeast Asia.

8. Defendant Henry A. Kissinger is the Secretary of State, and in that capacity is responsible for the conduct of the foreign affairs of the Nation, and the operations of the foreign service.

9. Defendant John Gunther Dean is the United States Ambassador to Cambodia, and in that capacity, is responsible for the execution of United States policy toward Cambodia and for the conduct of all official United States personnel in Cambodia.

10. Defendant William F. Colby is the Director of the Central Intelligence Agency and in that capacity is responsible for the conduct of all CIA personnel in and with respect to Cambodia.

V. THE INCIDENTS AT ISSUE

11. On February 27, 1973, the United States signed, in Paris, the Agreement On Ending The War And Restoring Peace In Vietnam, Article 20(b) of which obliges the United States to put an end to all military activities in Cambodia.

12. In a series of enactments both prior and subsequent to February 27, 1973, the Congress of the United States has manifested its unequivocal intent to prohibit the direct or indirect involvement of the United States in the Cambodian civil war, whether in a combat, combat-support, or advisory capacity.

13. Nevertheless, on information and belief, United States personnel are engaged in combat, combat-support, and intelligence activities in, over, off the shores of and respecting Cambodia and are advising and directing the operations of the armed forces of the Lon Nol regime on a day-to-day basis. Such activities, on information and belief, include, but are not limited to, the following:

a. Frequent aerial reconnaisance by unarmed, and possibly armed, United States Air Force planes, over Cambodia.

b. Furnishing intelligence data and analysis to the Armed Forces of the Lon Nol regime, based on such reconnaissance.

c. Recommendations with respect to bombing targets.

d. Airlifting military supplies to troops of the Lon Nol regime in combat zones.

e. Military and ground operations staffed by United States military and CIA personnel, including sabotage, spying, rocket attacks on enemy supply lines and coordinating local air strikes.

f. Off-shore marine and naval maneuvers which support ground and air attacks, including armed United States military personnel and supplies (Operation Eaglepull materials to be elaborated on).

g. Maintaining official United States personnel in Cambodia in excess of the Congressional limitation of 200.

h. Combat payments made to United States military personnel engaged in activities in, over, from off the shores and respecting Cambodia.

i. Direct and immediate military and strategic advice, having, for all practical purposes, the effect of military orders, such advice being furnished at all levels of the United States Mission in Cambodia, from the Ambassador in Phnom Penh to individual Americans attached to isolated units in the field.

j. Economic and military assistance to the Lon Nol regime, including financing of activities, programs and supplies, and providing personnel, expert and otherwise, without which assistance the Lon Nol regime could not maintain itself against the will of the people of Cambodia, and without which regime the hostilities, involving United States personnel and assistance on a continuing basis, as heretofore alleged, would cease.

United States involvement in the Cambodian Civil War is decisive, not marginal. It has been amply documented by journalists reporting from Thailand and Cambodia, as illustrated by Congressman Aspin's speech entitled "Secret War in Cambodia" (Exhibit A).

14. Certain of the operations complained of have been admitted or confirmed by United States officials:

a. The Department of Defense, in a press release dated November 25, 1974, admitted conducting aerial reconnaissance flights over Cambodia and passing intelligence information to the Cambodians, but denied that such activity was in violation of the Paris Peace Agreement or Congressional prohibitions on activity by U.S. forces in Southeast Asia.

b. Defendant Schlesinger, on June 5, 1974, testified before the House Foreign Affairs Committee that U.S. planes were flying hundreds of supply missions each month to Cambodian towns and villages surrounded by insurgent troops.

c. Defendant Dean, according to a survey report by staff members of the House Foreign Affairs Committee, "by his own admission . . . does not hesitate to give strategic military advice to Lon Nol or tactical advice to subordinate military commanders."

d. The same survey report states that the Congressional limitation on the number of U.S. military and civilian officials authorized to be present in Cambodia at any one time "has been violated daily by the United States Mission in Phnom Penh."

VI. CAUSES OF ACTION

15. *First*, defendants' actions, referred to in paragraphs 1, 13, and 14, in carrying on military and paramilitary activities in and over and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime, all conducted in violation of specific Congressional prohibitions, are in violation of Article I, Section 8, Clause 11 of the Constitution, which confers exclusive power to authorize war upon the Congress.

16. *Second*, defendants' actions, as set forth in paragraph 15, in the absence of a declaration of war and in the absence of a report by the President to Congress, followed by Congressional authorization, are in violation of the 1973 War Powers Resolution, 50 U.S.C. §§ 1541 *et seq.*

17. *Third*, defendants' actions, as described in paragraph 15, are in violation of the Special Foreign Assistance Act of 1971, 22 U.S.C. § 2411 in that they constitute both the introduction of United States ground combat troops into Cambodia and the provision of United States advisors to or for military, paramilitary, police or the security or intelligence forces, as prohibited by that statute.

18. *Fourth*, defendants' actions, as set forth in paragraph 15, are in violation of Section 30 of the Foreign Assistance Act of 1973, 22 U.S.C. § 2171 which prohibits the expenditure of any funds authorized under the Foreign Assistance Act or under any other law "to finance military or paramilitary operations by the United States."

19. *Fifth*, defendants' actions, as described in paragraph 15, are in violation of Section 108 of the Continuing Appropriations Act of 1974, P.L. 93-52, 87 Stat. 130, prohibiting after August 15, 1973, the obligation or expenditure of any and all funds "to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of Cambodia."

20. *Sixth*, defendants' actions, as described in paragraph 15, are in violation of Section 307 of the Second Supplemental Appropriations Act of 1973, P.L. 93-50, 87 Stat. 99, which prohibits the expenditure of any funds therein appropriated, and, as of August 15, 1973, any funds appropriated therefore under any Act, from being expended "to support directly or indirectly combat activities in or over or off the shores of Cambodia . . . by United States forces."

21. *Seventh*, defendants' actions, as described in paragraph 15, are in violation of Section 806 of the Department of Defense Appropriation Authorization Act of 1974, P.L. 93-155, 87 Stat. 605, which prohibits the obligation or expenditure of any funds, appropriated theretofore or thereafter "to finance the involvement of United States military forces in hostilities in or over or from off the shore of . . . Cambodia" in the absence of specific Congressional authorization.

22. *Eighth*, defendants' actions, as set forth in paragraph 15, are in violation of Section 13 of the Department of State Appropriation Act of 1973, P.L. 93-126, which prohibits, as of August 15, 1973, the obligation or expenditure of any funds, theretofore or thereafter appropriated, ". . . to finance the involvement of United States military forces in hostilities in or over or from off the shores of Cambodia", absent specific Congressional authorization.

23. *Ninth*, defendants' actions, as described in paragraph 15, are in violation of the Foreign Assistance Act of 1971, 22 U.S.C. § 2416, which limits to 200 the total number of United States civilian and military personnel authorized to be present in Cambodia at any one time.

24. *Tenth*, defendants' actions, as described in paragraph 15, are in violation of Article 20(b) of the Agreement On Ending the War and Restoring Peace in Vietnam, which obliges the United States to cease military activities in Cambodia.

Relief

Wherefore, plaintiffs pray that this Court:

1. Declare that defendants' actions in carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime, are in violation of Article I, Section 8, Clause 11 of the United States Constitution; the 1973 War Powers Resolution, 50 U.S.C. §§ 1541, *et seq.*; Section 7(a) of the Special Foreign Assistance Act of 1971, 22 U.S.C. § 2411; Section 307 of the Foreign Assistance Act of 1973, 22 U.S.C. § 2151; Section 108 of the Continuing Appropriations Act of 1974, P.L. 93-52, 87 Stat. 130; Section 307 of the Second Supplemental Appropriations Act of 1973, P.L. 93-50, 87 Stat. 99; Section 806 of the Department of Defense Appropriation Authorization Act of 1974, P.L. 93-155, 87 Stat. 605; Section 13 of the Department of State Appropriation Authorization Act of 1973, P.L. 93-126; the Foreign Assistance Act of 1971, 22 U.S.C. § 2416; and the Agreement On Ending the War and Restoring Peace in Vietnam.

2. Enjoin the defendants from carrying on military and paramilitary activities in, over, off the shores of and respecting Cambodia and furnishing direction, advice, support, training and intelligence to the military forces of the Lon Nol regime.

3. Grant such other and further relief as to this Court may appear proper and just.

A SMALLER FLEET AND A FORMIDABLE COMPETITOR

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

Mr. SIKES. Mr. Speaker, the Armed Forces of the United States are confronted with the triple problem of smaller operating forces, higher costs, and a growing Soviet military threat. From the standpoint of the Navy, this is discussed well in the January issue of Seapower by the Honorable J. William Middendorf II, Secretary of the Navy. Secretary Middendorf is, of course, one of the best informed men in the Nation on this problem. He is also a very capable administrator. His work as Secretary of the Navy has been outstanding. I feel that his article, which is entitled "A Smaller Fleet, and a Formidable Competitor," should be reproduced in the CONGRESSIONAL RECORD and I include it with my own remarks:

A SMALLER FLEET, AND A FORMIDABLE COMPETITOR

(By J. William Middendorf II)

In the Office of the Secretary of the Navy, by the side of a large formal portrait of President Theodore Roosevelt, there is a facsimile of a letter written in 1898. Then-Assistant Secretary of the Navy Teddy Roosevelt had just seen the Director of the Geological Survey. "He has shown me some interesting photographs of Professor Langley's flying machine," Roosevelt wrote in the letter to the Secretary of the Navy. "The machine has worked," Roosevelt said, continuing—"It seems to me worthwhile for this government to try whether it will not work on a large enough scale to be of use in the event of war. For this purpose I recommend that you appoint two officers of scientific attainments and practical ability, who in conjunction with two officers appointed by the Secretary of War shall meet and examine into this flying machine to inform us whether or not they think it could be duplicated on a large scale, to make recommendation as to its practicability and prepare estimates as to the cost." Roosevelt concluded: "I think this well worth doing."

Theodore Roosevelt was a man of action. His decision to look into Professor Langley's flying machine had great impact on the very survival of the United States. Now, more

than three-quarters of a century later, the United States Navy is ready to commission a nuclear-powered attack aircraft carrier that will be the most complex single weapon ever built by man. The Nimitz joins the fleet this summer, seven years after her keel was laid. The 91,000-ton carrier will have an air group of more than 90 sophisticated, multi-mission aircraft. Most notable of these, perhaps, is the F-14 Tomcat, a superb fighter. The Tomcat and its Phoenix weapons system will greatly improve the Navy's fleet air defense capability and give it a powerful offensive punch.

PROUD QUESTION, CAUTIOUS ANSWER

The United States Navy celebrates its 200th Birthday in 1975. The Naval Service is actually older than the nation, as the Navy was founded during the Continental Congress in October of 1775, nine months before the Declaration of Independence was signed. This year should be the proudest in the U.S. Navy's history—a birthday year when a powerful new aircraft carrier joins the fleet. Will it be the proudest? That question requires a cautious answer.

The Navy's basic missions today are almost identical to those it had when formed. Throughout 200 years, the Navy has defended the coasts of the United States, protected sea lines of communication, deterred aggression, and projected the presence of the United States throughout the world. Yet the scope of naval activities is far greater now than ever before. Naval technology is vastly different, the international political system in which the United States exists is radically altered, and a foreign power is building a navy that could conceivably return the U.S. Navy to a position other than number one in the world for the first time in the lives of most U.S. citizens.

Consider just one reason that having a second-best Navy could be disastrous to the American people: The United States is essentially an island nation, growing increasingly dependent on foreign sources of raw materials and energy. Last year, the United States imported by sea about 1.6 billion barrels of crude oil and refined petroleum products accounting for 29 percent of its domestic consumption. Europe and Japan are much more dependent on oil imports that come by sea. It is possible to construct a scenario in which the oil spigot to Europe, Japan or even the United States is turned off by naval action. A strong U.S. Navy may prevent anyone's giving serious consideration to such a plan.

SECOND PLACE IS THE SAME AS LAST

Make no mistake about it: being the number two navy in the world would not be like being number two in the college football polls. If there were a contest between number one and number two military powers in the real world of international politics, there might be no need for next year's ratings. Likewise, college football coaches usually have a luxury that leaders in the world political system do not have. They know when and where their team will take the field against its competitors. Thus, it is essential to the survival of the country that the Navy remain sufficiently strong—one loss in a game played with such deadly weapons may end the rating system. As a collateral, the U.S. Navy must measure the capabilities of its most formidable competitor. It cannot rely on the hope that there will never be a contest. It must be prepared.

Basic questions must then be asked in this Navy Bicentennial year:

What is the status of the Navy?

How does it compare with the Soviet Navy?

Can the U.S. Navy celebrate its 200th birthday with confidence in its ability to defend itself now and in the future?

How does all the above relate to inflation and recession and other great issues in the United States?

Among the missions of the U.S. Navy is protecting the sea lanes for the transport of critical imports, and rendering a political and diplomatic presence in the world in support of national policy. Yet, today, the U.S. Navy has the fewest number of ships in the active fleet since a year and a half before Pearl Harbor.

The ships of today's Navy are much more capable than their World War II-vintage counterparts. Today's aircraft carrier Enterprise (CVAN-65), with its air group of sophisticated F-14s, A-6s, and A-7s, packs a much more potent punch than her World War II predecessor (CV-6). However, just six years ago the United States had an active fleet of nearly 1,000 ships. Much of that fleet was constructed during World War II. In 1968 the average of the active fleet had increased to 18 years. It became unmistakably clear that the United States had to reduce the numbers of its older ships and build new ships if it wished to maintain naval supremacy. Those objectives seemed feasible. Reducing the number of older ships in the inventory was feasible, even easy. Building the new ones was another story.

Between 1963 and 1967 the Navy had programmed 250 new ships—50 per year. Then came the fiscal demands of the Vietnam War, with its requirements for operating funds at the expense of shipbuilding. The United States also undertook the conversion of 31 Polaris submarines to carry the Poseidon missile, which substantially upgraded the nation's strategic deterrence capabilities.

In the last six years, although the numbers of aging ships in the active fleet had been reduced, the Navy received authority to build 13 ships per year. That rate of shipbuilding—13 ships per year—means that the U.S. Navy will not be able to sustain a fleet of even 500 active ships unless substantial increases are made in the number of ships being built each year.

The Navy finds itself, in effect, following a course of action which, if allowed to go uncorrected, would amount to unilateral naval disarmament.

The Navy's newest carrier, the Nimitz, entering the fleet this year, is the result of naval and Congressional planning and funding *nearly ten years ago*. There are other bright spots in the status of today's Navy—new ships—that are the result of equally positive action that is now several years in the past. However, the Navy currently has only 67 new ships under construction for delivery in the next five years. Included are two more aircraft carriers, Eisenhower and Vinson, scheduled for commissioning in 1977 and 1980, respectively. They will enable the United States to continue to maintain moving air bases at sea at a time when reliance on foreign land-based operations is being reduced. Their nuclear propulsion plants, which cost an added premium, will enable the United States to make better and more efficient use of its aircraft carriers—which are down in number from 23 in 1968 to 14 in 1974.

Last month, the United States launched another nuclear-powered frigate, USS Virginia, and in early 1975 the South Carolina will be commissioned. They join the nuclear frigates California, Truxtun and Bainbridge. Four additional ships of the Virginia class are scheduled to be in the fleet by 1980. Armed with missiles, guns and helicopters, the new 10,000-ton nuclear-powered ships will greatly enhance the capabilities and independence of carrier task groups.

NEW SHIPS COMING

There will be other new ship milestones for the Navy in 1975. By the middle of the year, the first of the new "963" (Spruance-class) destroyers will become operational. The 7,600-ton destroyers are the first gas turbine-powered major combatants in the U.S. Navy.

Also in 1975, the Navy will be commissioning the first of the Los Angeles class of high-speed nuclear-powered attack submarine, which has anti-submarine warfare as its primary mission.

The amphibious forces and the Marine Corps will soon be receiving the Tarawa, first of five high-speed helicopter-capable amphibious warfare ships. Each of those ships will combine the capability of older and smaller amphibious landing ships and thus increase the Navy's flexibility. Their speed will provide greatly reduced reaction time.

In 1975 the Navy began construction of the lead ship of the Trident class of submarines. Trident submarines will be larger and quieter and, with the increased range of the Trident missile system, will be able to be stationed farther away from their targets and in the deeper, harder-to-find environs of the world's oceans.

The shipbuilding programs enumerated, the result of previous Congressional authorizations, are a step in the right direction. They will provide new platforms of increased capability to the United States. However, they do not solve the critical problem of loss of numbers of ships, which is so important for the future in meeting U.S. national objectives in a multi-ocean world and in the face of increased Soviet naval activity.

The Navy has initiated two ship programs that will contribute to the fleet's numerical strength. The first ship is the Patrol Hydrofoil Missile (PHM). Capable of operating at high speeds in heavy sea conditions, the PHM is expected to provide the Navy a potent punch in many different operational environments. PHMs can be expected to readily assume the patrol and surveillance functions formerly assigned to larger ships, thereby relieving Spruance- and Knox-class combatants for other duties, such as carrier task force operations and anti-submarine warfare. The second ship is the Patrol Frigate (PF). It is envisioned as a low-cost workhorse for the fleet, designed to carry out the very important sea control mission.

An even more advanced concept is the Surface Effect Ship, which is capable of speeds in excess of 80 knots. Once the research and development is completed, the United States could build and deploy such ships over the oceans of the world. Their high-speed capability and weapons systems would make them potent and nearly invulnerable to torpedo attack.

Congress is very much aware of the Navy's need for more ships. However, inflation is debilitating the Navy's shipbuilding effort. The price of scrap steel has nearly doubled in less than a year. Overall cost escalations will probably reach 20 percent. Therefore, due principally to inflation, there exists a funds deficiency in current Navy shipbuilding programs. That deficiency, about $2 billion, represents additional funds needed for ships approved.

AIRCRAFT AND WEAPONS SYSTEMS

The Navy's status cannot be assessed with a review of ships and shipbuilding alone. Aircraft, weapons systems, and people are also key indicators as to any navy's strength.

More than five dozen F-14A Tomcats have been delivered to the Navy. The first two operational squadrons are embarked on USS Enterprise in the Pacific.

The first squadron of the S-3A Viking carried-based anti-submarine warfare (ASW) aircraft became operational last year. In addition to its submarine detection function, the S-3A will be capable of launching the Harpoon missile. Another important element of the anti-submarine warfare team is the SH-3 helicopter. A third arm of the Navy's ASW aircraft community is the 24 active and

twelve reserve squadrons of land-based aircraft, including an important new addition to the fleet, the P-3C. Equipped with a computerized avionics system and the latest, and most advanced ASW sensors and weapons, the P-3C is an anti-submarine, anti-ship and ocean surveillance aircraft which will also be capable of launching the Harpoon missile within two years.

The Harpoon, which will be delivered to the fleet in 1976, is an anti-ship or "cruise" missile system designed to be launched from either a ship or an aircraft. It can also be launched in an encapsulated form from submarines.

Other munitions, such as the Sidewinder and Sparrow missiles, are undergoing modernization, and the Navy is developing a family of improved "stand-off" munitions that will provide a balanced offensive capability.

NAVY PERSONNEL PROGRAMS

In the people area, the all-volunteer force and pay raises make the Navy competitive with industry for volunteers. They have also placed burdens on the Navy budget. The Navy has 547,000 men and women on active duty, down from 764,300 in July 1968.

Although the Navy fell behind its very high cumulative recruiting goals for the last half of 1974, more than 13,000 more persons were enlisted than during the same period last year. The Navy is confident that the shortfalls from the first half of the fiscal year will be made up by spring, and that present high quality standards will be maintained. Predictions are that shortages experienced during the first half of Fiscal Year 1975 as a result of very high goals (40 percent greater than last year) will be overcome and the Navy will attain its recruiting objectives for the fiscal year. Meanwhile, the Navy's retention rate continues to improve. First-term reenlistments are up significantly over previous years.

Another aspect of the overall personnel situation is the increasingly important part played by women in the Navy. There are approximately 17,000 women in the Navy now and their numbers are growing rapidly.

Also, in order to effect a greater reliance and achieve the "total force" concept of greater defensive capability, the Naval Reserve is being strengthened. The Naval Air Reserve is receiving newer and more sophisticated aircraft, and the Naval Surface Reserve is receiving destroyers from the active fleet.

"A REALLY EXCELLENT NAVY, BUT * * *"

In summary, the status of the United States Navy as it enters its Bicentennial year can be described with pride, for the most part. The United States has a good Navy, with single ships either entering the fleet or on the drawing boards that represent significant advances over past years.

The volunteer Navy, particularly in a period of economic difficulties in the country, appears to be a reality that will benefit the Navy. The United States, in other words, has a really excellent Navy, but especially when compared to the U.S. Navy of the past and to the Soviet Navy of the past.

Unfortunately, it must be compared to the Soviet Navy of the *present* and the Soviet Navy of the *future*.

It is the *trend* of expanding Soviet naval capabilities that is such a significant strategic development. The *trend* in burgeoning Soviet naval capabilities, when considered together with other Soviet tactical and strategic military developments, would give any Secretary of the Navy cause for concern.

THE U.S.S.R. GOES TO SEA

With regard to the Soviet Navy:

(1) Since 1962 the Soviets have outbuilt the United States in numbers of ships in every category except aircraft carriers. During the period 1962–1973 they added 271 major surface combatants and submarines, as opposed to the United States' 176 new ships. Following are the current active ship inventories for major combatants and submarines:

	Soviet Navy	U.S. Navy
Aircraft carriers	0	14
Cruiser helicopter carriers	2	0
Cruisers	30	6
Destroyers	80	90
Escorts	109	66
Submarines	325	115
Total	546	291

Ship numbers and comparisons can be extremely dangerous. One cannot compare a 90,000-ton U.S. aircraft carrier to an 850-ton Soviet "minor combatant." Yet the more than 135 guided-missile-firing patrol boats in the Soviet inventory cannot be simply ignored or brushed aside because of their small size.

For example, the OSA and Komar classes, now more than 13 years old, have been used with success in combat. An 80-ton Egyptian Komar sunk the 2,500-ton Israeli destroyer Eilat on 21 October 1967. The operations of Indian OSAs in the war with Pakistan in December 1971 were equally successful. The Soviet 850-ton Nanuchka-class carries the SS-N-9 surface-to-surface missile. Its 1,100 pound warhead is twice that of the anti-ship missile the U.S. plans for the future.

(2) The Soviets have deployed aboard their ships highly sophisticated sensors, electronics and offensive and defensive weapons systems. They have developed an arsenal of some 20 types of anti-ship-capable missiles and their variants. Having ranges from 20 to 300 miles, they can be fired from aircraft, from surface ships, and from submerged submarines.

A number of years ago the United States Navy made a deliberate choice to put all of its missile capability on sea-based aircraft without developing an over-the-horizon shipborne surface-to-surface missile. At that time the United States had a force of some two dozen aircraft carriers, combat proven during World War II. Now, with only 14 aircraft carriers and facing a major Soviet anti-ship missile capability, the United States is ready to introduce its first over-the-horizon surface-to-surface missile—Harpoon.

(3) The Soviet Navy has gone to sea. From a coastal defense navy in 1962, today there are Soviet ships circumnavigating Hawaii, exercising in the Caribbean, and operating near the strategic oil routes of the Indian Ocean.

(4) The Soviets have upgraded their strategic submarine ballistic missile force. Their new Delta-class submarine carries the 4,200-mile SS-N-8 missile, capable of hitting San Francisco from its homeport a few hundred miles west of Alaska. All U.S. metropolitan centers are within range of the USSR's strategic submarine missiles.

(5) Soviet *naval* developments coincide with the impending Soviet deployment next year of *four* new classes of ICBMs—with warheads up to 25 megatons—and a new long-range bomber, the Backfire.

SUMMARY: THE KEY QUESTION

This is where the United States Navy stands today, and these are the issues that affect a report on its status. It must be remembered that the United States is more dependent on foreign sources of raw materials and energy now than in the past. The United States has a much smaller Navy to do the job than it did six years ago. The USSR is building navy ships at a rate numerically faster than is the United States. The world economic and political situation continues to be tense. The United States needs the credibility and capability of a strong Navy now more than ever.

What Navy programs will be proposed to the Congress—a new Congress—in 1975? It is too early to be specific, before the defense budget is presented by the President.

But certain needs are fairly obvious: the need for authorization of more patrol and hydrofoil ships to give the Navy added numbers of surface ships; the need for powerfully-armed surface ships that could operate independently of carrier task forces; the need for a beginning toward an aviation platform that might be described as a light carrier; the need to continue the Navy's effective submarine and aircraft programs; the need for research and development to maintain the Navy's technology; and clear recognition that sea power is an indispensable element of the U.S. national posture that must be kept in balance with an ever growing Soviet naval building program.

The key point is this: when the Navy goes to Congress with its 1975 budget proposals, those proposals will have been very carefully scrubbed by the Navy and the Department of Defense. Those who are concerned about the security of the United States should familiarize themselves with the issues and form their opinions accordingly. A strong naval program is a crucial requirement for the United States that few people will even be aware of until the results are apparent five or ten years from now.

Oddly enough, the question that can best be answered today is not "Who's number one?" It is "Who will be number one in 1980 and 1985?"

THE STORY OF LAKEWOOD AND ITS POSTMASTER

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

Mr. SIKES. Mr. Speaker, the American legend is comprised of much more than the big cities and great developments. There are also the often untold stories of the people who contribute to the story of America in little towns and communities that dot our Nation's countryside. In these areas legends are born which become the folklore that tells its own important side of the American story.

One of these worthwhile legends tells the story of Mrs. Hazel Britton, postmistress of the little north Walton County town of Lakewood. Mrs. Britton was appointed postmistress by Postmaster General Lawrence O'Brien 9 years ago. She has conscientiously served each day since. She is the widow of the late T. J. Britton, a prominent developer in the area. Her story and the story of the Lakewood Post Office were recently told in the Miami Herald and retold in the Florala News which is published in Florala, Ala. I feel that Mrs. Britton's story is significant enough to justify reprinting in the CONGRESSIONAL RECORD:

POST OFFICE USED TO BE BOAT HOUSE

The little town of Lakewood and its postmaster, Mrs. Hazel Britton, received statewide attention recently when they were the subject of an article in the Miami Herald by Al Burt.

Mrs. Britton will have served as Postmaster at Lakewood nine years this Christmas. And in those nine years, she hasn't missed a day at work because of sickness. "I have flown that flag every day," says Mrs. Britton. What is it the commercial says—"When you have your health, you have everything." Mrs. Britton can vouch for that.

Had it not been for the ingenuity of Mrs. Britton and her late husband, T. J. Britton, Lakewood probably wouldn't be enjoying the

unique little postoffice it has today. It was established in 1903 and the uniqueness of this particular postoffice building is that it used to belong to Britton's son, Tom, and was his pride and joy—a boathouse afloat beautiful Lake Jackson. It afforded Tom and his friends many a leisure hour of fishing and party fun. Florala banker Ed Rodwell, a very good friend of Tom's, and his cousin, down through the years, had a boathouse, also, and the two of them remember fondly the good times they spent at Lake Jackson.

The boathouse was removed from the lake, split in half, and taken to Lakewood where George Lancaster, then a popular contractor in the area, put it back together again. It must have been made of pretty good stuff because it is still in remarkably good condition and is pleasingly quaint with its porthole windows and antique furnishings, all taken from the offices of the once famed Britton Lumber Company of Lakewood.

Mrs. Britton's husband and his brother, W. H. Britton, came here from North Carolina at the turn of the century to form the lumber company. In those days the Brittons owned thousands of acres of land and built a number of businesses in Florala which included a bank, opera house and hotel. But, as their lumber business faded with the depression, so did their land holdings dwindle around Lakewood. Still in hand, however, is most of the town about one section, or 640 acres.

In its heyday, Lakewood boasted a population of 450 people, three times its present size. There was a railroad depot, which is still intact sitting off down in the middle of a corn field, and spur tracks that ran 25 miles south to hook up to the main line at Mossy Head, plus three streets with houses on them and all the machinery of a lumber mill center.

About all that is left of the town is the post office which Mrs. Britton operates six days a week from 12:00 until 5:00. Of her service, Mrs. Britton's patrons say—"picking up the mail at the Lakewood postoffice is 'like the pause that refreshes.'" And truly Mrs. Britton is a remarkable woman—just as spry and chipper as can be.

About 300 yards south of Lakewood is Florida's highest surveyed hill. According to the State Bureau of Geology. It reaches the lofty elevation of 345 feet. The Bureau cautions there may be others higher, but if so, they have not been surveyed.

The elevation is indicated by a marker posted on the road next to a church, now used as a voting precinct.

In sparsely populated Walton County, which stretches from Alabama to the Gulf of Mexico in the western half of Florida's Panhandle, remote Lakewood is not unusual.

The 1970 census listed a population of 16,087, most of it around the county seat at DeFuniak Springs or farther south along Choctawhatchee Bay and the Gulf Coast. It has grown 3.3 percent since 1960.

Mrs. Britton would prefer that Lakewood not be called another of Florida's old ghost towns, because it is her home and is a lovely area, but unkind strangers might see it that way.

While she likes Lakewood as it is, as a business woman, she nevertheless is intrigued by the development boom in the rest of Florida and, especially, the oil boom west of here around Jay. Mrs. Britton was careful to retain half the mineral rights on family land that was sold, and has high hopes of one day striking oil. "The land has been surveyed and there seems to be a good chance that there's some over here, too," says Mrs. Britton.

In this, she and Lakewood are like other parts of Florida, yet untouched by the new boom times. They want to share in the affluence showering down on the state, yet they are fearful of change. Still, they look for a chance to take the gamble.

"We hope someday to have big development around here," said Mrs. Britton, "we want to stay like we are, because it is so beautiful and peaceful. But there is room to grow without ruining the beauty."

SUPER-PRICING: ANOTHER BURDEN FOR THE AMERICAN CONSUMER

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today reintroducing legislation that would make it an unfair practice for any retailer to increase the price of certain consumer commodities once the price on the commodity has been marked and to permit the Federal Trade Commission to order a retailer to refund any money obtained by the price increase. This bill would apply to interstate commerce dealing with certain consumer commodities such as food, drugs, cosmetics, and other consumer products. My bill would also empower the Federal Trade Commission to halt any violations immediately.

While some supermarket chains have made efforts to alert consumers of forthcoming price increases, there are still many other retail food stores where "super-pricing" is still in practice. And the problem is not confined to retail food outlets. When a consumer inquires as to the reason for repeated markups on goods, he is probably told that inflation has caused an increase in the wholesale purchase price of the particular commodity. While this is a valid reason for price increases on newly received goods, it does not justify markups on goods which were acquired at a previous lower price.

Some retailers maintain that uniform pricing eliminates customer confusion, which in turn can lead to customer hostility. I believe consumers have much more reason to be hostile if this "uniform pricing policy" results in unjustified overcharging of the customer and the accumulation of unconscionable profits for the retailer.

Mr. Speaker, in our inflation-ridden economy, the American consumer is already reeling under the economic impact of rising prices on almost everything he purchases. Super-pricing adds to this already intolerable burden, and yields benefits only to those who seek to reap unfair and unjustified profits at the expense of the beleaguered American consumer.

CONGRESS SHOULD SUPPORT WOMEN'S YEAR

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

Mr. BINGHAM. Mr. Speaker, I am today introducing, with Mrs. HECKLER and 48 other cosponsors, a concurrent resolution in support of International Women's Year. This is the same resolution we introduced last August. It is disappointing that Congress has lost the opportunity to go on record in support of Women's Year prior to its beginning, but I retain hope that we can proclaim our support before it is over.

The United Nations proclaimed 1975 as International Women's Year in order to promote equality between men and women, and to recognize women's contributions to international relations. Last January, President Nixon issued a proclamation in support, and President Ford recently established a commission to coordinate U.S. efforts in this regard. Congress has remained silent. Let us now say to the United States and the world that we support International Women's Year and the U.N. objectives for it, and that we will strive to overcome the obstacles still encountered by women in exercising their full measure of human rights and responsibilities. In this way, our efforts will have a lasting effect, and will help to shape a better future for all humankind. I urge speedy passage of this resolution.

THE TAX CUT-REFUND BILL

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

Mr. GIBBONS. Mr. Speaker, in order to refine the issues and to get action, I have discussed with staff proposals that have been aired by members of our committee concerning the tax cut-refund bill.

I am suggesting an overall figure of $18 billion. The following chart and the attached statement explain the proposal. I solicit your comment and support.

Revenue effects for calendar 1975

[In billions]

1974 tax rebate	−$9.0
Increase in the standard deduction	−5.0
Refundable earned income credit	−3.0
Increase in the investment tax credit	−3.0
Increase in the corporate surtax exemption	−.6
Total for individuals and corporations	−20.6
Repeal of percentage depletion, gas and oil	+2.6
Overall revenue effect, calendar 1975	−18.0

Now, Mr. Speaker, next I would like to outline in greater detail this bill that I have today introduced.

OUTLINE OF POSSIBLE TAX PROGRAM TO BE APPROVED BY FRIDAY, FEBRUARY 7, 1975

1. A refund of 14 percent of 1974 tax liability up to a maximum of $300, with a phaseout of the refund between $20,000 and $30,000 of adjusted gross income. This would be paid in one installment instead of two. (Revenue effect, −$9 billion.)

2. Increase the minimum standard deduction from $1,300 to $1,900 for single persons and to $2,500 for married couples. Also, increase the standard deduction from 15 percent to 16 percent and increase the maximum standard deduction from $2,000 to $2,500 for single persons and to $3,000 for married couples. (Revenue effect, about −$5 billion.)

3. Provide an earned income credit of 5 percent of wage and salary and self-employment income not to exceed $200. This would be a refundable credit. The credit would be phased out for adjusted gross income levels between $4,000 and $8,000. (Revenue effect, about −$3 billion.)

4. Increase the investment tax credit from 7 percent to 10 percent—to be effective for at

least two years. (Revenue effect, —$3.0 billion.)

5. Increase the corporation surtax exemption from $25,000 to $35,000. (Revenue effect, —$600 million.)

6. Repeal percentage depletion for oil and gas. This would apply to both foreign and domestic production. (Revenue effect, +$2.6 billion.)

NOTE.—Tax changes made by proposals 2–6 would be effective *retroactive to January 1, 1975*. Revenue effects refer to calendar 1975 tax liabilities, except for proposal 1 (which refers to 1974 tax liabilities but revenue effects in calendar 1975.) Withholding rates would be adjusted 45 days after the date of enactment to take these changes into account.

Mr. Speaker, over the last few days, we have been encouraged by leading economists and by the President to make substantial tax reductions and refunds available so as to stimulate the economy and to avoid worsening the recession. During these panel discussions, I have been attempting to discover a set of proposals that would receive wide support in the Congress and would be quickly adopted so that uncertainty would be eliminated and confidence in the future could be restored.

A tax proposal embracing the following items is one that could be adopted. Some parts of it will not receive unanimous support but I believe will receive a large enough support to pass the House of Representatives.

In summary, there are five features of the proposed bill, which are as follows:

First. A 14-percent tax rebate for 1974 taxes that is phased out for people with incomes between $20,000 and $30,000.

Second. A substantial increase in the standard deduction.

Third. A 5-percent refundable tax credit for low-income workers.

Fourth. An increase in the investment tax credit to 10 percent.

Fifth. A $10,000 increase in the corporate surtax exemption, against which the 22-percent tax rate applies.

The administration's proposals give too much to those who need it the least and do not give enough to those who need it the most. Inflationary problems have been most significant in the areas of food and fuel. Low and moderate income families must spend a greater portion of their budget on these items than higher income families. As a result, it is necessary that we give the lion's share of any tax reductions to the families which have been the hardest pressed.

Higher income families, although they have been affected by inflation, have not been affected nearly as much as low and moderate income families. It is more likely that the higher income families would be in a position to save larger portions of any tax relief than would be the case for low and moderate income families. Thus, the bill provides the tax relief to those who need it the most and where it would have the largest effect for the needs of the economy.

The administration did not propose any changes in the percentage depletion allowance for oil and gas. It is obvious from all that we have seen that this special incentive for the oil and gas industry is no longer necessary. Therefore, the bill repeals the percentage depletion allowance for oil and gas as of January 1, 1975. This repeal provides revenues from the oil and gas industry which has been making huge windfall profits which can be used to reduce the overall deficit and to provide further tax relief for individuals. There does not appear to be any benefit to our economy for these companies to continue to get windfalls not only on account of the increase in the price of oil but also as a result of percentage depletion, especially when it is applied to the inflated prices for oil and gas.

The bill provides three provisions for tax relief for low- and moderate-income families. First, there would be refund of 14 percent of 1974 tax liability up to a maximum of $300. This refund would be phased out for incomes between $20,000 and $30,000 in order to make it applicable to those in the lower income levels. The refund would be paid in one installment rather than the two proposed by the administration.

Second, the bill increases the standard deduction which would provide immediate relief in the form of lower withholding in the paychecks of taxpayers. The minimum standard deduction would be increased from $1,300 to $1,900 for single persons and to $2,500 for married couples. Also, the percentage standard deduction rate is to be increased from 15 percent to 16 percent and the maximum standard deduction increased from $2,000 to $2,500 for single persons and to $3,000 for married couples.

The third feature of the bill for individual income tax relief is to go to low-income individuals who either have a very small, or no, income tax liability, but are liable for the social security tax in all but a very few cases. The provision in the bill provides a 5-percent refundable tax credit for earned income up to a maximum of $200. The credit will be phased out for individuals at adjusted gross income levels between $4,000 and $8,000. In effect, this provision can be viewed as a rebate of a portion of the social security payroll tax to low-income individuals.

The bill also has two provisions which are intended to provide incentives for businesses. The first provision increases the investment credit from 7 percent to 10 percent. This increase is needed at this time to encourage capacity expansion for our productive needs. In view of the serious credit problems of public utilities, the bill also increases the investment credit for them from the present 4-percent level to the same 10-percent level for corporations generally. Public utilities, however, have an additional problem in that they have not been as profitable in recent years and, thus, even though they may be eligible for a higher investment credit, the limitations on that credit prevent them from enjoying the full tax benefit. This limitation is 50 percent of tax liability in excess of $25,000. The bill raises this limit to 100 percent for a 2-year period but then reduces it 10 percentage points annually for a 5-year period until it again is at the 50-percent level generally applicable.

The final provision in the bill provides tax reductions for small businesses. It does this by increasing the surtax exemption level from $25,000 to $35,000. This is the level at which the 22-percent rate applies. Thus, small businesses which have taxable income of at least $35,000 will save a maximum of $2,600 by this change.

The overall cost of the bill is approximately $18 billion. The tax reductions that are included for individual relief amount to $17 billion: $9 billion of this cost goes to the 1974 refund, $5 billion to the increases in the standard deduction, and $3 billion to the 5-percent refundable earned income credit. In the case of businesses, the increased investment tax credit and the raising of the limitation with respect to public utilities costs approximately $3 billion. In addition, the increase in the surtax exemption level from $25,000 to $35,000 costs approximately $600 million. The total of the revenue impact of this package with respect to the amounts provided for individuals and businesses is approximately $20.6 billion; however, the amount recovered by the repeal of the percentage depletion allowance for oil and gas is approximately $2.6 billion.

On balance, these proposals are far more beneficial in providing tax relief to those who need it the most and in providing a stimulus to our economy than those proposed by the administration. It is imperative that we pass on these quickly so that the relief can be made available to individuals as soon as possible.

AMENDING THE PRESIDENTIAL PARDON POWER

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, several months ago this country was thrown into turmoil by President Ford's grant of a pardon to Richard Nixon. Even before this action by the President, there had been widespread speculation that Richard Nixon, while still President, would pardon himself. At the time, many people questioned whether this use of the pardon power was constitutional and whether, even if constitutional, such use of the power should be limited by constitutional amendment.

Presidential pardon power ought to be reasonably restricted. I am, therefore, introducing a constitutional amendment prohibiting a President from pardoning himself, and limiting his power to pardon former Presidents and Vice Presidents.

My proposed amendment would prevent the shameful spectacle of a President's pardoning himself. With respect to Vice Presidents and former Presidents, a pardon may not be granted before conviction under any circumstances. After conviction, a pardon could be granted only on grounds of innocence or terminal illness—as certified by the President and concurred in by three-fourths of both Houses of Congress.

In my judgment, a pardon ought to be available if evidence arises which indicates innocence or if the convicted person is terminally ill.

PRELIMINARY VIEWS ON RAIL RESTRUCTURING

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

Mr. ROONEY. Mr. Speaker, on January 10, 1975, the Rail Services Planning Office of the Interstate Commerce Commission sent a progress report to the U.S. Railway Association on the restructuring of seven bankrupt railroads in the Midwest and Northeast United States now under way.

The report discusses a number of key issues, including low-density lines, the shape the new rail system should take, the amount of rail competition that should be maintained, financial considerations, labor, environment, energy, and rail passenger service.

I was particularly struck by RSPO's comment that many communities and businesses in the region have now lived for nearly a year without knowing whether rail services upon which they rely are going to continue in the future. Many have feared to expand their businesses and to locate new plants on particular rail lines. The economies of many communities have suffered drastically as a consequence.

On November 13, 1974, at the direction of the Congress, the USRA published annual and supplemental reports outlining the progress that has been made to date in reorganizing the bankrupt carriers.

This RSPO analysis I mention today was prepared in response to that report and in response to the concerns expressed to RSPO by many users of rail service that the USRA is proceeding along the same course followed by the Department of Transportation last February when the DOT identified approximately 25 percent of the rail mileage in the 17-State Midwest and Northeast region as "potentially excess."

I am concerned, therefore, that USRA, like the DOT, is relying solely upon statistical formulas to determine whether rail services are profitable and whether they should be continued to the exclusion of the other goals expressed in the act.

These goals include, in addition to establishing a financially self-sustaining rail system in the region:

Providing adequate rail service to meet the region's needs;

Improved high speed passenger service, including upgrading the Northeast corridor;

The preservation of existing patterns of service by railroads, to the extent consistent with other goals of the Act, and of existing rail trackage in areas where fossil fuel natural resources are located;

The retention and promotion of competition in rail and other transportation services in the region;

The attainment of satisfactory environmental standards;

The movement of passengers and freight in the region in the most efficient manner; and

The minimization of job losses and unemployment in areas presently receiving rail service.

As the RSPO states:

Automatic exclusion of a line from the Final System Plan because it fails to generate revenues which exceed its costs does not address satisfactorily the other goals of the Act, nor does it promote, in general, the provision of rail service adequate to meet the needs of the region . . . the other goals stated in the Act must be given more than lip service. In balancing the statutory criteria, we think it inevitable that USRA will have to impose upon Conrail the burden of assuming some services that appear now to be operated at a loss. The failure of the USRA annual report to recognize this as even a remote possibility is disturbing.

Continuing, the report points out:

The fact that the management of a bankrupt railroad—given its myriad financial and other problems—could not operate a particular service at a profit can hardly be persuasive that that same service—given a new management outlook and the advantage of Federal assistance—could not become a profitable one. What is needed, then, is not total reliance upon past operating experience, but an understanding of how the restructured Conrail system will operate, and carefully developed forecasts of future traffic volumes, costs, and revenues on individual local-service lines.

I commend the Rail Services Planning Office report to my colleagues and insert it into the RECORD along with a covering letter from George M. Chandler, Director of the Office:

PRELIMINARY VIEWS ON RAIL RESTRUCTURING

(Comments of the Rail Services Planning Office on the United States Railway Association's First Annual Report and Supplemental Report)

RAIL SERVICES PLANNING OFFICE,
INTERSTATE COMMERCE COMMISSION,
Washington, D.C. January 10, 1975.

Mr. ARTHUR D. LEWIS,
Chairman of the Board of Directors,
U.S. Railway Association,
Washington, D.C.

DEAR MR. LEWIS: Upon receiving the United States Railway Association annual and supplemental reports in November, the Rail Services Planning Office decided that it should offer USRA its comments on a number of the issues presented there. We felt an obligation to do this because certain statements, assumptions, and omissions caused us concern, and because we believed that the spirit of mutual cooperation with which USRA and RSPO must necessarily approach the rail restructuring process required that we give you the opportunity to receive our views now, and that we not reserve our criticisms for publication only after the issuance of the preliminary system plan.

The accompanying report summarizes many of the suggestions submitted by interested members of the public who took the time and who made the effort to respond to our request for their assistance. It also reflects our own present thinking on some of the issues basic to our mutual task. We hope that you and your staff will find our comments helpful, and we urge that you give all possible consideration to the public comments, copies of which have previously been sent to you.

Sincerely,

GEORGE M. CHANDLER,
Director.

INTRODUCTION

The Regional Rail Reorganization Act of 1973 (the "Act") as enacted on January 2, 1974, required the United States Railroad Association ("USRA") to issue its preliminary system plan for the restructuring of the bankrupt railroads in the Midwest and Northeast by October 29, 1974. When it became apparent that that deadline could not be met, USRA sought an extension of time for 120 days, or until February 26, 1975. The extension was granted when President Ford signed Senate Joint Resolution 250 on October 26, 1974.

In seeking the extension of time, the officers of USRA agreed with certain concerned Senators and Congressmen that some statement of the progress of the planning process should be made publicly available on or about the date of the original preliminary system plan deadline. Therefore, when USRA issued its first annual report, describing its organization and activities through June 30, 1974 it appended to it a supplemental report discussing a number of issues basic to the carrying out of its planning responsibilities. Among other things the report discussed certain "strategic options" which USRA had under study in its consideration of the basic structure which the reorganized railroad system might take; the role of competition in developing that industry structure; and the procedure which USRA was following for determining which branch lines should be included in the restructured system.

Upon reviewing the USRA annual and supplemental reports, the Rail Services Planning Office (the "Office"), despite disappointment at their lack of specificity, decided that a number of the issues raised were worthy of, and ripe for, comment. Inasmuch as the Office, under section 205(d)(1) of the Act, is required to "solicit, study, and evaluate the views with respect to present and future rail service needs of the region" of public officials, users of rail service, and the public generally, we concluded that public comment on the reports should be sought to assist us in preparing our comments.

On December 2, 1974, the Office issued a notice, published the next day in the Federal Register, soliciting comments on the issues discussed in the USRA annual and supplemental reports. Over 200 such comments have been received, and copies of all of them have been given to USRA. Time does not permit that all those offering comments be recognized here. Nevertheless, the Office wishes to make known to all who responded to our request for assistance that we appreciate that response, and that all the many valuable suggestions received have been carefully considered in the preparation of this report to USRA.

THE PUBLIC RESPONSE

Public reaction to the USRA annual and supplemental reports was expressed from a wide spectrum of interests. The largest single group sending its comments to the Office was composed of users of rail service. They include some of the nation's largest manufacturing companies and major shippers by rail, small family businesses shipping only a few cars a year, individual railroad passengers, and almost every kind of rail service user in between. The next largest number responding were public officials, at every level of government: federal agency spokesmen, governors, county and regional government authorities, and the elected officials of cities of every size. Letters from individual citizens concerned with the impact of rail service upon such things as community development, the environment, and inflation made up a substantial part of the body of responses received. Also expressing their views were officials of several railroads and spokesmen for railroad labor, and this Office's Public Counsel.

Understandably, the responses from such a diffuse group ran the gamut of virtually complete satisfaction with the USRA reports to total condemnation. A number of those submitting their comments praised USRA for the progress it had made and for the way in which its work and its ideas were described in the reports. At the other extreme, a number of those responding to our notice simply said they had nothing to say at all on the ground that the reports were so vague and

uninformative as to contain nothing worthy of comment.

Many of the parties complained that the lack of specificity and of in depth analysis in the reports made it difficult to comment intelligently. It was even suggested that, in view of the vagueness of the USRA reports, it could only reasonably be concluded that USRA was either holding back information available to it and not revealing decisions that it had already made, or that it simply does not have the basic information and has not made the basic decisions which would permit it to issue the preliminary system plan by the February 26 deadline.

Low density lines

The single subject which, by far, drew the largest volume of public comment was service over low-density branch lines. This will come as no surprise to anyone who has followed the course of rail restructuring during the past year. The fear that direct rail service might be lost has been the spur that has driven hundreds of small communities—and many not so small—and individual users of rail freight service to take an active and continuing part in the planning process.

In requesting public views on the USRA annual and supplemental reports, we stressed that they contained discussions of issues basic to the restructuring activity which is the joint responsibility of USRA and the Office. We noted that it was our intention, then, to address the basic issues—the concepts—which the planning staff and directors of USRA are developing and employing. Many of those submitting comments devoted much of their responses to the need for continued rail service at specific points on individual local service lines. This kind of information, which is important to the planning process, is welcome at any time, and will prove useful to us in developing our comments later on the preliminary system plan. However, the nature of the USRA annual and supplemental reports, and the necessarily limited scope of our present comments upon those reports, preclude our including any detailed analysis of such submissions in this paper.

Much criticism was directed at USRA's failure to report decisions concerning the inclusion or exclusion in the preliminary system plan of specific low-density lines which it has had under study, and particulary of those identified as "potentially excess" in the Secretary of Transportation's report on "Rail Services in the Midwest and Northeast Region" issued February 1, 1974. Many businessmen and communities have now lived for nearly a year not knowing whether that designation of the rail services upon which they rely is going to be removed, or whether they really do stand ultimately to lose their rail lines.

The record in hearings held previously by this Office is filled with examples of those who have feared to expand their businesses or to locate new enterprises on particular lines, to the severe economic detriment of the communities involved. The public response to the USRA reports is replete with expressions of bewilderment, anger, and incomprehension at the inability of USRA to provide, in a year's time, positive indications that any given line is slated for inclusion in, or exclusion from, the Consolidated Railroad Corporation ("Conrail") system. Criticism of the USRA reports for failing to include such information is by all odds the single most prevalent theme running through the public responses. Concern was also expressed that the reports contained no indication that the testimony introduced at the Office's hearings held during the spring and summer of 1974 was being considered by USRA in making decisions with respect to local-service rail lines.

Criticism of the approach which USRA is taking in deciding whether individual local service lines should be included in the preliminary system plan was contained in a large number of the public responses. The commonest view expressed was that USRA is not properly following the congressional directive to balance the several statutory goals, because it is following a course which gives one of those goals—profitability—preeminence at the expense of the others. In support of this point of view, Public Counsel submitted a detailed summary of the legislative history of the statutory provisions related to inclusion of branch lines in the restructured rail system.

Many of those commenting made the point that the Act does not require that each individual line or service be profitable, but only that the system as a whole be financially self-sustaining. USRA was frequently criticized for failing to provide an operating definition of profitability; for failing to address—or to indicate how it would deal with—the local economic, social, and environmental impacts that would stem from the discontinuance of existing rail service; for relying on railroad supplied data and cost estimates; and for using allocated and system average costs in analyzing branch line profitability.

Industry structures

Many of those commenting on the USRA annual and supplemental reports expressed their views on the structural alternatives described. Here, again the responses varied greatly with some favoring one of the proposed alternatives, some another, and some simply praising USRA for having given consideration to a variety of possible means for structuring the new rail system. All of the structural alternatives received some support wtih the Conrail/Neutral Terminal suggestion probably gaining the most individual support. There was substantial support for the "fixed plant entity" option, and this appears to reflect an attitude that was quite apparent at the Office's hearings last year: that a substantial segment of the public believes that there should be a continuing governmental involvement in the financing and provision of rail services.

The most frequently expressed criticisms of the structural options suggested by USRA were that they did not give sufficient attention to the impact of Conrail upon the railroads in the region not being reorganized under the Act, and particularly upon the Erie Lackawanna; and that the benefits of competitive rail service and the need to provide effective competition for Conrail were being given inadequate attention.

Other considerations

One matter which was of concern to many, and which was touched on briefly in the USRA annual report, is its handling of the so-called interim abandonments under section 304(f) of the Act. Such comments were largely directed towards USRA's pending rulemaking proceeding in which it proposes to establish procedures for dealing with abandonment applications from the railroads in reorganization.

Concern was expressed also at the treatment of passenger service in the USRA reports. It was pointed out that the reports give no indication that USRA is giving consideration to which medium and short distance corridors would be suitable for rail passenger service as is specifically required by the Act. It was noted, too, there is only very limited discussion of the possibilities of transferring the ownership of the northeast corridor passenger lines to some other entity such as Amtrak. USRA was also criticized for failing to give any consideration to the needs of the United States Postal Service.

Spokesmen of railroad labor expressed their concern that they had not been given due consideration in the planning process. They voiced the opinion that railroad employees and railway labor organizations could make substantial and worthwhile contributions to the planning process if given the opportunity to do so. They encourage the opening of a meaningful dialogue between USRA and railroad labor organizations.

Complaints were voiced about the composition of the USRA Board of Directors, and in particular about its lack of a small shipper representative.

Finally, there was concern expressed that it was difficult to obtain copies of the USRA annual report in a timely fashion. Along this line it was also noted that there has been an apparent failure on the part of USRA to make direct contact with local citizens and citizens' organizations, and to provide interested persons with information about USRA activities. Even the United States Department of Defense reported that its only contact with USRA has been through the Rail Services Planning Office.

EVALUATION OF THE USRA REPORTS

Industry structures

Selecting the best means for structuring the rail system to emerge from the properties of the bankrupt railroads is among the most critical basic decisions to be made by the United States Railway Association. The structure chosen will have to provide for a system that can meet the rail transportation needs of the midwest and northeast. It must provide Conrail with the opportunity to be profitable in competition with the solvent railroads in the region, and with aggressive and successful carriers of other modes. The structure must permit the solvent railroads to stay healthy, and allow for sufficient competition to provide incentives for Conrail and the other carriers in the region to improve the quality of their services.

ISSUES INVOLVED

Selection of a particular structure involves acceptance of associated policy decisions governing such issues as financial self-sufficiency, competition, alternative routing choices, and service improvement incentives. Although of substantial importance, local service considerations are not an issue here. Local service policies are independent of industry structure and are not made implicitly by selecting a particular structure.

Financial self-sufficiency

A restructured system which is not financially capable of continued operation could fall into bankruptcy, again presenting the nation either with the same threats of rail service curtailment or cessation it faces today, or with the need to provide large-scale financial support at public expense. Any structural alternative which merely delays resolution of this rail service problem would be totally unacceptable. If the structure selected cannot provide for financial self-sufficiency, the decision to supplement Conrail's revenues must be made now; it must not be deferred until it is forced upon us by a Conrail bankruptcy.

Care must also be exercised to assure that Conrail's financial performance is not achieved at the expense of neighboring railroad's profitability. Preservation of a viable regional system, not simply a viable Conrail, is critical to achieving the goal of adequately serving the region's rail transportation needs.

Competition and service incentives

From the viewpoint of shippers and receivers, transportation is an extension of their production and marketing processes. In this era of progressively more sophisticated marketing techniques and technological developments, the need to coordinate rate adjustments and transportation services with the specific needs of shippers and receivers has become extremely important. From the shippers' or receivers' standpoint, competition between carriers is fundamental to inducing rate and service innovations. In short, on the one hand, competition forces

necessary change, and on the other hand, lack of competition ultimately may have deleterious effects not only on the ability of shippers and receivers to compete in their own markets, but also on the carrier itself through loss of traffic generated by those shippers and receivers.

Any restructuring plan which would eliminate competitive rail service in major markets will not satisfy the rail transportation needs of the region. A carrier with a monopolistic hold on a particular geographic area could concentrate its service improvement efforts in other areas where its traffic base could be diverted to competing carriers. It is worth noting, too, that much traffic is captive to rail, so that intermodal competition is not always a factor.

To the extent possible, we think that there should be at least two competing railroads in each major, long-haul market. At the same time, we do not believe that rail competition is something to be maintained at all cost, or that the ability of a carrier to operate profitably should be impaired solely to preserve multiple-carrier service along a particular route. Nor do we believe that any one rail customer is inherently entitled to the service of two railroads—a situation which exists today at many plants and which can lead to unnecessary over-supply of service to the detriment of all concerned.

If two carirers serve the same general area, however, many customers will have direct access to both. The service improvements instituted to satisfy these shippers' needs will have a cascading beneficial effect on the service provided to the others in the area.

Connecting carriers too, where possible, should have the choice of routing their line-haul interline traffic over two or more viable, independent competing carriers. For many connecting carriers interline traffic represents a significant portion of their total traffic base. Deterioration of service on this traffice, as could happen if there were no alternative routing choice, could drive the traffic away from the connecting carrier, eroding its traffic base and weakening its financial position.

A system structure which results in a continuing operating subsidy for the restructured carrier would similarly provide little or no incentive for the carrier to improve its service. Being subsidized, there would be no profit motivation for the carrier. Actions taken by the carrier to improve service quality would not improve or worsen its financial position, but would only serve to change the amount of the subsidy. The potential impact on rail users and the connecting railroads would be severe.

EVALUATION OF STRUCTURES

The USRA report presented five alternative industry structures, having dismissed regional monopoly and controlled liquidation.

Conrail I—Merge the six bankrupts (Penn Central, Lehigh Valley, Reading, Central of New Jersey, Ann Arbor, and Lehigh & Hudson River) into a single railroad.

Conrail/Neutral Terminals—Establish neutral switching carriers to perform industry switching services in the Philadelphia and Newark/New York areas, and merge the remaining portions of the bankrupts into a single railroad.

Conrail East/Penn Central West—Make Conrail a neutral switching carrier covering all eastern terminals and reorganize the bankrupts' western lines, presumably under Section 77 of the Bankruptcy Act.

Penn Central Unmerged—Establish two major carriers from the bankrupts, basically along the routes of the former Pennsylvania and New York Central railroads.

Separate Fixed Plant Entity—Use government funds to upgrade the bankrupts' rights-of-way, allowing Conrail to repay the government and eventually acquire ownership of the fixed plant. As this presents only an alternative scheme for right-of-way ownerships, it could be implemented in conjunction with any of the four operating structures listed above.

Conrail I

Under this alternative, merging the six bankrupts, the restructured system would apparently be afforded the best opportunity to achieve economies through the consolidation of facilities, operations, and administration. At the same time, the result would be a monopoly in many major markets. Conrail I almost certainly, therefore, offers the best possibility for the restructured rail system to achieve financial self-sufficiency.

Under the present structure of the bankrupts, there is competition for traffic in the major market areas in the east. In general, the smaller bankrupts operate as "feeders" to the line-haul railroads of the region—principally the Chessie System, Norfolk & Western, Erie Lackawanna, and the New England carriers, as well as the Penn Central. In this way, the solvent carriers who do not operate in the eastern traffic generating areas still participate in the line-haul movements for significant portions of this traffic. The Reading, for example, feeds much of the traffic originating on its lines to the Chessie System and N&W; Lehigh Valley provides an important connection for N&W at the Buffalo gateway; and the Jersey Central is a major generator of traffic for the Erie Lackawanna.

However, if all of the bankrupts were merged into Conrail I, traffic originating on the properties of the former feeder lines would be Conrail's traffic, and would not voluntarily be fed to competing line-haul carriers. As a result of Conrail's virtual monopoly on the major traffic generating area of the east, traffic now handled by the competing line-haul carriers would no longer be readily available to them. Whether even solvent carriers such as Chessie and N&W could survive this loss of business is uncertain. The impact on the Erie Lackawanna, attempting to emerge from bankruptcy under the Bankruptcy Act, would almost certainly be devastating. The Boston & Maine, in a similar situation, could also be adversely affected.

The monopolistic nature of the Conrail I structure can be seen dramatically in its impact on north-south routings along the east coast. It would operate all tracks in an area about 100 miles wide running from Altoona, Pennsylvania, to the Delaware River, blocking all possible competitive north-south routings along the east coast. The availability of two competing north-south routes is of considerable importance to rail users and to connecting rail carriers. The rail users would consider the availability of only one north-south routing choice as severely limiting their ability to influence the carrier to provide good service on their traffic. Similarly, the connecting rail carriers are dependent on the service characteristics of the routes they utilize in order to keep traffic on their systems. The states in the region also view the availability of two independent competitive north-south routes as a basic requirement.

Conrail/neutral terminal switching carriers

In suggesting that neutral switching companies might operate rail services in the New York/Newark and Philadelphia areas, USRA presents a means for overcoming Conrail I's dominance in the eastern traffic generating areas. The carriers competing with Conrail would have access to the terminal switching companies. Because the terminal companies would not be affiliated with any line-haul carrier, they would have no particular preference as to which line-haul carrier participated in the movement of a shipment. The shippers' choices between competing carriers could then be based on the service provided.

It is generally believed that the terminal services which would be provided by the proposed neutral terminal companies are now being performed at a loss—a loss which, for the most part, is now being absorbed by Penn Ceneral and the other bankrupts. One of the problems faced by USRA is what to do about that situation. A neutral terminal company would, presumably, have to charge a line-haul carrier (through a division of revenue or the establishment of a switching or terminal charge) enough to cover the cost of its operations, or it would have to be subsidized. Passing the full cost of terminal operations on to the now solvent line-haul carriers would mean that those carriers would have to absorb the cost, probably to their ultimate financial detriment, or pass it on to the user in the form of higher rates, thus risking the diversion of that traffic. If, on the other hand, the terminal carriers' charges were not sufficient to cover costs, the continuing loss would have to be subsidized.

Certainly, subsidy should not be built into the Conrail system except as a last resort. The totality of services now being provided by the railroads in reorganization are being performed at a loss and it is USRA's task—and ultimately Conrail's—to turn this situation around. This will have to be done in some way other than imposing on the now solvent railroads too great a share of the eastern district terminal costs now largely being borne by Penn Central. Increased line-haul rates may be one answer; others may be found in the modernization of the terminal facilities, the consolidation of terminal operations, and in the performance of fewer terminal services. The ultimate solution will probably have to include major revisions in present pricing policies and rates structures.

Establishing neutral terminal companies at major traffic generating points would place the line-haul carrier at the mercy of the terminal operator for service. There is a great concern on the part of railroads forwarding traffic to these terminal areas about the quality of service that might be provided by the switching carrier. Much of this traffic originates in areas which are within overnight truck distance. Several railroads in the region, now solvent, are dependent on precisely this type of traffic. If the "overnight-truck divertable" traffic were to be lost to these railroads, it could have a severe impact on their financial positions.

Shippers whose plants are located in these terminal areas would be dependent on the terminal switching company for all switching services. Again, if the service deteriorates, these captive users could be severely injured.

One of the important points which USRA must consider in deciding on an industry structure is how best to eliminate or minimize the losses from unprofitable but essential operations. Given that eastern seaboard terminal operations are unprofitable, USRA more likely to be made profitable, or at least must answer the question whether they are to break even, if they remain in the control of line-haul carriers or if they are turned over to independent operators.

Conrail East/Penn Central West

This option is similar in concept to the neutral terminals option, except that the terminals would be expanded to include the entire area extending from Baltimore to Boston and lying east of a line drawn between Harrisburg and Albany, and that Conrail would be the terminal operator. The issues involved in this structure are the same as those involved in the neutral companies option.

This option would provide substantially more competition than is now the case. It would open more markets to the solvent carriers, making it likely that they would capture a larger share of the traffic originating and terminating on the terminal carrier than they now handle. This diversion of traf-

fic, however, would reduce the traffic base of the reorganizing western lines of the bankrupts, reducing the likelihood of their achieving financial self-sufficiency.

Penn Central unmerged

Under this alternative, the six bankrupt properties would be separated into two carriers, each about the size of the N&W and a little smaller than the Chessie System. The route structures of these two carriers would generally follow the lines of the former Pennsylvania and New York Central Railroads.

Much of the overlapping and intertwining of the former Pennsylvania and New York Central lines in Ohio, Indiana, and Illinois would be eliminated. However, the southern, or Pennsylvania, system would have a route into Chicago, and the northern, or the New York Central, system would have access to St. Louis. On the eastern end, the New York Central would have competitive access to Philadelphia, possibly over the Lehigh Valley. The Pennsylvania route would have access to the northern New Jersey area, and would provide a competitive choice in the New York/New Jersey market. Penn Central Unmerged would provide competitive east-west routings and a potential competitive north-south service involving the New York Central's line into Philadelphia.

The Penn Central Unmerged alternative would make it more difficult than the others to achieve economies through facilities consolidation. Also, viewed as a unit, the two carriers would have the same virtually exclusive access to the traffic generating areas of the east as Conrail I, which could result in a significant diversion of traffic from the solvent carriers and the Erie Lackawanna.

Separate fixed plant entity

This plan is not an operating plan, but an alternative way of addressing the issue of right-of-way ownership and maintenance. If a fixed plant solution were to be implemented, it would be in conjunction with an operating plan.

Under the fixed plant proposal presented by USRA, the government would take over the bankrupts' rights-of-way and upgrade them to a satisfactory level. Conrail would then operate over these rehabilitated rights-of-way, either leasing them from the government or paying it a user charge. Eventually, when federal funds were recovered, ownership of the fixed plant would revert to Conrail.

Although some of the other fixed plant solutions proposed, notably the rail trust fund presented by the Commonwealth of Pennsylvania, would utilize a surface transportation surcharge as the means of financing the right-of-way rehabilitation, the Separate Fixed Plant Entity set forth by USRA envisions recovery of the upgrading costs exclusively from charges assessed the operating company using the right-of-way. This raises a concern about the ability of Conrail to repay the government for the rehabilitation expenditure. If the basic premise that rehabilitation costs are greater than Conrail could afford to pay is true, then it is probably also true that repayment of these costs to the government would also be beyond Conrail's financial capacity.

The concept of a fixed plant solution is intriguing. It could provide the means by which the restructured rail system could be financially self-sustaining, relieved of the large expenditures necessary for upgrading and maintenance. Further, the entry of solvent carriers into the areas where competitive service is threatened could be facilitated through fixed plant solutions. If the solvent carriers could extend their operations by paying only a user charge, rather than a substantial capital outlay for purchase or upgrading, it is possible that they might find it in their best interests to serve these areas. The fixed plant concept also has potential as a vehicle for channeling federal funds into meaningful public work projects.

POSSIBLE STRUCTURAL COMBINATIONS

None of the industry structure options presented by USRA appears to satisfy completely the rail transportation needs of the region, although some of them do meet most of the immediate objectives stated in the Act.

Each of the options presented by USRA would leave a minimum of four competing, east-west line-haul rail systems in that part of the region lying west of the Buffalo-Harrisburg axis: Conrail itself, the Chessie System, the Norfolk & Western, and the Erie Lackawanna. We can only wonder if this is not more than the traffic can bear, and in particular, we question whether the EL could survive in this environment.

USRA's task is made more difficult because it must strive to attain the statutory goals while not having direct control over the fate of three of these four competing systems. That fact, however, does not relieve USRA of the responsibility of considering what impact the statutory restructuring plan will have upon the EL, as well as upon the solvent carriers of the region, and for seeking a means of achieving efficiencies by proposing the consolidation of certain facilities of these carriers.

In deciding how to structure the one or more railroad companies to be fashioned from the lines of the six carriers to be reorganized under the Act, we urge USRA to look to the future, and to consider whether the optimal industry structure for the region might not be one that includes ultimately no more than two or three dominant railroads. To this end, an attempt should be made to devise an industry structure that would make all portions of some of the bankrupts—including EL and B&M—attractive as investments or as merger partners to other, stronger railroads, including Conrail itself.

The Office strongly recommends to USRA that additional options, primarily modifications and combinations of those presented, be analyzed. We suggest as additional alternatives for analysis modifications of Conrail I, providing limited solvent acquisition of certain of the bankrupt properties; the transfer of other rail properties to Conrail; and an alternative to both Penn Central Unmerged and the Neutral Terminals options, which would provide for an independent rail system made up for the most part of the smaller eastern bankrupts.

Limited solvent acquisition

Although USRA put aside further consideration of controlled liquidation because of "the current lack of interest by the solvent carriers in acquiring a major part of the existing properties in their deteriorated condition," it is likely that a partial version of this concept, possibly in conjunction with one of the fixed plant alternatives, would be of interest to several railroads, both inside and outside the region. Interest has been evidenced recently by some solvents to acquire or operate over certain of the bankrupts' properties, even though none has expressed willingness to take over major portions of these properties. Limited "solvent" (we include Erie Lackawanna and Boston & Maine in this category) acquisition of selected lines of the bankrupt properties could provide the acquiring railroads with access to areas of the region which would otherwise be left without competitive rail service or without competitive through routings. However, the solvent carriers are likely to be interested in acquiring only the best portions of the bankrupts and not their marginal or unprofitable operations. Care would have to be taken to assure that introducing more competition than now exists at major traffic generating points in the region would not unduly affect Conrail's potential for achieving financial self-sufficiency.

Despite these difficulties, limited acquisition by the solvents of physical properties or of trackage rights from the bankrupts presents one means of achieving certain of the statutory goals. It could make competitive service available in markets that might otherwise become the exclusive province of Conrail. Equally important, it could place the solvents in a stronger position to compete effectively with a Conrail blessed with what is potentially an extremely strong route structure and possessing the advantage of various kinds of government assistance.

Transfers to Conrail

As a correlative to the transfer of some properties from the six bankrupts being reorganized under the Act to other railroads, USRA should explore possible transfers from such other railroads to Conrail. In addition to outright purchase by Conrail, these might include opportunities to effect savings through elimination or downgrading of Conrail lines in favor of trackage rights over the lines of other carriers, or through the joint use of yard and terminal facilities.

Mid-Atlantic Railroad Company

An alternative structure which could provide competitive rail service in Eastern Pennsylvania, Northern New Jersey, and Southeastern New York would be a two-system structure involving the Penn Central and Ann Arbor in one system and all or substantial portions of the Lehigh Valley, Reading, Central of New Jersey, and Lehigh & Hudson River in the other system. The latter system, commonly referred to as the Mid-Atlantic Railroad Company, has been actively proposed by the Lehigh Valley and Reading trustees and managements.

The Mid-Atlantic system would provide competitive service in the traffic generating areas of the eastern seaboard and, because Mid-Atlantic would separate the Reading and Lehigh Valley from Penn Central, it would permit a competitive north-south routing independent of the Conrail system. This advantage could be maintained even if a considerable amount of duplication in the facilities of Penn Central and Reading were eliminated.

The Mid-Atlantic system would have significant traffic origination and termination capabilities, and would tend to route traffic away from its competitor Conrail, and onto its other connecting carriers. Thus, if it were to be established, the feeder function of the smaller bankrupts would be continued—at least with respect to the N&W and Chessie System. (We question whether Mid-Atlantic would voluntarily keep open the present CNJ–EL connection at Lake Junction, New Jersey.) It might be possible to structure Mid-Atlantic so as to develop into an important feeder for the Erie Lackawanna, thus strengthening that carrier in its struggle with its competition—the financially much stronger Norfolk & Western and potentially powerful Conrail operating over the favorable former New York Central "water-level" route. One way to do this would be to eliminate the present Lehigh Valley access to Buffalo, thus forcing Mid-Atlantic to interchange with EL somewhere east of Buffalo and giving EL a better opportunity to share in traffic for which it would otherwise have to compete with N&W. This solution would also make it easier to effect consolidations of duplicative facilities of EL and LV in western New York.

Light density lines

The only contact most users have with rail freight operations is the pickup and delivery service which the railroad performs on their lines. This service directly affects the operations of their businesses, and often is integral to their production processses. Because it is the area of rail freight operations with which they are most familiar and because of the potential impacts upon their own operations, local rail service is a very significant issue to the rail service users. The

possibility that local service will be discontinued on a particular line—serving their own facility or those of their customers—is of primary concern to most shippers.

LOCAL SERVICE ISSUES

As noted by USRA at page 53 of its supplemental report, the light density lines issue was dramatized by the Secretary of Transportation's Report on "Rail Service in the Midwest and Northeast Region" issued February 1, 1974. Two basic assumptions underlay the treatment of low density lines in that report: *first*, that low-density lines are major money losers which must be given a major part of the blame for causing the eastern railroad bankruptcies; and *second*, that some statistical formula can be devised by which such money losing lines can be identified. We questioned the validity of both these assumptions in our "Evaluation of the Secretary of Transportation's Rail Services Report" issued May 2, 1974, and nothing has happened since its publication to cause us to change our thinking in this respect. We note with dismay that USRA seems to have accepted the validity of these two highly questionable propositions.

Automatic exclusion of a line from the Final System Plan because it fails to generate revenues which exceed its costs does not address satisfactorily the other goals of the Act, nor does it promote, in general, the provision of rail service adequate to meet the needs of the region. However, even though we do not accept the argument that operation of low density lines was a major contributing factor to the bankruptcies, we recognize that no rail system, or any other business, can survive if it continues to perform very many of its operations at a loss. And while the Act does not specify that every line in the Conrail system must be profitable, its first goal is that the total system be financially self-sustaining.

USRA is faced with something of a dilemma in making decision whether to include or exclude local service lines. If the system is to be financially self-sustaining, cross-subsidization of money losing services must be kept to a minimum. On the other hand, the other goals stated in the Act must be given more than lip service. In balancing the statutory criteria, we think it inevitable that USRA will have to impose upon Conrail the burden of assuming some services that appear now to be operated at a loss. The failure of the USRA annual report to recognize this as even a remote possibility is disturbing.

IDENTIFICATION OF MONEY-LOSING SERVICES

A basic step in the trail restructuring process is to determine which operations would have to be conducted by Conrail at a loss. USRA appears to have approached this problem as one of gathering and analyzing historical data. In our view, the fact that the management of a bankrupt railroad—given its myriad financial and other problems—could not operate a particular service at a profit can hardly be persuasive that that same service—given a new management outlook and the advantage of Federal assistance—could not become a profitable one. What is needed, then, is not total reliance upon past operating experience, but an understanding of how the restructured Conrail system will operate, and carefully developed forecasts of future traffic volumes, costs, and revenues on individual local-service lines.

While we deplore USRA's apparent total reliance upon historical data in approaching the branch-line problem, we recognize, of course, that past performance is important in making preliminary route selection decisions. Certainly, all quantifiable cost and revenue factors ought to be identified and measured accurately in order to develop a factual base from which to begin the evaluation of low density operations for inclusion in the Conrail system. Here our experience convinces us that no statistical formula is capable of telling the planners whether a given line was operated profitably in a given year. To make that determination, each such operation must be given individual attention.

We are apprehensive that USRA, in developing cost figures for individual local service lines, may rely too heavily on system average costs and on estimates developed by the bankrupt railroads. The Office, in testing its subsidy standards developed under section 205(d)(3) of the Act, used such data and estimates and compared them with actual figures for two Penn Central branch lines, the line from Georgetown to Lewes in Delaware and the line from Columbus to Holmesville in Ohio. We found in these tests that the estimates provided by the Penn Central grossly overstated both the operating and maintenance expenses incurred on the individual lines. The overstatement of these expenses resulted in an understatement of the profitability of specific lines and could, in some cases, present a line which is actually profitable as being unprofitable.

In assigning traffic to a branch line, we believe that USRA should not limit consideration to that traffic which originated or terminated on the line, but that bridge traffic should be included in the revenue and cost calculations. While this will not be a significant factor on some lines, on others it could influence the viability calculation to a large degree. In assigning indirect costs to a branch line, we urge that USRA exercise great care not to include an allocation of system overhead costs which are not necessarily attributable to the operation of the branch line. In most instances, we think that branch line costs in excess of the direct costs will be found not to be avoidable if the service is abandoned.

Finally, before a line is determined to be excess, the traffic figures for the year 1974 should be reviewed. This could be done quickly by comparing factors such as number of carloads or total revenue for the line. This review of 1974 figures is recommended because, under the current statutory timetable, the notices for proposed discontinuances will not even be posted until September 1975. It is important, regardless of what decisions are made, that the most recent readily available data be used at the time when the decisions are made.

Other considerations

In addition to the recommendations on industry structure and local service considerations, the Office urges USRA to reevaluate its approach to financial planning, environmental and energy considerations, passenger service, and labor issues.

FINANCIAL PLANNING

The USRA supplemental report's brief treatment of the overriding financial considerations of restructuring is understandable; financing planning, to some degree, must first have a structural and conceptual base on which to build. At the same time, however, if the public is to have the opportunity to debate and evaluate the preliminary findings of USRA prior to presentation of these findings to the Congress, the financial plan and financial structure chosen by USRA must be dealt with in detail in the preliminary system plan.

If the Office, the Congress, and the public are to make any meaningful assessment of the preliminary system plan, it is imperative that the plan bear a close resemblance to the final system plan envisioned by the Association. In addition to developing an operating structure for the region, the preliminary system plan must provide adequate detail relating to all corporate financial features specified in section 206(e) and the valuations of properties and securities required by section 206(f) of the Act.

The Office strongly recommends that USRA incorporate information on financial planning and capital structure in the preliminary system plan in sufficient depth and detail to withstand the intensive scrutiny of the financial community. The Office suggests the following be covered in detail in the preliminary system plan:

(1) pro-forma earnings of Conrail over the number of years necessary to complete restructuring, rehabilitation, and modernization;

(2) pro-forma effects of the plan on the earnings and finances of railroads in the region not included in Conrail;

(3) pro-forma capitalization of Conrail, debt equity ratio, adequacy of coverage and margin of safety for fixed charges;

(4) sources and application of Conrail funds over the period contemplated for the restructuring, rehabilitation, and modernization process;

(5) significant accounting policies recommended for Conrail and used as a basis for the pro-formas, particularly those related to the rehabilitation and modernization expenditures and to depreciation and amortization;

(6) the valuation of the rail properties to be conveyed by railroads in reorganization or solvent railroads in the region pursuant to the plan;

(7) the valuation of the securities to be conveyed by Conrail, other railroads in the region, and by any other entities pursuant to the plan; and the supporting data for such valuation;

(8) the extent to which employee stock ownership plans will be utilized for meeting the capitalization requirements of Conrail;

(9) the management which is to effectuate the plan.

The preliminary system plan should also contain enough financial detail on any alternative plans rejected to permit reasonable assessment of the relative financial advantages of the plan selected.

ENVIRONMENT AND ENERGY

The Office is concerned that USRA's approach to environmental considerations is going to be an "after-the-fact" assessment of environmental impacts rather than the development of factors to be used in the planning process. Similarly, the study of the energy efficiency of alternative modes appears to be based primarily on broad averages, and not designed to be a specific input to the analysis of lines or services to be included in the restructured system.

The Office believes that the intent of the Act is that environmental and energy considerations are to be integral parts of the planning process, not simply devices by which discussion of a plan selected on other criteria is expanded. We are particularly disturbed that the Association appears to be doing little toward determining the location of fossil fuel deposits in the region and toward considering that information in determining what trackage should be included in the system.

PASSENGER SERVICE

The Office notes that the Association has awarded contracts for study of the economics of alternative modes for rail traffic, including the social and environmental costs. It is not clear that these studies will include the cost, energy, or environmental advantages that might be inherent in providing passenger transportation by bus and perhaps even by water. The Office believes that the preliminary plan should include an examination of these alternatives.

Because the level of passenger service in the Northeast corridor is substantially greater than that of other inter-city passenger routes additional considerations enter into the analysis of the Corridor. While other passenger services represent only small increments of traffic on established freight routes, the Corridor is dominated by passenger service. Passenger demand projections and Amtrak's plans indicate significant increases in passenger service in the Corridor in the near

future. The Office has endorsed removing through freight service from the Corridor onto parallel routes, with retention of freight service to the industries located in the Corridor.

Because the Corridor situation is unique, considerations of Corridor ownership and operation must be addressed. Although Conrail, being an operating railroad, would be best suited to operate the Corridor, Conrail's own operations in the Corridor will be minimal. Amtrak and State transportation authorities will be the major users of the Corridor, but Amtrak is not organized in a manner which would facilitate its entry into railroad operations. State and regional transportation authorities which operate commuter service in the Corridor have an interest in assuring that the entity operating the Corridor satisfactorily addresses their needs.

Ownership of the Corridor seems to fit most reasonably either in Amtrak or a new agency, possibly a "fixed plant entity", created for this purpose. The owner would be responsible for establishing maintenance standards, approving schedules, and financing improvements and deficits. Users would bear the full cost of their operations, including a fair return on investment. The entity actually operating the Corridor would be responsible for performing the day-to-day operations in a safe, efficient, and impartial manner, and for resolving disagreements between users of the Corridor.

There are two reasonable choices for the operation of the Corridor: Amtrak and Conrail. An operations department could be established within Amtrak, and staffed by transferring to Amtrak the personnel now managing and operating the Corridor for the Penn Central. This arrangement would be complex, probably running into employee concerns of seniority, pay structure, advancement, and job security. Perhaps even more important, it would deprive the corridor operator of the opportunity to draw on the body of experienced personnel, both in management and labor, available from a larger railroad.

Conrail operation of the Corridor could overcome these concerns. Conrail could, as the Penn Central has, transfer employees between the Corridor and other locations as necessary, providing employee security and the potential for advancement, as well as valuable training. Conrail, however, should not be responsible for the losses sustained by passenger operations in the Corridor. Several approaches are possible. Conrail could operate the Corridor under a management contract to Amtrak or other owning agency; a separate affiliate of Conrail could be established, the financial results of which would not be included in Conrail's financial statements; or a separate division of Conrail could operate the Corridor on regularly-allocated subsidy funds from Amtrak and state transportation authorities.

RAILROAD LABOR

The Office urges USRA to address labor transitional issues immediately. The principal considerations important to labor involve administration of the employee protection provisions of the Act and negotiation of the implementing and collective bargaining agreements.

The procedural mechanisms for administering displacement allowances affect the employees of carriers which acquire portions of the bankrupts as well as the employees of the carriers being reorganized under the Act. One of the protection features requires the railroad to furnish an employee with a computation of his protected compensation within 30 days after the employee presents notification that he has been adversely affected. As this provision will involve acquiring roads as well as Conrail, USRA is in the best position to establish a standardized procedure for handling this and other provisions. Having such a mechanism operational by the date of conveyance would ease the transition and help prevent a backlog from accumulating.

The Office recommends that USRA initiate a series of meetings with labor leaders to resolve any obstacles foreseen in achieving an equitable implementing agreement within the statutory time limitations. We also recommend that the incorporators of Conrail appoint the labor relations director for Conrail as soon as possible so that a meaningful dialogue can begin with labor, and informal meetings with labor leaders can be held, in advance of formal negotiations, to begin discussions on the implementing agreement.

SUPPLEMENT

JANUARY 13, 1975.

The trustees of Erie Lackawanna announced on January 9, 1975 that that railroad could not be successfully reorganized on an income basis under Section 77 of the Bankruptcy Act, and that they would take the actions necessary to have it included in the Regional Rail Reorganization Act restructuring process. Our comments on the USRA Annual and Supplemental Reports had been completed prior to the EL's announcement. Rather than revise those comments, we are adding to them this supplemental section assessing the effects of the EL inclusion on the restructuring process, primarily in relation to industry structure issues.

The Erie Lackawanna's basic route structure includes a mainline extending from northern New Jersey through Buffalo to Dayton, Ohio, and Chicago. It has an important connection with the Delaware and Hudson at Binghamton, New York. It participates in the Boston & Maine, D&H, EL route from New England to the west—primarily via the Chicago gateway—which provides a competitive east-west routing choice independent of the Penn Central for New England interests. Now that the EL is clearly a candidate for inclusion in the restructured system, USRA must re-evaluate its position on competitive rail service in the Northeast.

Each of USRA's alternative industry structures involved a certain degree of east-west competition from the EL. If the EL is included in Conrail I, this competition would be eliminated and Conrail's monopoly on the traffic generating areas between Philadelphia and New Haven would be absolute. Such a solution would not be desirable.

We are concerned about the ability of the D&H and B&M to survive a restructuring that included the EL in Conrail I, as both would be seriously jeopardized by any diversion of EL overhead traffic onto the present Penn Central route into New England. We see the EL inclusion as adding substantial weight to the proposition that the bankrupt lines should be restructured as two independent systems.

We see two possible solutions. One is to allow solvent railroad acquisition of bankrupt trackage to connect the D&H and the solvent carriers, both to the west and the south. The other recognizes that inclusion of the EL in the restructured system or systems makes the creation of the Mid-Atlantic Railroad Company much more attractive. With EL included, Mid-Atlantic would be in a position to compete with Conrail both in the traffic generating areas of the eastern seaboard and in providing line-haul service to the west.

Inclusion of the EL in the restructured system will facilitate USRA's efforts to devise an industry structure which results in the elimination of as much duplicative trackage as possible. In particular, serious consideration should be given to joint facility operation by EL and other railroads west of Buffalo where their route structures are parallel and highly duplicative.

ILL-ADVISED DECISION TO CLOSE FRANKFORD ARSENAL

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

Mr. BARRETT. Mr. Speaker, the Secretary of the Army sometime ago announced an intention on the part of the Army to close down the Frankford Arsenal in Philadelphia and transfer its major functions to the Rock Island Arsenal in Illinois. The Frankford Arsenal has a long and most envious record of service to the needs of our country and our defense forces. Its performance has in many instances been most unique. Its record is second to none.

The Pennsylvania delegation has repeatedly opposed this effort on the part of the Army and has presented several viable and advantageous alternatives which would have kept the functions of the Frankford Arsenal in the Philadelphia area.

Recently Mr. Hoag Levins, an outstanding young reporter and writer, spent 4 days in Rock Island, Ill., as well as time at the Frankford Arsenal in preparation of a series of articles which appeared this month in the Philadelphia Daily News. The series is worthy of reading and consideration by the Members of the House and the defense establishment as part of the ongoing consideration of the inadvisability of the closing down of the Frankford Arsenal.

I ask unanimous consent that the articles appear in the RECORD.

There being no objections, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Daily News Jan. 13, 1975]

INSIDE FRANKFORD ARSENAL—WHAT WILL BE LOST IF ARMY CLOSES IT DOWN

(By Hoag Levins)

If you fear fires, enjoy movies, drive a car, work with metal or value your vision, the Frankford Arsenal may have changed your life.

If that surprises you, it just shows that you—like most Philadelphians—don't really know what has been going on inside the arsenal for the last decade.

The super-secret research center is no longer an arsenal, the Daily News discovered in series of visits last week inside the walls.

The center, to be closed by the Defense Department by 1977, long ago got out of the "bombs and bullets" manufacturing business for which it became famous during World War II.

With the same secrecy which characterizes all its internal moves, the arsenal has developed a core of scientists, engineers and technicians who now work in one of the most unusual research and development centers in the world.

The arsenal at Tacony and Bridge Sts. today is thought of in the same terms which evolved during the 1940's when workers dispatched trainloads of munitions to fight a war.

A place of mystery and a self-contained city, the Arsenal had its own generating plants, fire department, hospital, water and sewerage systems and police force. Even in emergencies—such as munitions explosions—it didn't let outsiders in.

Today the 110-acre complex's gunpowder storage houses—with three-foot-thick con-

crete walls—have been converted to workshops and warehouses.

The Arsenal's famed bullet shops are abandoned, their thousands of machines and assembly lines covered with canvas, heavy grease or layers of dust. Its bomb foundries and artillery shell works are occasionally used only for experimental work.

"We should have changed the name of the place for the sake of accuracy and called it 'Frankford Research and Development Center'," explained Seymore Miller, the Arsenal's Technical Director.

Miller's office is decorated with munitions memorabilia celebrating arsenal accomplishments during his 25 years there.

On the wall, bullets of every size and shape are displayed some cut down the middle to show their powder charge. One long narrow box traces the development of a bullet, from the first formless metal blob to finished, highly polished bullet. On the desk a special rack holds 20-millimeter shells, their tips colorfully decorated in red, green, purple and yellow.

"What we do now is develop a new item of munitions, test it out and create the tools needed to produce it on a large scale. Then we send them all off to the government-owned, company-operated plants around the country that long ago took over the actual production."

Miller is not happy about the Arsenal's closing.

"They are not closing a storage arsenal. They're closing down a repository for engineering expertise. When you move this operation somewhere else, very few of our people will actually move with it. You'll have plenty of equipment, but you won't have the people who have spent a dozen years gaining the experience you need to do this sort of work.

"The Army is dealing with buildings and equipment. You can build a building and buy equipment anywhere. The capability here is the man who knows what to do with that equipment. He is the capability of our mission. It'll take ten years or more to create more like him in some other location. This move doesn't make sense, no matter how you look at it."

Miller's frustration is echoed in office after office throughout the Arsenal.

"The Army is going to hurt itself and Philadelphia by closing this installation," said Joseph Mc. McCaughey, top civilian executive of the arsenal. "I'm most fearful that it will lose our cadre of young, aggressive engineers and scientists

"They are the future of the field. People are the mission. This thing is about people and experience, not equipment and old buildings," said McCaughey.

A visitor can sum up the story of "this thing" from the intersection of Reese St. and Worth Rd.

That intersection—not far from McCaughey's office—serves as a symbolic crossroads in time for the Arsenal and its 158 years in Philadelphia.

A stone's throw is the Building No. II, which a small plaque indicates is more than 100 years old and still in use. Eight other nearby buildings date back to the Arsenal's beginning.

Encircling a large grassy parade mall, the buildings occupy 9.5 acres of some of the most historic land in Philadelphia. Even the U.S. government can not make changes on this area without the approval of the Philadelphia Historical Commission.

A stone thrown in the opposite direction will fall just short of Building No. 109—a more modern structure typical of many of the laboratories and workshops which sprawl across the Arsenal grounds.

In the basement of No. 109 is an ultramodern communications center where, on Nov. 22, a rattling teletype announced the decision to close the arsenal and eliminate 3,500 jobs.

The Arsenal's historic background, so long a selling point with the Pentagon, has now become a weakness. The Army decided its "outmoded" facilities could no longer keep up with modern resarch demands. There is a counter-argument.

Said Dr. David Rosenblatt, director of the Arsenal's Pitman-Dunn laboratories:

"It's difficult for some people to visualize, but the sort of work we do here now is aimed at the future. With the close of the facility, the results might well take until the 1980's to show up, when the Army begins to look for new systems and development and sees that there is this five-to-ten-year lag when not much was done in the way of research. That's how long it would take to just get back to our normal level of operation on current projects."

Throughout the complex's 240 buildings, more than 1,500 engineers and technicians work at research projects ranging from lubricating oils to laser beams.

The Arsenal's engineers have been granted more than 1,000 patents, and their ideas have been involved in the Mercury, Gemini and Apollo space shots. Equipment developed at the arsenal went to the Moon with Neil Armstrong and Buzz Aldrin in 1969.

In the basement of Building No. 65, a visitor waits for his eyes to adjust to the dim light. A huge blue box, half the length of the room, resembles an under-size freight car without wheels.

The blue box is a 1,000-watt carbon dioxide laser, one of many used at Frankford Arsenal in experimental work. The laser, discovered in the early 1960s, can concentrate rays of heat which will instantaneously vaporize any known substance on earth.

In the main headquarters building, Joseph M. McCaughey leaned back from his enormous desk, pressed his finger tips together and nodded solemnly.

"We're in a difficult period right now," admitted McCaughey, the Arsenal's top civilian executive. "The arsenal is to be closed for sure. But they haven't cut our work load. We're going on just like before.

"We have no time schedule for closing. We don't know what missions will be transferred. The future of the people working here is totally up in the air.

"Obviously, that has an overall effect on the morale."

THE STREET THAT BEAT HITLER

(By Hoag Levins)

Out past the dangling gray ash of his cigarette, ghosts were dancing down Craig Rd.

"You shoulda' seen 'em. There was so many people here it was like a sea of people in this street," said the man eagerly. His rough hand gestured broadly down the length of deserted Craig Rd. which cuts its way through a cluster of red brick industrial buildings inside Frankford Arsenal.

"This here is the street that beat Hitler. There were bullets coming out of these buildings like you couldn't believe. It was like a beehive here," he said, flicking an ash into the gutter and shaking his head at the memories.

Behind him a four-story building bore the date "1865" in stone above the massive double-entrance doors. Like much of the arsenal, Craig Rd. was planned and built around the time of the Civil War.

Craig Rd. workers turned out the paper and powder wads needed by Union Army riflemen. Some 57 years later, operations along the street's "Bullet Row" had changed considerably and centered around the production of the new metal bullet cartridges used by the Allies throughout World War I. By the 1940's, Bullet Row housed one of the most massive munitions manufacturing operations in the world.

Every round of small caliber ammunition fired by American troops during World War II came along Craig Rd. At the peak of the war, more than 22,000 people worked in three shifts round-the-clock. They made 8 million bullets a day.

"You could feel it when you came to work. It meant something to be part of the arsenal. We were working to save the world.

"That sounds silly as hell now, but that's the way it was then," said the Craig Rd. watchman, walking back up the steps into building 215.

Inside the building, one finds the arsenal-that-used-to-be. It lies quietly beneath a heavy layer of dust, surrounded by the smells of cold grease and old wood.

Row after row, lines of small wooden cubicles await a shift of workers which have not come for a decade. Hundreds of women sat here each day as an overhead chute dropped an avalanche of brass casings past each station for one final check.

Room after room, floor after floor, building after building, the idle machinery waits. Here and there, one finds an old apron on a rusty nail, old hair pins beneath a bench, or a few battered boxes of loose brass shells, an industrial ghost town.

Further down, like square shouldered steel soldiers, giant 2,000-ton presses stand two and three stories high.

"It took three months just to get that one press in place," said one worker, jabbing his grease-blackened hand authoritatively at the monstrous machines. "Imagine them moving this stuff out of here to somewhere else. This is just one building—there are dozens like this one, all full," he said, disappearing around a corner.

"It depends on how you want to look at it," said William Lennox, walking through the chilly factories, his hands deep in the pockets of his coat. "The army is talking about idle buildings. We look at them as potential factories. In peace, no one wants to hear about arsenals or bullet shops. In war, suddenly they become popular as hell. One day we're going to need these factories and we're not going to have them."

Lennox, who is the Arsenal's information officer, has worked there 29 years. His father worked there before him, and his father's father before that.

In a nearby mailroom, Eleanor Duzenski, who came to the arsenal in 1941 as a patriotic 18-year-old girl with nine brothers in the service, said:

"It was important to work here in those days. I wanted to have a hand in the war effort along with my brothers. Here, we were fighting for the same thing . . . end the war and bring the boys home."

PLANT COULD HELP SAVE WHALES

Scientists at Philadelphia's Frankford Arsenal may save the world's endangered sperm whales.

For centuries, the 60-foot-long whales have been mercilessly hunted for their oil, one of the finest quality lubricants yet discovered. The whales are on the endangered species list but are still hunted because of heavy demand for their oil.

Studies at the arsenal's Pitman-Dunn laboratories may soon change that. Scientists found that an oil made from jojoba plant seeds has the same luricating qualities as sperm whale oil. Jojoba plants only grow in the arid southwestern U.S. where Indian tribes are now considering jojoba as a cash crop because of the Arsenal's findings.

Ironically, the same arsenal which 100 years ago supplied muskets and bowie knives to fight the plains Indians may now provide a living for some of their descendants.

[From the Philadelphia Daily News, Jan. 27, 1975]

IS THE FRANKFORD ARSENAL "OUTMODED"?—THE ROCK ISLAND LINE IS FINE, BUT . . .

(By Hoag Levins)

ROCK ISLAND, ILL.—The Army, in closing the "outmoded" Frankford Arsenal in Philadelphia, intends to transfer many functions here—to an arsenal built during the Civil War.

During a tour of this 113-year-old Illinois arsenal, the Daily News found the same sort of buildings and equipment available now at the 158-year-old Frankford Arsenal.

On Nov. 22, 1974, after years of rumor and speculation, the Army announced it was closing down Frankford by July 1977.

The main reason cited was the Philadelphia arsenal's age which, in part, dates back to the Spanish-American War. Officially, the Army said, it found Frankford buildings "outmoded" for the sophisticated business of modern munitions development.

Now, the Army plans to move at least two major functions of the Frankford Arsenal into buildings here at Rock Island. Frankford's fire control and small-arms munitions programs will be housed here in buildings constructed during the early 1860s when this island arsenal was the site of a prison.

Nearly 2,000 of those soldiers are still here, their tombstones marching row after row in the snow at one end of this 960-acre island in the middle of the Mississippi River.

That Confederate cemetery, a well known local landmark, underscores this arsenal's history reaching back nearly as far as that of the Frankford Arsenal.

Aside from the Civil War structures that now hold the bulk of the workshops and labs, a number of other workshops were built during both World Wars.

One HUGE building erected in 1917 holds the sprawling computerized machine shop which turns out the massive cannons for which Rock Island Arsenal is famous. That shop has the largest inventory of computer-programmed machines in the Defense Department.

Rock Island Arsenal officials won't comment officially on whether or not their facilty can accommodate work now done at the Frankford Arsenal. However, privately they admit it could. Said one: "We have plenty of space here. It's a matter of time and money. If you don't have what you need, you buy it."

Pat Klein, chief information officer at Rock Island, points with pride to the massive Civil War buildings that line the streets of the arsenal. "What we've done here is to constantly update the inside of the buildings."

His tour led through structures with two-foot-thick stone walls and story-high windows much like the 1860s buildings which line the streets of Frankford Arsenal.

"The feeling here is, when you have solid buildings like these," explained Klein, "you have as sturdy a building as you're ever going to find. You wouldn't be able to buy buildings like this today . . . no matter how much money you had to spend."

ROCK ISLAND HOUSING: VERY SCARCE

ROCK ISLAND, ILL.—One of the first—and largest—problems Philadelphia Arsenal workers will find in Rock Island is housing.

There isn't any.

Rock Island has traditionally been plagued by housing shortages, greatly increased by the current building slump and tight money.

The Army consolidated its new Armament Command here two years ago, and brought in hundreds of new workers. They took most of what housing was left.

"It was outrageous," remembered one Rock Island Arsenal worker. "Everybody knew you were an arsenal transfer. The price of every house went up $10,000. The condition of the houses was simply beyond belief."

Dick Weeks, president of the Quad-Cities Development Group, composed of realtors, industrialists and civic leaders interested in promoting the region, said:

"Unfortunately, you can't win in our housing market right now. People coming here are looking at inflated prices for homes in a market that is very, very tight."

John Miller, president of the Rock Island Bank, said the going rate for home mortgages is 9¼ percent.

Arsenal officials say those who transfer will not be given financial assistance to offset losses in selling their old house or in the higher costs and interest rates on a new one.

As an example of the prices in Rock Island, Police Chief Charles Myers bought a four-bedroom home in 1968 for $36,000. His taxes on it are about $800 a year.

"It's just a regular house and now its value is up to about $50,000 and climbing," Myers said.

Lynn Ash, executive editor of the local newspaper in Rock Island, called the housing situation "so bad now that what most people do when they come here is to go about 60 miles out into the farm lands."

PRICES THERE

Philadelphians moving to Rock Island can expect to encounter the sort of prices which the family of Larry Long of the Chamber of Commerce there has paid in the last week, including:

Man's haircut: $3.25
Woman's shampoo and set: $6
Dry cleaning, man's suit: $2
Daily paper: 15 cents
Gasoline, regular: 56 cents per gallon
Gasoline, high-test: 60 cents per gallon
Bacon: $1.37 per pound
Frying chickens, whole: 46 cents per pound
Head of lettuce: 45 cents
Ground beef, good grade: $1.09 per pound
8 pounds of potatoes: $1.69
Visit to family doctor: $12
Dental check-up: $15

NO GOLF A HANDICAP TO KEEPING OUR ARSENAL?

ROCK ISLAND, ILL.—Strange as it sounds, could a factor in the Army's decision to close the Frankford Arsenal in Philadelphia have been golf?

According to military, political and industrial sources embroiled in the controversy, the Frankford Arsenal has been doomed because it doesn't have a golf course as do most other major Army installations. Said one Washington source:

"It sounds crazy, that the Army brass would balance its total arsenal capability picture against golf courses and nice mansions to live in, but if you knew some of the reasons behind Army decisions, you'd be astounded. The golf course that Frankford doesn't have was the last nail in its coffin."

Another government source says:

"These generals and other higher officers like the frills. They like large homes. Frankford can do the job, but it doesn't have any of the frills. It's a drab place and a commanding officer can't take a visiting dignitary out to the golf course. That is what they like to do."

A few years ago, when the Army transferred the Metrology and Calibration Center from Philadelphia, it sent the mission to Red Stone Arsenal in Huntsville, Ala. That Alabama arsenal has its own golf course.

Currently, all seven major military facilities likely to take over functions from Frankford have golf courses. Some even have their own hunting and fishing preserves.

The other six are Edgewood Arsenal/Aberdeen Proving Grounds complex and Indian Head Naval Facility in Maryland; Picatinny Arsenal, and Fort Monmouth in New Jersey; Fts. Lee and Belvoir in Virginia, and Rock Island in Illinois.

Rock Island has one of the nicest courses of all. The Rock Island golf club is privately operated, with a par 71, 7,000-yard, 18-hole course covering acres of lush wooded grounds a few steps from Colonel's Row, a series of castle-like mansions facing out onto the Mississippi River where the arsenal's top officers live.

The golf club charges two rates. Military members pay $60 a year. Civilians pay a $1,050 entrance fee and $500 additionally a year. Civilian membership is limited to 75.

"The Army brass like the nice things in life for themselves," said a civilian official. "Get them together behind closed doors and they're like a bunch of kids in a candy store—except they own the candy store."

Said an Army officer at Rock Island:

"You have to look at it from the viewpoint of a career Army officer. The base is his entire life. He doesn't care what's outside. Frankford has a reputation as a dump to live in. It's in the middle of that grimy, dirty industrial district. Now if you were an officer and had a chance to pick between Frankford and the riverfront along the Mississippi, which would it be?"

A high civilian official said:

"Understand that generals in the Army live in their own little world. Especially that's true for the older, stiffer officers. They put a large value on things like prestigious houses and communities small enough to make their wives' tea parties major social news events. They just love to walk an important visitor out the front door and over to the golf course. It's a big thing in their life."

INAUGURAL ADDRESS OF GOV. DAVID L. BOREN

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

Mr. ALBERT. Mr. Speaker, on January 13, David L. Boren was sworn in as the 21st Governor of Oklahoma. In his excellent inaugural address, he called on Oklahomans to resolve "that the renewal of our Nation will begin with us, in Oklahoma."

I have known David Boren all his life and am proud that he is a resident of the Third Congressional District. His father, Lyle H. Boren, served in this House as a Representative from Oklahoma for 10 years, from 1937 to 1947. David's sister, Susan, is a former member of my staff.

David Boren has already proven himself to be an outstanding scholar and legislator, and I am confident that he will do an equally fine job as Governor. I am happy to take this opportunity to share his inaugural address with my colleagues:

INAUGURAL ADDRESS—GOV. DAVID L. BOREN, OKLAHOMA'S 21ST GOVERNOR, JANUARY 13, 1975

Governor Gary, Governor Hall, Members of the Three Branches of Government, My Fellow Oklahomans: Standing here with my wife, family, and friends who have made my role in today's activities possible, my feeling, more than any other, is of humility.

My every effort will be to merit the trust and confidence you have placed in me.

Today also strengthens and intensifies my determination.

With your continued help, I am determined to make Oklahoma an example to the Nation in open and honest government where the people will know how every dollar is spent and about every action taken.

This office is yours. I take it in trust. I will treat it as yours and not as mine.

You have given me the responsibility to make tough decisions and I will make them. I cannot promise you that my judgment will always be right, but I do pledge that I will work hard to learn what is right and then always do the right as I perceive it.

I will require the highest standards of public service from all who serve under my authority. Any failure to measure up to those high standards will know justice that is swift and sure.

Inaugural addresses are traditionally spiced with rhetoric and poetic phases. I prefer to speak to you directly about my sincere beliefs.

There is in this Nation an uneasy feeling that something is wrong. Man holds in his mortal hands the power to abolish all forms of human poverty. Never have we had more materially. Never have human beings been so advanced in their knowledge of the universe around them or the norms of social behavior. Never has a people had such military power or the ability to move so fast or see so much as those who live today. If we return to the very beginning of recorded human history, to the very first symbol etched into stone by primitive man which we have now been able to decipher, of all of the people who have lived from that time to this, we have more materially. Think about it. You and I have more than any people who ever lived on the face of this globe.

Yet, with all of our material wealth, there is a feeling that something is lacking. Next year is our bi-centennial as a Nation. The material wealth of 1976 far surpasses that of 1776, but is the spirit of 1776 still alive? There seem to be lacking the Washingtons and the Jeffersons who led with boldness, who set our sights on lofty and noble ideals. There seem to be lacking the spirit of self sacrifice and the devotion to principle that typified the minutemen. Why are we not now writing chapters in our history to match any ever written in our 200 years? Why instead do we see the dissolution of family life, the loosening of moral standards and the defiling of the highest positions in government by everything from petty theft to abuses of power by people of both political parties?

What we need in this Nation is old fashioned spiritual renewal. It can come. It must come. Let us resolve here today that the renewal of our Nation will begin with us, in Oklahoma. As Oklahomans, our fathers and mothers, our grandparents have taught us lessons more valuable than any sophisticated philosophical treatise. They have shown us that it is the simple things that add greatness to life.

It is a simple honesty, unlocked doors, an agreement sealed by a handshake, a straight from the shoulder expression of opinion. It is not trading self respect for material success. It is the courage to take a stand for a good cause and the willingness to assume responsibility openly for mistakes. It is frugality that hates waste, and pride in one's work, whatever it might be. It is a generous spirit that helps a neighbor in need.

Let these virtues of our pioneer heritage be our virtues. I am not afraid of the future. I welcome it because I know that we who live in this State care about our country and our fellow man. More Oklahomans voted for state officers this year than ever before. We the people of Oklahoma serve notice that we are ready to spear-head a renewal of community spirit that will be a model to our Nation.

Our federal system will work only if the states stand on the cutting edge of good government. We in Oklahoma are ready to be a model of excellence for the Nation.

Already our Legislature has moved to renew the spirit of openness and honesty in state government. They have opened the Legislature for all the people to see. Secrecy in government is the great ally of tyranny and corruption. Our state will become a model of openness for the Nation.

We are ready to renew the spirit of hard work and frugality. There are those in our state who can work who do not work. They drain the taxpayers and steal from our elderly and disabled. We say to those who can work, "You will work for every check which you draw from the State of Oklahoma," and to those who are elderly or helpless "We will fight to see that you have enough to live in dignity." Our state will develop a welfare system which is a model to the Nation.

We are already to renew the spirit of excellence of always giving our best, whatever our position in life. We will not tolerate an inefficient system of government which burdens the taxpayers with almost 250 overlapping boards and agencies. We will not tolerate wasteful political patronage which has doubled the number of state employees in barely the last decade. The taxpayers have had enough. With 40¢ of every dollar earned going to taxes and one out of every six people working for government at some level, someone somewhere must turn this trend around. I say let's do it now. Let Oklahoma lead the way.

We in Oklahoma government in all three branches reject the timid opportunism which has created a leadership vacuum in our Nation. We do not need politicians who read the polls to see which way the wind is blowing. We need statesmen who lead boldly and proclaim openly the dictates of their consciences. Harry Truman often said "The buck stops here". As your Governor, I accept the challenge of Harry Truman. As far as my administration is concerned, the buck stops with me. When I put my name on the ballot, I asked you for a chance to follow the lead of my conscience and to have you hold me accountable for all of my acts, both my successes and my failures.

I am your employee. I am prepared for you to hold me accountable. None of us in this day and time has a right to hold a public trust with an eye toward personal gain or the results of the next election.

William H. Murray said in his Farewell Message that no one ever doubted during his term who was the Governor. The same will be true during the next four years. You the people have given me a job to do and, within the limits of my ability, I intend to do it.

I have but one aim and that is to do my very best for you for the next four years. To our Legislators and other public officials, I say "I cannot be a good Governor without your help and counsel. I need your help. I seek it." To all of my fellow Oklahomans, I say "Our state and our Nation will not be renewed unless you care enough to make it happen. Work with all of us in state government. Let us know that you care deeply."

"We the people" are the three most important words in the Constitution. You alone can bring decency and honesty to government. I cannot do anything by myself. Will you help me? Will you care enough to write to me and to your Legislators? If you are silent, if you sit on the sidelines, our state will not change for the better. Do you care enough to go to public meetings, write letters to the editor, and help to solve social problems in your own communities and neighborhoods?

Where is the hope for our future in Oklahoma? It is not in me. It is not in our Legislators and other public officials. It is not even in laws on the books. The hope for our future is in you. Everyone of you listening now. Only a great people can produce a great government. You must care enough to make it happen.

What makes the difference between a Nation that is truly great and one that is merely rich and powerful? It is the simple things that make the difference. Honesty, knowing right from wrong, openness, self respect, and the courage of conviction. America is not merely rich and powerful, America is great.

Will America remain great? Comfort says "Tarry awhile". Opportunism says "This is a good spot". Timidity asks "How difficult is the road ahead?" I know how Oklahomans will answer them. We answer, "Stand aside, Oklahoma cares enough to lead the way."

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 Mrs. FENWICK) to revise and extend their remarks and include extraneous material:)

Mr. DON H. CLAUSEN, for 5 minutes, today.

Mr. RAILSBACK, for 10 minutes, today.

Mr. QUIE, for 5 minutes, today.

Mr. ANDERSON of Illinois, for 30 minutes, today.

(The following Members (at the request of Mr. MINETA) to revise and extend their remarks and include extraneous material:)

Mr. FLOOD, for 5 minutes, today.

Mr. RODINO, for 10 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mrs. BURKE of California, for 5 minutes, today.

Ms. ABZUG, for 5 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. DRINAN, for 15 minutes, today.

Mr. YOUNG of Texas, for 60 minutes, January 30, 1975.

Mr. CONYERS, for 60 minutes, February 19, 1975.

Mr. BARRETT, for 5 minutes, today.

Mr. FOLEY, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROONEY, and to include extraneous matter notwithstanding the fact that it exceeds two pages of RECORD and is estimated by the Public Printer to cost $1,599.

(The following Members (at the request of Mrs. FENWICK) and to include extraneous matter:)

Mr. HEINZ.

Mr. SHUSTER.

Mr. KEMP.

Mr. COHEN in three instances.

Mr. STEELMAN.

Mr. ARCHER.

Mr. GRADISON.

Mr. PETTIS.

Mr. BROOMFIELD.

Mr. CARTER in two instances.

Mr. MICHEL.

Mr. RAILSBACK.

Mr. EMERY.

Mr. COLLINS of Texas in four instances..

Mr. GUDE.

Mr. MCKINNEY.

Mr. QUIE.

Mr. BAFALIS in two instances.

Mr. SYMMS in two instances.

Mr ROUSSELOT in two instances.

Mr. DON H. CLAUSEN in two instances.
Mr. SARASIN.
Mr. GILMAN in two instances.
Mr. ARMSTRONG in two instances.
(The following Members (at the request of Mr. MINETA) and to include extraneous material:)
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. HELSTOSKI.
Mr. NATCHER in two instances.
Mr. NICHOLS.
Mr. REUSS.
Mrs. MEYNER.
Mr. MOORHEAD of Pennsylvania in five instances.
Mr. HAMILTON in two instances.
Mr. WON PAT.
Mr. HARRIS in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. PEPPER in two instances.
Mr. HUNGATE.
Mr. MCFALL.
Mr. ZEFERETTI in 10 instances.
Mr. ADDABBO.
Mr. OTTINGER.
Mr. GINN in two instances.
Mr. DOMINICK V. DANIELS in three instances.
Mr. BENNETT in two instances.
Mr. HUGHES in 10 instances.
Mrs. SCHROEDER.
Mr. GAYDOS in two instances.
Mr. ROONEY.
Mr. KASTENMEIER.
Mr. FORD of Tennessee.
Mr. BYRON.

ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Thursday, January 30, 1975, 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:

203. A letter from the President of the United States, transmitting a proposed supplemental appropriation for Military Assistance, South Vietnamese Forces and a budget amendment for Military Assistance for Cambodia in fiscal year 1975 (H. Doc. No. 94–38); to the Committee on Appropriations and ordered to be printed.

204. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of Health, Education, and Welfare for "Saint Elizabeths Hospital" and "Departmental Management" have been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations for fiscal year 1975, pursuant to section 3679 of the Revised Statutes [31 U.S.C. 665]; to the Committee on Appropriations.

205. A letter from the Secretary of the Army, transmitting a report on the progress of the Army Reserve Officers' Training Corps flight instruction program during calendar year 1974, pursuant to 10 U.S.C. 2110; to the Committee on Armed Services.

206. A letter from the senior vice president, Potomac Electric Power Co., transmitting the balance sheet of the company as of December 31, 1974, pursuant to 37 Stat. 979; to the Committee on the District of Columbia.

207. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to provide additional military assistance authorizations for Cambodia for the fiscal year 1975, and for other purposes; to the Committee on Foreign Affairs.

208. A letter from the Secretary, Smithsonian Institution, transmitting the annual report of the Smithsonian for fiscal year 1974, pursuant to the act of August 10, 1846 [20 U.S.C. 58]; to the Committee on House Administration.

209. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Statistics of Interstate Natural Gas Pipeline Companies, 1973"; to the Committee on Interstate and Foreign Commerce.

210. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting the annual report of the Commission for 1974, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

211. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to repeal exemptions in the antitrust laws relating to fair trade laws; jointly to the Committees on the Judiciary, and Interstate and Foreign Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 2287. A bill to amend title 2 of the United States Code to provide for the consideration and adoption of the Rules of the House of Representatives for the 95th and each succeeding Congress; to the Committee on Rules.

By Mr. ARCHER (for himself and Mr. OBEY):

H.R. 2288. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. BALDUS (for himself, Mr. ASPIN, Mr. BEDELL, Mr. BLOUIN, Mr. CORNELL, Mr. NICHOLS, Mr. NOLAN, Mr. OBEY, and Mr. TRAXLER):

H.R. 2289. A bill to provide price support for milk at not less than 100 percent of the parity price therefor, and for other purposes; to the Committee on Agriculture.

By Mr. BAUMAN:

H.R. 2290. A bill to amend the Rail Passenger Service Act of 1970 to require the National Railroad Passenger Corporation to initiate additional rail passenger service in the northeast corridor to determine the feasibility of utilizing such service to provide alternative transportation systems; to the Committee on Interstate and Foreign Commerce.

H.R. 2291. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion from gross income for interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. CHARLES H. WILSON of California, Mr. DAVIS, Mr. MURPHY of New York, Mr. BROOMFIELD, Mrs. HOLT, Mr. MCKINNEY, Mr. DINGELL, Mr. ASHLEY, Mr. SARASIN, Mr. LONG of Maryland, Mrs. LLOYD of Tennessee, Mr. DELANEY, Mrs. SPELLMAN, Mr. HAMILTON, Mrs. COLLINS of Illinois, Mr. FORD of Michigan, Mr. JENRETTE, Mr. GILMAN, and Mr. VANDER JAGT):

H.R. 2292. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, and for other purposes; to the Committee on the Judiciary.

By Mr. BREAUX:

H.R. 2293. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 2294. A bill to amend the Emergency School Aid Act to extend to French-Americans the same benefits accorded other minority groups under that act; to the Committee on Education and Labor.

H.R. 2295. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications centers to make the national emergency telephone number 911 available throughout the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 2296. A bill to amend section 4 of the Fish and Wildlife Act of 1965, to provide short term relief to those portions of the fishing industry which have suffered economic dislocation; to the Committee on Merchant Marine and Fisheries.

H.R. 2297. A bill to provide for the disposition, by the Secretary of the Army, of certain easements which are no longer necessary for Federal navigation projects; to the Committee on Public Works and Transportation.

H.R. 2298. A bill to amend title 38 of the United States Code to clarify the circumstances under which the Administrator of Veterans' Affairs may pay for care and treatment rendered to veterans by private hospitals in emergencies; to the Committee on Veterans' Affairs.

H.R. 2299. A bill to amend the Internal Revenue Code of 1954 to provide an individual tax credit for disaster preparation expenses; to the Committee on Ways and Means.

H.R. 2300. A bill to impose quantitative limitations on the importation of shrimp into the United States during calendar years 1974 and 1975, and to impose a duty on imported shrimp; to the Committee on Ways and Means.

H.R. 2301. A bill to amend the Internal Revenue Code of 1954 to provide an individual tax credit for disaster evacuation expenses; to the Committee on Ways and Means.

By Mr. BROOKS (for himself, Mr. HORTON, Mr. JAMES V. STANTON, and Mrs. COLLINS of Illinois):

H.R. 2302. A bill to revise certain provisions relating to per diem and mileage expenses of Government employees and disabled veterans, and for other purposes; to the Committee on Government Operations.

By Mrs. BURKE of California:

H.R. 2303. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

H.R. 2304. A bill to amend title VI of the Public Health Service Act to provide for adequate outpatient care in medically underserved areas; to the Committee on Interstate and Foreign Commerce.

H.R. 2305. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CARTER:

H.R. 2306. A bill to amend the Public Health Service Act to revise and extend the National Health Service Corps program; to the Committee on Interstate and Foreign Commerce.

By Mr. DAN DANIEL:

H.R. 2307. A bill to authorize and direct the Secretary of the Army to convey to the Virginia Polytechnic Institute and State

University certain lands of the United States of America at Fort Pickett, Va.; to the Committee on Armed Services.

By Mr. DOMINICK V. DANIELS:

H.R. 2308. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 2309. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 2310. A bill to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Alabama:

H.R. 2311. A bill to exempt small independent oil producers from the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 2312. A bill to provide certain services for Government employees in order to assist them in preparing for retirement; to the Committee on Post Office and Civil Service.

By Mr. FAUNTROY:

H.R. 2313. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, transportation, possession, and ownership of handguns, except in certain circumstances; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.R. 2314. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. GIBBONS:

H.R. 2315. A bill to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low income allowance and the percentage standard deduction, to provide a credit for certain earned income, to repeal percentage depletion, to increase the investment credit, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN (for himself, Mr. ULLMAN, Mr. O'NEILL, Mr. BEARD of Rhode Island, Mr. GOODLING, Mr. HAWKINS, Ms. HOLTZMAN, Mr. LAFALCE, Mr. MITCHELL of Maryland, Mr. ROONEY, Mr. STOKES, Mr. WIRTH, and Mr. YATRON):

H.R. 2316. A bill to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 2317. A bill to provide price support for milk at not less than 87½ percent of the parity price therefor; to the Committee on Agriculture.

By Mr. HANLEY:

H.R. 2318. A bill to amend title II of the Social Security Act to increase to $8,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. ABDNOR, Mr. MADIGAN, Mr. BEARD of Tennessee, Mr. GUDE, Mr. HASTINGS, Mr. MOSHER, Mr. JEFFORDS, Mrs. HECKLER of Massachusetts, Mr. CONTE, Mr. GOODLING, Mr. BROYHILL, Mr. CARTER, Mr. WINN, Mr. COHEN, and Mrs. HOLT):

H.R. 2319. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Ms. JORDAN:

H.R. 2320. A bill to amend the Internal Revenue Code of 1954 to prohibit States from denying unemployment compensation to individuals who are unavailable for work because of temporary illnesses; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 2321. A bill to amend the Clayton Act to preserve competition among corporations in the production of oil, coal, uranium, and geothermal power; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. RAILSBACK, Mr. EDWARDS of California, Mr. CONYERS, Mr. EILBERG, Mr. SEIBERLING, Mr. DRINAN, Ms. HOLTZMAN, Mr. MEZVINSKY, Mr. COHEN, Mr. BADILLO, Mr. ROSENTHAL, Mr. MURPHY of New York, Mr. BIESTER, Mr. COUGHLIN, Mr. GUDE, Mr. ECKHARDT, Mr. HARRINGTON, Mr. KOCH, Mr. STOKES, Ms. ABZUG, Mr. ASPIN, Mr. MIKVA, and Mr. RANGEL):

H.R. 2322. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. EDWARDS of California, Mr. CONYERS, Mr. EILBERG, Mr. SEIBERLING, Mr. DRINAN, Ms. HOLTZMAN, Mr. BADILLO, Mr. DIGGS, Mr. ROSENTHAL, Mr. PEPPER, Mr. MURPHY of New York, Mr. HELSTOSKI, Mr. BIESTER, Mr. ECKHARDT, Mr. HARRINGTON, Mr. KOCH, Mr. STOKES, Ms. ABZUG, Mr. ASPIN, Mr. METCALFE, and Mr. RANGEL):

H.R. 2323. A bill to authorize actions for redress in cases involving the violation of the constitutional rights of inmates in State or local correctional facilities or jails; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, Mr. EDWARDS of California, Mr. CONYERS, Mr. EILBERG, Mr. SEIBERLING, Mr. DRINAN, Ms. HOLTZMAN, Mr. BADILLO, Mr. DIGGS, Mr. ROSENTHAL, Mr. PEPPER, Mr. MURPHY of New York, Mr. BIESTER, Mr. HARRINGTON, Mr. KOCH, Mr. STOKES, Ms. ABZUG, Mr. METCALFE, Mr. MIKVA, and Mr. RANGEL):

H.R. 2324. A bill to amend title 18 of the United States Code to establish a revolving fund for making loans to individuals released from prison; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. RAILSBACK, Mr. EDWARDS of California, Mr. HUNGATE, Mr. CONYERS, Mr. EILBERG, Mr. SEIBERLING, Ms. JORDAN, Ms. HOLTZMAN, Mr. BADILLO, Mr. DIGGS, Mr. ROSENTHAL, Mr. PEPPER, Mr. MURPHY of New York, Mr. HELSTOSKI, Mr. BIESTER, Mr. HARRINGTON, Mr. KOCH, Mr. STOKES, Ms. ABZUG, Mr. ASPIN, Mr. METCALFE, Mr. RANGEL, and Mr. CONTE):

H.R. 2325. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. DIGGS, Mr. PEPPER, Mr. HELSTOSKI, and Mr. METCALFE):

H.R. 2326. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 2327. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL:

H.R. 2328. A bill to amend the Immigration and Nationality Act to classify as "special immigrants" alien veterans who served honorably in the U.S. Armed Forces, together with their spouses and children, for purposes of lawful admission into the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 2329. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSHER (for himself, Ms. ABZUG, Mr. ANDERSON of California, Mr. BADILLO, Mr. CONTE, Mr. CONYERS, Mr. COUGHLIN, Mr. DUNCAN of Tennessee, Mr. FORSYTHE, Mr. HARRINGTON, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. MCCORMACK, Mr. MCKINNEY, Mr. MOORHEAD of California, Mr. PETTIS, Mr. QUIE, Mr. REGULA, Mr. ROE, Mr. RUPPE, Mr. SARASIN, Mr. SEIBERLING, Mr. STARK, Mr. TALCOTT, Mr. CHARLES WILSON of Texas, and Mr. WON PAT):

H.R. 2330. 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. NICHOLS:

H.R. 2331. A bill to amend the Education of the Handicapped Act to provide tutorial and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 2332. A bill to amend the National Trails System Act to authorize a feasibility study relating to the Bartram Trail in Alabama; to the Committee on Interior and Insular Affairs.

H.R. 2333. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a segment of Hatchet Creek in Alabama as a potential component of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

H.R. 2334. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 2335. A bill to amend chapter 84 of title 18 of the United States Code relating to the assaulting, injuring, or killing of police officers and firemen, and for other purposes; to the Committee on the Judiciary.

H.R. 2336. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of

interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 2337. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty; to the Committee on the Judiciary.

H.R. 2338. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on Post Office and Civil Service.

H.R. 2339. A bill to provide a pension for veterans of World War I and their widows; to the Committee on Veterans' Affairs.

H.R. 2340. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 2341. A bill to amend titles 37 and 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age 60, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2342. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. BEVILL, Mr. BUCHANAN, Mr. DICKINSON, Mr. EDWARDS of Alabama, Mr. FLOWERS, and Mr. JONES of Alabama):

H.R. 2343. A bill to designate the new Forest Service laboratory at Auburn, Ala., as the George W. Andrews Forestry Sciences Laboratory; to the Committee on Agriculture.

By Mr. PEPPER:

H.R. 2344. A bill for the relief of unemployment through the performance of useful public work, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RIEGLE:

H.R. 2345. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, to raise the contribution base, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 2346. A bill to impose temporary quotas on motor vehicles imported into the United States from foreign countries which do not allow substantially equivalent market access to motor vehicles manufactured in the United States; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. CONYERS, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. KOCH, Mr. METCALFE, Mrs. MEYNER, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. NIX, Mr. RANGEL, Mr. REES, Mr. RICHMOND, Mr. RODINO, and Mrs. SPELLMAN):

H.R. 2347. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily rental structures being converted to condominium units, by providing for the establishment of national minimum standards for condominium sales and conversions (to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development); and to insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religion, marital status, or national origin; to the Committee on Banking, Currency and Housing.

By Mr. ROSENTHAL (for himself, Mr. SOLARZ, Mr. STARK, Mr. STUDDS, Mr. WAXMAN, Mr. YATRON, Mr. ZEFERETTI, Mr. DIGGS, and Mr. DODD):

H.R. 2348. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily rental structures being converted to condominium units, by providing for the establishment of national minimum standards for condominium sales and conversions (to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development); and to insure that financial institutions engaged in the extension of credit to prospective purchasers of condominium units make credit available without discrimination on the basis of age, sex, race, religion, marital status, or national origin; to the Committee on Banking, Currency and Housing.

By Mr. ROYBAL (for himself, Mrs. BURKE of California, and Mr. EILBERG):

H.R. 2349. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other proposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUNNELS:

H.R. 2350. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Eastern New Mexico Water Supply Project, New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER:

H.R. 2351. A bill to amend title 5, United States Code, to guarantee to each employee in the competitive service who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and all relevant evidence prior to a final decision of any agency to take certain action against such an employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER (for herself and Mr. EVANS of Colorado):

H.R. 2352. A bill to provide that the project referred to as the Chatfield Dam and Lake on the South Platte River, Colo., shall hereafter be known and designated as the Edwin C. Johnson Dam and Lake; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING:

H.R. 2353. A bill to amend section 5042(a)(2) of the Internal Revenue Code of 1954 to permit individuals who are not heads of families to produce wine for personal consumption; to the Committee on Ways and Means.

H.R. 2354. A bill to amend title XVI of the Social Security Act to provide that any payments of supplemental security income benefits which are due an individual at his or her death may, if such individual does not leave a qualified surviving spouse, be made to any person who was contributing over half of such individual's support at the time of such death; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. FRASER, Ms. ABZUG, Mr. BADILLO, Ms. BURKE of California, Mr. DELLUMS, Mr. HARRINGTON, Ms. JORDAN, Mr. MIKVA, Mr. MITCHELL of Maryland, Mr. REES, Mr. STARK, Mr. STOKES, and Mr. VAN DEERLIN):

H.R. 2355. A bill to protect the civil and constitutional rights of professional athletes; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2356. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 2357. A bill to amend the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON (for himself and Mr. CARNEY):

H.R. 2358. A bill to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. GUDE, Mr. HORTON, Mr. BENNETT, Mr. HARRINGTON, Ms. BURKE of California, Mr. SIMON, Mr. MAZZOLI, Mr. SOLARZ, Mr. EDGAR, Mr. RAILSBACK, Mr. WON PAT, Mr. MCCLOSKEY, Mr. BRODHEAD, Ms. LLOYD of Tennessee, Mr. BALDUS, Ms. ABZUG, Mr. D'AMOURS, Mr. OTTINGER, Ms. CHISHOLM, Mr. HASTINGS, and Mr. COHEN):

H.R. 2359. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary and Standards of Official Conduct.

By Mr. SYMMS (for himself and Mr. HANSEN of Idaho):

H.R. 2360. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 2361. A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with; to the Committee on Armed Services.

By Mr. WHITE:

H.R. 2362. A bill to extend from 8 months to 24 months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States; to the Committee on Ways and Means.

By Mr. WHITE (for himself, Mr. LEHMAN, Mr. PICKLE, and Mr. CHARLES H. WILSON of California):

H.R. 2363. A bill to amend section 131 of title 13, United States Code, to provide for the taking of censuses of manufacturers, of mineral industries, and of other businesses, for congressional approval of the content of questionnaires used in the taking of such censuses, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 2364. A bill to restore the right of freedom of choice; to the Committee on Education and Labor.

H.R. 2365. A bill to amend the Communication Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 2366. A bill to require the Supreme Court to report the reversal of State criminal convictions in written decisions; to the Committee on the Judiciary.

H.R. 2367. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2368. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses which may be deducted, to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 2369. A bill to abolish the Commission on Executive, Legislative, and Judicial Salaries established by section 225 of the Federal Salary Act of 1967, and for other purposes;

to the Committee on Post Office and Civil Service.

H.R. 2370. A bill to provide for the withdrawal of second-class and third-class mailing permits of mail users who have used these permits systematically in the mailing of obscene, sadistic, lewd, or pandering mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2371. A bill to provide that certain land acquired for flood-control purposes which is no longer needed for such purposes be disposed of as surplus property; to the Committee on Public Works and Transportation.

H.R. 2372. A bill to authorize an additional 41,000 miles for the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

H.R. 2373. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability or death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, including those who served during peacetime, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 2374. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

H.R. 2375. A bill to protect funds invested in series E U.S. savings bonds from inflation and to encourage persons to provide for their own security; to the Committee on Ways and Means.

By Mr. WINN (for himself, Mr. SHRIVER, Mr. SKUBITZ, Mr. SEBELIUS, and Mrs. KEYS):

H.R. 2376. A bill to provide for the establishment of the Agricultural Hall of Fame National Cultural Park in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF:

H.R. 2377. A bill to prohibit commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and by the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 2378. A bill to prohibit the importation into the United States of commercially produced domestic dog and cat animal products; and to prohibit dog and cat animal products moving in interstate commerce; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BIAGGI:

H.R. 2379. A bill to authorize the Secretary of the Interior to establish a National Law Enforcement Heroes Memorial within the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BREAUX:

H.R. 2380. A bill to amend the Merchant Marine Act, 1920, to establish a grant program to enable public ports to comply with certain Federal standards, to direct the Secretary of Commerce to undertake a comprehensive study of the present and future needs of public ports in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. BURKE of California:

H.R. 2381. A bill to prohibit the importation, manufacture, possession, sale, and any other transfer of hollow point (dum dum) bullets in the United States; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. FAUNTROY:

H.R. 2382. A bill to amend the act entitled "An Act To Incorporate the American University", approvde February 24, 1893; to the Committee on the District of Columbia.

H.R. 2383. A bill to authorize voluntary withholding of Maryland, Virginia, and District of Columbia income taxes in the case of Members of Congress and congressional employees; to the Committee on House Administration.

By Ms. JORDAN:

H.R. 2384. A bill to amend the Sherman Antitrust Act to provide lower prices for consumers; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2385. A bill to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. KASTENMEIER (for himself, Mr. RAILSBACK, Mr. EDWARDS of California, Mr. CONYERS, Mr. EILBERG, Mr. SEIBERLING, Mr. DRINAN, Ms. JORDAN, Ms. HOLTZMAN, Mr. MEZVINSKY, Mr. COHEN, Mr. BADILLO, Mr. DIGGS, Mr. ROSENTHAL, Mr. PEPPER, Mr. HELSTOSKI, Mr. BIESTER, Mr. ECKHARDT, Mr. HARRINGTON, Mr. KOCH, Mr. STOKES, Ms. ABZUG, Mr. METCALFE, Mr. MIKVA, and Mr. RANGEL):

H.R. 2386. A bill to prohibit the denial or abridgement of the right of former criminal offenders to vote in elections for Federal office; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself and Mr. MURPHY of New York):

H.R. 2387. A bill to prohibit the denial or abridgement of the right of former criminal offenders to vote in elections for Federal office; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2388. A bill to establish a Federal Oil and Gas Corporation; jointly to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce and Science and Technology.

By Mr. KOCH:

H.R. 2389. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the suplementary medical insurance program and remove the 100-visit limitation presently applicable thereto to amend part A of such title to liberalize the coverage of post hospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit the payments of rent under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committee on Interstate and Foreign Commerce and Ways and Means.

By Mr. McCLORY:

H.R. 2390. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

By Mr. MAZZOLI:

H.R. 2391. A bill relating to withholding by the United States of certain taxes imposed by States, and political subdivisions thereof, in the case of Federal employees; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 2392. A bill to promote voluntary school integration by assisting magnet schools; to the Committee on Education and Labor.

By Mr. NICHOLS (for himself and Mr. BRINKLEY):

H.R. 2393. A bill to establish within the National Cemetery System the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala.; to the Committee on Veterans' Affairs.

By Mr. RIEGLE (for himself, Mr. BROWN of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. DELLUMS, Mr. DIGGS, Mr. EDWARDS of California, Mr. FASCELL, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HUNGATE, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. MURTHA, Mr. PREYER, Mr. REUSS, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RYAN, Mr. RUPPE, Mr. SHIPLEY, Mr. STEELMAN, Mr. TRAXLER, and Mr. ULLMAN):

H.R. 2394. A bill to amend the Employment Act of 1946 with respect to stability of the general price level; to the Committee on Government Operations.

By Mr. RIEGLE:

H.R. 2395. A bill to prohibit certain acts with respect to petroleum, petroleum products, and natural gas; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEGLE (for himself, Mr. DELLUMS, Mr. DE LUGO, Mr. EDWARDS of California, Mr. EILBERG, Mr. HARRINGTON, Mr. HAWKINS, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. MATSUNAGA, Mr. METCALFE, Mr. ROSENTHAL, Mr. CHARLES H. WILSON of California, and Mr. CHARLES WILSON of Texas):

H.R. 2396. A bill to amend the Social Security Act to establish a program of food allowance for older Americans; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. RONCALIO (for himself and Mr. JOHNSON of Colorado):

H.R. 2397. A bill to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers; to the Committee on Agriculture.

By Ms ABZUG:

H.R. 2398. A bill to amend the Emergency Jobs and Unemployment Assistance Act of 1974 to provide increased unemployment benefits; to the Committee on Education and Labor.

By Mr. ADAMS:

H. Res. 109. Resolution requesting the Secretary of Agriculture to rescind the food stamp regulations proposed on December 6, 1974; to the Committee on Agriculture.

By Mr. ANDERSON of Illinois:

H. Res. 110. Resolution authorizing and directing the Speaker of the House of Representatives to take immediate action to implement a plan for the audio and video broadcasting of House floor proceedings; to the Committee on Rules.

H. Res. 111. Resolution to amend rule VIII of the Rules of the House of Representatives to prohibit a party caucus or conference from issuing binding instructions on a Member's committee or floor votes, and to permit any Member so bound to raise a point of order; to the Committee on Rules.

H. Res. 112. Resolution to amend rule XI of the Rules of the House of Representatives to require that the record of committee action be made available for public inspection, with certain exceptions; to the Committee on Rules.

H. Res. 113. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

H. Res. 114. Resolution to amend rule XI of the House of Representatives to require that all committee meetings, with only limited exceptions, shall be open to the public; to the Committee on Rules.

H. Res. 115. Resolution to amend rule XI

of the Rules of the House of Representatives to provide that any member in committee may demand a rollcall vote on any matter, and that a rollcall vote shall be required on any motion to report a bill or resolution from committee; to the Committee on Rules.

H. Res. 116. Resolution to amend rule XXVII of the Rules of the House of Representatives to prescribe procedures whereby a committee may request that a matter reported should be considered under a suspension of the rules; to the Committee on Rules.

H. Res. 117. Resolution to amend rule XXVIII of the Rules of the House of Representatives to require that all House-Senate conferences shall be open to the public and that no conference report shall be in order for consideration unless all conference sessions were open; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 118. Resolution amending clause 6 of rule X of the Rules of the House of Representatives with respect to the election of the chairmen of standing committees of the House; to the Committee on Rules.

By Mr. BYRON:

H.J. Res. 153. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in national emergency; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. LEGGETT, Mr. STUDDS, Mr. FORSYTHE, Mr. BROWN of California, Mr. DANIELSON, Mr. DELLUMS, Mr. EDWARDS of California, Mr. HAWKINS, Mr. HINSHAW, Mr. MOORHEAD of California, Mr. RYAN, Mr. STARK, Mr. VAN DEERLIN, and Mr. CHARLES H. WILSON of California):

H.J. Res. 154. Joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of Tule elk and other species, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GIAIMO (for himself, Mr. COTTER, Mr. DODD, Mr. MCKINNEY, Mr. MOFFETT, and Mr. SARASIN):

H.J. Res. 155. Joint resolution designating Monday, June 2, 1975, to honor the Connecticut Bar Association; to the Committee on Post Office and Civil Service.

By Ms. HOLTZMAN:

H.J. Res. 156. Joint resolution proposing an amendment to the Constitution of the United States with respect to the pardon power; to the Committee on the Judiciary.

By Mr. KINDNESS:

H.J. Res. 157. Joint resolution designating the period from February 17 to February 23 of each year as "Sertoma Freedom Week"; to the Committee on Post Office and Civil Service.

By Mr. LONG of Maryland:

H.J. Res. 158. Joint resolution to designate the first Tuesday of June of each year as National Parliamentary Law Day; to the Committee on Post Office and Civil Service.

H.J. Res. 159. Joint resolution authorizing the President to proclaim April 14 of each year as John Hanson Day; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out the death penalty in certain cases; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.J. Res. 161. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 162. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 163. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 164. Joint resolution proposing an amendment to the Constitution relating to the terms of office of judges of the Supreme Court of the United States and inferior courts; to the Committee on the Judiciary.

H.J. Res. 165. Joint resolution to amend the Constitution of the United States to guarantee the right of any State to apportion one house of its legislature on factors other than population; to the Committee on the Judiciary.

H.J. Res. 166. Joint resolution to establish a commission to investigate the increase in riots and law violations, including loss of life and property, damage to or threat of damage to or destruction of the economy of States, counties, municipalities, or other political subdivisions, the causes thereof, and to recommend legislation that would grant States, counties, municipalities, or other political subdivisions additional rights to obtain injunctive and other relief to the end that the public welfare be protected; to the Committee on the Judiciary.

H.J. Res. 167. Joint resolution to establish a commission to investigate the increase in law violation, to determine the causes and fix responsibility for the breakdown in law enforcement, with the resulting destruction of life and property, to recommend corrective legislation, and for other purposes; to the Committee on the Judiciary.

H.J. Res. 168. Joint resolution providing that the United States shall not participate in any civil action except as a party to such civil action; to the Committee on the Judiciary.

H.J. Res. 169. Joint resolution to establish the Commission for Reestablishing Constitutional Principles; to the Committee on the Judiciary.

By Mr. BRADEMAS (for himself, Mr. O'NEILL, Mr. BURKE of Massachusetts, Mr. AMBRO, Mr. BADILLO, Mr. BINGHAM, Mr. BOLAND, Mr. BONKER, Mr. CARNEY, Mr. CARR, Mr. CONTE, Mr. CONYERS, Mr. CORNELL, Mr. DANIELSON, Mr. DELLUMS, Mr. DIGGS, Mr. DINGELL, Mr. DOWNEY, Mr. DRINAN, Mr. EARLY, Mr. EILBERG, Mr. EVANS of Colorado, Mr. FASCELL, Mr. FULTON, and Mr. HAYES of Indiana):

H. Con. Res. 71. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'NEILL, Mr. BURKE of Massachusetts, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. GAYDOS, Mr. HARRINGTON, Mr. HUGHES, Mr. MCHUGH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. OBERSTAR, Mr. RICHMOND, Mr. SARBANES, Mr. STUDDS, Mr. WIRTH, Mr. BIAGGI, Mr. SEIBERLING, Mr. FITHIAN, Mr. ASHLEY, Ms. ABZUG, Mr. FISHER, and Mr. ROUSH):

H. Con. Res. 72. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'NEILL, Mr. BURKE of Massachusetts, Mr. FLORIO, Mr. HEFNER, Mr. HELSTOSKI, Mr. HINSHAW, Ms. JORDAN, Mr. KASTENMEIER, Ms. KEYS, Mr. KOCH, Ms. LLOYD of Tennessee, Mr. LONG of Maryland, Mr. MCCORMACK, Mr. MAZZOLI, Mr. MEEDS, Mr. MELCHER, Ms. MEYNER, Mr. MIKVA, Ms. MINK, Mr. MORGAN, Mr. MOTTL, Mr. MURTHA, Mr. NIX, and Mr. NOWAK):

H. Con. Res. 73. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'NEILL, Mr. BURKE of Massachusetts, Mr. PATTEN, Mr. PATTISON of New York, Mr. PEPPER, Mr. PERKINS, Mr. REUSS, Mr. RIEGLE, Mr. RISENHOOVER, Mr. RODINO, Mr. RONCALIO, Mr. ROSENTHAL, Mr. SANTINI, Mr. JAMES V. STANTON, Mr. STARK, Mr. THOMPSON, Mr. UDALL, Mr. WALSH, Mr. YATRON, Mr. YOUNG of Georgia, Mr. ZEFERETTI, Mr. BEARD of Rhode Island, Mr. BEDELL, and Mr. D'AMOURS):

H. Con. Res. 74. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. O'NEILL, Mr. BURKE of Massachusetts, Mr. CLAY, Mr. ASPIN, Mr. DOMINICK V. DANIELS, Mr. BLOUIN, Mr. HICKS, Mr. HUBBARD, Mr. HOWE, Mr. ZABLOCKI, Ms. BOGGS, Mr. JACOBS, Mr. BROOKS, Mr. HARRIS, Mr. HAWKINS, Mr. HOWARD, Mr. MOORHEAD of Pennsylvania, Mr. EDGAR, and Mr. JOHN L. BURTON):

H. Con. Res. 75. Concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living benefit increases be enacted; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mrs. HECKLER of Massachusetts, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BELL, Mrs. BOGGS, Mr. BROWN of California, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CONYERS, Mr. DAVIS, Mr. DRINAN, Mr. DU PONT, Mr. EILBERG, Mr. FASCELL, Mr. FRASER, Mr. FRENZEL, Mr. GONZALEZ, Mr. GUDE, Mr. HELSTOSKI, Mr. HICKS, Mrs. HOLT, and Miss HOLTZMAN):

H. Con. Res. 76. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. HECKLER of Massachusetts, Mr. HORTON, Mr. KOCH, Mr. LONG of Maryland, Mr. MEEDS, Mr. MELCHER, Mr. METCALFE, Mrs. MINK, Mr. MITCHELL of New York, Mr. NIX, Mr. PEYSER, Mr. REUSS, Mr. ROSE, Mr. ROSENTHAL, Mrs. SCHROEDER, and Mr. STARK):

H. Con. Res. 77. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mrs. HECKLER of Massachusetts, Mr. SYMINGTON, Mr. VANDER JAGT, Mr. WOLFF, and Mr. YATES):

H. Con. Res. 78. Concurrent resolution in support of International Women's Year 1975; to the Committee on Foreign Affairs.

By Mr. HYDE:

H. Con. Res. 79. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Con-

ference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. TEAGUE:

H. Con. Res. 80. Concurrent resolution expressing the sense of Congress that necessary steps be taken by the U.S. Government to determine the status of missing servicemen and civilians in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. GILMAN:

H. Con. Res. 81. Concurrent resolution expressing the sense of Congress that a Presidential Task Force on MIA's be established; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 2399. A bill for the relief of Leonard Alfred Brownrigg; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.R. 2400. A bill to correct an inequity in the case of certain applications for letters patent of Tsukumo Nobusawa; to the Committee on the Judiciary.

H.R. 2401. A bill for the relief of Wilmoth N. Myers; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 2402. A bill for the relief of Kiyonao Okami; to the Committee on the Judiciary.

By Mr. HICKS:

H.R. 2403. A bill for the relief of Mrs. Keith Gordon; to the Committee on the Judiciary.

H.R. 2404. A bill for the relief of eligible survivors of certain individuals who were killed while participating in the Air Force Reserve Officers' Training Corps flight instruction program; to the Committee on the Judiciary.

By Mr. HIGHTOWER:

H.R. 2405. A bill for the relief of Chris Gus Yiantsou; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 2406. A bill for the relief of Edmund Fagundes Lima; to the Committee on the Judiciary.

H.R. 2407. A bill for the relief of Edmundo Alfredo Oreiro Espinueva; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.R. 2408. A bill for the relief of John Raymond Witt; to the Committee on the Judiciary.

By Mr. PETTIS:

H.R. 2409. A bill to authorize and direct the Secretary of the Interior to quitclaim to Kaiser Steel Corp. the remaining interest of the United States in and to certain public lands in Riverside County, Calif.; to the Committee on Interior and Insular Affairs.

By Mrs. SCHROEDER:

H.R. 2410. A bill for the relief of Nestor Manuel Lara-Otoya; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 2411. A bill for the relief of Alinor Anvari Adams; to the Committee on the Judiciary.

SENATE—*Wednesday, January 29, 1975*

The Senate met at 12 o'clock meridian and was called to order by Hon. GARY W. HART, a Senator from the State of Colorado.

PRAYER

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

"Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths."—Proverbs 3: 5, 6.

O Lord, replenish our hearts and minds with the truth of Thy written revelation that we may be doers of Thy word, and not hearers only. Move us to a deeper dedication to the eternal verities and enduring principles which make a people great and good and strong. In these difficult days be to us our sure guide, O Lord, our strength and our redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 29, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GARY W. HART, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GARY W. HART thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, January 28, 1975, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the executive calendar.

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK—NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND COAST GUARD

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration and the Coast Guard.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President I ask unanimous consent that the President be notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

COOPERATION, NOT CONFRONTATION

Mr. HUGH SCOTT. Mr. President, if there is not a good fight going in town, there always are people who are looking around for a chance to promote one. This town is more full of fight promoters than Las Vegas.

Currently, there are all sorts of "think pieces"—if I can dignify them by that phrase—which delight in using the term "confrontation" and weave elaborate webs of confrontation stories between Congress and the President.

We have voted for open sessions here, and it is a pity that we cannot let the people see the way we talk when we are together with the President. There have been four such meetings this week, two of them with the bipartisan leadership. We are prudent in what we say of what goes on in those meetings, but I would like to mention the tone of them.

Throughout these meetings, the Democratic and Republican leaders of Congress, in discussing with the President the economic and the energy problems, have both sturdily and steadily made the point that nobody wants confrontation, that what we want is cooperation, that what we want to achieve is legislation; and the President says, "I have a plan."

The President said, in effect, "At the

moment, it is the only plan in town. It is not necessarily perfect. Congress will develop its plans. Congress may wish to refine or improve or change or modify my proposals, and probably will. Let me see what you come up with. Let's see if we can work out something in the national interest."

"But above everything else" says the President, "I urge you, as you have a right to urge me, to move speedily with these programs, so that the public is not left without legislation in the tax field, in the tax rebate field, and the energy field."

I am sure that the distinguished majority leader would agree with this somewhat generalized conclusion. We meet in amity and comity. We meet out of a sincere desire to preserve and protect and advance the national interest, the domestic tranquillity. Yet, we come out of these meetings and are immediately asked who confronted whom.

It is ridiculous—it is utterly and absolutely ridiculous—to continue to read about these elaborate confrontations that never took place. It is a little like the phrase about "the little man that wasn't there."

I solicit, if I may, the comment of the distinguished majority leader as to whether I have accurately portrayed the mood and the tempo and the spirit of executive and legislative leaders.

Mr. MANSFIELD. Mr. President, the distinguished Republican leader has accurately and correctly stated the situation.

We are not interested in confrontation. There will be differences. We want to cooperate because we know that neither the President alone nor Congress alone can solve the common problem which confronts the people of this Nation and, for that matter, the Western World at this time.

Any idea of confrontation is a figment of somebody's imagination. The worst possible course which either the President or Congress could pursue would be one of confrontation and antagonism. Neither exists, I am happy to say.

I repeat, there will be differences, as there should be in a democracy. But I hope that we are mature enough and sensible enough and aware of the Nation's problems enough so that we can work out these differences wherever possible and that if we feel very strongly on a particular issue, rather than criticize the other, we will try to come up with an alternative.

Mr. HUGH SCOTT. I thank the distinguished majority leader for his usual fairness.

The pity of it is that we have here stated the truth, and the truth so often is not news. I doubt that we will read a word of it in any journal or hear it on any radio or television program. It is not news that people are trying to get along. I am sorry that is the case.

APPOINTMENTS BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GARY W. HART). The Chair, on behalf of the Vice President, pursuant to Public Law 91–510, appoints the Senator from New Mexico (Mr. DOMENICI) to the Joint Committee on Congressional Operations.

The Chair, on behalf of the Vice President, pursuant to Public Law 89–81, appoints the Senator from Nevada (Mr. LAXALT) to the Joint Commission on the Coinage.

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, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

FULL EMPLOYMENT AND JOB DEVELOPMENT ACT OF 1975—S. 472

Mr. JAVITS. Mr. President, in the very same spirit just stated by the majority and minority leaders, I introduce for myself and 13 of my colleagues the Full Employment and Job Development Act of 1975. The cosponsors are Senators EDWARD W. BROOKE, CLIFFORD P. CASE, ALAN CRANSTON, WILLIAM D. HATHAWAY, HUBERT H. HUMPHREY, EDWARD M. KENNEDY, CHARLES McC. MATHIAS, WALTER F. MONDALE, GAYLORD NELSON, JENNINGS W. RANDOLPH, HUGH SCOTT, ROBERT T. STAFFORD, and HARRISON A. WILLIAMS.

This bill would establish a Federal Full Employment Board, serving as an independent agency in the executive branch and its purpose is to implement a full employment policy. The Board would consist of five full-time members appointed by the President and confirmed by the Senate. Included in their ranks would be one representative of labor, one representative of management, one distinguished economist, one manpower expert, and one member from the general public. The bill would take effect upon enactment and give authority to the Board through the end of fiscal year 1977.

Mr. President, it has been patently obvious for some time that, notwithstanding the commitment to maximum employment in the Employment Act of 1946, this Nation has not had at any time a full employment policy or anything approaching it.

Under this bill, the Board would be authorized and directed to recommend a policy of achieving full employment in each fiscal year and the means of reaching that objective. Such means could be through monetary and fiscal policy, job training, public service employment, unemployment compensation, and such other policies as the Board may recommend. The Board would, of course, draw on the analyses, reports, and recommendations of all agencies of Government and on private sources. Its role would be to show how best the full employment objective could be attained in each fiscal year.

Symptomatic of this situation and contributing to it is the fact that we have not established a positive goal relating to employment. Unfortunately we have generally adopted negative standards subordinating the issue of employment to the issue of unemployment.

We do not ask "have we reached full employment," instead, even in the best of times we ask if we are at "tolerable" or "acceptable" levels of unemployment.

It has been too often a question of what the traffic can bear in terms of unemployment rather than our direction in terms of employment.

Now that "intolerable" and "unacceptable" are inadequate to describe the present unemployment situation and even as to our short-term prospects, the words "deplorable" and "appalling" seem insufficient, it is time to get our sights on the positive employment objective and begin to define positive goals and means of implementing them.

Our present situation is tragic evidence of how badly matters can deteriorate when employment is given a lower priority than unemployment.

Unemployment at 7.1 percent in December was at our highest rate since 1958. It has been climbing at a rate matched only by the 1957–58 recession. The number of Americans out of work—6.5 million in December—was surpassed only during the depression of the 1930's. And the worst is yet to come.

Initial claims for unemployment insurance, a generally recognized leading indicator of labor market activities, averaged 666,000 during the first 2 weeks in December, which is a postwar record. Other labor market indicators such as overtime and weekly hours are deteriorating rapidly.

Six months ago, economists were projecting unemployment rates of 7 percent. However, with each new staggering adverse economic development, the profession revised its unemployment projections upward, and now projections by administration experts and others of 8 percent and more are common.

Pulling ourselves out of this situation requires more than a good faith effort to get things moving again. It requires a many faceted program with one aim in mind: to provide the largest number of jobs consistent with the stability of the dollar as an international currency and confidence in it at home.

The simple numbers of getting our country on the recovery path again are sobering. As a general rule we can start making a dent in the unemployment rolls only when the economy is moving faster than the growth in the labor force plus the growth in productivity. This means real economic growth of at least 4.5 percent per year, but at the present time the GNP is declining at a real rate of 9.1 percent. The momentum of this devastating decline will carry unemployment upward throughout most of this year, economists say, carry total unemployment to as many as 7.5 million persons.

Mr. President, this national picture—as bad as it is—hardly holds a candle to the situation now in my own State of New York and areas within the State.

The rate of national unemployment is, as I noted, at 7.1 percent for December.

But the rate of unemployment in New York State, according to the figures released just yesterday by State industrial commissioner, Louis Levine, is at a startling 7.5 percent for December, substan-

tially up from the November rate of 6.8 percent and for New York City, the rate jumped from 7.4 percent in November to 8.5 percent with 269,700 persons unemployed—thus almost three times the jump from 6.7 to 7.1 percent in the national rate between November and December; and, even worse, the rate in Buffalo, N.Y., was 10.3 percent in December, compared with 8.8 percent in November—depression-like levels.

This shows the need not only for the legislation I am introducing today, but additional legislation I am preparing to provide an authorization sufficient to create in this calendar year at least 1 million jobs nationally, doubling the current authorized effort, which is 500,000 jobs in the aggregate under titles II and VI of the Comprehensive Employment and Training Act of 1973, as amended by the Emergency Jobs and Unemployment Assistance Act of 1974.

Mr. President, in respect to the situation in New York, I ask unanimous consent that an article by Michael Stern, published in this morning's New York Times, 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, Jan. 29, 1975]

CITY JOBLESS RATE CLIMBS 1.1 TO 8.5 PERCENT, WITH 269,700 IDLE

(By Michael Stern)

Almost 37,000 more New York City residents lost their jobs in December, pushing the unemployment rate here up 1.1 percentage points—from 7.4 to 8.5 per cent—and the total of jobless to 269,700, the State Department of Labor reported yesterday.

The November-to-December unemployment-rate increase was extremely sharp, almost three times the jump from 6.7 to 7.1 per cent in the national jobless rate for those months. It was another indicator that New York City's economy, which once had been considered recession-resistant, is feeling this recession acutely.

Commenting on the worsening unemployment trends here and in the state, where the jobless rate rose from 6.8 to 7.5 per cent, Louis L. Levine, the State Industrial Commissioner, said:

"What we are seeing now is just the tip of the iceberg. I think it is going to get worse, much worse. The figures for January and February are going to show even more unemployment."

QUICK U.S. ACTION URGED

Mr. Levine called for "fast Federal action to return confidence to the national economy." He said that "Congress and the President have to stop dueling and get down to business."

In Washington, Senator Jacob K. Javits characterized the city's latest unemployment rate as "staggering," and he renewed his call for the creation of a million public-service jobs to provide alternate employment for people thrown out of work.

Another indicator of the weakening of the city's economy is the accelerating shrinkage in the number of jobs it sustains. From December, 1973, to last December, that number shrank by 89,700, to 3,481,700. The year-to-year decline in November was 75,900. In October, it was 71,600; in September, 64,400; in August, 45,100, and in July, 27,000.

Even worse hit than New York City last month was Buffalo, where the unemployment rate climbed to 10.3 per cent from 8.8 per cent in November. Economists with the Labor Department said Buffalo, where the number of jobless now is 56,500, was feeling the national turndown in the steel, automobile and machine-tool industries.

Throughout the state, the number of jobless people rose 54,800, to 570,100. A year earlier, there were 153,800 fewer people out of work—416,300.

JOBS UPON LONG ISLAND

Only Nassau and Suffolk Counties showed unemployment declines last month. In Nassau the rate fell from 4.9 to 4.7 per cent, with the number of jobless declining from 31,100 to 30,100. In Suffolk, the rate fell from 6.2 to 5.9 per cent, and the number of people out of work declined from 27,000 to 26,100.

Commissioner Levine said the declines in Long Island probably were a "seasonal abbaration" and predicted that joblessness would be shown to be increasing there when the January figures were ready.

Almost all sections of the city's economy showed job losses last month, department economists said. The number of jobs in manufacturing fell 20,300, to 606,800, with half the loss—10,200 jobs—in the apparel industry which fell to 162,000 jobs in December, the lowest level ever recorded.

Other areas of decline were, construction, off 3,100 jobs, to 96,200; services, off 500 jobs, to 794,200; government service, off 500 jobs, to 572,100.

RETAIL TRADE JOBS GAIN

Wholesale and retail trade gained 11,300 jobs, for a total of 692,000, but the increase was much smaller than is usual in a December. In December, 1973, there were 24,200 more jobs in this area.

There also was an increase of 400 jobs in banking, bringing the total to 137,000, the highest level of employment ever achieved in that field.

Labor Department economists said the December rise of 36,800 in the number of jobless people in the city was "real" in the sense that it represented people who were actually laid off from work. This was established through correlations with the number of new claims for unemployment insurance. In other months, the figures are raised or lowered by people entering or leaving the labor force.

Mr. JAVITS. Mr. President, in his state of the Union address, President Ford, announcing a "new direction," stated:

Let us mobilize the most powerful and creative industrial nation that ever existed on this earth to put *all* our people to work. The emphasis of our economic efforts must now shift from inflation to jobs.

This statement—which in its reference to all our people constitutes a reiteration of the full employment principle—means in effect that unemployment and recession have become "Public Enemy No. 1" in the minds of the executive as well as the legislative branches.

When inflation was "Public Enemy No. 1," the Executive and the Congress responded with the establishment of the Cost of Living Council and later the Council on Wage and Price Stability.

Now that unemployment and recession must be considered "Domestic Enemy No. 1"—in what I called in a speech delivered last week the "war against worldwide depression"—we need a Federal Full Employment Board to spearhead efforts to get people back to work now, as well as pursue the object of full employment as a national goal for the future.

Public service employment programs and job training efforts can be important tools in dealing with the unemployment situation, but they cannot do the massive job that is needed.

At present, even if we were to double the current authorized public service job effort—which is at about 500,000 jobs in this calendar year—we would still reach only one-sixth of those now out of work.

Hence, while essential, public service employment alone cannot be the basis for a full employment policy. Even if it were desirable, we do not have the public resources to commit to reaching such a goal by subsidy alone.

This means that if we are to bring unemployment down to even a tolerable level, other levers will have to be pulled to effect employment and they will have to be pulled thoughtfully and with a sophisticated view of their interrelationship.

Income tax rebates—as the President has suggested—and a wealth of other governmental efforts may be utilized, but there is no entity now devoted to the efforts of full employment that can show us how we "get from here to there."

The Council of Economic Advisers organized under the Employment Act of 1946—which established the goal of maximum employment—has been given a broader and wholly advisory function. Its responsibility is to overview the general economy, but it has not been and cannot be an advocate for full employment alone.

The Department of Labor while generally entrusted with the goal of increasing employment opportunities and administration of comprehensive manpower and public service jobs legislation, has no charter to make recommendations with respect to the many programs outside of its jurisdiction which have substantial effects of full employment.

The Commission on Productivity and the National Commission on Manpower are both very important in the struggle against unemployment and recession, but they too have specialized responsibilities.

Mr. President, the Full Employment Board would take on the task of spearheading our efforts at reaching full employment by:

Recommending to the President and the Congress by January 20 of each year—beginning January 20, 1976—a program to achieve full employment in each fiscal year and alternative means of attaining that objective. An interim report is required by June 1, 1975, with respect to the coming fiscal year 1976.

Reviewing and making recommendations with respect to monetary, fiscal, income, and other governmental policies in terms of their impact upon achieving full employment.

Reviewing and making recommendations with respect to decisions made and to be made by public and private employers.

Reviewing and making recommendations with respect to job training, public service jobs, and other funded programs directly or indirectly affecting employment.

Improving employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973 and the Emergency Job and Unemployment Assistance Act of 1974 toward achieving full employment.

Undertaking long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry,

and by occupation, including anticipated changes in short-term and long-term technology.

Holding on a regular basis nationwide and regional conferences designed to encourage the support of management and labor in meeting the objectives of the act.

Analyzing and making recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of governmental funding and procurement policies.

Performing such other functions dealing with full employment as the President or the Congress may direct.

This measure is based upon the provisions for a Full Employment Board contained in the Full Employment and Job Development Act of 1973, which I introduced on May 3, 1973, with many of the same cosponsors. They included my principal cosponsor Senator MONDALE, and Senators BROOKE, CASE, HART, HUMPHREY, MOSS, MUSKIE, PASTORE, PELL, RANDOLPH, TUNNEY, and WILLIAMS.

The basic difference between the measure we introduce today and the 1973 proposal is that we no longer include a separate public service jobs fund made available to the Board. Since introduction of the earlier measure, the Congress has passed both the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act of 1974, providing specific funds for public service employment. As our new measure is considered, it is my expectation that a link between any new public service funds and this Board will be appropriately developed.

Mr. President, some might ask how we can be considering full or even maximum employment at a time when the statistics and our observations indicate that we are at almost a minimum employment level situation.

But, what better time to formulate a full employment policy than now when the issue of employment is so vividly exposed to national attention? What better time to repair the roof than now when we can still see where the holes are, as we face a deluge of joblessness? If we do not, it is predictable that we will find ourselves swamped and running around with buckets—if we are not already there—rather than applying the planned approach that is needed.

In the end I hope that we will have, and I will work for a right to a job opportunity for every American. As an indication of my commitment to that goal, in addition to developing this legislation, I have joined with Senator HUMPHREY and four of my colleagues in introduction of S. 50, the Equal Opportunity and Full Employment Act of 1975—based upon an original measure introduced by Congressman HAWKINS in the House.

Mr. President, I ask unanimous consent that a section-by-section description and a copy of the bill be printed in the RECORD at this point.

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

FULL EMPLOYMENT AND JOB DEVELOPMENT ACT OF 1975

(Section-by-Section Description)

Sec. 2. *Congressional Statement of Policy and Findings.* This section states that in order to attain the national objective of full employment it is necessary to assure an opportunity for a job to each American, that the United States has the capacity to do so and that the Federal Government lacks any comprehensive means to reach that objective.

The purposes of the Act is to provide for the implementation of a full employment policy through the establishment of a "Federal Full Employment Board".

Sec. 3. *Federal Full Employment Board.* This section establishes as an independent agency in the executive branch a "Federal Full Employment Board", to consist of five members appointed by the President by and with the advice and consent of the Senate as follows: one representative of labor, one of management, one distinguished economist, one distinguished manpower expert, and one member of the general public. Not more than three members may be of the same political party. Members shall serve full time.

Sec. 4. *Functions of the Board.* This Section authorizes and directs the Board to (i) recommend to the President and the Congress by January 20 of each year (beginning January 20, 1976) a program to achieve full employment in each fiscal year and alternative means of attaining that objective; (and interim report is required by June 1, 1975, with respect to the coming fiscal year 1976); (ii) review and make recommendations with respect to monetary, fiscal, incomes, and other governmental policies in terms of their impact upon achieving full employment; (ii) review and make recommendations with respect to decisions made by public and private employment and establish appropriate procedures for the receipt of information from such employers necessary to carry out the purposes of the Act; (iv) review and make recommendations with respect to job training, public service jobs and other programs under the Comprehensive Employment and Training Act of 1973 and the Emergency Job and Unemployment Assistance Act of 1974 and other federally funded programs directly or indirectly affecting employment, in terms of their impact upon achieving full employment, including, but not limited to, increases in funding and appropriate distribution necessary to meet such objective; (v) improve employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974 toward achieving full employment; (vi) undertake employment planning and long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry, and by occupation, including anticipated changes in short-term and long-term technology; (vii) hold on a regular basis nationwide and regional conferences designed to encourage the support of management and labor in meeting the objectives of the Act; (viii) analyze and make recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of governmental funding and procurement policies; (ix) perform such other functions as the President or the Congress may direct.

Sec. 5. *Authorization of Appropriations.* This Section authorizes "such sums" fiscal year 1975 and for each of the two succeeding fiscal years for the activities of the Board.

SEC. 6. *Reports.* This Section provides for an annual "Full Employment Report" setting forth the Board's recommendations with respect to implementation of a full employment policy in fiscal year 1976, and for succeeding fiscal years. The report is to be referred to appropriate committees in each House.

Sec. 7. *Definitions.* This Section defines Board, Secretary, State, public service job development program, and unemployed persons.

Sec. 8. *Effective date.* This section provides that the Act shall take effect upon enactment.

S. 472

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 "Full Employment and Job Development Act of 1975".

CONGRESSIONAL STATEMENT OF POLICY AND FINDINGS

SEC. 2. (a) Congress hereby finds and declares that—

(1) to attain the objective of full employment it is necessary to assure an opportunity for a gainful, productive job to every American who seeks work and to furnish the employment opportunity, training, and related assistance needed by any person to qualify for employment consistent with his or her highest potential and capability;

(2) the United States has the capacity to provide each American who is available for work the full opportunity, within the framework of a free society, to prepare for and to obtain employment at the highest level of productivity, responsibility, and remuneration consistent with his or her abilities; and

(3) while full employment is a national objective, the Federal Government lacks any comprehensive means of reaching that objective with the results of individual hardship, unacceptable levels of unemployment, an erosion of the American spirit of work, and increasing welfare dependency.

(b) It is the purpose of this Act to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board.

FEDERAL FULL EMPLOYMENT BOARD

SEC. 3. (a) There is hereby established as an independent agency in the executive branch of the Government a Federal Full Employment Board, to consist of five members appointed by the President by and with the advice and consent of the Senate as follows:

(1) One member shall be representative of labor.

(2) One member shall be representative of management.

(3) One member shall be a distinguished economist.

(4) One member shall be a distinguished manpower expert.

(5) One member shall be representative of the general public.

Not more than three members shall be members of the same political party. The President shall designate one member to serve as Chairman.

(b) Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of the term and the terms of office of the members first taking office after the enactment date shall expire, as designated by the President, one at the end of one year, two at the end of two years, and two at the end of three years.

(c) The Board shall meet at the call of the Chairman or at the call of the President and in no event less than four times each year. A quorum shall consist of three members.

(d) Members of the Board shall receive compensation at the rate prescribed for level

IV of the Executive Schedule by section 5315 of title 5 of the United States Code.

(e) The President is authorized to appoint, by and with the advice and consent of the Senate, as Executive Director of the Board. The Executive Director shall be the principal executive officer of the Board and shall receive compensation at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code.

(f) The Executive Director of the Board with the approval of the majority of the Board is authorized to employ, and fix the compensation of, such specialists and other experts as may be necessary for carrying out the Board's functions under this Act, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and is authorized, subject to such provisions, to employ such other officers and employees as may be necessary for carrying out its functions under this Act and fix their compensation in accordance with the provisions of such chapter 51 and subchapter III of chapter 53.

FUNCTIONS OF BOARD

SEC. 4. (a) The Federal Full Employment Board is authorized and directed to—

(1) recommend to the President and the Congress by January 20 of each year (beginning January 20, 1976) a program to achieve full employment in each fiscal year and alternative means of attaining that objective;

(2) review and make recommendations with respect to monetary, fiscal, income, and other governmental policies in terms of the impact of such policies upon achieving full employment;

(3) review and make recommendations with respect to decisions made by public and private employers and establish appropriate procedures for the collection of information, from such employers, necessary to carry out the purposes of this Act;

(4) review and make recommendations with respect to job training, public service employment and other programs under the Comprehensive Employment and Training Act of 1973 and the Emergency Jobs and Unemployment Assistance Act of 1974 and other federally funded programs directly or indirectly affecting employment, in terms of the impact of such programs upon achieving full employment, including increases in funding and appropriate distribution necessary to meet such objective;

(5) improve employment and unemployment data for use by prime sponsors under the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Unemployment Assistance Act of 1974 toward achieving full employment;

(6) undertake employment planning and long-range and short-term surveys to estimate employment needs in terms of demand and supply by sector, by geographical area, by industry, and by occupation, including anticipated changes in short-term and long-long-term technology;

(7) hold nationwide and regional conferences on a regular basis designed to encourage the support of management and labor in meeting the objectives of this Act;

(8) analyze and make recommendations with respect to the extent to which the Federal budget may assist in reaching full employment, including the effect of different types of government funding and procurement policies; and

(9) perform such other functions as the President may direct.

(b) In exercising its duties and functions under this Act, the Board is authorized to—

(1) use the services, facilities, and information (including statistical information) of other Government agencies;

(2) supply technical and administrative assistance to labor and management and similar groups;

(3) establish regional and such other local offices as it deems necessary;

(4) make grants to or enter into contracts with any public or private agency or organization;

(5) accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities;

(6) consult and coordinate with the Council on Economic Advisers to the President, the National Commission for Manpower Policy, and with the National Commission on Productivity;

(7) consult with such representatives of industry, labor, antipoverty, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties; and

(8) make recommendations for the elimination of delays in respect to the dissemination of information concerning job vacancies.

REPORTS

SEC. 5. (a) The Board shall transmit to the Congress, on or before January 20 of each year (beginning January 20, 1976) a report, to be known as the "Full Employment Report", setting forth a program to achieve full employment for the following fiscal year, and alternative means of attaining that objective, as required under section 4(a)(1) of this Act, together with a statement of the Board's activities during the current fiscal year and proposed activities for the following fiscal year. An interim "Full Employment Report" shall be submitted to the Congress by June 1, 1975, with respect to fiscal year 1976.

(b) Each Full Employment Report, and all supplementary reports transmitted under subsection (a) of this section, shall, when transmitted to Congress, be referred to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives, which committees shall hold at least annually hearings on the report and such supplementary reports. Nothing in this subsection shall be construed to prohibit the consideration of the report by any other committee of the Senate or the House of Representatives, including any joint committee of the Congress, with respect to any matter within the jurisdiction of any such committee.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are hereby authorized to be appropriated such sums as may be necessary for fiscal year 1975, and for each of the two succeeding fiscal years for the activities of the Board.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION CONCERNING THE IMPOSITION OF ECONOMIC CONTROLS

Mr. BEALL. Mr. President, I do not have to remind my colleagues of the crushing inflationary situation in which our country finds itself today. The Wholesale Price Index for 1974 was higher than at any time since World War II, and the real purchasing power of the consumer's dollar has sank at an alarming pace.

There are, of course, many reasons for this trend. Excessive Federal spending for too many years, and a too rapid growth in our money supply have planted the seed for inflation. Additionally, unusually poor harvests lead to world food shortages and escalating food prices. World petroleum prices skyrocketed, and had an inflationary impact in almost every area of economic activity. Finally, an economic boom occurred simultaneously throughout the rest of the world, thus creating a heavy demand for many goods and services previously consumed by only a fraction of the world's population.

However, I believe there is presently in this country another reason for increasing prices which, although much more difficult to identify than other causes of inflation, just as surely adds to price pressure. That reason is the fear by many in the business community of this country that its Government may impose economic controls.

In August 1971, when wage and price controls were imposed, many companies were caught, so to speak, with their prices down. With their selling price suddenly frozen, manufacturers and businessmen of all types and sizes were forced to absorb cost increase after cost increase, with no way to recoup these losses.

Caught once, many business concerns have vowed that it will not happen again. Thus, some companies are now either failing to lower prices when possible, or putting into effect precautionary price increases whenever they are faced with any kind of cost increase.

Further, in situations where actual costs to the buyer have declined, particularly for durable goods, the list price often stays the same, seemingly as a hedge against possible price controls.

For instance, in the automobile industry, American manufacturers are now offering rebates to buyers of up to $500 off the cost of a new car. Why do they not lower the "window," or list price? The answer could be that by lowering the sticker price, they would be lowering the base price in the event of controls. But by offering discounts, the maximum price is still in effect, and dealers can return to it easily, even in a situation of price controls.

The respected publication, the Morgan Guaranty Survey, published by the Morgan Guaranty Trust Co. in its December 1974 report states that—

> Businessmen, worried about reimposition of price controls, are either inclined to increase prices to reflect any increased costs or are hesitant to lower them. Of course, if at some point in 1975 business and industry become convinced that controls are not going to be imposed—or that a new controls effort would not penalize companies which had dropped their prices—the result could be a rather dramatic downswing in prices.

Mr. President, the implications of such thinking are indeed serious. Unless the Congress either stops talking about wage and price controls—an action which I hardly expect—or convinces business and industry that, if they lower prices now, they will not be penalized later, then our country runs a great risk of seeing higher and higher prices caused by a fear of future economic controls.

Therefore, I am introducing today a sense of the Congress resolution which states that if economic controls are imposed, it is the desire of Congress that

those business concerns who lowered prices on or after January 1, 1975, shall not be penalized in the establishment of any base price pursuant to those controls.

It is a resolution that I believe can be supported by both those who support controls and by those who oppose their imposition. No matter what our differences on the ultimate economic policy of our Nation, no one wants to see prices rise to higher levels, particularly for reasons which have nothing to do with market forces.

Personally, I strongly oppose the imposition of wage and price controls. As politically attractive as wage and price controls seem to be in the short run, they would be detrimental to our Nation's long-term interests. Controls, in my judgment, would lead inevitably to a misallocation of resources, inefficiency in the marketplace, a growth of black markets, and a rising dissatisfaction on the part of the people who are subject to controls.

However, as we in the Congress consider whether controls should be imposed, we should not foster an atmosphere of uncertainty in our economy which encourages businesses to make precautionary price increases, or not to lower prices when possible. By allowing this feeling to exist, we are adding fuel to the fires of inflation.

My resolution, however, is not designed to give a "blank check" to businesses in the event of controls. We are not mandating that a company can automatically return to a higher price for no justifiable reason other than to increase profits. What we are saying is that should controls be imposed, those companies which were able to temporarily lower prices should not be penalized should they find it necessary, because of increased costs, to return to a higher price.

This resolution, if enacted by Congress, will encourage businesses to lower price levels on their products, because it would eliminate the distortions caused by a fear of economic controls. The result may well be a significant slowing of consumer price increases, and in some cases actual reductions in prices.

Therefore, I hope the Senate will give this resolution its swift and favorable consideration.

Mr. President, I ask unanimous consent that an article from the Wall Street Journal of January 8, 1975, entitled "Fear of New Controls Causes Many Concerns To Keep Prices High," and my resolution be printed in the RECORD at the conclusion of my remarks.

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

BEING PREPARED—FEAR OF NEW CONTROLS CAUSES MANY CONCERNS TO KEEP PRICES HIGH; DESPITE FORD'S DISCLAIMERS, FIRMS' PLANNERS HEDGE AGAINST A REPLAY OF 1971; DEFYING ECONOMIC THEORIES

(By Ralph E. Winter)

President Ford opposes wage and price controls. George Meany opposes controls. Businessmen oppose controls. Even the House Democratic leaders this week stopped short of recommending controls.

So it would appear that everyone could sit back and stop worrying about the possibility of controls anytime soon. But there's lots of evidence that businessmen aren't taking the no-controls talk too seriously.

Instead, they are making sure they are prepared in case the inflationary spiral does bring a new round of wage and price controls. Specifically, many companies—even those with slumping sales—are making certain they don't get caught with their prices down.

"We got caught by controls before," the president of a machinery producer says, "and our profit margins have been suffering for a couple of years as a result. I'm personally making damned sure that we aren't caught again."

This executive therefore is regularly reviewing the price levels of every division in his company with key officers and is insisting that prices be raised whenever costs go up, even at the risk of losing some business.

FAILURE OF PAST CONTROLS

When the final phase of the last round of controls ended last spring, there was wide agreement that the controls hadn't worked and so there was little chance they would be reinstituted. However, soaring inflation since then has cast doubt on that assumption. Third quarter price rises reached an 11.8% annual rate for the steepest inflation since the Korean war.

If this inflation doesn't abate, many businessmen feel controls may be reinstated as a desperation move, with the public's acquiescence. The House Democratic leaders, while not recommending controls, did suggest the administration be given power to delay wage and price rises for as long as 90 days.

Although President Ford has repeatedly ruled out controls, the December survey of the National Association of Purchasing Management Inc. shows that 27% of the purchasing agents believe price controls will be applied, 53% think they won't and 20% are undecided. Only 13% believe controls are needed.

But the mere suggestion of possible controls is inducing many companies to delay price cuts or post precautionary price rises, with the ironic result of further fueling the inflation conflagration. Because the past controls were based on prices charged over a 90-day period, the businessmen figure it's prudent to keep prices high now, even if possible controls are far down the road.

OTHER PRICE PRODS

Fear of new controls, of course, isn't the only reason that prices generally have failed to level off despite the deepening recession. High costs for such things as energy and labor are also factors in the complex economic situation. Whatever the reasons, the price spiral has been contradicting the classic theory that prices ease when demand lags.

Even in the depressed auto industry, price cuts to bolster sales have been a long time coming. Chrysler Corp.'s new plan to offer rebates of $200 to 400 to purchasers of new cars and trucks is the first significant step in that direction. And the use of a rebate instead of a price cut is being viewed by some as a way to keep the list prices high—in case controls come.

Moreover, conversations with top corporate executives in industries ranging from steel to consumer items indicate that price cuts will be few even if the recession continues. And they suggest that the price spiral will continue over the next six months, albeit at a moderating pace.

"Even some sort of new voluntary price-restraint program with guidelines instead of firm rules, enforced by unfavorable publicity rather than legal sanctions, would seriously reduce our pricing flexibility," says a top executive of a major steel-products company. "We've got to be in a position where we don't need any price increases except those we can justify because of cost increases," he adds. "We probably wouldn't be allowed any catch-up under any type of controls, mandatory or voluntary."

A BRAKE ON THE ECONOMY

Economic consultants concur that the specter of controls is at least impeding many potential price cuts. "All the talk of controls is making companies hesitate on price cuts," says Albert H. Cox Jr., chief economist of the consulting firm of Lionel D. Edie & Co. "This is depressing economic activity further, since the economy isn't getting the price cuts it needs."

Michael K. Evans, president of the Chase Econometric consulting subsidiary of Chase Manhattan Bank, says, "We have evidence that the threat of controls is causing companies to go slow on cutting prices. In the past few months, a growing percentage of the businessmen I talk to have become convinced that controls are coming back."

These and other economists do believe, however, that prices will soon begin to level off because of weak demand. But whatever the outlook, there's little doubt that the controls specter has been influencing pricing decisions in many industries despite the administration's reassurances that controls aren't in the offing.

President Ford remains "very strongly" against controls, Edgar Fiedler, assistant Treasury Secretary, said last week, in the latest denial. Officials add that Mr. Ford would probably veto a bill providing standby authority to impose controls if such a measure clears Congress.

Officials of the Council on Wage and Price Stability similarly proclaim the case against controls. Conceding that some companies seem to be keeping their prices high because they fear controls, the officials say they are privately urging executives of these companies to cut prices—because controls just aren't in the works.

CREDIBILITY GAP

One key industry that isn't taking the reassurances at face value is the steel industry. "There's no doubt that fear of price controls was a factor in the frequency of steel price increases in 1974," a vice president of a Midwest steelmaker says.

He says the industry was severely burned when controls were instituted in August 1971 after repeated statements by the Nixon administration that price and wage controls weren't in the works. With the administration's blessing, steelmakers had signed a labor contract with a 15% first-year wage increase, effective that Aug. 1.

Immediately thereafter, big-tonnage sheet and strip steel were caught in the administration's price freeze, and the steelmakers' profits plummeted. U.S. Steel Corp. calculates that under the controls program, steel prices by the end of 1973 were 6% short of covering cost increases.

After controls were lifted early last year, steel producers wasted no time in boosting prices. By the end of the year, the increases totaled more than 45% for many producers, despite a partial rollback of a year-end increase by Bethlehem Steel Corp. under government pressure.

Armco Steel Corp. says December price increases offset only about a quarter of the 10% rise over the previous four months in costs for such things as raw materials, wages and energy. But Armco's chairman, William Verity, says profit margins are at least back to the levels of the 1960s, and that's "enough to encourage investment in new facilities." So he and other steel executives doubt there will be further price rises soon, especially with the recent reports of weaker demand and some order cancellations by steel users.

AUTO MAKERS CHANGE THEIR TUNE

Auto-industry observers similarly feel that prices are stabilizing somewhat following the steep boosts of 1974. Whereas the auto makers had indicated that last fall's price boosts would be followed by still others, the continuing sales slump has made them change their tune. Chrysler's rebate plan, still not officially announced, may not be followed by

other producers, but more sales promotions are predicted. This approach would keep list prices high in case of subsequent controls.

If industries such as steel and autos fear price controls, the lumber industry is practically in a panic. Controls would be a disaster for lumber companies, according to Ralph D. Hodges, Jr., executive vice president of the National Forest Products Association in Washington.

Mr. Hodges says such controls would hit the industry especially hard right now because the price of softwood lumber and plywood is at a 15-year-low. A sizable amount of lumber is being produced and sold below production cost because the mills are "gambling that the market will turn around," he says.

But the low price levels in the lumber industry are clearly the exception, because price increases were rampant during 1974. The onset of a recession didn't exactly stem the tide, as illustrated by the startling 30% annual rate of wholesale price increases in October and 14.4% in November.

A DAILY CHORE

"It used to be that we could review the pricing structure once a year, but now it's something you have to stay on top of daily," says W. Paul Cooper, president of Acme-Cleveland Corp., a producer of machine tools, equipment drills and other expandable tools. "Components such as castings, bearings and raw materials keep going up so fast that it seems we keep running one lap behind in our prices," Mr. Cooper says.

An executive of a producer of auto and industrial products says he also expects the company's price levels to keep rising because costs keep going up. "We've got to stay right on top of pricing all the time or our profit margins would quickly erode," he says.

But he and many other executives indicate that increases in the next six months or so will be largely "defensive"—just passing along cost increases. This would be a change from mid-1974, when demand was strong and many companies were increasing prices to restore profit margins that had been slimmed during the 1971–74 controls period and even before. (Some economists define this change as a switch to cost-push inflation from demand-pull inflation.)

Armco suggests, for example, that the steel industry has pretty well accomplished the bolstering of profit margins. Much the same can be said about such other basic industries as paper and chemicals.

In addition, the prices of some raw industrial commodities such as copper, rubber, cotton, hides, steel scrap, wool and waste paper, are down from their highs, taking some pressure off the price spiral. Prices of a few manufactured products have begun to ease as a result, including cotton textiles, synthetic fibers and some cotton products.

OBSESSION WITH PROFIT MARGINS

But these are exceptions. A marketing official of a major chemical company says his industry remains "obsessed with protecting profits through immediate passthroughs of costs" although volume has begun to dwindle. He contends that any fear of controls isn't evident in this obsession in his industry, but he believes it is a factor in other industries where the demand is more slack.

George J. Grabner, president of Lamson & Sessions Co., a fastener producer, says weaker demand is bound to "suppress price increases in excess of cost increases."

But the cost increases in many cases are substantial. For one thing, labor has just started getting in its licks, trying to rebuild workers' purchasing power eroded by inflation. Recent labor contracts have pushed hourly wages up 10% or more in the first year of the agreements.

The new coal industry contract provided a three-year package increase of 54%, which will be passed along to coal users, including the steel mills and electric utilities. The higher cost to utilities, in turn, will mean higher energy costs for scores of industries.

COSTLIER COSTS

Besides higher energy costs in general, many industries are coping with higher freight, postage and other charges. While interest rates are down from the peaks of a few months ago, they still represent a significant cost item to corporate borrowers.

Cost rises have been so sharp and unpredictable that some companies say they have trouble deciding the size of price increases. "It's really tough because we don't know what type of cost increase to expect 18 or 20 months from now," says Frank A. Furar, vice president, finance, of Danly Machine Corp., a Chicago producer of metal-forming presses. "We keep talking to our purchasing people to get their best estimate of what costs will be, but predicting is hard. You provide for a 10% materials cost increase, and then some clown will come along and raise castings prices 30%."

Some companies try to deal with the problem by inserting an escalator clause in delivery contracts. For instance, Giddings & Lewis Inc. gives purchasers of its machine tools a choice. Either prices are firm for deliveries within 12 months of publication of a new price list, and then rise a straight 1½% a month, or prices will climb in step with the rise in wholesale prices of industrial commodities.

Other concerns have simply given up trying to predict future prices. They tell customers who are placing orders that the price will be whatever price is in effect at the time of delivery.

These companies may prove the most farsighted. For some executives and economists expect that an economic recovery about a year from now will trigger still another surge of inflation.

S. CON. RES. 7

Resolved by the Senate (the House of Representatives concurring),

Whereas our Nation now faces serious economic difficulties; and

Whereas various proposals have been and will be offered in response to these economic problems, including the consideration of certain economic controls on wages, prices, and other forms of economic activity; and

Whereas it has been reported and called to the attention of the Congress that a number of business concerns are delaying price reductions or posting precautionary price increases because of the fear of such controls; and

Whereas the effect of such action by business concerns may be preventing price decreases, and in some cases even significant reductions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) That in the event that economic controls are imposed, it is the sense of the Congress that business concerns who, on or after January 1, 1975, lowered prices shall not be penalized in the establishment of any base price pursuant to those controls.

QUORUM CALL

Mr. HELMS. I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. 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.

PRIVILEGE OF THE FLOOR—S. 281

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James Lucier of my staff be accorded the privilege of the floor during the consideration of S. 281.

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

Mr. HELMS. I thank the Chair.

Mr. CLARK. Mr. President, I ask unanimous consent that a member of my staff, Mr. Andy Loewi, be given the privilege of the floor for the remainder of the day, including during the voting.

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

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

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

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. 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.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF THE DEPARTMENT OF THE AIR FORCE

A letter from the Under Secretary of the Air Force transmitting, pursuant to law, a report on the progress of the Reserve Officer Training Corps flight training program for the calendar year 1974 (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE ATTORNEY GENERAL

A letter from the Attorney General transmitting, pursuant to law, a report on the enforcement of title I of the Consumer Credit Protection Act for the calendar year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE DEPARTMENT OF STATE

A letter from the Assistant Secretary of State transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the first quarter of fiscal year 1975 (with an accompanying report); to the Committee on Foreign Relations.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

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

REPORT OF THE DIRECTOR OF THE FBI

A letter from the Director of the Federal Bureau of Investigation transmitting, pursuant to law, a report with respect to positions in the Bureau in grades GS 16, 17, and 18 (with an accompanying report); to the Committee on Post Office and Civil Service.

RESOLUTIONS OF THE INTERNATIONAL LABOR CONFERENCE

A letter from the Assistant Secretary of State transmitting resolutions adopted at the International Labor Conference in June 1973 (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORTS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service

transmitting, pursuant to law, copies of reports concerning visa petitions which have been approved (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GARY W. HART):

A resolution adopted by the City Council of the City of Miami Beach, Fla., memorializing the U.S. Senate to ratify the Geneva Genocide Convention; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

S. Res. 41. An original resolution continuing the authorization for two additional temporary professional staff members and two additional temporary clerical assistants for the Committee on Finance; and

S. Res. 42. An original resolution authorizing additional expenditures by the Committee on Finance for routine purposes. Referred to the Committee on Rules and Administration.

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

S. Res. 44. An original resolution authorizing additional expenditures by the Committee on Public Works for inquiries and investigations. Referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. RIBICOFF, from the Committee on Government Operations:

James T. Lynn, of Ohio, to be Director of the Office of Management and Budget.

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

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. JAVITS (for himself, Mr. BROOKE, Mr. CASE, Mr. CRANSTON, Mr. HATHAWAY, Mr. HUMPHREY, Mr. KENNEDY, Mr. MATHIAS, Mr. MONDALE, Mr. NELSON, Mr. RANDOLPH, Mr. HUGH SCOTT, Mr. STAFFORD, and Mr. WILLIAMS):

S. 472. A bill to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board. Referred to the Committee on Labor and Public Welfare.

By Mr. PHILIP A. HART:

S. 473. A bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. HOLLINGS:

S. 474. A bill relating to changes in status of members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

By Mr. MOSS:

S. 475. A bill entitled "The Federal Employee Administrative Hearing Rights Guarantee Act." Referred to the Committee on Post Office and Civil Service.

By Mr. MOSS:

S. 476. A bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay. Referred to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 477. A bill for the relief of Miss Germa Rowe. Referred to the Committee on the Judiciary.

By Mr. HANSEN:

S. 478. A bill for the relief of Patrosinio Simental, Otilia Simental, Eva Simental, Adam Simental, Soledad Simental, David Simental, and Aurora Simental. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 479. A bill for the relief of Doreen Francis and children: Anthony and Angeline. Referred to the Committee on the Judiciary.

By Mr. FONG:

S. 480. A bill for the relief of Sergio Osmena, Jr., his wife, Lourdes R. Osmena, and their son, Tomas R. Osmena. Referred to the Committee on the Judiciary.

S. 481. A bill for the relief of Jonabel O. Resurreccion. Referred to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. INOUYE):

S. 482. A bill to amend the Public Health Service Act to provide for a national program of medical malpractice insurance and arbitration of medical malpractice claims. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK (for himself, Mr. BEALL, Mr. BURDICK, Mr. DOLE, Mr. FONG, Mr. FORD, Mr. GARN, Mr. HANSEN, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MCINTYRE, Mr. MONTOYA, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. STAFFORD, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 483. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of age in the granting of credit. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GOLDWATER:

S. 484. A bill to help relieve the burden of high property taxes by allowing each homeowner a Federal tax credit or rebate for property taxes paid for the support of public schools. Referred to the Committee on Finance.

By Mr. BROCK (for himself and Mr. BAKER):

S. 485. A bill for the relief of Dr. Jesus Fernandez Tirao and his wife, Benylin-Lynda Obiena Tirao. Referred to the Committee on the Judiciary.

By Mr. FANNIN (for Mr. TAFT):

S. 486. A bill for the relief of Aleksandar Lomejko. Referred to the Committee on the Judiciary.

S. 487. A bill for the relief of Robert Braun. Referred to the Committee on the Judiciary.

S. 488. A bill for the relief of Miguel Angel Rivandeneira, his wife, Ana Marie Rivandeneira, and their children, Monica Silvia Rivadeneira, Ana Susana Rivadeneira, and Roxana M. Rivadeneira. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK:

S. 489. A bill to amend the Clayton Act to preserve and promote competition among corporations in the production of oil, natural gas, coal, oil shale, tar sands, uranium, geothermal steam, and solar energy. Referred to the Committee on the Judiciary.

By Mr. ABOUREZK (for himself, Mr. MCGOVERN, Mr. YOUNG, and Mr. MCGEE):

S. 490. A bill to amend section 111(a) of title 38, United States Code, relating to the payment of travel expenses for persons traveling to and from Veterans Administration facilities. Referred to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself, Mr. TUNNEY, Mr. CANNON, Mr. GRAVEL, Mr. HUMPHREY, Mr. INOUYE, Mr. MCGEE, Mr. PELL, Mr. STEVENSON, and Mr. WILLIAMS):

S.J. Res. 20. A joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of Tule elk and other species, and for other purposes. Referred to the Committee on Commerce.

By Mr. HOLLINGS:

S.J. Res. 21. A joint resolution to authorize and request the President to issue annually a proclamation designating February of each year as "National History Month." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. BROOKE, Mr. CASE, Mr. CRANSTON, Mr. HATHAWAY, Mr. HUMPHREY, Mr. KENNEDY, Mr. MATHIAS, Mr. MONDALE, Mr. NELSON, Mr. RANDOLPH, Mr. HUGH SCOTT, Mr. STAFFORD, and Mr. WILLIAMS):

S. 472. A bill to provide for the implementation of a full employment policy through the establishment of a Federal Full Employment Board. Referred to the Committee on Labor and Public Welfare.

(The remarks of Mr. JAVITS on the introduction of the Full Employment and Job Development Act of 1975 are printed earlier in the RECORD.)

By Mr. PHILIP A. HART:

S. 473. A bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code, and for other purposes. Referred to the Committee on the Judiciary.

PATENT REFORM AND MODERNIZATION ACT OF 1975

Mr. PHILIP A. HART. Mr. President, in 1966 the report of President Johnson's Commission on the Patent System recommended substantial overhaul of the system to raise the quality and reliability of the U.S. patent. In 1973, President Nixon transmitted to the Congress a special message seeking its reform and modernization.

The patent system in this country today is operating virtually unchanged since 1836, and is sorely in need of reform and modernization. Patents are being handled by this creaky system in such a way that roughly 70 percent of those patents litigated in appellate courts are held invalid and fewer than 20 percent of the litigated patents are held valid. It is true that only a small proportion of issued patents are litigated—but these are the ones having a significant impact on the economy. At hearings during the 93d Congress before the Patents, Trademarks, and Copyrights Subcommittee, prominent patent counsel to major corporations contended that a majority of nonlitigated issued patents

also are not of sufficient inventive quality to merit the issuance of a patent.

The Patents, Trademarks, and Copyrights Subcommittee chaired by the senior Senator from Arkansas (Mr. McCLELLAN) has been trying hard to reform our system for issuing patents. Patent reform legislation was reported both in the 92d and 93d Congresses, but advanced no further due to the unyielding opposition of the organized patent bar.

Today, Mr. President, I am introducing the Patent Reform and Modernization Act of 1975. The bill is an outgrowth of patent bills introduced last Congress, respectively, by Senator HUGH SCOTT (S. 2504) and myself (S. 1321). It reflects in large measure the bill reported by the subcommittee, as refined by last summer's compromise proposal of Senator SCOTT and myself. That proposal, Mr. President, was the result of a constructive and extremely useful dialog with a number of corporate patent counsel who supported it. In many respects, it is similar to the patent reform bill (S. 23) introduced on January 15 by the distinguished chairman of the subcommittee.

Although complex and interrelated, the bill's essential structure may be described as follows:

First. Maintaining and improving high constitutional standards of patentability—sections 102 and 103.

Second. Returning individual inventors and small businessmen to the mainstream of technological progress by limiting Patent Office fees, by instituting a system of deferred maintenance fees, and by setting up a program within the Patent Office to assist individual inventors and small businessmen in applying for and obtaining patents—sections 28 and 41.

Third. Assuring disclosure of all material information by:

Replacing the ex parte method of issuing patents with a more conventional administrative agency approach, including a public adversary proceeding—section 135;

Requiring a patentability brief, a comprehensive oath by inventors, attorneys, and applicants, and increased disclosure of the invention in the specification—sections 112, 115, and 131;

Authorizing the use by the Patent Office and others of subpenas and the discovery process—sections 23 and 24; and

Creating an Office within the the Patent Office to represent the public interest in assuring expeditious issuance of valid patents, prompt rejection of others, and overall compliance with the provisions of the patent law—section 3(d).

Fourth. Instituting a deferred examination system to allow a more thorough examination of fewer applications—chapter 18.

Fifth. Eliminating production goals and quotas which stress quantity rather than quality—section 132.

Sixth. Modernizing Patent Office search facilities to facilitate prompt and complete access to relevant prior art—sections 6 to 10.

Seventh. Making the Patent Office independent of the Department of Commerce in the exercise of discretion concerning its rulemaking, investigatory, and adjudicatory functions.

Mr. President, I believe that we are close to a consensus on the subcommittee and hope that the 94th Congress will enact legislation modernizing the Patent Code. I welcome the constructive comments and suggestions from all interested members of the public and the patent bar so that this bill can be further refined, and the subcommittee can report out the best possible legislation.

By Mr. HOLLINGS:

S. 474. A bill relating to changes in status of members of the uniformed services who are in a missing status, and for other purposes. Referred to the Committee on Armed Services.

Mr. HOLLINGS. Mr. President, as we begin the 1st session of the 94th Congress, an important piece of unfinished business cries out for our early and serious attention. It is a matter of national obligation. It concerns our commitments to America's fighting men and to their brave families. I speak, of course, of the missing in action of the war in Indochina.

In our obligations to these men, and in our treatment of their families, the Government of the United States has been remiss. The problem is, of course, a very difficult one, and the intransigence of the other side for 2 years now since the signing of the Paris peace accord has been responsible for our inability to obtain an accounting of our men. But it is also true that the full weight of the United States has not been brought to bear on the problem. The families of these men are not advocating that we begin World War III over the issue, but they do expect—and rightfully so—that their Government utilize its resources and diplomacy in a way which reflects our national obligation to obtain an accounting of our fighting men. This the Government has demonstrably failed to do.

I have met with the families of these men, and I know the uncertainty and doubt which plague their every day. They want to know the fate of their loved ones. They want to know the truth, straightforward and honestly. Instead, they have been deprived of any clear idea of what has been done on behalf of our missing men, what is being done, and what is contemplated for the future. Sad to report, the amnesty problem has received more attention from the administration than the MIA problem. Those who went and fought—and many of them no doubt died—have not received the attention of those who chose not to go at all.

Of central concern to the families is the whole tangled question of status review changes and presumptive findings of death. The permanent legislation—sections 555 and 556 of title 37, United States Code—is sorely inadequate to current needs. Indeed, the legislative history would indicate that these sections were enacted primarily for purposes other than the making of determinations of death. On top of the inadequate permanent legislation is a conflicting maze of reclassification procedures and court interpretations and directives which have developed over the months. In other words, confusion abounds with regard to the procedures used in status review changes. The fact is that I have yet to talk to any person in all of Washington who understands the jungle of legislation, practice, court directives, and all the rest. If the so-called experts lack this knowledge, is it any wonder that the families of the men—cut off from needed information—are confused?

Mr. President, new permanent legislation, addressed specifically to the procedures of status review changes for the purpose of death findings, is long overdue. Such legislation should include specific guidelines and procedures. It should provide more access to the facts for the families of the missing men. It should include clear-cut definition of such terms as "next-of-kin." And it should protect more fully the rights of the serviceman and the rights of his family. The bill I am introducing today would instruct the Committee on Armed Services of the Senate to conduct an in-depth study of sections 555 and 556 of title 37, United States Code, to determine desirable changes in the permanent legislation. The Committee on Armed Services would report the result of its study to the Senate not later than May 30, 1975, together with its legislative recommendations.

While efforts to formulate more adequate permanent legislation go forward, it is imperative that we provide interim procedures which will protect the rights in question and which can be easily understood by all the parties concerned. The bill I send to the desk today prohibits during the interim status review changes and presumptive findings of death unless and until the following two provisions have been complied with:

First. The President determines and notifies the Congress, in writing, that all reasonable action has been taken to obtain an accounting of our men and to implement article 8(b) of the Paris peace accord of January 27, 1973; and

Second. The Secretary of the military service concerned notifies the next of kin, in writing, of a proposed change in status, and the next of kin has not filed within 60 days of receipt of such notification an objection thereto.

In other words, once the Presidential assurances section has been complied with by the Executive, the families have this interim option available to them. Those families who feel that more evidence is needed—who feel that a status change at that particular point is unwarranted—are given the means to prevent such change. Those who wish to proceed with the determination—satisfied with the available evidence—may do so. I believe this is an equitable approach. Certainly before the subject of status review changes is even broached to the families, they are entitled to assurances from the Commander in Chief that all reasonable action has been taken to obtain an accounting of the missing men. We would be untrue to our national commitment of our missing men were to be reclassified as dead in the knowledge that every reasonable effort had not been made on their behalf. So this measure requires Presidential assurances. It provides the families with the interim means whereby they may stop what they consider unwarranted changes of status. And it mandates a thorough review of the

existing legislation with an eye to developing more satisfactory procedures.

Mr. President, the substance of this measure is similar to an amendment to the Military Construction Authorization Act which I proposed last July. That amendment, which was cosponsored by 27 Senators, was incorporated into the Military Construction Authorization by the Armed Services Committee. The bill, including the section on MIA's, passed the Senate by a vote of 82 to 3 on September 11. It then went to conference with the House. In conference, there was a procedural objection from the House side as to germaneness, and in the closing days of the session, the MIA section was deleted. Early in this new session, however, measures similar to mine will be introduced in the House and I am very hopeful of early legislative consideration from the House.

The time to act is now. We have seen this problem swept under the rug for some 2 years. It is necessary that we recognize our responsibilities now—and that we live up to those responsibilities. Mr. President, I ask my colleagues to address this problem with the urgency and the action that it demands. In doing so, we will be true to our commitments—and true to ourselves.

By Mr. MOSS:

S. 475. A bill entitled "The Federal Employee Administrative Hearing Rights Guarantee Act." Referred to the Committee on Post Office and Civil Service.

DUE PROCESS FOR FEDERAL EMPLOYEES

Mr. MOSS. Mr. President, I am introducing today a bill that will guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Legislation to establish this fundamental right is long overdue. In fact, it is somewhat surprising that there is still a need for such legislation. Some agencies have already established the right to a pretermination hearing under their own regulations and procedures and one would think that by now, the right to a hearing would be firmly established throughout the Federal service.

Unfortunately, this is not the case. Many agencies still do not recognize the right of their employees to hear the evidence against them before termination or suspension. The seriousness of this situation has been brought to my attention by the National Treasury Employees Union.

When employees have brought suit, claiming the right to a hearing, the courts have left the matter up in the air. The recent Supreme Court decision in Arnett against Kennedy addressed the question of pretermination rights of Federal employees, but did not speak directly on the question of the right to a hearing.

The courts have not acted decisively to delineate the pretermination rights of Federal employees, mainly because they have not had clear statutory guidelines. There presently is no statute that clearly mandates executive agencies to promulgate uniform regulations in this area.

The purpose of this bill is to provide such a mandate. The bill states that every Civil Service employee who has completed the trial period is entitled to: First, 30-day written notice of suspension or termination action; second, access to all evidence relevant to the action; third, a hearing before a hearing examiner at which the employee may be represented by counsel, present evidence, and cross-examine witnesses; fourth, a copy of the verbatim transcripts of the hearing, and fifth, a written decision by the hearing examiner.

These procedures would provide Federal employees with at least a minimum of due process, and would go a long way to insure that they are not removed arbitrarily or capriciously.

Mr. President, the main argument for this legislation is one of simple human rights. But we should also note that it would have the effect of strengthening our Federal Service.

During the Watergate revelations we learned that during the 1972 election campaign administration officials attempted to subvert the regular work of various Government agencies and to use these agencies to further blatantly political ends. When Federal employees are faced with such pressures and blandishments, they obviously need some protection under the law.

We must make certain that the men and women in the civil service are devoted to the public good and service of their country, and not to the occasional arbitrary whims or misguided judgments of their superiors. It obviously will be easier for them to speak out, to criticize, to devote themselves to the public good, if they do not face the threat of arbitrary dismissal.

By Mr. MOSS:

S. 476. A bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay. Referred to the Committee on Post Office and Civil Service.

FEDERAL EMPLOYEES' RIGHT TO COUNSEL

Mr. MOSS. Mr. President, this week, I introduced a bill to guarantee to Federal employees the right to a prompt evidentiary hearing prior to removal or suspension without pay.

Today I am introducing what I regard as a companion bill. This proposal would guarantee to Federal employees the right to counsel during interrogations which may lead to disciplinary actions. The bill would also prevent agencies from obtaining unwarranted reports from employees concerning their private lives.

My congressional colleagues are well aware that I have always strongly defended the U.S. Civil Service. The Federal Government has made great strides since the days of the "spoils system," and today's civil service system stands as one of our Nation's great achievements.

But there is still room for considerable improvement. The vast majority of our Federal employees take pride in their jobs, and they are devoted to the service of their country. I am afraid, however, that we have not yet provided these employees with all of the legal safeguards necessary to carry out their jobs with the steadfastness the Federal service requires.

There is no greater impediment to devoted, wholehearted service than the threat of unreasonable or capricious discipline. Unfortunately, we have yet to establish fully adequate protection against the threat of arbitrary suspension or firing, and against the infringement of individual privacy.

The legislation I am proposing would go a long way toward establishing this protection. The bill is part of the legislative program of the National Treasury Employees Union. I have found from working on legislation with this group, as well as other Government employee unions, that they are concerned not simply with improving the lot of their own members, but with improving the civil service system, and thereby strengthening our American system of government.

By Mr. KENNEDY (for himself and Mr. INOUYE):

S. 482. A bill to amend the Public Health Service Act to provide for a national program of medical malpractice insurance and arbitration of medical malpractice claims. Referred to the Committee on Labor and Public Welfare.

NATIONAL MEDICAL MALPRACTICE INSURANCE AND ARBITRATION ACT OF 1975

Mr. KENNEDY. Mr. President, the bill I, together with my distinguished colleague, Senator INOUYE, am introducing today is entitled the Medical Malpractice Insurance and Arbitration Act of 1975. It is designed to deal with those medical malpractice problems which were described in detail by Senator INOUYE and me when we introduced the National Medical Injury Compensation Act on January 17, 1975. As I stated at that time, I planned to introduce a bill which would propose the use of medical arbitration to settle medical malpractice disputes.

I have introduced two fundamentally different proposals to deal with the rapidly worsening medical malpractice problem because I wish to explore all sides of the issue and all possible solutions to the problem during hearings before the Health Subcommittee, now scheduled to begin on April 8, 1975.

I hope the subcommittee, as the result of recommendations arising out of the hearings and other deliberations, will report legislation to the full committees and the Senate during this session. My intent is that such legislation be effective in protecting physicians and other health care providers against the rapidly worsening threat of malpractice suits and loss of malpractice insurance. In addition, any acceptable legislation must assure the public of the maintenance of high standards of quality in health care.

Arbitration as a means of settling disputes is not a new approach in our country. Arbitration has been used widely for many years to settle both labor-management and commercial disputes. Both labor-management and commercial agreements commonly include provisions for arbitrating disputes arising between parties.

Arbitration is not used extensively to settle medical malpractice claims at this time. It is used most extensively by

health maintenance organizations which include arbitration provisions in their comprehensive health care contracts with their subscribers. According to Prof. William Curran of the Harvard School of Public Health, and a member of the Medical Malpractice Commission sponsored by the U.S. Department of Health, Education, and Welfare, the number of health maintenance organizations which are using arbitration is increasing.

In addition to contractual or voluntary arbitration, there are instances of arbitration imposed by State statutes or by the courts. In New Hampshire, legislation was enacted which provides that medical malpractice claims, together with all other forms of professional liability claims, may be submitted to an arbitrator. The arbitrator decides upon the merits of the claim and assesses damages. The parties may accept or reject the arbitrator's decision. The plaintiff may go to court if he is not satisfied with the settlement.

In both Philadelphia County and Allegheny County, the courts by rule have initiated a requirement that all tort disputes involving less than $10,000 be submitted to arbitration. One arbitration is complete, either party can demand a court trial, subject to economic penalties such as payment of court costs.

What has been the experience with the arbitration of medical malpractice claims?

The organization with the most extensive experience with contractual arbitration as a means of settling medical malpractice disputes is the Ross-Loos Medical Group in California, which has been using this approach since shortly after it was founded in 1929. Their experience was examined in detail by the Medical Malpractice Commission to which I referred earlier. Their findings are encouraging in several respects: over 90 percent of the claims examined were settled informally without the necessity of going to arbitration, the time required to settle the claims that did go to arbitration was considerably less than the time required for court cases, and costs were between 15 and 45 percent less, exclusive of payments to the plaintiffs.

In a study of alternatives to litigation done for the Medical Malpractice Commission by Baird et al., the authors concluded that arbitration was the most promising approach in reducing court dockets.

A further advantage noted by advocates of arbitration is that the findings can be of great value in settling future arbitration cases and as a means of improving health care quality through provider education.

Although there are many advocates of arbitration as the primary approach to settling medical malpractice claims, critics of arbitration note that it may reduce the size of awards to patients because the process will favor the defending provider. They note that arbitration is most commonly proposed by insurers and providers, whose principle motivation is not fair settlements, but reducing claims and holding down claims costs and insurance premiums.

They note that the relationship between the parties that exists with the contractual arbitration approach used in labor-management and commercial relationships, and even in subscriber-health maintenance organization contracts, is far different than the relationship that patients commonly have with physicians and hospitals. Patients, therefore, are far vulnerable to coercion than parties to labor-management and commercial agreements. They argue that the court system, however imperfect, still represents the best means of assuring the claimant's right to a fair resolution of his claim.

To assure protection of the claimant's rights, the bill I am proposing would require that medical malpractice claims be submitted to arbitration, while providing the claimant with recourse to the courts if not satisfied with the arbitrator's findings.

BILL SUMMARY

Under the proposed bill, claimants and medical care providers would be required to arbitrate medical malpractice disputes. The decision of the arbitration panel would not be binding on either party, however. The claimant can either accept the decision of the arbitration panel or institute court action, if dissatisfied with the decision. The decision of the arbitration panel would be admissable as evidence in any court proceeding, subject to review by the court before admission.

Arbitration as a means of settling medical malpractice claims, and as described in this bill, would be effective in those States which passed enabling legislation consistent with the requirements in this bill. Arbitration would be authorized under State laws which incorporate the provisions of this bill.

In addition, under this bill, the Secretary of Health, Education, and Welfare would contract with providers of health care services who choose to participate in the program.

The providers would pay an annual premium to the medical malpractice insurance fund and would receive Federal medical malpractice insurance coverage.

In return for participation, providers would be required to comply with State licensure and relicensure requirements which meet or exceed the minimum standards established by the Secretary. In addition, physicians would agree to accept review of their services by Professional Standards Review Organizations, to accept as payment in full for medicare cases the level of payments established by the Federal Government, and to obtain concurring opinions from specialists prior to the performance of surgical procedures.

In the case where a provider accumulated unusual losses, the Secretary would investigate the provider's performance. If it were found that the provider's performance was seriously of grossly inferior quality, or that it resulted in unnecessary harm to the patient, the Secretary would be authorized to terminate the providers participation in the medical malpractice insurance program.

A schedule of contingent fees for the plaintiff's attorney would be established which would diminish the percentage of the plaintiff's awards that could be paid to the plaintiff's attorney as the size of the award increases.

Findings of arbitration panels would be required to be reported to the appropriate State Licensing Agencies and Professional Standards Review Organizations.

The bill would meet a major criticism of arbitration: that the system would favor the provider by denying the plaintiff his day in court. I anticipate, however, that the findings of the arbitration panel will be accepted by both parties in the majority of cases because they will recognize the basic fairness of the process. Further, the admissability of the arbitration panels' decisions as evidence in subsequent court actions should discourage capricious use of the courts as should the establishment of a scale of contingent fees for plaintiff attorneys.

This bill provides that the responsibility for implementation of the National Medical Malpractice Insurance and Arbitration Act of 1975 rests primarily with the States. The national standards both for arbitration and for licensure and relicensure for health professionals provide a framework which the States must use in developing the necessary legislation to implement the act.

The effectiveness of this bill will depend in large part upon the responsiveness of the States in enacting legislation consistent with the requirements of this bill. I am confident that the States will respond positively and rapidly because it is the States which are now burdened with the medical malpractice problem.

By Mr. BROCK (for himself, Mr. BEALL, Mr. BURDICK, Mr. DOLE, Mr. FONG, Mr. FORD, Mr. GARN, Mr. HANSEN, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MCINTYRE, Mr. MONTOYA, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. STAFFORD, Mr. TOWER, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 483. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of age in the granting of credit. Referred to the Committee on Banking, Housing and Urban Affairs.

EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS OF 1975

Mr. BROCK. Mr. President, I am today introducing an amendment to the Equal Credit Opportunity Act to extend that law to prohibit discrimination on the basis of age in the granting of credit.

The Equal Credit Opportunity Act passed by the last Congress merely prohibited discrimination on the basis of sex or marital status with respect to credit transactions. My reason for originally submitting this narrower approach to credit discrimination was to solve this one unconscionable problem which had been uncovered by the National Commission on Consumer Finance on which I served. It later became apparent that some creditors have been discriminating against our older citizens simply because of their age.

Some credit grantors, for instance, base credit worthiness primarily on evidence of gainful full-time employment, while disregarding the fact that retired persons no longer need to rely on employ-

ment for their incomes. This practice continues, although proceeds from social security, pensions, and annuities tend to be more permanent and reliable than income from employment.

The most frequent credit discrimination is encountered when retired persons attempt to establish credit after having always paid cash. Many department stores will no longer accept a personal check from an individual without a major credit card, and consequently older people often are obliged to apply for credit cards after reaching the age of 65. In my judgment, credit worthiness should be decided on the same basis as that of other age groups which apply for credit for the first time.

The importance of this issue is enhanced by the fact that we can expect during the next 25 years an increase of elderly by 46 percent. By the year 2000, there will be 29 million older Americans; they will comprise about 24 percent of the population versus 10 percent today.

In order that our older citizens may be protected against credit discrimination, I am today introducing the Equal Credit Opportunity Act Amendments of 1975. This bill makes it unlawful for any creditor to discriminate against any applicant who has the capacity to contract, on the basis of an arbitrary age limit, with respect to any aspect of a credit transaction. The protection of these amendments is limited to applicants who have the capacity to contract. Obviously, minors who cannot be held accountable for their contractual obligations should not be included within the purview of this legislation.

The legislation prohibits only discrimination on the basis of "an arbitrary age limit." The purpose of this legislation is to permit the use of statistically valid tests and actuarially sound criteria in the granting of credit. For example, it would not be fair to require a creditor to grant credit to an 85-year-old man who might claim discrimination because he was turned down on his application for a 30 year mortgage. In a similar vein, an inquiry of age would be permitted so that decisionmaking in the credit granting process may be based upon knowledge, not ignorance, in fairness to the credit grantor.

This legislation is important to our older citizens, and I request unanimous consent at this point that the bill be printed in the CONGRESSIONAL RECORD.

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

S. 483

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 "Equal Credit Opportunity Act Amendments of 1975".

SEC. 2. Title VII of the Consumer Credit Protection Act is amended as follows:

(1) Section 701 is amended to read as follows:

"§ 701. Prohibited discrimination

"(a) It shall be unlawful for any creditor to discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction. An inquiry of marital status shall not constitute discrimination for purposes of this subsection if such inquiry is for the purpose of ascertaining the creditor's rights and remedies applicable to the particular extension of credit, and not to discriminate in the determination of credit-worthiness.

"(b) It shall be unlawful for any creditor to discriminate against any applicant who has the capacity to contract, on the basis of an arbitrary age limit, with respect to any aspect of a credit transaction. An inquiry of age shall not in itself constitute discrimination for purposes of this subsection.".

(2) In the last sentence of section 704 (b), strike out "sex" and insert in lieu thereof "age, sex,".

(3) In section 705 (e), strike out "sex" and insert in lieu thereof "age, sex,".

By Mr. GOLDWATER:

S. 484. A bill to help relieve the burden of high property taxes by allowing each homeowner a Federal tax credit or rebate for property taxes paid for the support of public schools. Referred to the Committee on Finance.

RESIDENTIAL PROPERTY TAX RELIEF ACT OF 1975

Mr. GOLDWATER. Mr. President, today I am reintroducing legislation designed to reduce substantially the property tax of every homeowner in the Nation.

My bill includes three major features which will direct its benefits primarily to the low- and average-income family.

First, the bill will reduce the burden of every homeowner who pays a school tax on his residence by granting him a Federal income tax credit up to $150, in addition to the deduction which is now allowed for real estate taxes.

Second, it will allow elderly homeowners who pay more than 5 percent of their total income in local property taxes to obtain a Federal rebate of those taxes up to $150.

Third, the bill will provide tax relief for the Nation's 10 million mobile home dwellers on an equal basis with site-built homeowners.

Mr. President, the local or State property tax is still a major source of financing for public school education. It provides half of the funds spent annually on public school support, while only 10 percent comes from Federal aid to education. According to the Advisory Commission on Inter-Governmental Relations, $14 billion of all residential property taxes was raised from the take on single-family homes. In addition, there was an estimated quarter-billion dollars in State property taxes derived from single-family homes. Neither of these amounts include the tax take on mobile homes, about which I will have more to say later in these remarks.

Mr. President, the property tax has become so burdensome that Prof. Richard Netzer calculates that the residential property tax, viewed as a sales tax imposed on the rental value of a home, was equivalent to a tax rate of 21 percent for 1970. In other words, the property tax, seen as a sales tax on rental value, falls much more heavily on housing than comparable sales taxes do on other commodities in our economy.

Mr. President, I would emphasize that this tax is paid for by the typical American who is already hard pressed to meet the combined burden of Federal, State, and local income and sales taxes, not to mention the additional taxes on the electricity, gas, telephone services and other basic necessities of life which he must use and which persons in many areas of the country must pay. This massive panoply of taxes hits especially hard at retired persons, as I shall prove, but they are also felt severely by the vast majority of salaried workers who are unable to take advantage of such privileges as investment tax breaks or business expense deductions.

In this connection, I believe it is important that we should reject the myth that property tax relief would benefit only the rich. To the contrary, homeowners as a class have average or below average incomes.

In its "Residential Finance Survey" for 1970, the U.S. Bureau of the Census reports that the family income from all sources was below $15,000 in 74 percent of the Nation's 31 million one-family, owner-occupied homes. Forty-five percent of these families had incomes of less than $10,000 and almost 19 percent had family incomes of less than $5,000. The findings of this survey are substantiated by the nearly identical statistics included in the Internal Revenue Service analysis of the 26 million Federal income tax returns filed in 1970 which itemized real estate tax deductions.

The actual number of single-family households with moderate- and low-family incomes is substantially higher than these already impressive statistics. My office has been informed by the Census Bureau that its survey did not encompass any of the Nation's 4 million mobile homes. One of the major attractions encouraging the rapidly growing number of dwellers of mobile homes to purchase these homes instead of site-built homes is the ability of modest income families to enjoy homeownership without being well-to-do; and I am certain that if the incomes of the approximately 8 million people who then lived in mobile homes as their principal residence had been included with the data compiled by the Census Bureau in its property survey, the burden of the property tax would be seen to fall even more heavily on the poor and lower income families.

As great as the burden of the property tax is upn the typical family, it falls most severely upon the Nation's 6.3 million elderly homeowners. In fact, a tax study made by the staff of the Advisory Committee on Inter-Governmental Relations in late 1972 concluded that the burden on the elderly is "a national scandal."

Almost 2 million elderly families paid 17 percent, and in some regions of the country as high as 31 percent, of their total annual income in real estate taxes. The average elderly homeowner paid over 8 percent of his income in property taxes, compared with 3.4 percent of total income for the average American family.

At hearings on property tax relief held by the Senate Subcommittee on Inter-Governmental Relations in 1973, the American Association of Retired Persons presented testimony graphically describing the plight of the Nation's elderly homeowners. For example, letters were introduced into the record from citizen after citizen who complained that they are paying more now for taxes in their retirement than they were paying when they were working. There was a letter from one gentleman who wrote that he lost his wife of 53 years. This resulted in

a reduction or cut in his social security. Yet, at the same time, his property tax was raised 200 percent.

Now, I know there is a movement afoot whereby governments would grant loans on homes to pay property taxes and these loans would become liens against the houses. I want to state very emphatically my belief that this is a callous and repugnant attitude. For most people in the lower income bracket, their residence is their only capital purchase. It represents stability, security, safety, and comfort. It is the only thing they really have in case of catastrophe.

Mr. President, I am totally and unequivocally opposed to allowing the property tax to become the "inheritance tax" on the poor, which is exactly what the tax lien idea would do. It is my belief that you should look at the flow of cash income to the household, and if a family cannot pay their tax out of their cash flow, they should not have to liquidate or encumber their property holdings.

Therefore, I provided in the bill I am introducing today for a special rebate of tax payments to the elderly who are hard pressed financially. By this provision, an elderly person or couple, age 62 or older, can file for a Federal rebate of all local and State property taxes which exceed 5 percent of his or their total income up to a maximum of $150. This rebate would be paid by the Federal Government regardless of whether or not the elderly taxpayer owes any Federal income tax payments. In other words, it would not be a tax credit granted only if the taxpayer owed an equal or greater amount of Federal income tax, but would be a true rebate directly tied to the homeowner's payment of a real estate tax and not to his payment of income tax.

In addition, I have provided in the bill for recognition of the 10 million Americans who live in moble homes as first class citizens. Far too often, lawmakers and agency bureaucrats have overlooked the fact that a growing number of Americans live in mobile homes year around and that one out of every two new single-family houses sold is a mobile home.

Accordingly, I have provided in the legislation that taxpayers who own mobile homes shall be given the very same tax credit or rebate as the one given to the owners of site-built homes. Moreover, the bill insures that any mobile home tax which contributes to the support of public education would be eligible for purposes of tax credits, whether the tax is labeled a personal property tax, a license fee, or whatever.

Mr. President, I believe the Supreme Court decision of 1973 in the case of San Antonio School District against Rodriguez, which upheld the constitutionality of the property tax system of financing public schools, means that locally raised dollars will continue to pay a major share of school funds. In short, I fear that the residential property tax will continue to grow faster than the income of the average household, and I believe it is imperative that the average family, and particularly the poor and the elderly, be given relief against the massive growing pressure of the school tax on owners of residences.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing today be printed in the RECORD.

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

S. 484

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 "Residential Property Tax Relief Act of 1975".

SEC. 2. (a) Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 43, and by inserting after section 41 the following new section:

"SEC 42. RESIDENTIAL PROPERTY TAXES PAID FOR SUPPORT OF PUBLIC EDUCATION.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the State and local residential property taxes paid or accrued during the taxable year which are imposed for the support of public elementary and secondary education, but only to the extent that such taxes do not exceed the lesser of—

"(1) $150 ($75, in the case of a married individual filing a separate return), or

"(2) except as provided in subsection (b), the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under the preceding sections of this part (other than sections 31 and 39).

"(b) CERTAIN INDIVIDUALS WHO HAVE ATTAINED AGE 62.—In the case of an individual—

"(1) who has attained the age of 62 before the close of the taxable year, and

"(2) who has paid or accrued State and local residential property taxes during the taxable year which are imposed for the support of public elementary and secondary education in excess of 5 percent of his total income for the taxable year,

the limitation contained in subsection (a)(2) shall not apply to the extent of the amount of such excess, reduced by the amount (if any) of the credit allowable for the taxable year under subsection (a). For purposes of this subsection, the total income of an individual includes all items taken into account in determining support for purposes of section 152.

"(c) INCOME TAX BENEFITS NOT TO EXCEED AMOUNT OF RESIDENTIAL PROPERTY TAXES PAID FOR SUPPORT OF PUBLIC EDUCATION.—If the amount allowable (but for this subsection) as a credit under subsection (a) for any taxable year, when added to the amount by which the tax under this chapter for the taxable year is less by reason of the deduction allowed under section 164 for State and local residential property taxes for which credit is otherwise allowable under subsection (a), exceeds the total amount of State and local residential property taxes paid or accrued during the taxable year which are imposed for the support of public elementary and secondary education, the amount allowable as a credit under subsection (a) shall be reduced by an amount equal to such excess.

"(d) STATE AND LOCAL RESIDENTIAL PROPERTY TAXES.—For purposes of this section, the term 'State and local property taxes' means—

"(1) State and local real property taxes (within the meaning of section 164) on property which is comprised primarily of one or more dwelling units, including mobile homes, and the land on which the dwelling unit or units are situated, and

"(2) State and local taxes (other than real property taxes) or license fees on mobile homes.

"(e) DETERMINATION OF AMOUNTS OF RESIDENTIAL PROPERTY TAX PAID FOR SUPPORT OF PUBLIC EDUCATION.—For purposes of subsection (a), the amount of any State or local residential property tax which is imposed for the support of public elementary and secondary education shall be—

"(1) with respect to any residential property tax imposed solely for such support, the amount of such tax; and

"(2) with respect to any residential property tax imposed in part for such support, the portion of such tax—

"(A) designated in the bill for such tax submitted to the taxpayer by the taxing jurisdiction imposing such tax; or

"(B) determined from information set forth in such bill or from information furnished to the taxpayer by such taxing jurisdiction,

as the amount of such tax which is imposed for the support of public elementary and secondary education.

"(f) SPECIAL RULES.—

"(1) TAXES CONSTRUCTIVELY PAID.—Under regulations prescribed by the Secretary or his delegate, the provisions of subsections (d), (e), and (f) of section 164 shall apply to real property taxes with respect to which credit is allowable under subsection (a).

"(a) TRUSTS.—No credit shall be allowed under subsection (a) to a trust."

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

"Sec. 42. Residential property taxes paid for support of public education.

"Sec. 43. Overpayments of tax."

SEC. 3. Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits treated as overpayments) is amended—

(1) by inserting ", 42 (relating to residential property taxes paid for support of public education)," before "667(b)5", and

(2) by striking out "31 and 39" and inserting in lieu thereof "31, 39, and 42".

SEC. 4. The amendments made by this Act shall apply to taxable years beginning after December 31, 1975.

By Mr. ABOUREZK:

S. 489. A bill to amend the Clayton Act to preserve and promote competition among corporations in the production of oil, natural gas, coal, oil shale, tar sands, uranium, geothermal steam, and solar energy. Referred to the Committee on the Judiciary.

INTERFUEL COMPETITION ACT OF 1975

Mr. ABOUREZK. Mr. President, I am introducing today legislation which would prohibit major, vertically integrated oil companies from owning any assets in other energy industries—coal, uranium/nuclear, oil shale, geothermal steam, solar, and so forth. Some people ask "Why pick on the oil companies? Companies other than oil companies are developing these resources." In answer to this question, Mr. President, I would submit that no other companies have the kind of overpowering economic and political control as is exercised in our country by the major oil companies.

The top 5 oil companies are among the Nation's 10 largest industrial firms. And 12 oil companies are among the top 25. I agree with the observation made by former Federal Power economist, Dr. John Wilson, that—

Because of the industry's size and scope and because of the critical role of energy in modern life, the policies, actions and performance of these firms affect virtually every aspect of our nation's economy, and they deeply influence the welfare of every consumer of oil and natural gas (as well as coal,

uranium, oil shale, geothermal steam and solar energy) and every purchaser of industrial or commercial products whose manufacture and transportation depend upon the availability and price of energy.

The major oil companies' incredible ability to substantially influence our country's economy is confirmed by the December 1974 report of the Joint Economic Committee:

Higher energy prices, including their effect on the cost of nonfuel commodities, contributed about one-fourth to one-third of the 12 percent increase in consumer prices in 1974.

And in its September 1974 report the committee determined that—

Increasingly, a significant part of the current inflation can be understood in the context of administered prices in concentrated industries which typically increase despite falling demand.

Therefore, we can logically conclude that only if the marketplace is open, free and, above all, competitive will consumers and the public interest be adequately served. If free markets are monopolized, consumers will be overcharged and supplies will be kept short so that prices continue to rise. This is precisely what has taken place in the petroleum industry. And, unless action is taken soon to prohibit these oil companies from controlling America's remaining producible energy resources, our economic problems are likely to worsen.

According to the National Petroleum Council's 1972 report, "U.S. Energy Outlook":

At least 50 percent of the Nation's remaining oil and gas potential, approximately 40 percent of the coal, 50 percent of the uranium, 80 percent of the oil shale and some 60 percent of the geothermal energy resources are located on federal lands. This estimate is similar to that made by the Ford Foundation's energy policy project just last year. According to the Ford Foundation report, these resources are the property of the people of the United States, and their proper management becomes perhaps the most important of the many energy policy responsibilities of the Federal Government.

In our country public resources are leased to private owners or leaseholders to develop under trust for all citizens of the United States. Under current leasing arrangements full legal title of valuable public resources—oil, natural gas, coal, uranium—is transferred from public ownership to a private corporation for its exclusive exploitation, extraction, removal, sale and private profit until the resource has been removed, sold for profit and exhausted.

Under the guise of what the Nixon and Ford administrations have called Project Independence, major oil companies have launched an all out campaign to gain control of America's abundant, valuable remaining energy resources, specifically those underlying publicly owned lands. The wisdom of turning over our valuable energy resources to a few companies is not only questionable but fraught with grave danger in terms of America's free enterprise system and environmental integrity. The Ford Foundation noted that—

Enormous pressures are now being exerted to open these resources to much more rapid exploitation. National priorities will be affected because the pace at which federal lands are opened can play a key role in determining the overall rate of energy supply growth, the mix of fuels, and the degree to which the nation must depend on imports. It will largely determine whether environment values are respected, what regional values take priority over others, whether the people receive a fair return, and how much of the resource will be left for future generations.

Under pressure from the major oil companies the administration has called for increased leasing of offshore oil and gas lands, western coal lands—which include land on Indian reservations—further exploration and drilling in Alaska as well as the opening up of naval petroleum reserves. The administration has also held lease sales for oil shale and geothermal lands.

This kind of full-scale rush to lease the country's remaining energy resources is being promoted chiefly by the major oil companies. In 1972 the National Petroleum Council argued that—

The Government should accelerate the leasing of lands for exploration and development of energy resources by private enterprise in a manner consonant with environment goals. Such a leasing system should provide sufficient total acreage at more frequent intervals so industry can fully deploy its skills to develop needed energy supplies.

Yet, current leasing policies are accomplishing precisely the opposite of recommended. A major portion of the public lands already leased are not being developed. A great number of the lessees are not developing their leases, but are speculating on the increasing worth of the resources in the ground. Only 11 percent of Western coal lands, for example, are in production. And oil companies are already years behind in exploring and developing offshore lands leased from the Government. Finally, these companies often sell the resources originally leased from the public back to the public for prices that have little relation to costs. Testifying before the House Select Committee on Small Business in 1970, Alex Radin, general manager of the American Public Power Association, stated that—

Although the fuels industry is entitled to fair profit, there is no inherent right on the part of the private holders of vital natural resources, such as fuels, to obtain a price which bears little or no relationship to the cost of production, or to withhold these resources until guaranteed any price which a tight market would pay in order to obtain this necessity.

Congressional investigations have already shown how the major oil companies with the help of the Nixon administration were responsible for creating petroleum shortages prior to the Arab oil embargo. In addition, there are strong indications that these same companies have been underreporting and holding back production of natural gas supplies creating shortages in various parts of the country. And, as a matter of fact, recently two Federal Power Commission investigators discovered that under a platform offshore Louisiana operated by the Cities Service Oil Co. substantial amounts of natural gas supplies existed which were not delivered to the Transcontinental Pipeline Co.—Transco. In turn, the Transcontinental Pipeline Co. had told the FPC that it had to curtail deliveries of natural gas to 11 east coast States. After the hidden reserves were uncovered, Transco said it had enough natural gas to meet the current demands of all its customers. The well discovered by the two FPC investigators had been classified "producible shutin," a classification that exists for over 100 more wells drilled on Federal leases. The point to be made here is the same made by Senator Estes Kefauver some years ago:

Under a system of free enterprise, it is basically illogical to expect businessmen to subdue the acquisitive urge to social ends. Profit-seeking is the accepted purpose of their undertakings; self-interest is the motivating force that drives them. Does it make sense to admonish business leaders to pursue courses of conduct that may endanger the security of their own corporate domains? Can we really expect executives steeped in the tradition of "protecting the interests of their stockholders," voluntarily to relinquish opportunities for profit in order to serve the public welfare?

The answers to these questions are obvious. The solutions to the problems raised by Estes Kefauver are the same solutions proposed by that great Senator over 15 years ago:

At least up to now no better system has been devised to protect the public than the competitive system. I am not speaking of the more superficial appurtenances of competition—of the occasions when firms, for public relations purposes, use the rhetoric of competition in rationalizing their conduct, or engage in a little theatrical byplay to prove its existence, or even reach a management decision that some competitive behavior is in order. Nor am I speaking of a competition that is carefully channeled into certain forms such as advertising claims and ornate packaging displays, but which is rigidly barred from *the field of price* (emphasis added).

The distinct advantage of the market as the instrument of control is that, in its way, it constitutes a form of representative government. It allows the massive aggregate of the country's consumers to vote their preferences by extending or withholding their custom. And where there is *a multitude of independent producers* each vying for business, there need be no cause for concern; the market will issue its decree of survival or downfall with utmost impartiality.

Mr. President. If Congress cannot guarantee that America's remaining energy resources will be developed by a "multitude of independent producers," then two other choices exist, and let me be blunt. The first is to permit the major oil companies to control America's energy resources, make national energy policy—both domestic and foreign—set prices, earn monopoly profits and transfer more and more wealth from the lower three-quarters of our population to the upper one-quarter. In such a situation all risks are borne by the public—consumers, workers, farmers, small businessmen and other taxpayers—while all benefits accrue to the major companies and their industrial and financial allies. The other choice, Mr. President, is nationalization. In this case, the industry would be owned and operated by the Federal Government for the benefit of the people. Such a choice, while transferring both risks and benefits to the public, has

little historical precedent in our country. Neither of these alternatives is suitable, but one of them will come to pass unless the Congress decides that a free, open, competitive economic marketplace is preferable. The legislation I introduce today, Mr. President, would go a long way to insuring that America's valuable energy resources are not controlled by a domestic cartel of major oil companies.

OIL INDUSTRY STRUCTURE

Mr. President, let me briefly describe how the oil industry in the United States is controlled by a handful of vertically integrated, multinational oil companies. The 20 largest companies own 94 percent of the Nation's oil reserves as of 1970; 20 companies control 87 percent domestic refining capacity; and 20 companies control roughly 79 percent of the gasoline sales market.

The major oil companies control of the petroleum industry is extraordinary. The major companies control crude oil exploration through their ownership of land and leases; they control crude oil reserves and crude oil production. Control over production is furthered by the major companies' control over crude oil pipelines into the different producing fields. The major companies control most of the refineries in the United States and the Caribbean from which the east coast receives much of its refined products. The major companies control marketing operations, especially in gasoline.

There is little doubt that this kind of economic power in and of itself is immense. But the major oil companies are tied even closer together through joint business arrangements which provide the companies with protection from competition and a firm basis for acting together in areas of mutual interest.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point certain tables in this connection.

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

TABLE II-2.—COMPANY SHARES OF PROVED DOMESTIC CRUDE RESERVES, 1970

Rank	Company	Share of domestic proved reserves (percent), 1970
1	Standard (N.J.)	[1 2] 9.92
2	Texaco	[1 3] 9.31
3	Gulf	8.97
4	Standard (Calif.)	[1 3] 8.97
5	Standard (Ind.)	[4 3] 8.46
6	ARCO	[3 3] 7.48
7	Shell	[1 5] 5.90
8	Mobil	[1 1] 4.87
9	Getty	[5] 3.85
10	Phillips	[1 3 6] 3.55
11	Signal	3.28
12	Union	[3] 3.18
13	Continental	[3 6] 2.77
14	Sun	[1 3] 2.67
15	Amerada Hess	[3 7] 2.49
16	Cities Service	[1 3] 2.49
17	Marathon	[5] 2.37
18	Skelly	1.09
19	Superior	[1 8] 1.03
20	Tenneco	.90
	Top 4	37.17
	Top 8	63.88
	Top 20	93.55

[1] Includes natural gas liquids.
[2] Includes Alaska.
[3] Includes Canada.
[4] Official, including natural gas liquids.
[5] Official.
[6] Excludes controlled reserves.
[7] Includes equity in Canadian affiliate.
[8] Excludes "probably additional" reserve.
These explanatory notes accompanied the reserve estimates.

Note: Individual company reserves obtained from estimates of Rice, Kerr & Co., Engineers. Universe data obtained from "Report on Crude Oil and Gasoline Price Increases," cited supra. This figure was taken as approximately 39,000,000,000 barrels, including Alaska. Concentration data would be lower the more this figure understates actual proven reserves. Concentration data should be taken to be, at best, only rough estimates. It is not known to what extent both the universe estimate and the individual company reserve data include crude production from secondary recovery techniques.

TABLE II-3.—COMPANY SHARE OF DOMESTIC CRUDE OIL AND GASOLINE REFINING CAPACITY, 1970

Rank in crude oil capacity	Company	Share of crude oil capacity (percent)	Share of gasoline capacity (percent)
1	Standard (N.J.)	8.59	9.22
2	Standard (Ind.)	8.22	7.94
3	Texaco	8.13	9.19
4	Shell	7.99	7.69
5	Standard (Calif.)	7.66	6.72
6	Mobil	6.28	6.30
7	Gulf	5.78	6.47
8	ARCO	5.42	6.25
9	Sun	3.60	4.54
10	Union	3.51	3.24
11	Standard (Ohio)	3.47	3.09
12	Phillips	3.14	4.24
13	Ashland	2.51	2.11
14	Continental	2.36	2.03
15	Cities Service	2.22	2.26
16	Getty	1.64	1.76
17	Marathon	1.12	1.92
18	Coastal States	1.06	.73
19	Amerada Hess	.98	.79
20	Champlin	.97	.63
	Top 4	32.93	34.04
	Top 8	58.07	58.78
	Top 20	86.15	87.38

[1] The top 20 firms in gasoline capacity included Clark Oil (1.21 percent), Tenneco (1.35 percent), and American Petrofina (0.85 percent), in lieu of 18–20 above.

Note: Data obtained from Mineral Industry Surveys, Bureau of Mines, "Crude Oil Capacity," Jan. 1, 1971.

TABLE II-7.—COMPANY GASOLINE MARKET SHARES 1970

Rank	Company	Market share [1] (percent of)
1	Texaco	8.13
2	Shell	7.87
3	Standard (New Jersey)	7.42
4	Standard (Indiana)	7.30
5	Gulf	7.12
6	Mobil	6.60
7	ARCO	5.55
8	Standard (California)	5.02
9	Sun	4.15
10	Phillips	3.97
11	Union	3.29
12	Continental	2.35
13	Cities Service	1.96
14	Marathon	1.73
15	Standard (Ohio)	1.46
16	BP	1.41
17	Ashland	1.27
18	Tenneco	.93
19	Kerr-McGee	.77
20	Murphy	.75
	Top 4	30.72
	Top 8	55.01
	Top 20	79.05

[1] Based on gallonage sales.

Note.—Market shares obtained from "National Petroleum News," "Factbook Issue," mid-May 1971, p. 127.

TABLE II-8.—A COMPARISON OF COMPANY RANKING IN CRUDE PRODUCTION, CRUDE REFINING CAPACITY, AND GAS LINE SALES [1]

Company	Rank in crude production	Rank in crude oil refining capacity	Rank in gasoline sales
Standard (New Jersey)	1	1	3
Texaco	2	3	1
Gulf	3	7	5
Shell	4	4	2
Standard (California)	5	5	8
ARCO	6	8	7
Standard (Indiana)	7	2	4
Mobil	8	6	6
Getty	9	16	[2]
Union	10	10	11
Sun	11	9	9
Continental	12	14	12
Marathon	13	17	14
Phillips	14	12	10
Cities Service	15	15	13
Amerada Hess	16	19	[2]
Tenneco	17	[2]	18
Skelly	18	[2]	[2]
Superior	19	[2]	[2]
Louisiana Land & Exploration	20	[2]	[2]
Standard (Ohio)	[2]	11	15
Ashland	[2]	13	17
BP	[2]	[2]	16
Kerr-McGee	[2]	[2]	19
Murphy	[2]	[2]	20

[1] Based on the rankings of tables 4 and 7. Rank in production is for 1969. Rank for capacity and gasoline sales is for 1970.
[2] Not ranked within the top 20 firms.

Mr. ABOUREZK. The Federal Trade Commission in its February 1974 complaint against the eight largest integrated oil companies has cited these interrelationships as a way to "share risks and insure monopoly profits." The FTC stated that—

> The companies are interdependent to such an extent that, in virtually every facet of their operation, they have common rather than competitive interests. While intercompany cooperation is particularly pervasive at certain levels of the industry, no level of operation is free of strong ties between—the companies.

The companies are tied together in joint ventures in crude oil production, ownership, and operation of crude oil producing leases, bidding for leases, transportation of crude oil and petroleum products, some refinery operations and in international ventures. "The net effect of these interrelationships," said the FTC complaint, "has been to create a solid community of interest among—the companies—which fosters cooperation rather than competition in the industry."

The Federal Trade Commission's complaint offers a number of other important insights into the dominance of the major oil companies. For example, the "lack of sufficient crude oil available for independent refineries is due, in large part, to—the companies'—control over crude oil." Or, the companies' "ownership of pipelines allows them to determine the routing of the lines, to impose an array of restrictions on the shipments of competitors, to render access by nonowners inconvenient and expensive, and to set tariffs."

But the major oil companies dominate not only the petroleum industry, but the natural gas industry as well. According to the testimony of Dr. John Wilson, an economist formerly with the Federal Power Commission, as of June 30, 1972 the eight largest producers of natural gas were among the largest producers of petroleum. According to Wilson the major oil companies—Exxon, Shell, Standard of Indiana, Gulf, Phillips, Mobil, Texaco, Union Oil, Atlantic Richfield, and Continental—were the top 10 producers of natural gas in 1971. In 1972 Standard of California replaced Continental. Wilson describes the control of

reserves of natural gas by these major producers:

As of June 30, 1972, at least four of these largest producers were among the top eight suppliers of available reserves in each major producing areas. In the Texas Gulf Coast and other Southwest areas all of the top four firms were among these top ten majors; in fact, three of the four producers were the same in both areas. In the South Louisiana and Permian areas, three of these majors were among the top four suppliers . . . Of the top four ranking firms in each of the six areas, that is, 24 possible places in all, 22 places were accounted for by major integrated oil companies . . .

The amount of uncommitted gas reserve controlled by the largest producers is an indication of the extent of control over future supplies. In many producing companies control between 75 percent and 100 percent of uncommitted reserves. Furthermore, the same kinds of joint venture arrangements that exist in the petroleum industry exist in the natural gas industry.

Pipelines, traditionally separate corporate entities from the major oil companies, have joined with these companies in bidding arrangements for offshore reserves.

Specific information detailing the intricate interrelationships that tie major oil companies together, in what can only be termed a private economic assistance pact, has been collected by Dr. Wilson in a study funded by the National Science Foundation. Some of Dr. Wilson's most revealing charts follow:

Mr. President, I ask unanimous consent that tables showing ownership interests in oil wells be printed in the RECORD at this point.

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

RESPONDENT OWNERSHIP INTERESTS IN PRODUCING OIL WELLS, TOTAL U.S. AND PAD DISTRICTS I–V (1973)

Respondent	Gross wells (number) (1)	Gross wells jointly owned (number) (2)	(2)÷(1) percent (3)
American Petrofina	6,674	5,888	88.2
APCO Oil	4,612	4,488	96.9
Ashland Oil	6,471	4,867	75.2
Champlin Petroleum	4,087	3,014	73.7
Cities Service	14,715	10,818	73.5
Clark Oil	92	92	100.0
Clinton Oil	3,001	2,140	71.3
Crown Central	1,231	125	10.2
Diamond Shamrock	975	294	30.2
Exchange Oil and Gas	134	109	81.3
Exxon	26,694	15,544	58.2
Forest Oil	2,642	2,503	94.7
General American	6,793	5,878	86.5
General Crude	3,012	2,304	76.5
Gulf Oil	31,196	21,517	69.0
Hunt Oil	168	29	17.3
Lone Star	2,277	2,123	93.2
Louisiana Land	458	429	93.7
Monsanto	2,443	2,239	91.6
National Co-op	2,637	2,513	95.3
Occidental Petroleum	359	294	81.9
Panhandle Eastern	1,830	1,565	85.5
Pennzoil Company	7,963	2,300	28.9
Phillips	17,127	14,705	85.8
Shell Oil	24,795	16,179	65.2
Southwestern Refining	22	22	100.0
Standard Oil (California) (Western Operations)	10,007	2,958	29.6
Standard Oil (Ohio)	6,664	6,292	94.4
Sun Oil	6,809	3,039	44.6
Texaco	55,522	42,813	71.1
Texas City Refining	91	52	57.1
Texas Oil & Gas	182	128	70.3
Total Leonard	37	37	100.0
Union Texas (Allied)	5,770	5,722	99.2

RESPONDENT OWNERSHIP INTERESTS IN PRODUCING NATURAL GAS WELLS, TOTAL U.S. AND PAD DISTRICTS I–V (1973)—Continued

Respondent	Gross wells (number) (1)	Gross wells jointly owned (Number) (2)	(2) ÷ (1) Percent (3)
American Petrofina	343	293	85.4
APCO Oil	513	499	97.3
Ashland Oil	2,175	567	26.1
Champlin Petroleum	832	260	31.2
Cities Service	3,308	1,345	40.2
Clark Oil	14	14	100.0
Clinton Oil	527	353	67.0
Crown Central	260	167	64.2
Diamond Shamrock	908	230	25.3
Exchange Oil & Gas	146	146	100.0
Exxon	4,427	1,850	41.8
Forest Oil	238	193	81.1
General American	556	495	89.0
General Crude	541	489	90.4
Gulf Oil	3,207	2,070	64.5
Hunt Oil	24	17	70.8
Lone Star	835	285	34.1
Louisiana Land*	101	100	99.0
Monsanto	826	766	92.7
National Co-op	177	174	98.3
Occidental Petroleum	175	158	90.3
Panhandle Eastern	1,326	641	48.3
Pennzoil Co	1,821	871	47.8
Phillips	2,736	1,356	49.6
Southwestern Ref	11	11	100.0
Standard Oil (Calif) (Western Operations)	223	128	57.4
Standard Oil (Ohio)	435	397	91.3
Sun Oil	1,377	642	46.6
Texaco	4,952	3,136	63.3
Texas Oil & Gas	745	558	74.9
Total Leonard	7	7	100.0
Shell Oil	1,828	1,147	62.7
Union Texas (Allied)	492	483	98.2

*PAD III only Louisiana Land and Exploration did not report their providing natural gas well interests for PAD I.

GROSS DOMESTIC EXPLORATORY WELLS DRILLED BY RESPONDING PETROLEUM COMPANIES (1971–73)

Company/year	Gross exploratory wells (number) (1)	Gross exploratory wells drilled with others (number) (2)	(2) ÷ (1) (percent) (3)
Allied Chemical:			
1973	26	21	80.8
1972	50	44	88.0
1971	28	22	78.6
American Petrofina:			
1973	44	41	93.2
1972	28	24	85.7
1971	24	20	83.3
Atlantic Richfield;			
1973	44	34	77.3
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Belco Petroleum:			
1973	28	28	100.0
1972	59	59	100.0
1971	74	74	100.0
Champlin Petroleum:			
1973	8	8	100.0
1972	22	12	54.5
1971	54	26	48.1
Cities Service:			
1973	76	56	73.7
1972	54	36	66.7
1971	42	33	78.6
Clark Oil:			
1973	20	20	100.0
1972	17	17	100.0
1971	17	17	100.0
Clinton Oil:			
1973	20	2	10.0
1972	29	3	10.3
1971	24	4	16.7
Crown Central:			
1973	10	8	80.0
1972	12	0	0
1971	7	1	14.3
Diamond Shamrock:			
1973	30	19	63.3
1972	24	19	79.2
1971	13	5	38.5
Exchange Oil & Gas:			
1973	30	20	66.7
1972	30	24	80.0
1971	39	19	48.7
Forest Oil:			
1973	26	24	92.3
1972	18	16	88.9
1971	32	22	68.8
General American Oil (Texas):			
1973	16	8	50.0
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
General Crude Oil:			
1973	23	8	34.8
1972	23	9	39.1
1971	34	32	94.1
Hunt Oil:			
1973	7	1	14.3
1972	3	0	0
1971	8	3	37.5
Kerr-McGee Corp.:			
1973	30	26	86.7
1972	26	20	76.9
1971	24	16	66.7
Lone Star Prod. Co.:			
1973	109	82	75.2
1972	63	41	65.1
1971	27	10	37.0
Louisiana Land & Exploration:			
1973	30	20	66.7
1972	16	7	43.9
1971	29	25	86.2
Monsanto Co.:			
1973	33	29	87.9
1972	34	28	82.4
1971	25	19	76.0
Murphy Oil:			
1973	6	2	33.3
1972	5	0	0
1971	5	4	80.0
Occidental Petroleum:			
1973	40	40	100.0
1972	31	30	96.8
1971	70	56	80.0
Pennzoil Co.:			
1973	58	50	86.2
1972	50	42	84.0
1971	58	44	75.9
Phillips Petroleum:			
1973	67	44	65.7
1972	66	42	63.6
1971	42	33	78.6
Shell Oil Co.:			
1973	170	70	41.2
1972	86	33	38.4
1971	(*)	(*)	(*)
Standard Oil (Ind.):			
1973	140	47	33.6
1972	133	44	33.1
1971	224	57	25.4
Standard Oil (Ohio):			
1973	18	18	100.0
1972	21	17	81.0
1971	28	28	100.0
Sun Oil:			
1973	56	49	87.5
1972	120	62	51.7
1971	69	37	53.6
Tesoro Petroleum:			
1973	55	42	76.4
1972	93	80	86.0
1971	61	58	95.1
Texas City Ref. Co.:			
1973	7	5	71.4
1972	4	1	25.0
1971	5	0	
Total Leonard:			
1973	23	23	100.0
1972	9	9	100.0
1971	0	0	

*Not yet reported.

GROSS DOMESTIC DEVELOPMENTAL WELLS DRILLED BY RESPONDING PETROLEUM COMPANIES (1971–73)

Company/year	Gross developmental wells drilled (number) (1)	Gross developmental wells drilled with others (number) (2)	(2) (1) (percent) (3)
Allied Chemical:			
1973	230	227	98.7
1972	91	81	89.0
1971	103	94	91.3

Company/year	Gross developmental wells drilled (number) (1)	Gross developmental wells drilled with others (number) (2)	(2) (1) (percent) (3)
American Petrofina:			
1973	58	51	87.9
1972	162	155	95.7
1971	112	105	93.8
Atlantic Richfield:			
1973	712	615	86.4
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Belco Petroleum:			
1973	12	12	100.0
1972	56	56	100.0
1971	77	77	100.0
Champlin Petroleum:			
1973	70	60	85.7
1972	63	45	71.4
1971	132	90	68.2
Cities Service:			
1973	187	145	77.5
1972	178	132	74.2
1971	178	156	87.6
Clark Oil:			
1973	22	22	100.0
1972	4	4	100.0
1971	3	3	100.0
Clinton Oil:			
1973	19	10	52.6
1972	40	30	75.0
1971	43	14	32.6
Crown Central:			
1973	25	22	88.0
1972	35	30	85.7
1971	(*)	(*)	(*)
Diamond Shamrock:			
1973	75	44	58.7
1972	48	23	47.9
1971	29	25	86.2
Exchange Oil & Gas:			
1973	23	21	91.3
1972	18	18	100.0
1971	28	14	50.0
Forest Oil:			
1973	17	15	88.2
1972	30	20	66.7
1971	58	36	62.1
Gen. American Oil (Texas):			
1973	26	13	50.0
1972	(*)	(*)	(*)
1971	(*)	(*)	(*)
Gen. Crude Oil:			
1973	80	71	88.8
1972	107	83	77.6
1971	83	64	77.1
Hunt Oil:			
1973	5	3	60.0
1972	6	2	33.3
1971	17	13	76.5
Kerr-McGee Corp.:			
1973	33	25	75.8
1972	26	24	92.3
1971	35	33	94.3
Lone Star Prod. Co.:			
1973	124	54	43.5
1972	63	39	61.9
1971	15	9	60.0
Louisiana Land & Exploration:			
1973	49	41	83.7
1972	47	32	68.1
1971	81	73	90.1
Monsanto Co.:			
1973	50	46	92.0
1972	34	30	88.2
1971	20	15	75.0
Murphy Oil:			
1973	10	10	100.0
1972	14	14	100.0
1971	3	1	33.3
Occidental Petroleum:			
1973	13	12	92.3
1972	50	46	92.0
1971	40	34	85.0
Pennzoil Co.:			
1973	168	113	67.3
1972	142	90	63.4
1971	119	39	32.8
Phillips Petroleum:			
1973	524	447	85.3
1972	360	320	88.9
1971	276	247	89.5
Shell Oil Co.:			
1973	555	350	63.1
1972	586	258	44.0
1971	(*)	(*)	(*)
Southwestern Refining:			
1973	2	2	100.0
1972	0	0	
1971	1	1	100.0
Standard Oil (Calif.):			
1973	149	59	39.6
1972	43	41	95.3
1971	25	23	92.0
Standard Oil (Ind.):			
1973	1,024	638	62.3
1972	831	326	39.2
1971	472	250	53.0
Standard Oil (Ohio):			
1973	99	88	88.9
1972	102	92	90.2
1971	110	92	83.6
Sun Oil:			
1973	693	574	82.8
1972	366	289	79.0
1971	467	277	59.3
Tesoro Petroleum:			
1973	47	36	76.6
1972	84	36	42.8
1971	55	51	92.7

*Not yet reported.

OWNERSHIP, CAPACITY, AND THROUGHPUT OF CRUDE OIL PIPE LINES OVER 50,000 BBL/D CAPACITY (1973 DATA)

Pipeline/owners	Ownership percentage	Percentage total throughput by an owner
American Petrofina Pipe Line Co.: American Petrofina [1]	100	100
Ashland Pipeline Co.: Ashland Oil [2]	100	100
Basin Pipeline System: [3]		
Section I:		
Atlantic Richfield	13.76	(*)
Cities Service	9.18	[4] 8.80
Shell	34.86	(*)
Texaco	42.20	(*)
Section II:		
Atlantic Richfield	12.45	(*)
Cities Service	8.30	(*)
Shell	34.02	(*)
Texaco	45.23	(*)
Butte Pipe Line Co.: [5]		
Burlington Northern	10	(*)
Murphy	20	(*)
Shell	51	(*)
Western Crude Oil Inc.	19	(*)
Capline Pipeline: [6]		
Ashland	22.94	(*)
Marathon	15.28	(*)
Mid-Valley P/L [7]	7.65	(*)
Shell	11.15	(*)
Southcap P/L [7]	21.60	(*)
Standard Oil (Indiana)	7.44	(*)
Texaco	13.94	(*)
Capwood Pipeline: [8]		
Clark Oil	33.83	33.16
Shell	66.17	59.39
Chicap Pipe Line Co.: [9]		
Clark Oil	22.76	18.34
Standard Oil (Indiana)	29.17	16.44
Union Oil	48.07	27.76
Cook Inlet Pipe Line Co.: [10]		
Atlantic Richfield	(*)	(*)
Marathon Oil	30	35.76
Mobil Oil	(*)	(*)
Union Oil of California	(*)	(*)
CRA Inc.:		
CRA Inc. [11]	100	100
Crescent Pipeline Co.: Tenneco [12]	100	(*)
East Texas Main Line: [13]		
Cities Service	45.65	43.62
Crown Central Petroleum	20	(*)
Texaco	34.35	(*)
Enid Refinery Crude Pipeline System: Champlin Petroleum [14]	100	100
FIN-COS Corp.: (Cosden Pipe Line System) American Petrofina [15]	100	100
Four Corners Pipe Line Co.: [16]		
Atlantic Richfield	10	(*)
Continental	10	(*)
Gulf	20	(*)
Shell	25	(*)
Standard Oil (California)	25	(*)
Superior Oil	10	44.50
Jayhawk Pipeline Corp.: [17]		
NCRA	50	(*)
Coastal States Gas Producing Co.	50	(*)
Kaw Pipe Line Co.: [18]		
Cities Service	33.33	26.72
Phillips Petroleum	33.33	13.36
Texaco	33.33	1.66
Kenai Pipeline Co.: [19]		
Atlantic Richfield	50	33.60
Standard Oil (California)	50	31.52
Kerr-McGee Crude System: Kerr-McGee Corp. [20]	100	100
Mesa Pipe Line System: [21]		
Cities Service	15.33	17.96
Gulf	64.35	66.60
Standard Oil (Ohio)	5.07	4.44
Sun Oil	6.50	5.09
Union Oil	8.76	5.88
Mid-Continent Pipe Line Co.: Claymont Investment Co. (Sun) [22]	100	100
Minnesota Pipeline Co.: [23]		
Ashland Oil	33.30	37.08
J. How. Marshall	7.10	(*)
Koch Ref'g	59.60	(*)
Owensboro-Ashland Pipeline: Ashland Oil [24]	100	100
Phillips Pipe Line Co. Ranch System: [25]		
Segment I:		
Ashland Oil	4.97	(*)
Atlantic Richfield	20.49	(*)
Charter Oil	8.05	(*)
Crown Central Petroleum	4.37	2.68
Phillips Petroleum	7.03	(*)
Shell	35.25	(*)
Segment II:		
Ashland Oil	(*)	(*)
Atlantic Richfield	(*)	(*)
Charter Oil	(*)	(*)
Crown Central Petroleum	(*)	(*)
Phillips Petroleum	(*)	(*)
Shell	(*)	(*)
Standard Oil (Indiana)	(*)	11
Segment III:		
Ashland Oil	4.97	(*)
Atlantic Richfield	20.49	(*)
Charter Oil	8.05	(*)
Crown Central Petroleum	4.97	(*)
Phillips Petroleum	7.03	(*)
Shell	35.25	(*)
Standard Oil (Indiana)	2.80	(*)
Platte Pipe Line Co.: [26]		
Atlantic Richfield	25	7.78
Continental	20	11.84
Gulf	15	.54
Marathon Oil	25	28.74
Union Oil	15	4.68
Southcap Pipe Line Co.: [27]		
Clark Oil	50	33.49
Union Oil	50	54.27
Tecumseh Pipeline Co.: [28]		
Ashland Oil	20	12.62
Atlantic Richfield	40	(*)
Union Oil	40	(*)
Texaco-Cities Pipe Line Co.: [29] [30]		
Cities Service	50	8.36
Texaco	50	44.39
Texas-New Mexico Pipe Line Co.: [31]		
Atlantic Richfield	35	(*)
Cities Service	10	10.96
Getty Oil	10	(*)
Texaco	45	41.52
West Texas Gulf Pipe Line.: [32]		
Cities Service	11.40	20.58
Gulf	57.72	50.08
Standard Oil (Ohio)	9.23	4.34
Sun Oil	12.61	14.30
Union Oil	9.04	6.30
Whitecap Pipeline: [33]		
Paloma Pipeline	33.33	29.23
Union Oil	53.33	46.18
Whiteshoal [34]	13.33	16.95
Woodpat Pipeline: [35]		
Marathon Oil	40	54.95
Texaco	60	45.09

*Indicates not reported.

[1] Capacity of 88,000 bbl/d; annual throughput of 19,094,000 bbl.

[2] Capacity of 378,000 bbl/d; annual throughput of 139,841,000 bbl.

[3] Capacity unreported; annual throughput for entire 2 section pipe line of 173,785,000 bbl.

[4] Represents percentage total throughput of Cities Service on entire Basin Pipeline System.

[5] Capacity of 120,000 bbl/d; annual throughput of 37,005,000 bbl.

[6] Capacity of 624,000 bbl/d; annual throughput unreported.

[7] The Southcap pipe line is owned 50 percent by Clark Oil Co. and 50 percent by Union Oil Co. of California; the Mid-Valley pipe line is, as listed herein, co-owned by Sun Oil, Standard Oil (Ohio) and Gulf.

[8] Capacity of 133,000 bbl/d; annual throughput of 35,024,000 bbl.

[9] Capacity of 270,000 bbl/d; annual throughput of 106,684,000 bbl.

[10] Capacity ranging from 72,000 to 200,000 bbl/d; estimated annual throughput of 47,815,000 bbl.

[11] Capacity of 85,000 bbl/d: annual throughput of 19,388,000 bbl.

[12] Capacity of 67,000 bbl/d; line acquired by Tenneco mid-1973

[13] Capacity unreported; annual throughput of 21,819,000 bbl.

[14] Capacity of 69,000 bbl/d; annual throughput of 18,160,000 bbl.

[15] Capacity of 65,000 bbl/d; annual throughput unreported.

Footnotes continued on following page.

[16] Capacity of 80,000 bbl/d; annual throughput of 10,895,000 bbl.
[17] Capacity of 280,000 bbl/d; annual throughput unreported.
[18] Capacity unreported; annual throughput of 17,201,000 bbl.
[19] Capacity of 160,000 bbl/d; annual throughput of 22,812,000 bbl.
[20] Capacity of 70,000 bbl/d; annual throughput of 24,591,000 bbl.
[21] Capacity of 316,000 bbl/d; annual throughput of 103,762,000 bbl.
[22] Capacity of 146,000 bbl/d; annual throughput of 52,122,000 bbl.
[23] Capacity of 170,000 bbl/d; annual throughput of 57,150,000 bbl.
[24] Capacity of 179,000 bbl/d; annual throughput of 1,317,000 bbl.
[25] Capacity of 311,000 bbl/d in sec. I, 385,000 bbl/d in sec. II, and 322,000 bbl/d in sec. III; annual throughput for entire system of 224,528,000 bbl.
[26] Capacity of 155,000 bbl/d; annual throughput of 65,533,000 bbl.
[27] Capacity unreported; annual throughput of 44,704,000 bbl.
[28] Capacity of 120,000 bbl/d; annual throughput of 55,422,000 bbl.
[29] Crude and product line.
[30] Capacity unreported; annual throughput of 88,726,000 bbl.
[31] Capacity unreported; annual throughput of 173,284,000 bbl of which 34.26 percent was by nonowners.
[32] Capacity unreported; annual throughput of 154,587,000 bbl.
[33] Capacity of 173,000 bbl/d; annual throughput of 37,959,000 bbl.
[34] Whiteshoal Pipeline Corp. ownership: Kerr-McGee Corp., 64.5; Cabot Corp., 16.1; Felmont Corp., 9.7; Case-Pomeroy Oil, 9.7 percent.
[35] Capacity of 311,000 bbl/d; annual throughput of 53,883,000 bbl.

OWNERSHIP, CAPACITY, AND THROUGHPUT OF PRODUCT OIL PIPELINES OVER 20,000 BARRELS PER DAY CAPACITY (1973 DATA)—Continued

Pipeline/owners	Ownership percentage	Percentage total throughput by an owner
Amdel Pipe Line Co.:[1]		
American Petrofina[2]	50	59.62
Union Oil	50	40.28
ATA System:[3]		
Diamond Shamrock Oil & Gas	33.33	39.33
Phillips Petroleum	33.33	29.62
Texaco	33.33	31.04
Badger Pipeline Co.:[4]		
Atlantic Richfield	34	*
Cities Service	32	58.02
Texaco	22	21.29
Union Oil	12	*
Casa Products System:[5]		
Atlantic Richfield	50	*
Gulf	50	*
Cherokee Pipe Line Co: Continental[6]	100	44.44
Choctaw to Geismar System (ethylene):[7]		
Allied Chemical	41.7	*
BASF Wyandotte	41.6	*
Marbon	16.7	*
Collins Pipe Line Co.:[8]		
Murphy Oil Co	20	*
Tenneco Oil Co	80	*
Colonial Pipe Line Co.:[9]		
Atlantic Richfield	1.58	*
B.P. Oil	8.96	1.14
Cities Service	13.98	0.25
Continental	7.55	*
Gulf	16.78	15.70
Mobil Oil	11.49	*
Phillips Petroleum	7.10	4.13
Standard Oil (Indiana)	14.32	9.58
Texaco	14.27	13.66
Union Oil	3.97	*
Dixie Pipeline Co. (LPG):[10]		
Allied Chemical	8.59	9.76
Atlantic Richfield	7.38	*
Cities Service	5.00	5.04
Continental	4.05	5.43
Exxon	11.05	22.28
Gulf	18.22	3.14
Mobil Oil	5.00	*
Phillips Petroleum	14.53	5.86
Shell Oil	5.53	*
Standard Oil (Indiana)	12.08	9.66
Texaco	5.00	4.43
Transcontinental	3.57	*
Enid Refinery Products System: Champlin Petroleum[11]	100	100
Everglades Pipeline Co.:[12]		
Buckeye	41	*
Cities Service	39	17.24
Phillips Petroleum	10	*
Union Oil	10	*
Explorer Pipeline Co.:[13]		
APCO Oil	2.92	*
Cities Service	6.80	11
Continental	7.70	6.60
Gulf	26.69	*
Phillips Petroleum	4.52	2.37
Shell Oil	26.00	*
Sun Oil	9.40	7.98
Texaco	15.97	18.70
Harbor Pipe Line System:[14]		
Gulf Oil	33.33	38.43
Standard Oil (Ohio)	33.33	22.82
Texas Pipe Line	33.33	38.74
Houston Gathering System: Gulf[15]	100	100
Inland Corp.:[16]		
Shell Oil	27	*
Standard Oil (Ohio)	47	66.80
Sun Oil	10	7.07
Union Oil	16	*
Lake Charles Pipe Line Co.:[17]		
Cities Service	50	71.31
Continental	50	28.68
Lake Charles to Geismar Pipe Line (ethane): Allied Chemical[18]	100	*
Laurel Pipe Line Co.:[19]		
Gulf	49.11	39.10
Standard Oil (Ohio)	17.01	15.49
Texaco	33.88	31.80
Lindgulf Product System:[20]		
Gulf	50	*
Texaco	50	*
Marathon Pipeline Co.: Marathon Oil[21]	100	73.46
Miami Valley Corp.:[22]		
Standard Oil (Ohio)	20	*
Union Oil	80	*
Michigan-Ohio Pipeline Corp.: Total Leonard[23]	100	100
NCRA Products Line:[24]		
National Cooperative Refining Association	100	*
Ohio Product Pipe Line: Standard Oil (Ohio)[25]	100	100
Olympic Pipe Line Co.:[26]		
Mobil Oil	29.5	*
Shell Oil	43.5	*
Texaco	27	*
Plantation Pipe Line Co.:[27]		
Exxon	48.83	32.61
Shell	24.04	19.60
Standard Oil (California)	27.13	17.80
Port Arthur Products Station:[28]		
Gulf	33.33	*
Texas Pipe Line	33.33	*
Union Oil	33.33	*
SAAL System:[29]		
Amarillo to Abernathy section:		
Diamond Shamrock Oil & Gas	33.33	69.75
Phillips Petroleum	33.33	19.32
Texaco	33.33	9.83
McKee to Amarillo section: Diamond Shamrock Oil & Gas[30]	100	*
Sarnia Pipeline System:[31]		
Dome Pipe Line Corp	50.0	*
Standard Oil (Indiana)	50.0	*
Trans-Texas System: Diamond Shamrock Oil & Gas[32]	100	100
Valvoline Oil Co.: Ashland Oil[33]	100	100
West Shore Pipe Line Co.:[34]		
Cities Service	8	3.22
Clark Oil	8	8.30
Continental	6.5	6.90
Exxon	3.5	1.22
Marathon Oil	9	9.97
Mobil Oil	14	*
Shell Oil	20	*
Standard Oil (Indiana)	16.5	15.60
Texaco	9	5.38
Union Oil	5.5	*
Wolverine Pipe Line Co.:[35]		
Cities Service	8	4.43
Clark Oil	11	*
Marathon Oil	10	7.31
Mobil Oil	21	8.12
Shell Oil	7	9.26
Texaco	17	*
Union Oil	26	*
WYCO Pipe Line Co.:[36]		
Mobil	20	*
Standard Oil (Indiana)	40	31.35
Texaco	40	25.81
Yellowstone Pipe Line Co.:[37]		
Continental	40	59.12
Exxon	40	39.75
Husky Oil	6	*
Union Oil	14	*

[1] Capacity of 25,000 barrels per day; annual throughput of 1,127,000 barrels.
[2] Also owns 30 percent of Amdel crude line with Standard Oil (Ohio) owning the other 70 percent.
[3] Capacity of 21,000 barrels per day; annual throughput of 6,420,000 barrels.
[4] Capacity of 163,000 barrels per day; annual throughput of 51,363,000 barrels.
[5] Capacity of 144,000 barrels per day; annual throughput unreported.
[6] Annual throughput of 63,000,000 barrels; capacity unreported.
[7] Capacity of 25,000 barrels per day; annual throughput unreported.
[8] Capacity of 163,000 barrels per day; annual throughput unreported.
[9] Capacity of 1,464,000 barrels per day; annual throughput of 519,432,000 barrels with 23.82 percent total Colonial throughput by nonowners.
[10] Capacity of 300,000 barrels per day; annual throughput of 25,714,000 barrels with 6.89 percent total Dixie throughput by nonowners.
[11] Capacity of 36,000 barrels per day; annual throughput of 10,839,000 barrels.
[12] Annual throughput of 13,643,000 barrels; capacity unreported.
[13] Capacity reported as ranging from 304,000 barrels per day gasoline and 272,000 barrels per day oil—360,000 per day Port Arthur to Tulsa, and 216,000 barrels per day Tulsa-Hammond; annual throughput reported as ranging from 85,045,000–79,117,000 barrels.
[14] Capacity of 144,000 barrels per day; annual throughput of 37,741,000 barrels.
[15] Capacity of 250,000 barrels per day; annual throughput of 31,128,000 barrels.
[16] Capacity of 300,000 barrels per day; annual throughput of 102,813,000 barrels. Voting percentages are Shell 25 percent, Standard Oil 50 percent, Sun 10 percent and Union Oil 15 percent.
[17] Annual throughput of 84,214,000 barrels; capacity unreported.
[18] Capacity of 30,000 barrels per day; annual throughput unreported.
[19] Capacity ranging from 148,000 to 200,000 barrels per day; annual throughput of 44,078,000 barrels with 13.09 percent of total Laurel throughput by nonowners.
[20] Capacity and throughput not reported.
[21] Annual throughput of 66,407,000 barrels.
[22] Capacity of 40,000 barrels per day; annual throughput unreported. Voting control is shared equally by owners.
[23] Capacity of 49,000 barrels per day; annual throughput of 12,800,000 barrels.
[24] Capacity of 49,000 barrels per day; annual throughput of 5,383,000 barrels.
[25] Capacity of 75,000 barrels per day; annual throughput of 23,192,000 barrels
[26] Capacity ranging from 110,000 to 170,000 barrels per day; annual throughput of 62,452,000 barrels with 37.93 percent of total Olympic throughput by nonowners.
[27] Capacity of 506,000 barrels per day; annual throughput of 184,668,000 barrels.
[28] Capacity of 792,000 barrels per day; annual throughput unreported.
[29] Capacity of 21,000 barrels per day; annual throughput of 11,668,000 barrels.
[30] Capacity of 22,000 barrels per day; annual throughput unreported.
[31] Capacity of 55,000 barrels per day; annual throughput unreported.
[32] Capacity of 21,000 barrels per day; annual throughput of 5,762,000 barrels.
[33] Capacity of 43,000 barrels per day; annual throughput of 6,990,000 barrels.
[34] Capacity of 170,000 barrels per day; annual throughput of 59,769,000 barrels with 23.54 percent of total throughput by nonowners.
[35] Capacity of 270,000 barrels per day; annual throughput reported as ranging from 99,547,000 to 92,044,000 barrels.
[36] Capacity reported ranging from 11,000 barrels per day to 52,000 barrels per day; annual throughput of 22,243,000 barrels with 29.45 percent of total throughput by nonowners.
[37] Capacity of 50,000 barrels per day; annual throughput of 18,363,000 barrels.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY ATLANTIC RICHFIELD CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Atlantic Richfield	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	15	19.0	595	5.5
Owned with others	64	81.0	10,151	94.5
Total	79	100.0	10,746	100.0
Co.owners:				
Amerada Hess	11	13.9	2,184	20.3
Cities Service	21	26.6	5,898	54.9
Continental Oil	19	24.0	6,708	62.4
Exxon	26	32.9	7,396	68.8
Getty Oil	21	26.6	6,857	63.8
Gulf Oil	22	27.8	4,650	43.3
Marathon Oil	13	16.4	2,027	18.9
Mobil Oil	21	26.6	4,477	41.7
Penzoil Co	4	5.1	2,130	19.8
Phillips Petroleum	15	19.0	1,531	14.6
Shell Oil	21	26.6	5,610	52.6
Standard Oil (California)	8	10.1	3,498	32.6
Standard Oil (Indiana)	28	35.4	7,126	66.3
Standard Oil (Ohio)	4	5.1	313	2.9
Sun Oil	30	38.0	4,762	44.3
Superior Oil	6	7.6	2,191	20.4
Tenneco	13	16.4	4,236	39.4
Texaco	20	25.3	1,844	17.6
Union Oil (California)	21	26.6	4,042	37.6
Others**	4	5.1	76	.7

*The cumulative total capacity of all gas processing plants in which Atlantic Richfield owns an interest.

**Other petroleum companies or individuals with whom Atlantic Richfield shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY CITIES SERVICE OIL CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Cities Service	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	30	42.8	2,335	23.8
Owned with others	40	57.5	7,450	76.6
Total	70	100.0	9,785	100.0
Coowners:				
Amerada Hess	7	10.0	875	8.9
Atlantic Richfield	25	35.7	6,337	64.8
Continental Oil	12	17.1	5,013	51.2
Exxon	16	22.8	5,460	55.8
Getty Oil	12	17.1	5,390	55.1
Gulf Oil	14	20.0	5,485	56.1
Marathon Oil	5	7.1	580	5.9
Mobil Oil	9	12.8	1,903	19.4
Pennzoil Co	1	1.4	100	1.0
Phillips Petroleum	8	11.4	1,205	12.3
Shell Oil	16	22.9	5,668	57.9
Standard Oil (California)	4	5.7	3,370	34.4
Standard Oil (Indiana)	14	20.0	4,757	48.6
Standard Oil (Ohio)	3	4.3	455	4.6
Sun Oil	18	25.7	2,211	22.6
Superior Oil	5	7.1	2,168	22.6
Tenneco	10	14.3	3,849	39.3
Texaco	14	20.0	1,812	18.5
Union Oil (California)	14	20.0	3,545	36.2
Others**	7	10.0	461	4.7

*The cumulative total capacity of all gas processing plants in which Cities Service owns an interest.

**Other petroleum companies or individuals with whom Cities Service shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY CONTINENTAL OIL CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Continental Oil	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	8	20.0	436	4.6
Owned with others	32	80.0	9,058	95.4
Total	40	100.0	9,494	100.0
Co.owners:				
Amerada Hess	8	20.0	3,365	35.4
Atlantic Richfield	21	52.5	6,790	71.5
Cities Service	12	30.0	4,993	52.6
Exxon	11	27.5	6,848	72.1
Getty Oil	12	30.0	6,256	65.9
Gulf Oil	10	25.0	4,956	52.2
Marathon Oil	8	20.0	2,740	28.9
Mobil Oil	11	27.5	4,240	44.6
Pennzoil Co	3	7.5	2,675	28.2
Phillips Petroleum	10	25.0	2,464	26.0
Shell Oil	13	32.5	6,244	65.8
Standard Oil (California)	4	10.0	4,400	46.3
Standard Oil (Indiana)	17	42.5	6,827	71.9
Standard Oil (Ohio)	2	5.0	175	1.8
Sun Oil	14	35.0	3,760	39.6
Superior Oil	5	12.5	1,619	17.0
Tenneco	10	25.0	3,925	41.3
Texaco	6	15.0	565	6.0
Union Oil (California)	12	30.0	4,108	43.3
Others**	4	10.0	258	2.7

*The cumulative total capacity of all gas processing plants in which Continental Oil owns an interest.

**Other petroleum companies or individuals with whom Continental Oil shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY MOBIL OIL CORP. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Mobil Oil	Total number of plants	Percentage of total number of plants	Total capacity * (1,000 mcf/d)	Percentage of total capacity
Wholly owned	16	25.8	1,609	14.7
Owned with others	46	74.2	9,328	85.3
Total	62	100.0	10,937	100.0
Co.owners:				
Amerada Hess	5	8.1	2,225	20.3
Atlantic Richfield	20	32.2	4,406	40.3
Cities Service	8	12.9	1,665	15.2
Continental Oil	11	17.7	4,775	43.6
Exxon	15	24.2	5,146	47.0
Getty Oil	11	17.7	3,407	31.2
Gulf Oil	14	22.6	3,328	30.4
Marathon Oil	10	16.1	2,705	24.7
Pennzoil Co	3	4.8	2,730	25.0
Phillips Petroleum	11	17.7	2,850	26.0
Shell Oil	12	19.4	3,793	34.7
Standard Oil (California)	6	9.7	2,247	20.5
Standard Oil (Indiana)	19	30.6	5,147	47.1
Standard Oil (Ohio)	2	3.2	100	.9
Sun Oil	19	30.6	4,690	42.9
Superior Oil	8	12.9	1,793	16.4
Tenneco	12	19.4	2,173	19.9
Texaco	17	27.4	2,915	26.6
Union Oil (California)	19	30.6	4,062	37.1
Others **	2	3.2	15	.1

* The cumulative total capacity of all gas processing plants in which Mobil Oil owns an interest.

** Other petroleum companies or individuals with whom Mobil Oil shares ownership interest in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY PHILLIPS PETROLEUM CO. TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Phillips Petroleum	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	10	28.6	1,280	22.7
Owned with others	25	71.4	4,359	77.3
Total	35	100.0	5,639	100.0
Co.owners:				
Amerada Hess	4	11.4	330	5.8
Atlantic Richfield	13	37.1	1,172	20.8
Cities Service	3	8.6	360	6.4
Continental Oil	7	20.0	1,712	30.4
Exxon	7	20.0	1,564	27.7
Getty Oil	4	11.4	198	3.5
Gulf Oil	8	22.8	2,162	38.3
Marathon Oil	5	14.3	324	5.7
Mobil Oil	10	28.6	2,177	38.6
Pennzoil Co	2	5.7	1,370	24.3
Shell Oil	7	20.0	1,945	34.5
Standard Oil (California)	5	14.3	1,680	29.8
Standard Oil (Indiana)	12	34.3	2,328	41.3
Standard Oil (Ohio)	1	2.8	63	1.1
Sun Oil	11	31.4	2,343	41.5
Superior Oil	3	8.6	1,455	25.8
Tenneco	2	5.7	78	1.4
Texaco	3	8.6	333	5.9
Union Oil (California)	7	20.0	2,205	39.1
Others**	4	11.4	1,238	22.0

*The cumulative total capacity of all gas processing plants in which Phillips Petroleum owns an interest.

**Other petroleum companies or individuals with whom Phillips Petroleum shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY STANDARD OIL CO. OF CALIFORNIA TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Standard Oil Co. of California	Total number of plants	Percentage of total number of plants	Total capacity * (1,000 mcf/d)	Percentage of total capacity
Wholly owned	11	34.4	512	8.0
Owned with others	21	76.6	5,884	92.0
Total	21	100.0	6,396	100.0
Co-owners:				
Amerada Hess	3	9.5	2,000	31.3
Atlantic Richfield	8	25.0	3,563	55.7
Cities Service	4	12.5	3,460	53.5
Continental Oil	6	18.8	4,485	70.1
Exxon	8	25.0	5,215	81.5
Getty Oil	7	21.9	3,492	54.6
Gulf Oil	8	25.0	3,493	54.6
Marathon Oil	5	15.6	2,152	33.6
Mobil Oil	6	18.8	2,350	36.7
Pennzoil Co	2	6.2	1,350	21.1
Phillips Petroleum	5	15.6	1,630	25.5
Shell Oil	9	28.1	5,380	84.1
Standard Oil (Indiana)	9	28.1	5,315	83.1
Standard Oil (Ohio)	1	3.1	12	
Sun Oil	6	18.8	1,618	25.3
Superior Oil	4	12.5	3,210	50.6
Tenneco	2	6.6	1,873	29.3
Texaco	6	18.8	1,014	15.8
Union Oil (California)	7	21.9	3,530	55.2
Others **	2	6.2	23	

* The cumulative total capacity of all gas processing plants in which Standard Oil (California) owns an interest.

** Other petroluem companies or individuals with whom Standard Oil (California) shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY TENNECO, INC., TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Tenneco	Total number of plants	Percentage of total number of plants	Total capacity* (5,000 mcf/d)	Percentage of total capacity
Wholly owned	2	6.7	175	2.8
Owned with others	28	193.3	6,169	97.6
Total	30	100.0	6,304	100.0
Co-owners:				
Amerada Hess	4	13.3	385	6.1
Atlantic Richfield	12	40.0	3,707	58.8
Cities Service	9	30.0	3,610	57.3
Continental Oil	8	26.7	3,525	55.9
Exxon	11	36.7	4,557	72.3
Getty Oil	11	36.7	3,808	60.4
Gulf Oil	13	43.3	4,968	78.8
Marathon Oil	5	16.7	245	3.9
Mobil Oil	8	26.7	1,455	23.1
Pennzoil Co	1	3.3	1,200	19.0
Phillips Petroleum	4	13.3	465	7.4
Shell Oil	14	46.7	5,073	80.5
Standard Oil (California)	2	6.7	5,873	29.7
Standard Oil (Indiana)	13	43.3	3,927	62.4
Standard Oil (Ohio)	0	0	0	0
Sun Oil	13	43.3	1,058	16.8
Superior Oil	5	16.7	3,320	52.7
Texaco	6	20.0	1,662	26.4
Union Oil (California)	6	20.0	2,376	37.7
Others**	0	0	0	0

*The cumulative total capacity of all gas processing plants in which Tenneco owns an interest.

**Other petroleum companies or individuals with whom Tenneco shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY STANDARD OIL CO. OF OHIO TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Standard Oil Co. of Ohio	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	4	22.2	93	12.2
Owned with others	14	77.8	667	87.8
Total	18	100.0	760	100.0
Co-owners:				
Amerada Hess	2	11.1	135	17.8
Atlantic Richfield	6	33.3	500	65.8
Cities Service	3	16.7	325	42.8
Continental Oil	2	11.1	175	23.0
Exxon	5	27.8	422	55.5
Getty Oil	4	22.2	277	36.4
Gulf Oil	7	38.9	437	57.5
Marathon Oil	1	5.6	12	1.6
Mobil Oil	3	16.7	115	15.1
Pennzoil Co	1	5.6	20	2.6
Phillips Petroleum	2	11.1	175	23.0
Shell Oil	4	22.2	247	32.5
Standard Oil (California)	2	11.1	32	4.2
Standard Oil (Indiana)	4	22.2	350	46.0
Sun Oil	7	38.9	400	52.6
Superior Oil	0	0	0	0
Tenneco	3	16.7	140	18.4
Texaco	3	16.7	265	34.9
Union Oil (California)	2	11.1	225	29.6
Others**	2	11.1	20	2.6

* The cumulative total capacity of all gas processing plants in which Standard Oil (Ohio) owns an interest.

** Other petroleum companies or individuals with whom Standard Oil (Ohio) shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

DOMESTIC NATURAL GAS PROCESSING PLANTS OWNED BY TEXACO, INC., TOGETHER WITH MAJOR PRODUCING COMPANIES, AS OF JAN. 1, 1974

Texaco	Total number of plants	Percentage of total number of plants	Total capacity* (1,000 mcf/d)	Percentage of total capacity
Wholly owned	32	37.3	4,190	37.7
Owned by others	54	62.8	6,924	62.3
Total	86	100.0	11,114	100.0
Co-owners:				
Amerada Hess	5	5.8	1,096	9.9
Atlantic Richfield	19	22.1	1,816	16.3
Cities Service	11	12.8	1,010	9.1
Continental Oil	5	5.8	473	4.2
Exxon	19	22.1	3,085	27.8
Getty Oil	16	18.6	1,9'8	17.5
Gulf Oil	22	25.6	2,857	25.7
Marathon Oil	6	7.0	1,165	10.5
Mobil Oil	17	19.8	3,173	28.5
Pennzoil Co	2	2.3	1,106	10.0
Phillips Petroleum	6	7.0	590	5.3
Shell Oil	15	17.4	2,890	26.0
Standard Oil (California)	7	8.1	1,050	9.4
Standard Oil (Indiana)	15	17.4	3,255	29.3
Standard Oil (Ohio)	3	3.5	205	1.8
Sun Oil	20	23.2	2,223	20.0
Superior Oil	6	7.0	647	5.8
Tenneco	4	4.6	1,090	9.8
Union Oil (California)	14	16.3	1,760	15.8
Others**	2	2.3	90	.8

*The cumulative total capacity of all gas processing plants in which Texaco owns an interest.

**Other petroleum companies or individuals with whom Texaco shares ownership interests in gas processing plants in which none of the above petroleum companies also share ownership interests.

FINANCIAL HOUSE DIRECTORATE INTERLOCKS AND SECURITIES HOLDINGS IN PETROLEUM COMPANIES

ALLIED CHEMICAL

Financial houses with whom director is affiliated: Bowery Savings Bank (N.Y.), Chase Manhattan, Chemical Bank, Donaldson, Lufkin, & Jenrette, Inc., Fidelity Union Ban Corp., First National Bank (Southaven, Manhattan, Lazard Freres & Co., Loeb, Rhoades & Co., N.Y. Life Ins. Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Chase Manhattan, Lazard Freres & Co., Loeb, Rhoades & Co., Merrill Lynch, Morgan Guaranty Trust, National Shawmut Bk. of Boston, State Str. Bank & Trust (Boston), Swiss Bank Corp.

Financial houses among largest corporate debt holders: Chase Manhattan, Liberty Mutual, U.S. Trust Co.

AMERADA HESS

Financial houses with whom director is affiliated: Com'l Union Assur. Co. Ltd., Chemical Bank, First Nat'l Bank of Jackson, Ms., First Nat'l State Bank of N.J., Lamar Life Ins., Mutual Benefit Life Ins. Co., N.Y. Life Ins. Co., Thos. Jefferson Life Ins. Co.

Financial houses among largest corporate equity holders: Bank of California, N.A., Bank of Delaware, Bank of New York, Chase Manhattan, Equit. Life Assur. Soc., Manufacturers Hanover, Morgan Guaranty Trust, Prudential Ins. Co., State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chase Manhattan, Chemical Bank, Equitable Life Assur. Soc., First Nat'l Bank of Chicago, First Nat'l City Bank, Metropolitan Life Insurance, Morgan Guaranty Trust.

AMERICAN PETROFINA***

Financial houses among largest corporate debt holders: American Nat'l Insurance Co., Chase Manhattan,** Dry Dock Savings Bank (N.Y.), European-American Banking Corp., First Nat'l Bank-Dallas, (Lease trustee for eight insurance companies),* Mass. Mutual Life Ins. Co., National Bank of Detroit, Southwestern Life Insurance Co.

*** American Petrofina Holding Co. is listed as largest equity holder.

** For Prudential Ins., N.Y. Life Ins. Co., Penn. Mutual Life Ins., and Conn. Gen'l Life Ins. Co.

* Pacific Mutual Life Ins. Co., Penn. Mutual Life Ins. Co., Commonwealth Ins. Co., State Farm Ins. Co., Acacia Mutual Life Ins. Co., Country Life Ins. Co., Lutheran Mutual Life Ins. Co., United Benefit Life Ins. Co.

APCO OIL

Financial houses with whom director is affiliated: American Nat'l Fire Ins. Co., Central Nat'l Corp. (N.Y.), Continental Reinsur. Co., Federated Capital Corp., Great American Inc. Co., Jefferson Ins. Co. of N.Y.; Lehman Bros., Loeb, Rhodes & Co.

Financial houses among largest corporate equity holders: Bache & Co., Bank of Montreal, Brown Bros. Harriman & Co., Central Nat'l Corp. (N.Y.) Chase Manhattan, First Nat'l City Bank, E. F. Hutton & Co., Inc., Loeb, Rhoades & Co., Madison Fund, Inc., Merrill Lynch, Morgan Guaranty Trust, Pershing & Co., Inc., Wilmington Trust Co. (Del.)

Financial houses among largest corporate debt holders: Bank of Montreal, Chase Manhattan, First Nat'l Bank of Chicago, Wilmington Tr. Co. (Del.) Loeb, Rhoades & Co., Madison Fund, Inc., Merrill Lynch, Metropolitan Life Ins. Co.

ASHLAND OIL

Financial houses with whom director is affiliated: Bank of Bluegrass (Lexington, Ky.), Criterion Ins. Co., Drovers State Bank (Minn.), First Security Nat'l Bank & Trust Co. (Lexington, N.Y.), First Union Nat'l Bank of N.C. (Charlotte), GEICO, GE Financial Corp. & Gov't Employees Life Ins. Co., May Ave. Bank & Trust (Ok. City), Second Nat'l Bank (Ashland, Ky.), Second New Haven Bank (Ct.), Security Ins. Group (Textron), Security-Conn. Life Ins. Co., U.S. Trust Co. of N.Y.

Finacial houses among largest corporate equity holders: Bank of N.Y., Cede & Co., Continental Bank (Ill.), Morgan Guaranty Trust, Nat'l Shawmut Bank (Boston).

Financial houses among largest corporate debt holders: Bank of Delaware, Bankers Trust Co., Chase Manhattan, Dresdner Bank of Germany.

ATLANTIC RICHFIELD

Financial houses with whom director is affiliated: Not reported.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Chase Manhattan, Manufacturers Hanover.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Amsterdam-Rotterdam Bank N.V., Chase Manhattan, Metropolitan Life Ins. Co., Morgan Guaranty Trust, N.Y. Life Ins. Co.

BEACON OIL

Financial houses among largest corporate equity holders: P. H. Greer Co., Inc.

BELCO PETR.

Financial houses among largest corporate equity holders: U.S. Trust Co. of N.Y.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, El Paso Nat'l Bank, First Nat'l City Bank, Morgan Guaranty Trust.

CHAMPLIN PETROLEUM (UNION PACIFIC CORP. SUBSIDIARY)

Financial houses with whom director is affiliated: Amer'n Bkrs. Ins. Co. of Fla., Brown Bros. Harriman & Co., Bus. Men's Assur. Corp., Chemical N.Y. Co., Colo. Nat'l Bank (Denver), First Nat'l Bank of Oregon, First Nat'l City Corp., First Sec. Bank of Idaho, N.A., First Sec. Bank of Utah, N.A., First Security Corp., First United Bancorporation, Guarantee Mutual Ins. Co., Irving Trust Co., Charter N. Y. Corp., Metropolitan Life Ins. Co., Mutual Life Ins. Co., Omaha Nat'l Bank, Real Banc, Inc., The Seaman's Bank fo Savings, Security Pacific Corp., United Mo. Bancshares (Kansas City), W. Omaha Nat'l Bank, White Weld & Co., Inc., World Service Life Ins.

Financial houses among largest corporate equity holders: Bank of N.Y., Brown Bros. Harriman & Co., Chase Manhattan, Equit. Life Assur. Soc. of U.S., Manufacturers Hanover, Merrill Lynch, Nat'l Shawmut Bank of Boston, State Str. Bank & Trust (Boston).

CITIES SERVICE OIL CO.

Financial houses with whom director is affiliated: Canadian Imperial Bank of Commerce, First Nat'l Bank of Tulsa, Harlem Savings Bank, Kuhn Loeb, Loeb, Rhoades & Co., Manufacturers Hanover Trust, Morgan Guaranty Trust, J. P. Morgan & Co., New Amsterdam Casualty Co., State Nat'l Bank—Greenwich, Ct.

Financial houses among largest corporate equity holders: Bank of New York, Brown Bros. Harriman, Cede & Co., Manufacturers Hanover, Morgan Guaranty Trust.

Financial houses among largest corporate debt holders: Chase Manhattan, First City Nat'l Bank (Houston), Metropolitan Life Ins., U.S. Trust Co. of N.Y.

CLARK OIL

Financial houses with whom director is affiliated: Association Life Ins. Co., and Loewi & Co.

Financial houses among largest corporate equity holders: Cede & Co. and Marine National Bank (Milwaukee).

Financial house among largest corporate debt holders: Aetna Casualty-Aetna Life, Nat'l Bank of Chicago, Jefferson Std. Life Ins., Lutheran Mutual Life Ins., Mass. Mutual Life Ins., Nat'l Life Ins., New England Mutual Life Ins., Northwestern Nat'l Life Ins., Prudential Ins., and Teachers Ins. & Annuity.

CLINTON OIL

Financial houses with whom director is affiliated: Central State Bank (Wichita), City Bank & Trust Co. (Jackson, Mi.), First Nat'l Bank of Wichita, Gude, Winmill & Co., and Northern States Bancorp (Detroit).

Financial houses among largest corporate equity holders: Cede & Co., and Merrill Lynch.

Financial houses among largest corporate debt holders: First City Nat'l Bank (Houston), Reserve Life Ins. Co., and Rothschild Intercontinental Bk. Ltd.

COMMONWEALTH OIL

Financial houses with whom director is affiliated: Banco Credito y Ahorro Ponceno, Banco de Economia de P.R., Banco Popular de P.R., Carib. Fed. S & L, First Penn Corp., Fireman's Fund Amer'n Ins. Co.'s, First Boston Corp., First Nat'l Bank of Boston, First Nat'l City Bank, Puerto Rico Inv. Funds Inc., Putnam Tr. Co. (Greenwich, Ct.).

Financial houses among largest corporate equity holders: Bache & Co., Blyth, Eastman Dillon, Union Sec. & Co., First Nat'l Bank of Boston, Loeb, Rhoades & Co., Merrill Lynch, Pitcairn Co. (Wilmington, Del.).

Financial houses among largest corporate debt holders: First Nat'l City Bank*, New York Life Ins. Co., Riggs National Bank (D.C.).

CONTINENTAL OIL

Financial houses with whom director is affiliated: Bankers Trust Co., Canada Life Assurance, Canadian Imperial Bank of Commerce, Cont. Ill. Corp., Federated Capital Corp., Johnson City Bank (Tx), Morgan Guaranty Trust, J. P. Morgan & Co., Inc., Putnam Trust Co., Royal Globe Ins. Co., Trust Co. of Ga., U.S. Trust Co. of N.Y.

Financial houses among largest corporate equity holders: Bank of New York**, Bankers Trust Co., Cede & Co., Chase Manhattan***, Mellon Nat'l Bk & Trust (Pittsburgh).

Financial houses among largest corporate debt holders: Bankers Trust Co., Chase Manhattan, First Nat'l City Bank, Mellon Bank, Morgan Guaranty Trust.

CROWN CENTRAL PETROLEUM CO.

Financial houses with whom director is affiliated: Chase Manhattan, N.A., Hallgarten and Co., Union Trust Co. of Md.

Financial houses among largest corporate equity holders: Barclay's Bank Co. (N.Y.), W. E. Hutton & Co., Loeb, Rhoades & Co., Merrill Lynch, Tom and Barut, Ltd., Union Trust of Md.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Conn. General Life Ins., Equitable Life Assur., Interstate Life & Accident Ins., Jefferson Std. Life Ins. Co., Mutual Life Ins. Co., New England Mutual Life Ins. Co., Penn. Mutual Life Ins. Co., Union Trust Co. of Md.

DIAMOND SHAMROCK OIL & GAS

Financial houses with whom director is affiliated: Cleveland Trust Co., First Nat'l Bank of Amarillo, Tx., First Nat'l Bank of St. Louis, First Union Corp., Mellon Nat'l Corp., St. Louis Union Trust Co., Society Nat'l Bank of Cleveland.

Financial houses among largest corporate equity holders: American Bk. & Trust Co. of Pa., Bank of N.Y., Cede & Co., Cleveland Trust Co., First Nat'l Bank of Chicago, Irving Tr. Co., Mellon Nat'l Bk. & Tr. (Pittsburgh), Pittsburgh Nat'l Bk., State Str. Bk. & Tr. Co. (Boston), Swiss Bank Corp., Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Bankers Trust Co., Chase Manhattan, Morgan Guaranty Trust, N.J. Nat'l Bank, Savings Bank Tr. Co., Wilmington Tr. Co.

EL PASO NATURAL GAS CO.

Financial houses with whom director is affiliated: American Bank (Odessa, Tx.), Bank of New York, Desert Ins. Co. Ltd., El Paso Nat'l Bank (Tx.), First City Bancorporation of Texas, First State Bank, Home Savings & Loan (Odessa), Int'l Ins. Agency, Inc., Mellon Bank & Trust Co., Pacific Mutual Life Ins. Co., Permanent Bank & Trust Co. (Odessa, Tx.), San Angelo Nat'l Bank, TX Comm. Bank N.A., TX Comm. of Houston, TX Comm. of Lubbock, Western Bancorp (CA.).

Financial houses among largest corporate equity holders: First Nat'l City Bank, Merrill Lynch, Reynolds Securities.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, Conn. Gen'l Life Ins. Co., Equitable Life Assurance, John Hancock Mutual Life Ins., Metropolitan Life Ins. Co., Mutual Life Ins. Co., N.Y. Life Ins. Co., Northwestern Mutual Life Ins., Sun Life Assurance Co. of Canada, Travelers Ins. Co.

EXCHANGE OIL & GAS

Financial houses with whom director is affiliated: American Tidelands Life Ins. Co., Hibernia Nat'l Bank in N.O., Wertheim & Co.

EXXON

Financial houses with whom director is affiliated: American Gen'l Ins. Co., Chase Manhattan, Chemical Bank, Dry Dock Savings Bank (N.Y.), Equit. Life Assur. Soc., First City Bankcorporation of Texas, First Nat'l City Bank, Metropolitan Life Ins., Morgan Guaranty Trust, J. P. Morgan & Co., Prudential Ins. Co., Texas Commerce Bancshares, Inc.

Financial houses among largest corporate

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*In group for credit agreement with Chase Manhattan, Chemical Bank, 1st Nat'l Bank of Boston, B. Credito y Ahorro Ponceno, Banco de Ponce, Banco Pop. de P.R.

**Nominee for: General Investors Company, Inc.; The Johnston Mutual Fund, Inc., Petroleum Corporation of America; United Funds, Inc.; and The United States Fund.

***Nominee for: American Mutual Fund, Inc.; Chemical Fund, Inc.; Eberstadt Fund, Inc.; Equity Fund, Inc.; International Resources Func, Inc.; and Investment Company of America.

equity holders: Bank of New York, Bankers Trust Co., Cede & Co., Chase Manhattan Bank, Chemical Bank, First Nat'l Bank of Boston, Manufacturers Hanover, Morgan Guaranty Trust, State Str. Bank & Trust (Boston), United States Trust Co.

Financial houses among largest corporate debt hodlers: Bankers Trust Co., First Nat'l City Bank, John Hancock Mutual, Metropolitan Life Ins., Mutual Benefit Life Ins., Travelers Ins. Co.

FARMLAND INDUSTRIES

Financial houses with whom petroleum company director is affiliated: Farmers Elev. Mutual Ins. Co., Farmers Life Co., Farmland Life Ins. Co.

Financial houses among largest corporate debt holders: Bank of the Southwest, Bankers Trust Co., Chase Manhattan Bank, Commerce Bank Kansas City), First Natl. Bank of Chicago, First Natl. City Bank, Omaha Bank for Co-ops, St. Louis Bank for Co-ops, Wichita Bank for Co-ops.

FELMONT OIL CORP.

Financial houses with whom director is affiliated: The Franklin Corp.

Financial houses among largest corporate equity holders: Cede & Co.

FLETCHER OIL & REFRIGERATION CO.

Financial houses with whom director is affiliated: Idaho Fidelity Corp.

Financial houses among largest corporate debt holders: Northwestern Natl. Life Ins. Co.

FOREST OIL

Financial houses with whom director is affiliated: Nat'l Bank of Commerce (San Antonio).

Financial houses among largest corporate equity holders: Bank of CA, Bank of NY, Cede & Co., First Nat'l Bank of Nev., Metropolitan Life Ins. Co., State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chase Manhattan, N.A.,* Federal Life & Cas., John Hancock Mutual, Lehman Bros., Inc., Metropolitan Life Ins. Co., Morgan Guaranty Trust, Mutual Life Ins. Co., Northwestern Mutual Life, People's Home Life Ins., State Str. Bank & Trust (Boston).

GENERAL AMERICAN OIL CO. OF TEXAS

Financial houses with whom director is affiliated: American Nat'l Bank of Jacksonville, Blyth Eastman Dillon & Co., Deposit Guaranty Nat'l Bank (Miss.), The Excelsior Life Ins. Co., Matthews & Co., Ltd. (CAN), The People's Nat'l Bank, Tyler, Tex., Republic Nat'l Bank of Dallas, Standard Life Ins. Co., State Bank of Jacksonville (Fla.).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, New England Merchants Nat'l Bank (Boston), Republic Nat'l Bank of Dallas.

GENERAL CRUDE OIL

Financial houses with whom director is affiliated: American General Ins. Co., Glenmede Trust Co. (Pa.), Meyerland State Bank, Manufacturer Hanover Corp.

Financial houses among largest corporate equity holders: Bank of New York, Glenmede Trust (Pa.), Manufacturers Hanover.

HAMILTON BROS. PETROLEUM CORP.

Financial house with whom director is affiliated: Chase Int'l Inv. Corp., First Nat'l Bancorp., First Nat'l Bank in Dallas, Lamar Life Ins., Life & Casualty Co. of TN, Nat'l Shawmut Bank of Bos., Trust Co. of N.Y.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Bank of Montreal.

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* Nominee for: Manufacturer's Hanover Trust Company; Marine Midland Bank (Western); First National Bank and Trust Company of Tulsa; National Bank of Commerce (San Antonio).

HUNT OIL CO.

Financial houses with whom director is affiliated: Exchange Bank & Trust Co. (Dallas).

Financial houses among largest corporate debt holders: Federal Savings & Loan Assoc. (Thibodeau, La.), Mutual Life Ins. Co., N. American Life & Casualty Co.

HUSKY OIL

Financial houses with whom director is affiliated: Cont. Ill. Nat'l Bank & Trust, First Security Corp. (Utah).

Financial house among largest corporate equity holders: Bank of Montreal, Can. Imp. Bank of Comm., Chase Manhattan, Cont. Ill. Nat'l Bank & Trust, Royal Bank of Can., Montreal Trust Co., Canada Permanent Trust Co.

Financial houses among largest corporate debt holders: Bank of New York, Cont. Illinois Nat'l Bank (Chicago), Federal Life & Casualty Co., First Sec. Bank of Utah, Morgan Guaranty Trust, New York Life Ins.

KERR-M'GEE CORP.

Financial houses with whom director is affiliated: American Bank of Edmond (Ok.), American Fidelity Assur. Co., American Fidelity Ins. Co., Capital Hill St. Bank & Trust Co. (Ok. City), Citizens Bank of Ok. City, Fidelity Bank, N.A. (Ok. City), First Nat'l Bank, Alex. Ok., First Nat'l Bank & Trust, Muskegee, Ok., First State Bank, Blanchard, Ok., First State Bank & Trust Co. of Oklahoma City, F & M Bank of Tulsa, Lehman Bros., Inc., Liberty Nat'l Corp. (Ok. City), Reserve Nat'l Ins. Co., Soc. First Nat'l Bank of L.A., S.W. Title & Trust Co. (Ok. City).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, Fidelity Bank, N.A., First Nat'l Bank of Boston, Lehman Corp., State St. Bk. & Trust (Boston), Metropolitan Life Ins. Co., Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Bank of Southwest, First Nat'l Bank of Chicago, First Nat'l City Bank, John Hancock Mutual, Prudential Ins. Co. of America, N.Y. Life Ins. Co.

KEWANEE OIL

Financial houses with whom director is affiliated: Blyth Eastman Dillon & Co., Philadelphia Nat'l Bank, Tanney, Montgomery, Scott, Inc.

LION (TOSCO SUBSIDIARY)

Financial houses with whom director is affiliated: Exchange Bank & Trust Co. (Dallas).

Financial houses among largest corporate debt holders: The Equitable Life Ins. Soc., The First Nat'l Bank of St. Paul.

LONE STAR GAS CO.

Financial houses with whom director is affiliated: Bank of Commerce, Employers Casualty Co., Republic Nat'l Bank of Dallas, San Angelo National Bank, Texas Employers Ins. Assoc.

Financial houses among largest corporate equity holders: Chemical Bank (trustee), Equitable Life Assur. Soc., First Nat'l Bank in Dallas, First Nat'l City Bank, Mellon Nat'l Bank and Trust (Pittsburgh), Merrill Lynch, Nat'l Shawmut Bank, Northwestern Pa. Bank of Dallas. Republic Nat'l Bank of Dallas.

Financial houses among largest corporate debt holders: Mellon Nat'l Bank & Trust (Pittsburgh).

LOUISIANA LAND AND EXPLORATION

Financial houses with whom director is affiliated: American Life Ins. Co. of N.Y., Bank of N.Y., Citizens Nat'l Bank of Hammond, La., Depository Trust Co., Dry Dock Savings Bank, First City Nat'l Bank of Houston, Hibernia Nat'l Bank of New Orleans, La. and Southern Life Ins., J. P. Morgan & Co., N.Y. Life Ins., Northern Ins. Co. of N.Y., Whitney Nat'l Bank (New Orleans).

Financial houses among largest corporate equity holders: Bank of New York, Bankers Trust Co., Brown Bros. Harrison & Co., Cede & Co., Chase Manhattan, Delaware Trust Co., Goldman Sachs & Co., Harris Trust & Savings Bank (Chicago), Lehman Bros., Lewco Securities Corp., Manufacturers Hanover Trust, Md. Nat'l Bank, Mellon Nat'l Bank & Trust (Pittsburgh), Merrill Lynch, Morgan Guaranty Trust, Nat'l Bank of Tulsa, Nat'l Bank of Rutherford (N.J.), Northwestern Nat'l Bank of Minn., Savings Bank & Trust Co., Spencer Trask & Co., Inc., State Str. Bank & Trust Co. (Boston), U.S. Trust of N.Y.

Financial houses among largest corporate debt holders: Bank of New York, First Nat'l Bank of Commerce (New Orleans, La.).

MARATHON OIL *

Financial houses with whom director is affiliated: The First Boston Corp.; First Nat'l Bank of Findlay (Ohio), Nat'l City Bank of Cleveland, N.Y. Life Ins. Co., Philadelphia Nat'l Bank, Sears Bank & Trust Co. (Chicago), Toledo Trust Co.

Financial houses among largest corporate equity holders: Nat'l City Bank of Cleveland.

MC CULLOCH OIL**

Financial houses with whom director is affiliated: Bache & Co.

Financial houses among largest corporate equity holders: Cede & Co., Merrill Lynch, Mutual Life Ins. Co.

Financial houses among largest corporate debt holders: Bank of America, Chase Manhattan, City Nat'l Bank & Trust (Kansas City), First Nat'l Bank in Dallas, Mellon Bank & Trust Co. (Pittsburgh), Merrill Lynch, Savings Bank & Trust Co., State Str. Bank & Trust (Boston).

MOBIL OIL

Financial houses with whom director is affiliated: American Sec. & Trust Co. (D.C.), Bankers Trust Co., Brooklyn Savings Bank, Chemical N.Y. Corp., Federal Ins. Co., First Nat'l City Corp., Schroder Trust Co., Vigilant Inc. Co.

Financial houses among largest corporate equity holders: Not Reported.

Financial houses among largest corporate debt holders: Not Reported.

MONSANTO

Financial houses with whom director is affiliated: Bank of America, N.Y., Boatmen's Nat'l Bank of St. Louis, Charter Nat'l Life Ins. Co., Equitable Life Assur. Soc., First Nat'l Bank (St. Louis), First Nat'l City Bank, Great American Ins. Co., Liberty Mutual Fire Ins., Liberty Mutual Life Ins., Mercantile Bancorp Inc. (St. Louis), Merchants Nat'l Bank, (Cedar Rapids, Ia.), Metropolitan Life Ins., N.Y. Life Ins. Co., St. Louis County Nat'l Bank, St. Louis Union Trust Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Brown Bros. Harriman, Chase Manhattan, Merrill Lynch, Nat'l Bank of Detroit.

Financial houses among largest corporate debt holders: Chase Manhattan, Commerzbank, A.G., Metropolitan Life Ins., N.Y. Life Ins., Northwestern Mutual Life Ins.

MURPHY OIL

Financial houses with whom director is affiliated: Allied Bank Int'l, First Nat'l Holding Co., First Nat'l Bank of El Dorado, First Tennessee National Corporation, Louisiana & Southern Life Ins. Co.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Ft. Worth Nat'l Bank, First Trust Co. of St. Paul, Merrill Lynch, Morgan Guaranty Trust, United Mo. Bank (Kansas City).

Financial houses among largest corporate debt holders: Equitable Life Assur., First Nat'l Bank of Chicago, Mercantile Bank of Canada, Mitsubishi Bank Ltd., Nat'l Westminster Bank Ltd., Royal Bank of Canada, Union Bank of Switzerland.

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*Only partial public response.

**Only partial response.

OCCIDENTAL PETROLEUM CORP.

Financial houses with whom director is affiliated: Cleveland Trust Co., Florida Nat'l Bank of Jacksonville, Home Life Equity Fund, National Liberty Corp.

Financial houses among largest corporate equity holders: Cede & Company*, Chase Manhattan, Merrill Lynch.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Chase Manhattan, Conn. Gen'l Life Ins., Equitable Life Assur. Soc., First Nat'l City Bank, John Hancock Mutual, Mutual Life Ins. Co., N.Y. Life Ins. Co., Teachers Inst. & Annuity.

PANHANDLE **

EASTERN PIPE LINE

Financial houses with whom petroleum company director is affiliated; Commerce Bancshares, Eur-American Banking Corp., Morgan Guaranty Trust.

Financial houses among largest corporate equity holders: Bankers Trust Co., Cede & Co., Chase Manhattan, Chemical Bank, Fidelity-Philadelphia Trust Co., First City Nat'l Bank, Irving Trust Co., Manufacturers Hanover, Mellon Nat'l Bank & Trust Co. (Pittsburgh), Morgan Guaranty Trust, Nat'l Shawmut Bank of Boston, Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., First City Nat'l Bank, Life Ins. Co. of Va., Metropolitan Life Ins. Co., N.Y. Life Ins. Co., Savings Bank Trust Co. (N.Y.), U.S. Trust Co.

PENNZOIL CO.

Financial houses with whom director is affiliated: Brit. Assur. Trust Ltd., C. A. Casualty Ins. Co., Commonwealth Assur. Co., Federal Capital Corp., First Bancorp (Tulsa), First Nat'l Bank (Midland), Mellon Nat'l Bank & Trust (Pittsburgh), Valley Forge Insurance Co.

Financial houses among largest corporate equity holders: Brown Bros. Harriman, E. F. Hutton & Co., First Nat'l City Bank, First Nat'l Bank of Shreveport (trustee), State Str. Bank & Trust (Boston).

Financial houses among largest corporate debt holders: Chemical Bank, First Nat'l Bank of Chicago, Lincoln Nat'l Life Ins., Mass Mutual Life Ins. Co., Merrill Lynch, Mutual Benefit Life Ins., New England Merchants Nat'l Bank, Savings Bank Trust, State Str. Bank & Trust.

PHILLIPS PETROLEUM

Financial houses with whom director is affiliated: American Reinsurance Co., First Bancshares Inc. (Bartlesville), First Nat'l Bank in Bartlesville, First Nat'l Bank & Trust Co. of Tulsa, First Nat'l City Bank & Citicorp, Franklin N.Y. Corp, Nat'l Bank of Tulsa, Teachers Inst. Annuity Assoc., Union Nat'l Bank (Bartlesville, OK), Zions Utah Bancorp.

Financial houses among largest corporate equity holders: Bankers Trust Co., Chase Manhattan, First Nat'l Bank, Bartlesville, Fidelity Bank (Phila. Pa.), Merrill Lynch, U.S. Trust Co. of N.Y.

Financial houses among largest corporate debt holders: Chase Manhattan, Cont. Illinois Nat'l Bank, First Nat'l City Bank, Metropolitan Life Ins., N.Y. Life Ins. Co., Prudential Ins. Co.

ROCK ISLAND REFINERY

Financial houses with whom director is affiliated: American Fletcher Nat'l Bank & Trust Co.

Financial houses among largest corporate or more shares of common stock.

** Partial response only.

*Cede & Company holds common stock for a number of companies, including Bache & Co., E. F. Hutton, Merrill Lynch and Reynolds Securities, Inc. who each have 800,000 equity holders: First Nat'l Bank in Wichita, Mercantile Trust Co.

STANDARD OIL (IND.)

Financial houses with whom director is affiliated: American Nat'l Bank & Trust Co. (Chicago), Bank & Trust Co. of Arlington, Heights, Ill., Chase Manhattan, Chemical N.Y. Corp., Chicago Bank of Commerce, Continental Ill. Corp., First Nat'l Bank & Trust Co. of Tulsa, Harris Trust & Savings Bank (Chicago), Nat'l Blvd. Bank of Chicago, Union Cent. Life Ins., The Wilmette Bank (Ill.).

Financial houses among largest corporate equity holders: Cede & Co., Chase Manhattan, First Nat'l Bank of Chicago, Prudential Ins. Co.

Financial houses among largest corporate debt holders: Chemical Bank, Metropolitan Life Ins., Mitsubishi Bank Ltd., S. Nationale de Credit a l'Indus. Bank, The Sumito Bank, Ltd., U.S. Trust Co. of N.Y.

STANDARD OIL (OHIO)*

Financial houses with whom director is affiliated; Central Bancshares Corp. (Cleveland), Cleveland Trust Co., Lincoln National Corp., National City Bank of Cleveland.

Financial houses among largest corporate equity holders:Bankers Trust, British Petr. (Oversea) N.Y., Chase Manhattan, Nat'l City Bank, Wilmington Trust Co. (Del.).

Financial houses among largest corporate debt holders: Chase Manhattan, Chemical Bank, First Nat'l Bank-Chicago, First Nat'l City Bank, Morgan Guaranty Trust, U.S. Trust Co. of N.Y.

SHELL OIL CO.**

Financial houses with whom director is affiliated: Bank of California NA, Bank of the Southwest, Capital National Bank, (Austin, Tx.), Charter N.Y. Corp., Chase Manhattan, Chemical Bank, Conn. Mutual Life Ins. Co., Dean Witter & Co. Inc., Lehman Brothers, Ranger Ins. Co., Seaboard Surety Co.

Financial houses among largest corporate equity holders: Manufacturers Hanover Trust Co.

Financial houses among largest corporate debt holders: Bankers Trust Co., First Nat'l City Bank, Irving Trust Co., N.Y. Life Ins. Co., U.S. Trust Co.

SOUTHLAND OIL CO.

Financial houses with whom director is affiliated: First Nat'l Bank of Jackson (Miss.), Lamar Life Ins. Co.

Financial houses among largest corporate equity holders: Lamar Life Ins.

Financial houses among largest corporate debt holders: Chemical Bank, First Nat'l Bank-Memphis, Whitney National Bank.

STANDARD OIL (CA)***

Financial houses with whom director is affiliated: Banca D'America e d'Italia, Bank of America NT & SA, Bank of California, Crocker Citizen's Nat'l Bank, Crocker Nat'l Corp., Equitable Life Ins., Fireman's Fund Amer'n. Ins., Fireman Fund Ins. Co., First Nat'l City Bank, Seattle First Nat'l Bank, United CA. Bank.

Financial houses among largest corporate equity holders: Crocker Nat'l Corp.

Financial houses among largest corporate debt holders: Bank of Int'l. Settlements (Switzerland), Caisse Gen. d Epargne et. de Retraite (Brussels), Mediobanca Sp. A., Soc. Nationale de Credit L'Industrie (Brussels), U.S. Trust Co. of N.Y.

* British Petr. (Oversea) N.Y. is largest holder of equity shares.

** Shell Petr. N.V. which owns 69.6% of Shell Oil, is in turn owned 60% by Royal Dutch Petr. Co. and 40% by the "Shell" Transport and Trading Co., Ltd. Shell Petr. N.V. has pledged 43.2% of Shell Oil common stock to Morgan Guaranty Trust under a trust indenture of Shell Funding Corp.

*** Partial response only.

SUN OIL CO.

Financial houses with whom director is affiliated: Bay State Corp., Fidelity Union Life Ins., First Nat'l Bank & Trust Co. of Tulsa, Girard Bank (Pa.), Glenmede Trust Co. (Pa.), Mutual Life Ins. Co., Northeastern Bank of Pa.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Chase Manhattan, Fidelity Union Trust Co., Metropolitan Life Ins. Co., U.S. Trust Co. of N.Y.

TENNECO INC.

Financial houses with whom director is affiliated: American Gen'l Life Ins., Employers Ins.—Wisconsin, Houston Nat'l Bank, Harris, Upham & Co., First Wisconsin Mortgage Trust, N.W., Bancorp., TX Commerce Bank.

Financial houses among largest corporate equity holders: Cede & Co., Houston Nat'l Bank, Merrill Lynch, Stone & Webtser.

Financial houses among largest corporate debt holders: Aetna Life Ins., Bankers Trust Co., Conn. Gen'l Life Ins. Co., Equitable Life Assur., John Hancock, First Nat'l City Bank, Metropolitan Life Ins., Prudential Life Ins., Teachers Ins. & Annuity.

TESORO PETROLEUM

Financial houses with whom director is affiliated: E. F. Hutton & Co., Inc.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: The First Jersey Nat'l Bank, First Nat'l Bank, Ft. Lauderdale, First Nat'l Bank of Topeka, Harris Trust & Savings Bank, E. F. Hutton & Co., Janney Montgomery Scott, Inc., Merrill Lynch.

TEXACO

Financial houses with whom director is affiliated: Bessemer Securities Corp., Brown, Harriman & Int'l Banks, Ltd., Continental Ill. Corp., Equitable Life. Assur. Soc., Financial Gen'l Bancshares, First Nat'l Bank of Washington, Gen'l Reins Corp., Mutual Life Ins., of N.Y., Nat'l Blvd. Bank of Chicago, Nat'l City Corp., Sun Life Assur. of Canada, State Bank of St. Charles, Ill., United Services Life Ins. Co.

Financial houses among largest corporate equity holders: Not reported.

Financial houses among largest corporate debt holders: Not reported.

TEXAS CITY REFINING

(Partial response only.)

Financial houses among largest corporate debt holders: American Nat'l Bank of Mobile, First Nat'l Bank of Memphis, Mutual Life Ins. Co.

TEXAS OIL & GAS CO.

Financial houses with whom director is affiliated: Spencer Trask & Co., Inc.

Financial houses among largest corporate equity holders: Bankers Trust Co., Bank of N.Y., Cede & Co., Chemical Bank, Ford Foundation, First Nat'l Bank (Denver), Manufacturers Hanover, Morgan Guaranty Trust, Phicar & Co. (Newark, N.J.), Wall St. Trust Co., U.S. Fidelity & Guaranty Trust Co.

Financial houses among largest corporate debt holders: American Nat'l Ins. Co., Bank of Delaware, Cleveland Trust Co., Jefferson Std. Life Ins., First Nat'l City Bank, N.J. Nat'l Bank, U.S. Trust Co. of N.Y.

TOTAL-LEONARD (SUBSIDIARY OF TOTAL PETROLEUM LTD.)

Financial houses with whom director is affiliated: Bank of Alma, Mich., Isabella Co. State Bank.

Financial houses among largest corporate debt holders: Aetna Life Ins. Co., Conn. Mutual Life Ins., Fr. Amer'n Bkg. Corp., Lincoln Nat'l Life Ins., Mich. Nat'l Bank.

UNION OIL CO. OF CALIFORNIA

Financial houses with whom director is affiliated: Bank of America, Benefit Trust Ins. Co., Canadian Imperial Bank of Comm., Korea Exch. Bank of CA., Pacific Mutual Life Ins., Palatine Nat'l Bank, Suburban Nat'l Bank of Woodfield, Union Bancorp, Inc., Western Bancorp.

Financial houses among largest corporate equity holders: Bank of N.Y., Cede & Co., First Nat'l City Bank, Merrill Lynch, Prudential Ins., Sec. Pacific Nat'l Bank.

Financial houses among largest corporate debt holders: Chase Manhattan, John Hancock, Metropolitan Life Ins., N.Y. Life Ins. Co., U.S. Trust Co.

Mr. ABOUREZK. Wilson comments that:

It is not necessarily the case that any single one of the thousands of joint venture arrangements which constitute so much of the petroleum industry in itself undermines workable competition between the joint venture partners. Nor would it be correct to conclude merely from their existence that joint venture interties are necessarily collusive arrangements consciously aimed at restraining competitive conduct. Rather it is the totality of all of the individual partnerships which constitutes the petroleum industry's unique form of structural integration. Regardless of the specific motives which may justify any individual combination, because of the extensive and widespread nature of mutual intercorporate interests it cannot be presumed that the competitive result will be the same as if the proprietary and commercial interests of each firm were independent of and competitively opposed to the self interest of the other market participants. Whether or not one believes that certain combinations constitute collusive restraints of trade, when the entire mosaic is viewed in context, the extent to which these interlocks dominate the industry's structure is undeniable.

Additional specific and convincing evidence of major oil company domination and control of the petroleum industry was recently revealed by the California Legislature's Joint Committee on Public Domain. Testifying on January 21, 1975, before the Senate Antitrust and Monopoly Subcommittee, former chairman of the joint committee and newly elected controller of the State of California, Kenneth Cory, summarized the conclusions of his committee's investigation into the structure and behavior of the petrolum industry in his State:

The Committee found that seven major companies—Texaco, Inc.; Exxon Corporation; Union Oil Company of California; Mobil Oil Corporation; Shell Oil Company; Standard Oil Company of California; and Atlantic Richfield Company—acted like divisions of a single California crude oil company. Their intercompany cooperation does not rest on any single agreement, but upon a whole network of overlapping smaller agreements for joint production and joint operation of individually owned private carrier pipelines. The effect of all these agreements and joint operations gives to this group the power to control California crude oil supply and prices, to exclude other independent producers or refiners from equal opportunity to compete in crude oil markets, and, in sum, to regulate the operation of the entire California segment of the oil economy.

Thus, given the kind of tight control exercised by a few major oil companies over both the petroleum and natural gas industries, it is not surprising when suddenly consumers are told there are shortages in supplies and that the solution is higher prices. This kind of situation can only result when a few companies, acting together, can constrain supplies in order to squeeze additional dollars from consumers.

The major oil companies' oligopoly, or shared monopoly, control of oil and natural gas is not something new. The companies have been consolidating their power over these resources for many, many years. But, what is relatively new, however, is the fact that these same companies have begun to assume control over other competitive energy sources—coal, uranium, shale oil, geothermal steam, solar energy technology, et cetera.

This emerging control over alternative competitive energy sources is seen by many economists as a dangerous development. Prof. Willard Mueller, professor of economics at Michigan State University and former Director of the Bureau of Economics at the Federal Trade Commission, testified in February 1974 before the Senate Interior Committee's Special Subcommittee on Integrated Oil Operations that:

Most ominous in the long run is the control acquired by the major oil companies over competing energy sources. Not content with their dominance over petroleum, these firms have embarked on an apparently systematic effort to gain a foothold in substitute fuels by buying up coal and uranium companies, and by leasing government oil shale lands.

In 1971, the House Subcommittee on Special Small Business Problems issued an extremely important report on "Concentration By Competing Raw Fuel Industries in the Energy Market and its Impact on Small Business." The committee found that:

The major oil companies account for approximately 84 percent of U.S. refining capacity; about 72 percent of the natural gas production and reserve ownership; 30 percent of the domestic coal reserves and over 20 percent of the domestic coal production capacity; over 50 percent of the uranium reserves and 25 percent of uranium milling capacity. Further, the major oil companies are acquiring oil shale and tar sands as well as water rights in many areas of the country.

The committee concluded, somewhat ominously,

If such a trend toward concentration by the oil companies in acquiring competing fuel resources is not reversed, this subcommittee believes that a very dangerous monopolistic fuel supply situation could eventuate.

The major problem that occurs when oil companies gain control of competing energy resources is that buyers are faced with a single supplier. Electric utilities, for example, must purchase oil, coal, and nuclear fuel—all of which are being produced by subsidiaries or affiliates of major oil companies. The power to control supply is the power to determine price. Without interfuel competition, utilities and therefore consumers are at the mercy of a handful of giant corporations.

The House subcommittee recognized this very fact,

The growing concentration in the fuel market may result in the dwindling of available fuel supplies, the maintenance of artificially high price levels and the eventual reduction in the number of competitors through merger, acquisition or bankruptcy.

Price competition and product improvement facilitated by the entry of new fuel suppliers into the same market will likely be foreclosed. Where substitutability among available fuels once provided the fuel purchaser with some element of price control through product selectivity, a highly concentrated market structure forecloses the possibility of its occurrence. Such is the subcommittee's deep concern with oil companies, as suppliers of raw fuels, acquiring substantial coal and uranium reserves and production capacities.

A recent House Banking and Currency report—"Oil Imports and Energy Security: An Analysis of the Current Situation and Future Prospects," September 1974—also summarized the threat to interfuel competition posed by oil company entry into competitive fuel markets:

Whatever the extent of competition among firms within the petroleum industry, the competitive behavior of the industry is determined in part by the extent of competition between petroleum products and its substitutes. A high degree of substitutability, on the one extreme, would constrain the pricing and profit behavior of crude oil producers toward that resembling a competitive industry. A complete lack of suitable alternatives, on the other hand, would permit the industry as a whole to generate excess profits.

In its analysis of potential competition in the different sectors of our economy, the committee found that:

There is not likely to be any effective competition with petroleum for transportation in the foreseeable future.

In the area of residential and commercial uses petroleum represents 45 percent with natural gas and electricity making up the rest. The committee concluded that:

The scarcity of natural gas over the past three years has virtually stopped its expansion into the residual and commercial market; petroleum's role is most likely to grow.

Thus, with respect to providing the energy to fuel the transportation and residential and commercial sectors of the economy, major oil companies through their control over oil and natural gas can expect little competition.

The House committee further noted that:

The greatest source of potential competition with crude oil in the years to come will depend on the successful development of synthetic oil and gas from coal, oil shale and tar sands.

Thus, argues the committee:

The potential for competition from other fuels provides a logical explanation for the widespread diversification by the major petroleum companies into alternative energy sources.

Like the House Small Business Committee before it, the House Banking and Currency Committee warned in its conclusion that:

These trends in the transformation of petroleum firms into energy firms imply that competition among alternative fuels will become meaningless if the alternatives are controlled by the same firms.

COAL

The movement of major oil companies into coal began in 1963 with Gulf Oil's acquisition of the Pittsburgh and Midway Coal Mining Co. Other major acquisitions and mergers included the following:

Continental Oil—Consolidation Coal (1966).

Occidental Pet.—Island Creek (1968).

Sohio—Old Ben (1968).

Ashland-H. L. Hunt—Arch Mineral (1968).

In addition to acquiring existing coal companies, major oil companies have acquired substantial undeveloped coal reserves. The following table lists oil companies and their estimated reserve holdings:

Information compiled by the United Mine Workers.

	Total (billions of tons)	Low sulphur (percent)
Continental Oil	8.1	35
Exxon	7.0	?
Occidental	3.3	28
Gulf	2.6	8
Kerr-McGee	1.5	60
Sohio	.8	Minimal

Another estimate is supplied by the May 1974 Keystone News Bulletin:

[*Billions of Tons*]

Continental	10.8
Exxon	2.6
Occidental	4.43
Gulf	2.6
Atlantic Richfield	2.2
Kerr-McGee	1.5

And according to a 1974 report published by the Council on Economic Priorities:

Over 15 billion tons of recoverable public coal and five billion tons of Indian coal are under lease. That is 35 times the amount of coal produced by the United States in 1973. Rights to this coal are contained in 463 public land leases granted by the Department of Interior in North Dakota, Montana, Wyoming, Colorado, Utah, New Mexico and Arizona covering over 680,000 acres, or more than 1,000 square miles. Interior has approved an additional 11 Indian leases covering 259,000 acres, more than 400 square miles.

There is a great concentration of lease holdings among corporations. The top 15 of 14 leaseholders control 70% of all the land under lease. Five oil companies—Continental, Shell, Sun Oil, Gulf, and Arco—are among the top 15.

According to the CEP report, a great deal of speculation is occurring on Federal and Indian coal leases where only 52 or 11 percent of the 475 leases are now producing. Five of the 15 largest leaseholders, including Shell and Sun Oil, have never produced a ton of coal from their leases. An obvious conclusion is simply that among others, major oil companies are in the process of tying up large amounts of coal for future use, either as a fuel for electric utilities or to be converted into synthetic natural gas or synthetic crude oil.

A study completed in 1971 entitled "Coal: The Captive Giant" by Laurence D. Beck and Stuart L. Rawlings found that:

Oil or "energy" companies now own 28% of the national coal production, an increase of 21% over the past five years.

The authors went on to point out:

Three of the largest four coal producers are now "energy" companies, and seven of the largest fifteen are "energy" companies. Eleven of the top twelve coal producers have oil activities, and five have uranium activities. What's more, most of these companies are openly referring to themselves as "energy" companies.

One of the most important conclusions reached by the authors of this study follows:

Where companies own shares in most or all of the fuels, a price rise in any of the fuels makes it possible to raise the prices of all the fuels whenever they are in competition at substantial overall gain to the companies so situated.

It is interesting to note what has happened to the price of coal following the entry of oil companies into the coal industry. In a 1971 study done for the American Public Power Association, it was found that:

Coal prices were remarkably stable during the 1960–65 period when coal production increased 23% and coal consumption by electric utilities rose by 40%. Coal prices began edging up after the mid-sixties, however, and continued to rise at an accelerated pace in the latter part of the decade. By 1969, for instance, the prices for steam coal (the type of coal used by electric utilities) had advanced 22% above the 1960 level, but coal production rose 35% and electric utility consumption grew 77% during this same period.

Coal prices then had a phenomenal rise during 1970, the explanation for which appears to be completely unrelated to the trends in total coal production or coal consumption by electric utilities in that year. The prices charged for steam coal averaged 36% higher in 1970 than in 1969, but there was a steady increase throughout most of the year and by December 1970 these prices were 60% above the 1969 level. This very sharp increase occurred despite the fact that total coal production was 5% higher in 1970 than in 1969, which was a larger rate of growth than the average annual increase of 4% that occurred during the 1960–69 period. Moreover, coal production during the peak month of 1970 (October) was more than 17% above the average monthly production in 1969 . . . Thus, the big increase in coal prices cannot be explained on the basis of a reduction or slackening of coal output.

The most recent movements of coal prices indicate a strong relationship to the price of oil. According to statistics of the Federal Power Commission the August 1974 price of $16.74 per ton put coal's average price 89.4 percent ahead of the same month last year. It is unlikely that this large a price increase can be accounted for by real cost increases in production. A more likely explanation is that oil companies, able to charge higher prices for oil, decided to raise coal prices as well.

It is important to recognize that when examining the coal producing industry that a number of coal producers are captive producers who do not sell coal in the commercial markets. Such a producer, for example, is United States Steel. Therefore, when discussing oil company control of the coal industry, one must discount the participation of captive coal producers.

Thus, if captive coal producers are removed from the list of large producers, major oil companies loom much more importantly. In addition, several of the larger coal producers act as coal marketers for coal produced by other companies. Consolidation Coal Co., the subsidiary of Continental Oil, for example, marketed 6 percent more coal than it produced in 1965. The same is true for Island Creek, a subsidiary of Occidental Petroleum.

Because the major oil companies have entered the coal industry in a significant and substantial way, competition between fuels such as coal and residual fuel oil is threatened. In 1971 the House Small Business Subcommittee concluded that:

Increased concentration in the energy market could reduce competitive raw fuel alternatives available to electric utilities which could result in higher electric utility bills to small busnesses and consumers.

OIL SHALE

But coal is not the only fuel that oil companies have been buying up in the last few years. Oil shale, a type of rock containing petroleum, exists in the United States in tremendous quantities—over a trillion barrels by some estimates. For years the major oil companies through the Department of Interior have controlled the development of this abundant resource. According to a book written in 1970, "The Elusive Bonanza" by Chris Welles—

Though this deposit has never been commercially exploited to any meaningful extent, the evidence is overwhelming that production of shale oil would not only be profitable but a good deal more profitable than exploration for and production of new domestic reserves of crude oil.

The federal government, which as owner of over 80 percent of the Colorado shale has broad powers to determine its use, has docilely acquiesced to the oil industry's point of view.

In another book, former Senator Paul Douglas described how for years the Interior Department failed to investigate and prosecute possible false claims on numerous acres of oil shale land by private speculators, many of whom were fronting for the major oil companies. One such speculator was a man named Merle Zweifel. According to Senator Douglas:

Some believe that certain oil companies are behind Zweifel and are using his claims to prevent any oil shale development until it is convenient for them to engage in it. The loss of Middle Eastern or Venezuelan oil would, for example, accelerate such a development, as would the growing exhaustion of the domestic fields and further technical progress in the methods of extracting oil from shale.

Recently, the Department of Interior began to lease large blocks of public land containing oil shale in Colorado, Utah and Wyoming. It was no coincidence that the winning bids came from major oil companies; 5,120 acres of Colo-

rado shale land was leased to Gulf and Standard of Indiana for $210,305,000. Another 5,120-acre tract was leased to Atlantic Richfield, Ashland Oil, Shell, and the Oil Shale Corp. for $117,-780,000. A lease in Utah was captured for $75,596,800 by Phillips Petroleum and Sun Oil. A fourth lease, also in Utah, was won by Sohio, Sun, and Phillips for $45,-100,000.

The oil companies' interest in the commercial development of shale oil is being stimulated by this administration in a variety of ways. President Ford announced in his state of the Union speech the creation of a national synthetic fuels commercialization program which would entail Federal incentives—possibly including price guarantees, purchase agreements, capital subsidies, leasing programs, and so forth. This program would provide incentives in addition to those that already exist under current leasing provisions. According to a recent study by the Center for Science in the Public Interest:

The leases are very favorable to the oil companies in the following ways:

1. Companies pay a low rent of 50c an acre;
2. The fourth and fifth bonus payments are to be credited against plant costs and other expenditures;
3. Other subsidies are dependent on production goals;
4. Extraordinary expenditures which are not defined are to be credited against royalties;
5. Limits are placed on the amount the companies are required to spend on revegetation;
6. Inadequate bonds are to be posted for reclamation purposes;
7. Changes in the leases are left up to the mining supervisor who is authorized to check on mining methods, disposal of wastes, possible damage to the environment and revegetation programs;
8. No environmental agencies have the right or the responsibility to review or veto any of the mining or reclamation techniques;
9. Changes in reclamation or revegetation techniques may not be made without the consent of the lessee.

The mining of shale oil poses a number of serious environmental problems including waste disposal, water and air pollution, and revegetation. With the oil companies controlling both the resource and technology as well as rights to water, national energy policy is being determined by these same companies. It is doubtful that the national interest is being served by permitting major oil companies to develop oil shale resources in ways that benefit their own stockholders. The problems of insuring competition and environmental safeguards are threatened by allowing major oil companies to engage in oil shale development. Coal and shale are valuable national energy resources and should be developed in the most beneficial manner both in terms of a free competitive marketplace and environmental protection. The following charts indicate the extent of oil company involvement in the emerging oil shale industry, and I ask unanimous consent that they be printed in the RECORD.

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

TABLE I.—CONSOLIDATED HOLDINGS, MAJOR OIL COMPANIES

	Oil shale ownership [1]						Ranking oil companies	
	Colorado		Utah		Total			
	Net acres	Tracts [2]	Net acres	Tracts [2]	Net acres	Tracts [2]	By assets [3]	By sales [4]
Standard Oil of California	40,950	4	0	0	40,950	4	5	12
Union Oil	29,630	3	0	0	29,630	3	14	50
Texaco	19,170	3	8,300	1	27,470	4	2	9
Getty (Tidewater)	24,300	1	0	0	24,300	1	16	91
Atlantic Richfield	19,730	13	2,570	1	22,300	13	7	22
Mobil	19,280	2	0	0	19,280	2	4	6
Sohio (Standard, Ohio)	9,620	12	8,970	5	18,590	17	17	86
Exxon	10,550	29	0	0	10,550	29	1	2
Continental Oil	10,240	1	0	0	10,240	1	11	23
Cities Service	9,000	1	0	0	9,000	1	15	60
Gulf	3,800	0	4,500	1	8,300	1	3	11
Superior Oil Co	7,260	1	0	0	7,260	1		
Shell	6,180	13	0	0	6,180	13	8	16
Pan Am (Standard, Indiana)	2,790	1	0	0	2,790	1	6	15
Tenneco Inc	1,180	1	0	0	1,180	1	9	32
Marathon Oil Co	760	1			760	1	18	109
Total	214,440		24,340		238,780			

[1] Approximation.
[2] Number of noncontiguous tracts.
[3] Rank by 1971 assets in petroleum industry.
[4] Rank by 1971 sales among 500 largest industrials.

Note: Data includes all of the lands currently held by major oil companies. Other lands have been patented and are mostly in individual ownership.

Source: Department of Interior.

TABLE II.—WATER RIGHT APPLICATIONS FOR COLORADO OIL SHALE AREA [1]

Colorado filing No.	Applicant and project name	Date of appropriation	Quantity of water claimed		Status [2]
			CFS	AFY	
18062	Union Oil Co., Union Oil Pumping Pipeline.	Feb. 14, 1949	118.5	85,770	CD
18957	Cities Service Oil Co., Cities Service Pipeline.	Aug. 2, 1951	100.0	72,380	CD
18191	Chevron Oil Co., Dragert Pumping Pipeline.	Nov. 16, 1951	94.0	68,040	CD
19625	Getty Oil Co., Pacific Western Pumping Pipeline.	Nov. 19, 1951	56.0	40,530	CD
18720	Chevron Oil Co., Eaton Pumping Pipeline.	Nov. 21, 1951	100.0	72,380	CD
19645	Chevron Oil Co., Pacific Oil Co. Pipeline.	June 9, 1953	57.25	41,440	CD
19646	Colony Development Operation [3] Pacific Oil Co. Pipeline.	do	28.63	20,720	CD
20281	Colony Development Operation, E. Middle Fork Pipeline.	Oct. 19, 1954	20.0	14,476	CD
20280	Colony Development Operation, Dow Middle Fork Pipeline.	Oct. 20, 1954	10.0	7,238	CD
21304A	Colony Development Operation, Dow Pumping Plant & Pipeline.	Jan. 24, 1955	1,178.0	128,840	CD
21245	Atlantic Richfield Co., Sinclair Pumping Pipeline.	Nov. 29, 1956	33.0	23,885	CD
22265	Mobil Oil Corp., Piceance Pipeline	June 10, 1961	50.0	36,190	CD
22421	Humble Oil & Refining Co., White River Pumping Pipeline.	Dec. 15, 1963	100.0	72,380	F
22545	Humble Oil & Refining Co., White River/14-mile Creek Pipeline.	Sept. 12, 1964	200.0	144,760	CD
22662	Sohio Petroleum Co., Clear Creek Feeder Pipeline.	Feb. 8, 1965	50.0	36,190	CD
22662	Sohio Petroleum Co., Conn Creek Feeder Pipeline.	do	50.0	36,190	CD
23011	White River Resources Inc., White River/Piceance Creek Pipeline.	Aug. 5, 1966	100.0	72,380	F
23382	Industrial Resources Inc., Wolf Ridge Resv. & Feeder Pipeline.	Nov. 19, 1966	100.0	72,380	F
23060	The Oil Shale Corp., Story/Gulch Parachute Creek Pipeline.	Feb. 28, 1967	55.0	39,809	F
23448	Superior Oil Co., Superior Pipeline	May 14, 1968	24.0	17,370	F

[1] All data obtained from water filings made with Colorado State Engineer. Virtually all of these direct flow applications are accompanied by separate appropriately sized storage reservoir applications.
[2] CD=Conditional Decree has been awarded by Colorado State Court. F=Filed only—no conditional decree yet awarded.
[3] Partners in Colony are Atlantic Richfield Co., The Oil Shale Corporation, Sohio Petroleum Co. and Cleveland Cliffs Mining Co.

Source: Department of Interior.

TABLE III.—UTAH WATER RIGHT APPLICATIONS[1]

Application No.	Applicant	Quantity requested CFS	Quantity requested AFY	State use for water	Status
36,730	Sohio Petroleum Co.	15.0	10,857	Oil shale	Pending.
37,111	Western Oil Shale Corp.	15.0	10,857	do.	Do.
37,139	F. H. Larson	30.0	21,714	do.	Do.
37,270	Atlantic Richfield Co.	25.0	18,095	Powerplant and oil shale	Do.
37,271	do.	15.0	10,857	do.	Do.

[1] All data obtained from water rights applications filed with Utah State Engineer. Source: Department of Interior.

Mr. ABOUREZK. The major oil companies are not satisfied with dominating the development and production of oil, natural gas, coal, and oil shale. They have also moved into the nuclear power industry. Given the projected amount of nuclear-generated electricity in the year 2000, the level of concentration in the nuclear power industry will have a significant impact on competition and concentration in energy as a whole.

As in the coal industry, the major oil companies entered the uranium/nuclear industry through merger and acquisition rather than internal expansion. An analysis of this movement was made by Walter S. Measday for the Senate Antitrust and Monopoly Subcommittee on February 17, 1970:

Kerr-McGee began uranium mining with the acquisition of Navaho Mining Co. in 1952, on the basis of which it was able to get an AEC ore processing contract. Subsequently it acquired Pacific Uranium Mines (1960), Gunnison Mining and Lakeview Mining (both 1961). It moved into nuclear fuel production, with its acquisition of the Nuclear Fuels Department of Spencer Chemical in 1962, a year before the latter company was acquired by Gulf Oil.

Gulf itself made what has perhaps been the largest acquisition to date when it purchased General Atomic (division of General Dynamics) in 1967, with both fuel core and reactor production capability. Atlantic Richfield entered the nuclear field business in 1967 with its merger of Nuclear Materials and Equipment Company, one of the most promising independents in the industry. Getty Oil made a similar move when it acquired Nuclear Fuels Services (one-third in 1968, and the remaining two-thirds interest from W. R. Grace in 1969); in addition to nuclear fuel capability, this company operates the only commercial plant for the recovery and reprocessing of spent fuel.

One can raise the question that if oil companies were really sincerely interested in competing in the nuclear industry, they would have set up their own subsidiaries without resorting to the strategem of buying out potential competitors. By having bought out these potential competitors, they were successful in not only entering another energy industry, but more than guaranteed that it would follow the structure of the monopoly-dominated petroleum and natural gas industries.

The House Small Business Subcommittee determined in 1971 that—

The likelihood of a shortage of fuel supplies may be advanced by oil companies gaining control of competing energy resources such as uranium. Oil company participation in the nuclear energy field has been increasing in the past few years. In 1967, Atlantic Richfield acquired Nuclear Materials and Gulf Oil acquired General Atomics division of General Dynamics. In 1968 Getty Oil acquired Nuclear Fuel Services. Of the major oil companies in the uranium business—Standard Oil of New Jersey, Atlantic Richfield, Continental, Gulf, Getty, Standard Oil of Ohio, Kerr-McGee and Sun Oil—each have exploration of reserve holdings; six have mining and milling capacity; two have UF-6 conversion; five have fuel preparation or fabrication; four have fuel reprocessing; and one owns a reactor.

The subcommittee revealed that—

In 1970, 17 oil companies accounted for approximately 55 percent of the drilling and controlled about 48 percent of the known low cost uranium reserves, with approximately 28 percent of the uranium ore processing capacity.

The subcommittee concluded that—

The increasing acquisition of uranium reserves and production capacity by oil companies may tend to lessen future interfuel competition in the energy market . . . (and that) the growing trend toward concentration by oil companies in the uranium industry should be reversed in order to insure the availability of low cost uranium resources.

According to a staff report to the Federal Trade Commission:

(Concentration Levels and Trends in the Energy Sector of the U.S. Economy) seven companies controlled 70% of low-cost uranium reserves in the United States in 1971. Of these seven companies, four were major oil companies—Exxon, Gulf, Getty and Kerr-McGee. Furthermore, in 1972 four companies—Kerr-McGee, Exxon, Continental Oil and Getty Oil controlled 35.7% of uranium milling capacity. In 1970 two oil companies, Kerr-McGee and Getty controlled 27.7% of the uranium ore mined by uranium milling companies. The same two companies controlled 25% of U308 (uranium oxide) production. Gulf Oil through its General Atomics subsidiary manufactures nuclear steam supply systems or nuclear reactor systems and also fabricates fuel. The Federal Trade Commission's staff study documented the degree and extent of vertical integration in the uranium and nuclear power supply industries: Continental Oil is in mining and milling; Exxon, in mining and milling; Getty, in mining, milling, conversion and fuel fabrication; Kerr-McGee, in mining, milling, conversion, and fuel fabrication; Gulf, in mining, milling, fuel fabrication, nuclear steam supply systems, and fuel reprocessing; Atlantic Richfield, in fuel fabrication and fuel reprocessing; Exxon, fuel fabrication.

I ask unanimous consent that a table be printed in the RECORD at this point.

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

VERTICAL INTEGRATION IN THE URANIUM AND NUCLEAR POWER SUPPLY INDUSTRIES, 1971

Major activity, company	Mining	Milling	Conversion U_3O_8/UF6	Fuel fabrication: UF_6/UO_2	Fuel fabrication: UO_2 pellets	Fuel fabrication: Fuel cores	Zirconium tubing or sponge	Nuclear steam supply system producers	Turbine-generators	Fuel reprocessing: Uranium	Fuel reprocessing: Plutonium
Mining and milling:											
American Metal Climax, Inc.	X	X					X				
American Nuclear Corp.	X	X									
Anaconda Co.	X	X									
Atlas Corp.	X	X									
Continental Oil Co.	X	X									
Cotter Corp.	X	X									
Dawn Mining Co.	X	X									
Exxon Corp.	X	X									
Federal Resources Corp.	X	X									
Petrotomics Co. (Getty)	X	X		F	X	X	X			X	
Kerr-MGee Corp.	X	X		X	X	X	X				
Rio Algom Corp.	X	X									
Susquehanna-Western, Inc.	X	X									
Union Carbide Corp.	X	X									
United Nuclear Corp.[2]	X	X		X	X	X	X				
Utah International, Inc.	X	X									
Western Nuclear, Inc.	X	X									
U_3O_8 to UF_6 Conversion											
Allied Chemical Corp.[2]			X							F	

Footnotes at end of table.

VERTICAL INTEGRATION IN THE URANIUM AND NUCLEAR POWER SUPPLY INDUSTRIES, 1971—Continued

Major activity, company	Mining	Milling	Conversion U_3O_8/UF_6	Fuel fabrication: UF_6/UO_2	Fuel fabrication: UO_2 pellets	Fuel fabrication: Fuel cores	Zirconium tubing or sponge	Nuclear steam supply system producers	Turbine-generators	Fuel reprocessing: Uranium	Fuel reprocessing: Plutonium
Fuel Fabrication:											
Atlantic Richfield Co. (Numec) [4]				X	X	X				F	
Atomics International					F	X					
Jersey Nuclear (Exxon)				F	F	F					
Nuclear Chemicals and Metals				F							
Tennessee Nuclear Specialities				F							
Zirconium Tubing or Sponge:											
Wah-Chang							X				
Wolverine Tube							X				
Sandvick Specialty							X				
Nuclear Steam Supply System Producers:											
Babcock & Wilcox			F	F	F	X		X		X	
Combustion Engineering	X			F	X	X		X			
General Electric	X		F	X	X	X	X		X	X	X
Gulf Atomic General [5]	X			F	G	F		X		F	
Westinghouse	X			X	X	X	X	X	X		

X—Existing capability.
F—Future capability (planned or under construction).
[1] Getty moved into refining, fabrication and reprocessing through the acquisition of Nuclear Fuel Services Corporation (Getty 89 percent; Skelly 11 percent).
[2] United Nuclear, in a joint venture with Gulf Oil Corp. (Gulf General Atomic). (43 percent United Nuclear, 57 percent Gulf), engages in fabrication and reprocess in a similar arrangement with Sandvick Specialty Metals. It is engaged in Zirconium Tube Production.
[3] Allied Chemical and Gulf in a joint venture are engaged in reprocessing.
[4] Atlantic Richfield (NUMEC) has since dropped out of the nuclear industry.
[5] See footnotes 2 and 3 above.

Sources: U.S. Atomic Energy Commission, "The Nuclear Industry" (Washington, D.C.: U.S. Government Printing Office, various years) and Arthur D. Little Inc., "Competition in the Nuclear Power Supply Industry, Report" to: The Atomic Energy Commission and the Department of Justice (Washington, D.C.: U.S. Government Printing Office, December, 1968).

Mr. ABOUREZK. More recent evidence from the 1973 annual reports of the major oil companies indicates even more penetration into the nuclear power industry:

Exxon: Exxon Nuclear Company received additional contracts for fuel fabrication and uranium. Its backlog of orders totaled $900 million at year-end, a reflection of the company's acceptance by U.S. and foreign electric utilities as a dependable fuel supplier within four years of its establishment. To accommodate increasing business, Exxon Nuclear's fabrication plant at Richland, Washington, and Exxon USA's uranium mine and mill at Highland, Wyoming, were scheduled for expansion after completing their first full year of operations. In view of the large potential foreseen for the nuclear fuel industry, Exxon affiliates accelerated their exploration for uranium supplies in the United States and elsewhere. Exxon Nuclear obtained options to buy land in Loudon County, Tennessee, as a possible location for a nuclear fuel recovery and recycling center.

Exxon Nuclear made progress toward achieving the ability to participate in the uranium enrichment sector of the nuclear fuel cycle.

Gulf: A new partnership was formed with the Royal Dutch/Shell Group of Companies to own and operate two 50–50 partnership companies: General Atomic Company and General Atomic International.

General Atomic Co. and General Atomic International will manufacture and market High Temperature Gas-cooled Reactor (HTGR) systems for central station electric power plants, and will develop and market other advanced nuclear products and services.

Allied-Gulf Nuclear Services, a partnership of General Atomic and Allied Chemical Nuclear Products, Inc., is building the country's largest commercial light water reactor fuel reprocessing facility near Barnwell, S.C.

Exploration and development activities continued at an accelerated pace. In the U.S., Gulf Mineral Resources Co. made significant additions to the reserves held in New Mexico through discovery and acquisitions. This makes Gulf *one of the largest uranium reserve holders in the U.S.* (Emphasis added).

In Canada, Gulf Minerals Canada Limited is on schedule with a mine and mill development program at Rabbit Lake, Saskatchewan. When it comes on stream in 1975, this property will be one of the important uranium producers in the world.

Conoco: During 1973 Conoco continued to explore actively for uranium and selected metallics. The uranium reserve position was strengthened, and mining improvements were made at the joint-venture uranium mine and mill in South Texas.

Kerr-McGee: Kerr-McGee's uranium exploration program expanded in 1973, is being further increased in 1974.

At Ambrosia Lake, near Grants, New Mexico, Kerr-McGee owns and operates the largest uranium mining and milling complex in the United States. The company operates eight underground mines in the Ambrosia Lake district and the new Section 19 mine, now under construction, is scheduled to be in production by 1975.

Sales of uranium concentrates (U_3O_8) from the company's combined New Mexico and Wyoming uranium operations amounted to 5,952,052 pounds in 1973.

In testimony before the Senate Interior Committee former Atomic Energy Commission Chairman, Dr. Dixy Lee Ray stated:

In 1972, 15 oil companies were engaged in exploratory drilling for uranium. Seventy-two other companies also explored in that year.

The oil companies performed about 53% of the 15.4 million feet of drilling for uranium in the year, although they constituted only 17 per cent of the companies actively exploring.

As a result of these efforts, oil companies currently control about 50% of U.S. uranium ore reserves minable at a cutoff cost of $8 per pound of U_3O_8. Of the 10 companies with the largest uranium reserves, 4 are oil companies.

Two mills were built by oil companies in the last few years to process uranium ore into uranium concentrates. Oil companies control 4 of the 16 mills now operating. The four mills constitute 43 percent of currently operating U.S. uranium milling capacity.

From the foregoing information, it is readily apparent that major oil companies have formidable interests in the uranium and nuclear industries. These interests combined with interests in coal and oil shale give oil companies a unique position in our economy, a position from which they will be able to influence and manipulate the entire energy market. The report of the Ford Foundation's energy policy project concluded:

The economic effect of the spread of the petroleum companies into coal, uranium, and so forth, may not be significant at this stage, but the political effect, by reducing conflicts within the industry, promises to be greater. The clashes over policy between the coal industry and atomic energy, between natural gas and electricity, and the like, are now muted. The industry trade associations tend to sing the same tune. The opportunity is there for the energy industry to exercise considerable pressure on the political process.

GEOTHERMAL ENERGY

On December 17, 1973, the Joint Economic Committee reported that—

Geothermal energy, which is essentially heat from the earth's core, recoverable either as steam or hot water, promises to be important in the future. Estimates range from the ability to generate the total U.S. electrical supply for hundreds of years and recent developments at Los Alamos may make it possible to supply U.S. needs for thousands of years." The Joint Committee also noted that "Production of electricity from geothermal sources involves none of the perils of nuclear energy.

Finally, the committee concluded:

Estimated costs of geothermal plans and operating costs vary, but all the estimates indicate that they are less than those from nuclear power, and coal, although slightly higher than from hydro power. Production of electricity from geothermal energy is, therefore, *the lowest cost of any known method of producing electricity* (Emphasis added).

Therefore, it is hardly surprising that major oil companies have also entered the geothermal steam market.

The Los Angeles Times reported on November 11, 1974, that—

The major American oil companies are rapidly coming to dominate the nation's geothermal resources . . .

The report revealed that—

Of 40 tracts of public land, totaling more than 1 million acres, offered for geothermal exploration and development by the Bureau of Land Management between January and September of 1974, 27 drew one or more competitive bids—and 23 were won by major oil companies.

While the Federal law regulating the leasing of geothermal lands prohibits any firm from holding leases on more than 20,400 acres of land in any one State, individual States, like California, have no such limitations. Reported the Los Angeles Times:

And there are no restrictions on how much land a firm may lease from private owners;

Gulf's Maxwell said that his company has acquired no federal leaseholds, but still expects by the end of the year to have geothermal lease rights to between 2½ to 3 million acres across the Western United States—all obtained from private landowners.

On January 22, 1974, the Department of the Interior for the first time put up for bid leases for geothermal resources on Federal lands. The top bid of $4.5 million was offered by Shell Oil Co. for 3,874 acres in the Geysers, one of the Nation's richest geothermal areas, 75 miles north of San Francisco.

At present the Geysers field is the only one operating commercially. This powerplant is a joint venture operated by the Union Oil Co. and provides steam to generate electricity for San Francisco. In addition to the Federal geothermal lease captured by Shell, there have been a large number of other geothermal leases bought up by major oil companies as well as a few nonoil companies. The following list clearly indicates that major oil companies are the dominating force in the development of geothermal leases on public lands:

FEDERAL GEOTHERMAL LEASES

Unit and company	Amount	Acreage
MONO-LONG VALLEY SALE—CALIFORNIA, JAN. 22, 1974		
1. Chevron	$18,459.36	1,815
2. Getty	98,592.00	1,895
3. Republic Geothermal	515,767.00	1,773
ROOSEVELT-HOT SPRINGS—UTAH, JULY 30, 1974		
1. Union Oil	51,993.00	2,560
2. Phillips Pet	87,523.20	1,640
3. Phillips Pet	9,811.20	1,920
4. Phillips Pet	314,199.05	2,454
5. Phillips Pet	8,401.10	1,644
6. Phillips Pet	248,391.00	1,940
7. Phillips Pet	41,856.00	1,961
8. Phillips Pet	62,902.00	2,273
9. Getty	24,000.00	1,920
10. Phillips Pet	13,081.00	2,560
11. Phillips Pet	12,672.00	2,480
12. Phillips	2,335.00	40
EAST MESA—CALIFORNIA, JUNE 4, 1974		
1. No bid		
2. No bid		
3. Magma Power	4,203.00	1,868
4. No bid		
5. No bid		
6. No bid		
7. No bid		
8. Magma Power	3,235.00	1,437
9. Republic Geothml	432,810.00	2,549
10. Republic Geothml	8,371.00	2,560
11. Republic Geothml	208,925.00	1,596
12. Magma Power	3,960.00	1,760
13. No bid		
14. No bid		
GEYSER—CALIFORNIA, May 29, 1974		
1. Shell Oil	3,200,000.00	2,340
2. Shell Oil	1,300,000.00	1,534
3. Thermalgenics Inc	$22,050.00	175
4. Union Oil	48,314.00	101
5. Union Oil	80,842.00	169
6. Union Oil	12,243.00	2,396
7. Natomas	2,055,000.00	[1] 626
8. Signal Oil & Gas	75,600.00	250
9. Union Oil	220,342.00	(1)
10. Occidental Pet	226,662.00	222
11. Union Oil	22,868.00	45
12. Signal Oil & Gas	56,666.00	737
BRADY-HAZEN—NEVADA, Sept. 11, 1974		
1. Geothml Res. Int	6,500.00	989
2. Geothml Res. Int	6,500.00	640
3. No bid		
4. Magma Power	5,993.00	2,561
5. No bid		
6. No bid		
7. So. Union Prod. Co	15,108.00	2,402
8. Geothml Res. Int	1,000.00	143
BOEWAWE KGRA—NEVADA		
1. Chevron	15,074.00	1,943
2. No bid		
3. No bid		
4. Chevron	505,088.00	2,479
5. Getty	45,371.00	2,521
6. Chevron	75,490.00	2,468
7. No bid		
8. Getty	30,231.00	2,419
VALE—OREGON, June 27, 1974		
1. Republic Geothml	13,831.00	1,347
BRADY-HAZEN—NEVADA		
1. No bid		
2. Natomas	51,224.00	2,561
3. No bid		
4. Natomas	37,688.00	2,513

[1] Bid rejected.

In addition to the geothermal leases controlled by the major oil companies on Federal lands, leases on State and private lands are also falling into the avaricious hands of the major oil companies. In Nevada's Whirlwind Valley, Standard Oil of California together with American Thermal Resources is drilling an exploratory well. The Gulf Oil Co. has drilled some 13 wells and has hundreds of thousands of acres of geothermal leases in the West. And according to Senator PACKWOOD:

Of 458 applications in my State of Oregon alone, 73 were from Sun Oil Co.; Chevron racked up 48. . . .

Finally, in New Mexico the Calvert Exploration Co., together with Sun Oil, have jointly explored for geothermal steam resources on leases held by the companies.

An indication of the oil companies' ability to use the monopoly position they enjoy in the petroleum industry and apply it directly to the emerging geothermal industry is the way they determine the price of the geothermal steam they supply to electric utilities. In a May 11, 1970, contract between Union Oil Co. and the Pacific Gas & Electric Co. states, in effect, that the price of geothermal steam is tied to the weighted average price of nuclear and fossil fuel generated electric power. Thus, as the weighted average price of nuclear and fossil fuels increases, geothermal prices will increase by a proportional amount, irrespective of the cost of producing geothermal power.

The following is the exact language of the contract:

For all generation by units which utilize steam at pressures at the turbine of 100 pounds to 125 pounds per square inch gauge, PGandE shall pay for delivered steam at a rate per kilowatt hour of net output equal to the weighted average of (1) 2.11 mills multiplied by the product of (i) the ratio that the average annual cost to PGandE's Electric Department in cents per million British thermal units (Btu) of fossil fuels used by all its steam-electric power plants (excluding any coal-fired plants owned by PGandE and located outside California) in the preceding calendar year bears to such average cost in the year 1968, and (ii) the ratio that the lowest operating net heat rate in Btu per kilowatt hour of the most efficient fossil fueled unit on PGandE's system at the end of the preceding calendar year bears to the lowest operating net heat rate in Btu per kilowatt hour of the most efficient fossil fueled unit on said system at the end of 1968, and (2) the average net cost to PGandE in mills per net kilowatt hour of the fuel used in its nuclear power plants in the preceding calendar year. The weighted average price shall be computed to the nearest 1/100th of a mill. In no even shall payment for steam be less than 2 mills per kilowatt hour of net output. . . .

Signal Oil & Gas—which was acquired by Burmah Oil Corp. in 1974—had a similar contract with P.G. & E. beginning on March 23, 1973. The following two charts graphically demonstrate the above ratemaking formula:

RATEMAKING FORMULA

Rate—(Fossil Steam Electric Output) (2.4), (Preceding Year Average Fossil Fuel Cost), (1968 Average Fossil Fuel Cost), (Preceding Year Best Unit Heat Rate), (1968 Best Unit Heat Rate).

*(Nuclear Steam Electric Output) (Preceding Year Average Nuclear Fuel Cost)—Total Fossil and Nuclear Steam Electric Output.

Wherein the above terms are defined as follows:

(1) Rate—Rate of payment for steam in mills/KWH (excluding consideration for liquid effluent disposal.)

(2) Fossil Steam Electric Output—Total net output from PGandE's Fossil Steam Electric plants for preceding year in KWH.

(3) Nuclear Steam Electric Output—Total net output from PGandE's nuclear steam electric plants for preceding year in KWH.

(4) Total Fossil and Nuclear Steam Electric Output—The sum of (2) and (3) above, in KWH.

(5) Average Fossil Fuel Costs—The cost to PGandE of fossil fuels in cents/million BTU, excluding any coal fired plants owned by PGandE and located outside of California.

(6) Average Nuclear Fuel Costs—The cost to PGandE of nuclear fuels in mills/net KWH.

(7) Best Unit Heat Rate—The lowest operating net heat rate of the most efficient fossile fueled plant on PGandE's system at the end of the applicable year, in BTU/KWH.

Assumptions:
1976 level of generation; No gas; Oil cost $5.306*/bbl. ($5.00 in 1972, 5% annual escalation);
Nuclear cost: Humboldt, 2.27 mills; Diablo Canyon, 3.0 mills;

$$\text{1977 rate in mills per Kwh for steam} = \frac{\left[2.11\times\left(\text{Kilowatt-hours of fossil-fueled generation in 1976}\right)\times\left(\frac{\text{1976 average fossil fuel energy cost per Kwh}}{\text{1968 average fossil fuel energy cost per Kwh}}\right)\times\left(\frac{\text{1976 best heat rate}}{\text{1968 best heat rate}}\right)\right]+\left[\left(\text{Kwh of nuclear generation in 1976}\right)\times\left(\text{1976 average nuclear fuel cost per Kwh}\right)\right]}{\text{[Total 1976 Kwh of fossil-fueled and nuclear generation]}}$$

1977 rate for steam-estimated for geysers 14 CPUC application—

$$\frac{\left[2.11\times(29{,}850{,}000{,}000)\times\left(\frac{8.2472}{3.0758}\right)\times\left(\frac{8{,}272}{8{,}272}\right)\right]+[(12{,}870{,}000{,}000)\times(2.974)]}{[42{,}720{,}000{,}000]}=\frac{168{,}879{,}000{,}000+38{,}275{,}000{,}000}{42{,}720{,}000{,}000}=4.85^{*}\text{ mills/Kwh}$$

* If average cost of oil in 1976 should be $10 per barrel, then corresponding rate would be 8.35 mills/Kwh.

The Los Angeles Times also pointed out this strange discrepancy in Union Oil's contract with Pacific Gas & Electric:

William Gallavan, the manager of PG&E's department, defended this escalator clause on the basis of geothermal steam's value relative to other fuels. "As the cost of some fuels increases," he said, referring to oil and natural gas, "they tend to bring up the value of other types, such as geothermal."

The PG&E official described as "reasonable" the millage rate presently being charged by Union and its partners. "It reflects the value of the steam as it enters our generating plants," he said. "If we had to use oil in those plants, instead of steam, to generate an equivalent amount of electricity, we would have to pay that much more."

But precisely because those nine plants at the Geysers use steam, not oil, and because there is no other competitive demand for that steam, the question still remains: Why does the utility allow the price of one fuel source to be pegged to that of another? Why should the price of apples be determined by the price of oranges?

Member of California's Public Utility Commission which is supposed to regulate utility rates admit that they really do not know why the price of steam ought to be pegged to the price of oil. One of the CPUC's commissioners told the Los Angeles Times:

"It doesn't really answer the question," he said, "of what actual production costs are or how much profit margin (for the producers) has been factored in. We haven't conducted any studies of what actual geothermal costs are.

"But when you come right down to it, we don't really know the (production) cost of a barrel of oil either. We have to operate under the assumption that these costs are determined in a competitive market."

It has already been pointed out by State Public Lands Commissioners Kenneth Cory that competition does not exist in the petroleum industry in California. Thus, since oil prices are not determined in a competitive market, it is apparent that geothermal prices are not determined in a competitive market either.

Clearly, the major oil companies have no intention of permitting a competitive geothermal industry to develop to oppose their domination of energy development. Perhaps Senator PACKWOOD stated it best on April 29, 1974, when he introduced S. 3392, a bill prohibiting major oil companies from owning geothermal resources, in the last session of Congress. Senator PACKWOOD argued that—

If we are to avoid the sorry state of energy oligopoly, it is imperative that the oil companies not be allowed to shape the destiny of yet another energy source—geothermal power. It is against this country's best interests to allow oil companies to control every segment and every phase of energy production.

SOLAR ENERGY

There is one other major area of energy production that has attracted the attention of major oil companies and that is the conversion of solar energy into usable electric power. At least four of the Nation's largest oil companies have initiated programs to develop some form of technology for generating solar electric power.

Exxon, for example, has purchased the Solar Power Corp. of Braintree, Mass. Between 1970 and 1974 Exxon spent $3.2 million on solar energy research, particularly in the development of higher efficiency and lower cost photovoltaic devices. Mobil spent $30 million in 1974 to purchase Tyco Labs, a small independent company which had major contracts with the National Science Foundation to develop a certain photovoltaic technology. Thus, Mobil too, has directed its solar energy research to manufacturing lower cost photovoltaic cells. The Shell Oil Co. bought out a company called Solar Energy Systems and is committed to the manufacture of a low-cost cadmium sulfide solar energy cell. Finally, Gulf is developing solar energy technology through its Gulf General Atomics subsidiary.

One of the oft-repeated justifications made by the major oil companies for their involvement in alternative energy sources is their belief that since large capital requirements are necessary to develop these resources, they would be the logical entities to enter these emerging industries. Mr. Randall Meyer, president of Exxon U.S.A., testified before the Senate Interior Committee that—

There is a pressing national need to accelerate the development of all domestic energy sources; the petroleum companies with their managerial, technical, and financial resources can and should play a vital role in this development.

At the same hearing, Mr. Charles E. Spahr, chairman of the board of the Standard Oil Co. of Ohio stated:

We endorse President Nixon's plea for Project Independence. The development of a strong viable domestic industry is vital to our nation. In reaching this goal, active intercompany, competition, not interfuel competition, is needed. We feel that there are significant economic efficiencies inherent in the expansion of Sohio into the coal and nuclear industries, and we intend to do our part in the accomplishment of the President's objective.

Mr. President, I have no doubt that from the standpoint of the major oil companies and their stockholders, especially major stockholders like the Chase Manhattan Bank, the First National City Bank, Morgan Guaranty Trust, and the Chemical Bank of New York, entering the coal, uranium, geothermal steam, oil shale, and solar energy industries will be enormously profitable. But this assessment is made from the narrow viewpoint of corporations whose singular goal is profit-maximization and not the development of U.S. energy resources for the benefit of the public. These companies are not in business to benefit the public. They are in business to benefit themselves.

Therefore, Mr. President, given a full understanding of the past history and the present monopolistic structure of the petroleum industry in this country, to accept Mr. Spahr's recommendation that what is needed is "active intercompany competition, not interfuel competition" is saying simply that America's other energy resources must be monopolized by the present monopolists in the petroleum industry. We must not allow this to happen.

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

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

S. 489

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 "Interfuel Competition Act of 1975".

SEC. 2. That the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12ff), is amended by inserting after section 7 the following new section:

"SEC. 7A. (a) It shall be unlawful for any person engaged in the production and refining of petroleum or natural gas, or both—

"(1) to acquire any interest in the coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business after the enactment of this section, or

"(2) to own or control any coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business after the expiration of three years after the enactment of this section.

"(b) Each person who has any interest in, owns or controls any coal business, oil shale business, uranium business, nuclear reactor business, geothermal steam business, or solar energy business shall, within one hundred and twenty days after the enactment of this section, file with the Attorney General such reports concerning each such business as the Attorney General may by regulation require and it shall be the duty of the Attorney General to immediately examine such reports.

"(c) It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates subsection (a) or (b) of this section. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

"(d) Any person knowingly violating the provisions of subsection (a) of this section shall be fined not more than $100,000 or imprisoned for not more than ten years, or both. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.

"(e) For purposes of this section—

"(1) 'person' means any individual, corporation, including any affiliate of such corporation, partnership, association, joint venture, consortium, or any entity organized for a common business purpose; wherever situated, domiciled or doing business, who directly or through any other person subject to their control do business in any part of the United States, its territories and possessions, or the District of Columbia;

"(2) 'coal business' means any interest in, ownership of, or control over coal reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, sale of, gasification of or liquefaction of coal.

"(3) 'oil shale business' means any interest in, ownership of, or control over oil shale reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, sale of, gasification of or liquefaction of oil shale.

"(4) 'uranium business' means any interest in, ownership of, or control over uranium reserves, or any interest in, ownership of or control over exploration for, mining of, milling of, conversion of, enrichment of, fabrication of, reprocessing of, production of or sale of uranium and uranium or plutonium fuel;

"(5) 'nuclear reactor business' means any interest in, ownership of, or control over the production and sale of nuclear reactors;

"(6) 'geothermal steam business' means any interest in, ownership of, or control over geothermal steam reserves, or any interest in, ownership of, or control over exploration for, mining of, production of, or sale of geothermal steam;

"(7) 'solar energy business' means any interest in, ownership of, or control over collection, production, or sale of solar energy;

"(8) 'acquisition' includes acquisition of control;

"(9) 'control' includes actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements; and

"(10) An affiliate of a corporation is any other corporation which (directly or indirectly) controls, is controlled by, or is under common control with such corporation.".

By Mr. ABOUREZK (for himself, Mr. McGOVERN, Mr. YOUNG, and Mr. McGEE):

S. 490. A bill to amend section 111(a) of title 38, United States Code, relating to the payment of travel expenses for persons traveling to and from Veterans' Administration facilities. Referred to the Committee on Veterans' Affairs.

Mr. ABOUREZK. Mr. President, I am reintroducing the veterans travel bill again today which will amend section III of title 38 of the United States Code relating to the payment of certain expenses for person traveling to and from Veterans' Administration facilities.

Almost 1 year ago, when a bipartisan group of 20 Senators joined with me in calling for a more equitable travel reimbursement rate for veterans, I stated that the time for such action was long overdue. Since 1968 when the latest veterans travel and per diem rate was updated, the cost of living had risen by over 30 percent. The cost of driving an automobile had skyrocketed to more than 15 cents a mile and the energy crisis was only beginning to affect us.

No one has to be reminded of how the awesome statistics have changed since then. Since that time, the cost of living has shot up another 12.2 percent. The price of gasoline has gone up over 50 percent. And the cost of owning and operating an automobile has recently been estimated at nearly 20 cents a mile. These are the overwhelming figures which people on fixed incomes face as a daily matter of course.

Just last Sunday, I happened to notice a column in Parade magazine regarding the cost of driving an automobile. The figures were almost astounding. Without objection, I would like to insert that article in the RECORD at this time.

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

CAR OPERATION COSTS

How much does it cost you to run your car each year?

According to the Hertz car leasing division which computed the cost of operating an average American car during the first six months of 1974, the answer is approximately $2400.

This includes gasoline, oil, repairs, license, insurance, interest, and depreciation of a late-model, mid-size car kept for three years. Such a car, driven 10,000 miles a year, costs 24 cents per mile to operate.

The cost of driving a full-size model is 29 cents per mile for 10,000 miles, or $2900 a year, and the cost for operating sub-compacts such as the Ford Pinto or the American Motors' Gremlin is 19 cents a mile for 10,000 miles or $1900 a year.

If the government decides to place an additional 20 cents tax on a gallon of gas, or the price of gasoline again shoots up—it's a whole new ball game and all these figures are invalid.

Until then—owning and operating a car is not cheap—according to the car leasing outfits.

Mr. ABOUREZK. Mr. President, it was for good reason, then, that the Congress saw fit to increase the per diem and mileage reimbursement rates for Government employees. It also provided a strong argument for amending the Government employees travel bill to include veterans traveling to VA facilities for treatment. Last year the Congress overwhelmingly supported this action because the vast majority of Members recognized the grave problems which our veterans, especially our disabled veterans, are having in getting to VA hospitals for medical treatment.

Although in many large cities, many veterans are fortunate enough to be able to travel across town to obtain their benefits, the situation changes drastically when we consider the vast distances which veterans must travel in most of the Midwestern and Western States. In South Dakota, for example, the only veterans treatment centers are at either end of the State. The distance between the two centers is over 350 miles and the distance to the centers from other parts of the State exceed even that. Needless to say, the distances a veteran must travel in other, larger States is even farther.

The opponents of the bill have argued that the cost of providing more equitable treatment to veterans who must travel to VA facilities for treatment could reach as much as $25 million. I am not convinced that this figure is accurate and I have begun research of my own into the additional cost involved. But using this argument misses the point. The point is that in spite of the prohibitive cost of driving an automobile, especially for veterans living on fixed incomes, no new, updated reimbursement plan has been set forth for the last 7 inflationary years.

Mr. President, I am convinced that there is no real, justifiable argument against the implementation of this legislation. On the basis of cost, or equality, or need, the answer always comes up the same—our veterans need some assistance in getting to VA hospitals.

The most equitable way to provide that assistance is to recognize that preserving a veteran's health is at least as important as traveling between two points within the Government bureaucracy.

Mr. President, without objection I would like to insert the text of this bill in the RECORD at this time.

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

S. 490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111(a) of title 38, United States Code, is amended by adding at the end thereof a new sentence as follows: "In no event shall the amount paid under this section for expenses of travel or mileage allowance be less than the amount paid therefor under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business.".

By Mr. CRANSTON (for himself, Mr. TUNNEY, Mr. CANNON, Mr. GRAVEL, Mr. HUMPHREY, Mr. INOUYE, Mr. McGEE, Mr. PELL, Mr. STEVENSON, and Mr. WILLIAMS:

S.J. Res. 20. A joint resolution to authorize the establishment of the Tule Elk National Wildlife Refuge and the establishment of a Federal-State management program for the conservation, protection, and enhancement of tule elk and other species, and for other purposes. Referred to the Committee on Commerce.

TULE ELK NATIONAL WILDLIFE REFUGE

Mr. CRANSTON. I introduce, for appropriate reference, a Senate joint resolution to create the Tule Elk National Wildlife Refuge. I am pleased to be joined by Senators TUNNEY, CANNON, GRAVEL, HUMPHREY, INOUYE, McGEE, PELL, STEVENSON, and WILLIAMS, in sponsoring this resolution.

LEGISLATIVE HISTORY

In 1969 I introduced a bill to authorize a feasibility study of the desirability of establishing a national wildlife refuge for California's small and unique population of tule elk. Although several companion bills were introduced in the House, and hearings were held in both House and Senate, no further legislative action occurred on these measures in the 91st Congress.

In the 92d Congress and again in the 93d I introduced a joint resolution to establish the Tule Elk National Wildlife Refuge. Companion measures were introduced in the House, and under the leadership of the distinguished chairman of the House Subcommittee on Fisheries and Wildlife Conservation, Congressman JOHN DINGELL. House hearings were held and a revised bill text was developed during subcommittee consideration. However, no further legislative action occurred in the 93d Congress.

Public and congressional comments on the previous measures have proved most valuable. Congressman DINGELL's hard work on the measure has been especially helpful. The bill I introduce today, which is almost identical to the bill being introduced in the House by Congressman DINGELL and others, is the product of these combined efforts.

This joint resolution recognizes California State law calling for a statewide tule elk population of not less than 2,000

animals, with the carrying capacity of the Owens Valley refuge not to exceed 490 elk; it directs the Secretary to establish a Tule Elk National Wildlife Refuge; it directs the Secretary to enter into cooperative management agreements with other governmental agencies and private entities, mutually agreeable to the parties involved, to further the purposes of the act; and it requires the Secretary to relocate an appropirate number of tule elk to other locations, such as the Point Reyes National Seashore and San Luis National Wildlife Refuge.

The Secretary is also authorized by the resolution to enter into a cooperative wildlife management agreement with the State of California so long as such agreement is compatible with the purposes of the resolution.

Finally, the Secretary of Agriculture is required to manage the Inyo National Forest in compliance with the purposes of this resolution, which may specifically involve decreasing the number of grazing permits issued by the U.S. Forest Service.

The land acquisition authority contained in the previous tule elk refuge measures has been eliminated. I believe this action effectively answers the fears of some that the Federal Government might seize valuable rangeland. Such a move is not possible under the bill I introduce today.

Mr. President, when I introduced Senate Joint Resolution 64 in 1971 the official count of tule elk in the Owens Valley was 291. In 1972 it dropped to 280. In the succeeding years it has climed slowly to a 1974 estimated herd level of 375.

These 375 tule elk in the Owens Valley are the only free-roaming, unfenced survivors—unhybridized—of a species which formerly was common to the Sacramento and San Joaquin Valleys of California. The tule elk has waged a persistent and remarkable struggle for survival during the past century, having, in 1885, been reduced to some 28 animals. In fact, the harassment of the tule elk was so intense that the elk survives today in an area where they are not indigenous. They were introduced into the Owens Valley, which is east of the Sierra Nevada Mountains, only 42 years ago. The elk has not survived unfenced and free-roaming in California's central valleys where it is endemic.

The reasons for saving the tule elk range from scientific to ethical to pragmatic. Perhaps the best way I can summarize my feeling about the urgency of insuring a future for this little elk is that in an age where man's defilement of the biosphere has reached a state where there is serious question about whether environmental degradation is still reversible, at such a time every variety of life form must be considered a precious resource to be protected and nurtured. We can view them as genetic reservoirs, so to speak, which at some time in the future we may discover to be essential to the continuation of life on Earth. This is especially true since ecologists are only beginning to understand the full function and importance of diversity among life forms in the defenses and survival of the ecosystems which perpetuate the biosphere. In a manner not yet understood, the preservation of large native mammals may prove to be an essential key to man's environmental struggle for survival.

Mr. President, I ask unanimous consent that the text of the joint resolution to establish the Tule Elk National Wildlife Refuge be printed at this point in the RECORD.

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

S.J. RES. 20

Whereas, the tule elk once roamed the grasslands of central California in large numbers but has had to wage a persistent struggle for survival during the past century, as evidenced by the fact that the population was reduced to twenty-eight animals at one time; and

Whereas, the tule elk, which is considered to be a rare, but not an endangered, species by the Department of the Interior, presently exists in a herd of approximately three hundred and seventy-five head in the Owens Valley area of California where such animals were introduced four decades ago, but large-scale grazing of cattle in that area has resulted in a reduced amount of forage available for the tule elk; and

Whereas, the State of California has recognized the principle of conservation that any species of less than two thousand in number is a vanishing one that is highly subject to extinction, and has, therefore, established, by statute, a policy to restore the tule elk to the species level of at least two thousand statewide; and

Whereas, there are endangered and threatened species of fish and wildlife in the Owens Valley area, such as the California bighorn sheep, peregrine falcon, prairie falcon, Owens River pupfish, Owens Tui chub, and two species of cutthroat trout; and

Whereas, the protection and maintenance of tule elk and the endangered and threatened species in the Owens Valley area in a free and wild state will be of educational, scientific, and esthetic value to the people of the United States and their struggle to survive epitomizes the worldwide threat to fish and game whose environments are shrinking and are being depleted as a result of civilization's incursions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this joint resolution the term "Owens River watershed area" means that area of land in Inyo County, California, which is south of Laws but not south of the northernmost point of Owens Lake and which is bounded on both the east and west by the Inyo National Forest.

SEC. 2. (a) There is hereby established the Tule Elk National Wildlife Refuge (hereafter referred to in this joint resolution as the "refuge") which shall be managed and maintained in an ecologically and environmentally sound manner in accordance with the laws and regulations relating to the national wildlife refuge system.

(b) The refuge shall consist of all lands (including withdrawn lands) within the Owens River watershed area which on January 1, 1975, were under the jurisdiction of the Secretary of the Interior (hereinafter referred to in this joint resolution as the "Secretary").

SEC. 3. The Secretary shall undertake to enter into, with any State, local government agency, individual, or corporation or other legal entity owning lands or interests therein within the Owens River watershed area, management agreements under which the Secretary obtains authority, subject to such terms, conditions, and arrangements, as may be mutually agreeable to the Secretary and such State, agency, individual, corporation, or entity, including authority to obtain wildlife easements, to implement within any of such lands substantially the same wildlife management practices which he would implement therein if such land were within the refuge.

SEC. 4. (a) The Secretary shall build, manage, and sustain a herd of tule elk within the State of California which at no time numbers less than two thousand; except the number of tule elk in the Owens River watershed area shall at no time exceed four hundred and ninety or such greater number as may be determined (in accordance with game management principles) by the Secretary, with the concurrence of the appropriate official of the State of California, to be the holding capacity of such area.

(b) To achieve the purposes of subsection (a), the Secretary shall to the extent necessary limit the issuance of grazing and other land use rights within the refuge; and shall relocate an appropriate number of tule elk to any of the following lands:

(1) Other land within the State of California under the jurisdiction of the Department of the Interior, including but not limited to Point Reyes National Seashore and San Luis National Wildlife Refuge.

(2) Land within the State of California under the jurisdiction of any other Federal agency, but the relocation and management of such elk shall be subject to such arrangement as may be mutually agreeable to the Secretary and the chief executive officer of such agency.

(3) Land under the jurisdiction of the State of California, but the relocation and management of such elk shall be subject to such cooperative agreement as may be mutually agreeable to the Secretary and the appropriate official of the State.

SEC. 5. The Secretary and the appropriate official of the State of California may enter into, and from time to time modify, a cooperative agreement consistent with the purposes of this joint resolution with respect to the management of fish and wildlife within the refuge and such agreement may provide that—

(1) all or part of the laws and regulations of the State of California relating to the taking of fish and wildlife shall apply within the refuge; and

(2) no person may take any fish or wildlife within the refuge unless he holds a valid fishing or hunting license, as the case may be, issued by the State of California.

For purposes of this section, the term "refuge" includes any lands with respect to which the Secretary has entered into a management agreement pursuant to section 3.

SEC. 6. The Secretary of Agriculture, in cooperation with the Secretary, shall, to the extent practicable, limit grazing and other public uses in the areas of the Inyo National Forest which adjoin the refuge in a manner appropriate to achieve the purposes of this joint resolution.

SEC. 7. The provisions of this joint resolution do not apply to any Indian tribal land, or interest therein, which are located within the Owens River watershed area.

SEC. 8. (a) There are hereby authorized to be appropriated, to remain available until expended, such sums as may be necessary to carry out the purposes of this joint resolution.

(b) For the purposes of section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the tule elk shall be deemed to be a species of wildlife that is threatened with extinction and the Tule Elk National Wildlife Refuge, a national area authorized for the preservation of such species.

By Mr. HOLLINGS:

S.J. Res. 21. A joint resolution to authorize and request the President to issue

annually a proclamation designating February of each year as "National History Month." Referred to the Committee on the Judiciary.

Mr. HOLLINGS. Mr. President, today I am introducing a resolution authorizing and requesting the President annually to issue a proclamation designating February as "National History Month."

A country which cannot remember the errors of the past is condemned to repeat them, so the scribes tell us. Just as importantly, a country which does not do everything possible to perpetuate the glories of its past, its traditions and values and hopes and dreams, risks forfeiture of its greatness. In recent years there was an alarming tendency, especially among some of our young people, to push the study of the past aside and to focus on the "relevance" of the present. Now, however, there is a refreshing breeze carrying with it the realization that change for a better tomorrow relies heavily on an understanding of the past.

Fact and parcel of this new realization is the coming of the Bicentennial which has created renewed awareness of the national past. Communities across the land are enthusiastically developing projects to commemorate the 200th anniversary of our country's birth.

By setting aside 1 month a year for special emphasis on the heritage of America, we can help perpetuate this developing enthusiasm. We can extend the Bicentennial energies into each succeeding year. And we can give special weight to historical projects in our schools with a designated history month each year.

Mr. President, as we face the many serious challenges which abound wherever we look, I believe it is fitting indeed that we mobilize the heritage of our land for the difficult days ahead. A sense of history can provide direction and meaning to a people, and help them through the adversities they face. We will do the Nation a service by proclaiming History Month, and I hope my colleagues will agree with me and join in support of this resolution.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 28

At the request of Mr. Moss, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 28, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax, or in the alternative a deduction, for energy conserving residential expenditures.

S. 32

At the request of Mr. KENNEDY, the Senator from Montana (Mr. METCALF) was added as a cosponsor of the bill (S. 32) to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes.

S. 214

Mr. FONG. Mr. President, I ask unanimous consent that my distinguished colleague the Senator from New York (Mr. BUCKLEY) be added as a cosponsor of my bill, S. 214, for the modernization and general revision of the patent laws, title 35 of the United States Code.

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

Mr. FONG. I particularly welcome Senator BUCKLEY's cosponsorship because he has special knowledge and background in the patent field. In the preceding Congress, he introduced his own bill, S. 2930, which sought to improve existing law.

In S. 214, I endeavored to retain what has been proven meritorious in present law and to build upon that law with features taken from his bill and several other measures considered last year by the Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights. I offered S. 214 this year as a vehicle that possibly could break the legislative impasse of the past 8 years on patent law revision.

S. 320

At the request of Mr. TALMADGE, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 320, the Emergency Natural Gas Act of 1975.

S. 323

At the request of Mr. Moss, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 323, a bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes.

S. 411

At the request of Mr. GOLDWATER, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 411, a bill to provide tax relief for condominium owners, homeowners' associations, and cooperative housing corporations.

S. 445

At the request of Mr. HUGH SCOTT, the Senator from New Jersey (Mr. CASE) and the Senator from Wyoming (Mr. McGEE) were added as cosponsors of S. 445, a bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits, will not, because of such general increase, suffer a loss of or a reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs.

S.J. RES. 12

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of the joint resolution (S.J. Res. 12) to defer oil import fees on oil price increases.

S. CON. RES. 2

At the request of Mr. CHURCH, the Senator from Louisiana (Mr. JOHNSTON), the Senator from California (Mr. TUNNEY), the Senator from Florida (Mr. CHILES), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Concurrent Resolution 2, a concurrent resolution expressing the sense of the Congress that no legislation imposing a ceiling on social security cost-of-living increases be enacted.

SENATE RESOLUTION 41—ORIGINAL RESOLUTION REPORTED CONTINUING THE AUTHORIZATION FOR TEMPORARY ASSISTANCE FOR THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. RES. 41

Resolved, That the Committee on Finance is authorized, from March 1, 1975, through February 29, 1976, to employ two additional professional staff members and two addtional clerical assistants, to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of section 105(e) of the Legislative Branch Appropriation Act, 1958, as amended.

SENATE RESOLUTION 42—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

(Referred to the Committee on Rules and Administration.)

Mr. LONG, from the Committee on Finance, reported the following resolution:

S. RES. 42

Resolved, That the Committee on Finance is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $30,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act of 1946, and in Senate Resolution 148, Ninety-third Congress, agreed to August 2, 1973.

SENATE RESOLUTION 43—SUBMISSION OF A RESOLUTION DESIGNATING NATIONAL CHILD ABUSE AWARENESS WEEK

(Referred to the Committee on the Judiciary.)

Mr. MONDALE (for himself and Mr. STAFFORD) submitted the following resolution:

S. RES. 43

Whereas each year some 60,000 children in the United States are reported to have been abused, some to the point of permanent injury and death; and

Whereas experts believe that child abuse in our country is more prevalent than is revealed by current statistics; and

Whereas child abuse is a national problem found in all types of families and communities; and

Whereas, although every State in the Union has a law requiring the reporting of child abuse or suspected child abuse, child abuse still is often undetected and untreated; and

Whereas the "National Conference on Child Abuse" sponsored by the Parents Anonymous organization, the Memorial Hospital Medical Center of Los Angeles, Calif. and the Center for Health Education of the University of California, Irvine, will take place February 13 through 15; and

Whereas awareness of the problem of child abuse is the first critical step in the identification, prevention, and treatment of child abuse: Now, therefore, be it

Resolved, That it is the sense of the Senate that in order to help the Congress and

the Nation to gain a better understanding of what must be done to insure the safety and well-being of our children, the period February 9 through February 15, 1975, be designated as "National Child Abuse Awareness Week."

Mr. MONDALE. Mr. President, I am introducing today a Senate resolution proclaiming the week of February 9 to 15 as "Child Abuse Awareness Week." The dates have been selected to coincide with the "National Conference on Child Abuse" which will take place in California February 13 through 15. The conference is sponsored by Parents Anonymous, the Memorial Hospital Medical Center of Long Beach, Calif., and the Center for Health Education of the University of California, Irvine.

Parents Anonymous, which has been instrumental in bringing the problem of child abuse to national attention, offers help to families in times of crisis. Among its members are parents who have in the past abused their children. These parents and the professionals who work with them have been most effective in helping other parents to overcome the problems and tensions which can lead to child abuse.

My Subcommittee on Children and Youth devoted nearly a year to hearings and investigation of this tragic problem. About a year ago, the President signed the Child Abuse Prevention and Treatment Act, which I introduced in the Senate.

In the course of our hearings we learned that an estimated 60,000 children are reported to have been abused each year, and that existing services were inadequate to prevent, identify and treat the families involved.

Now that the law has been signed and funding provided by Congress, I am confident that we are on our way to making significant progress in this area. I continue to believe, however, that Government action is not enough. Creating greater public awareness of the problem of child abuse is the best way of assuring that effective action is taken. For this reason I am pleased to offer this resolution designating the second week in February as "Child Abuse Awareness Week."

SENATE RESOLUTION 44—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH, from the Committee on Public Works, reported the following resolution:

S. RES. 44

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1975, through February 29, 1976, in its discretion, (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $875,000, of which amount not to exceed $12,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1976.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE CONCURRENT RESOLUTION 7—SUBMISSION OF A CONCURRENT RESOLUTION CONCERNING THE IMPOSITION OF ECONOMIC CONTROLS

(Referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. BEALL submitted a concurrent resolution expressing the sense of the Congress that business concerns which lower prices shall not be penalized if certain economic controls are imposed.

(The remarks of Mr. BEALL on the submission of the above concurrent resolution are printed earlier in the RECORD.)

AMENDMENTS SUBMITTED FOR PRINTING

S. 172—MILEAGE EXPENSES OF FEDERAL EMPLOYEES

AMENDMENT NO. 2

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

Mr. ABOUREZK submitted an amendment intended to be proposed by him to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business.

Mr. ABOUREZK. Mr. President, the Senate Government Operations Committee has just reported out of committee, S. 172, the bill relating to per diem and mileage expenses of Government employees traveling on official business. With the unprecedented price of fuel and with the ever spiraling rate of inflation, it is gratifying to know that swift congressional action on this legislation is underway.

Although I wholeheartedly support this legislation, there is one, serious discrepancy in the present law which I feel needs to be corrected, and could be corrected by this bill. Present law provides for a per diem allowance of $25 in most cases and an 11-cent-per-mile allowance for most Government employees. Yet, the reimbursement rates for veterans traveling on official business to veterans' facilities for treatment or for other officials business is significantly less. Current reimbursement rates were set back in 1968 at $12 a day or 6 cents per mlie.

Last year I pointed out this descrepancy and I was gratified that a provision which established more equitable treatment of veterans in this regard was considered in the Congress and adopted. Unfortunately, with the President's veto of the bill last year, the per diem legislation had to be reintroduced. The House has included the veterans provision in this year's bill and I feel cautiously confident that the Senate will again be sympathetic to the provision.

Opponents of the veterans' travel provision have pointed out that the distance traveled by veterans to VA facilities is less than 50 miles. It is obvious that such statements are made without consideration for those thousands of veterans who have to cross the vast territory in the States of South Dakota, Montana, Alaska and others west of the Mississippi. For in these States, our veterans, many of whom are disabled, are forced to travel hundreds of miles to get to the VA facility nearest them. In a large percentage of these cases, thes veterans are required to leave home the day before to meet an early morning appointment, thereby requiring them to seek lodging overnight.

There seems to be no justifiable reason why there must be two significantly different figures for two U.S. citizens traveling on official business. Veterans should have the same privileges under law that are granted to others traveling in a Government-related capacity. I believe that the Congress and the American people recognize this and will support this provision when the opportunity presents itself in the near future.

It is significant to note that the American Legion and the Veterans of Foreign Wars have continued to push hard for equitable veterans travel rates and have passed resolutions calling for more realistic allowances. I certainly concur with these resolutions and urge my colleagues to consider the advice of these knowledgeable organizations on this matter.

SUBCOMMITTEE ON LONG-TERM CARE ANNOUNCES NEW YORK HEARINGS

Mr. MOSS. Mr. President, I would like to announce a second day of hearings this year by my Subcommittee on Long-Term Care, U.S. Senate Special Committee on Aging, to be held in New York City on Tuesday, February 4, 1975, at the New York County Lawyers Association Building, 14 Vesey Street, beginning at 10 a.m.

This will be the 24th hearing in the sequence "Trends in Long-Term Care" which began in July 1969. As the result of these hearings the subcommittee has prepared a 12-volume report on nursing home problems. Our introductory report, "Nursing Home Care in the United States: Failure in Public Policy" was published in November; our first supporting paper dealing with nursing home abuses was released in December, and second supporting paper dealing with nursing home drugs was issued in January. Subsequent reports will follow monthly for the next 9 months.

The New York hearings grow out of investigations conducted by the New York Times, and Mr. John Hess in particular, and the office of the welfare inspector general and the temporary commission on living costs and the en-

vironment, chaired by Assemblyman Andrew Stein of Manhattan.

Preliminary inquiries by the staff of my subcommittee indicated almost immediately that important Federal issues are involved. One of the issues upon which we hope to focus is the effect of New York's cost-plus medicaid reimbursement formula on the quality of care. Another relates to the effectiveness of Federal statutes requiring the disclosure of nursing home ownership and the possibility of kickbacks from suppliers to nursing homes.

In the course of our investigation the staff repeatedly turned up important leads which could not be followed because of lack of information. This is particularly true with respect to issues related to nursing home profits. There has been great reluctance, in fact, outright refusal by operators in New York and other States to share their books and financial statements with the subcommittee. At the same time such operators have consistently argued for higher medicaid rates.

It is in this climate of resistance and lack of information that we have elected to invoke the subcommittee's subpena powers with respect to some 45 providers. The disclosures by the Times, the welfare inspector general of New York and the Stein commission only serve to confirm the necessity of this measure.

In addition to the above issues, the subcommittee will examine the role of political influence and other impediments which contribute to keeping substandard homes open. It is my hope that the findings from this hearing can be incorporated into our ninth supporting paper to be published in August dealing with financial incentives in favor of poor care, nursing home reimbursement formulas, and profits.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Philip H. Modlin, of Virginia, to be a Member of the Board of Parole for the term expiring September 30, 1977, vice William T. Woodard, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, February 5, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

BROADCAST COVERAGE OF SENATE CHAMBER PROCEEDINGS

Mr. FANNIN. Mr. President, the Senator from Ohio (Mr. TAFT) had planned to speak before the Senate today with respect to Senate Resolution 39, which has been introduced by the junior Senator from Montana (Mr. METCALF). Since Senator TAFT is necessarily absent, I ask unanimous consent that his statement be printed in the RECORD.

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

STATEMENT OF SENATOR TAFT

I was pleased to join Senator Metcalf yesterday in introducing Senate Resolution 39 to provide, on an experimental basis, radio and television broadcast coverage of Senate Chamber proceedings and other internal innovations in the electronic transmittal of Senate debate.

This resolution, which is identical to Senate Resolution 447 that I introduced with Senator Metcalf during the latter stages of the 93d Congress, is a cumulation of more than two years of study by Members and staff of the Joint Committee and is a product of the statutory mandate of the 1970 Legislative Reorganization Act requiring the Joint Committee to conduct a continuing review of the institutional-operational aspects of the Congress and explore options for reform. An excellent compilation of the data and proposals considered, and conclusions agreed to in this area can be found in the Joint Committee's Interim Report on Congress and Mass Communications—93-1275—and I commend it to the attention of Members and staff who desire further information regarding this resolution. I would also call to the attention of Senators the introductory statements which Senator Metcalf and I made on December 10, 1974, appearing at pages 38825-38828 of the Congressional Record, when this resolution was initially introduced.

As noted by Senator Metcalf, Senators Hugh Scott, Mansfield, Robert Byrd, Brock, Baker, Mathias, Percy, Schweiker, Packwood, Javits, Beall, Roth, Garn, Stafford, Humphrey, Chiles, Stone, Muskie, Stevenson, Biden, Montoya, Gravel, Clark, Leahy, McGovern, Moss, Symington, Eagleton, Ribicoff, Mondale and Williams have joined to date to co-sponsor the resolution. Hopefully, with such strong support, the Senate will act expeditiously in approving this proposal.

HOW TO MAKE THE UNITED STATES/GERMAN/FRENCH ROLAND II MISSILE SYSTEM A SUCCESSFUL COOPERATIVE RESEARCH AND DEVELOPMENT PROGRAM

Mr. McINTYRE. Mr. President, as my colleagues are aware, and as the record clearly shows, I have been working hard at making cooperative research and development with our European allies a reality. I will not now dwell upon the obvious advantages of cost savings, time savings, standardization and optimized logistic support, since these are self evident and have been explained before. However, I have just sent a letter to the Secretary of Defense to impress upon him my concern that the plans for adopting the German/French developed Roland II Short Range Air Defense System to meet U.S. Army requirements with initial operational use in 64 months is just too long.

The letter suggests various measures which can be taken to shorten this time and possibly reduce program cost.

The contents of the letter have potential application to any future cooperative program and therefore should be of general interest. I ask unanimous consent that the letter be printed in the RECORD.

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

WASHINGTON, D.C., *January 28, 1975.*

Hon. JAMES R. SCHLESINGER,
Secretary of Defense, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: The selection of Roland II to meet U.S. Army Shorad requirements marks a major milestone in cooperative research and development with our allies. This is a breakthrough which should open the way for greater cooperation and should result in substantial savings by the avoidance of unnecessary duplication, by standardization of equipment and missiles, and by simplified logistic support. I am concerned, however, that the program will not be managed and executed in a manner which will capitalize on this cooperative approach.

I understand that the Army estimates it will take 64 months for initial operational deployment of Roland II. This is 5 years and 4 months, a period much too long to be accepted as reasonable.

The committee staff has held recent meetings with representatives of Hughes and Boeing, the U.S. contractor team, and with the Army. While the contractors and the Army shared the concern about the lengthy development period, they were unable to suggest means of making significant reductions and still meet program requirements.

I am advised that the major reasons for the 64 month program are that the U.S. has certain requirements which differ significantly from the German design (e.g. a wheeled vehicle instead of a tracked vehicle), and plans to conduct a test program on the U.S. configuration prior to any production release.

Without getting into the specific design differences, I would suggest the following possible steps which may be taken to significantly reduce the development and test program, enhance commonality and standardization, and result in earlier equipment availability at lower cost.

1. Establish a joint program office permanently staffed with U.S., German and French government personnel, paralleled by a joint contractor team, to do the following:

a. Conduct a complete detailed requirements and design review of the U.S. and FRG/French programs to optimize commonality.

b. Where any differences remain, address the possibility of adopting either the U.S. or FRG/French design wherever the relaxation of requirements is not substantial and does not compromise *major* performance characteristics.

c. Refer all remaining differences to higher levels of responsibility for resolution.

d. Alternatively consider U.S. adoption of the complete FRG/French design (Chinese copy) initially, with only necessary improvements to be incorporated in an evolutionary manner as the system is deployed and operational experience dictates.

e. Examine German test data and plans and maximize the extent to which these may be used to avoid duplicative U.S. testing.

f. Explore the practicability of joint or cooperative U.S./FRG testing.

g. Explore the practicability of testing unique U.S. equipment installed on German systems during FRG testing.

h. Hold to an absolute minimum the extent to which German drawings and specifications must be translated into English and maximize the use of computer software (as has been done with the Hawk missile system) for this purpose.

2. Adopt a standard Roland II missile design with the Germans so that it may become the NATO standard in reality.

3. Following the establishment of a joint program office, invest it with continuing configuration management responsibility for the common system or common elements as has been done successfully for the Hawk weapon system.

The Raytheon Corporation has pioneered in establishing and maintaining a highly successful joint project office in France for the Hawk weapon system. This is a model which should be considered for adoption with any necessary modification coincident with the initiation of any future cooperative developments. Raytheon's advice and assistance could make a significant contribution to Roland II.

These suggestions are by no means all inclusive, and should be supplemented with any other ideas to make this a successful program. For example, the possibility of curtailing the standard full length test program, which has been generally adopted by DOD, should be closely examined.

I must strongly emphasize the importance that I attach to the Roland II development as the lead weapon system in cooperative efforts with our allies. The ability of the United States to demonstrate the efficient and timely adaptation of a European development to meet U.S. needs is being tested. The inception of the Roland II program is the most critical time to join with our European partners in making our program and theirs as much alike as possible, and to create an effective joint program management organization. Any delay will make this more difficult or even impossible to accomplish. I urge that this problem be given the highest priority possible.

I would appreciate your views on these suggestions and a statement of what specific measures will be taken to insure development of Roland II in the shortest practicable time and at the lowest possible cost. This information should be provided by March 1, 1975, so that it will be considered during the forthcoming review of the Fiscal Year 1976 budget.

Continued Congressional support of cooperative research and development with our allies will depend in large measure upon the success of the Roland II program.

Sincerely,

THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development.

Mr. McINTYRE. I will follow this matter closely and address the full implications of the reply during the Research and Development Subcommittee review of the program proposed for the next fiscal year.

EXTENSION OF 1970 REVENUE SHARING ACT

Mr. HARRY F. BYRD, JR. Mr. President, in recent months a number of organizations have begun promoting the extension of the 1970 Revenue Sharing Act, though the act already authorizes payments through 1976 to 39,000 localities.

I recently came across an editorial on revenue sharing which appeared in the December 26, 1974, edition of the Columbus, Ohio, Evening Dispatch. The editorial outlines accurately the situation in which we find ourselves today.

The Dispatch editors rightly warn against "a fresh binge of deficit spending." They point out that as Congress reviews any new revenue-sharing legislation it must "give serious consideration to the slackening inflow of Federal taxes and just how it can justify sharing funds it does not have."

I ask unanimous consent that the editorial be printed in the RECORD.

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

REVIEW IS INEVITABLE ON REVENUE SHARING

Regardless of how well-written and popular a government program may be, it should be subjected to periodic review. Revenue sharing is no exception.

This federal program, which thus far has returned $30.2 billion of taxpayer contributions to 38,000 local government units throughout the land, will be given a second look by the new U.S. Congress which convenes in January.

The legislation, known as the State and Local Fiscal Assistance Act, will expire in 1976 and its extension, even though a necessity, will involve congressional hearings and probable revisions.

While the proper committees will be delving into revenue sharing others will be pondering an issue which will have a direct bearing on federal assistance to local level governmental agencies.

If, as Treasury Secretary William Simon has said, there may be a need for a federal tax cut to combat the current recession, that will mean less income flowing into Washington.

With less income, the federal government will have less to share unless, of course, it ignores that fiscal reality and goes off on a fresh binge of deficit spending.

In that case, Congress will be continuing on its old course of being a major contributor to the fires of inflation which has been a major contributor to the recession—an endless and vicious circle.

Recession can be expected to reduce federal government income in another way. As consumer confidence in the nation's economic management continues to wane, buyers hold back on purchases which include built-in excise taxes, another major source of income for the U.S. treasury.

Congressional probers into the revenue sharing program cannot help but agree the program has been of great financial benefit on the local level.

Since its inception, at least 14 states have been able to reduce taxes. Tax Foundation Inc., a private research body, estimates revenue sharing amounted to $500 million in 1973 and another $350 million in 1974.

In areas where local taxes were not reduced, budgets were kept in balance and borrowing avoided.

In some instances, what is known as the "substitution effect" has clouded revenue sharing usage procedures.

In the classic case of the city of Chicago, virtually all of its $76.7 million share has been earmarked for the police department. The amount the Chicago City Council would normally budget for police services has been allocated elsewhere.

Now Chicago's share of federal revenue has been ordered impounded by a federal court order on grounds the city has engaged in discriminatory hiring practices.

Originally, it was understood there were virtually no strings attached to a local level government's use of its share of federal funds.

When Congress makes its necessary review of the commendable revenue sharing program, it must consider specific legislated guidelines on fund usage.

In addition, the legislators must give serious consideration to the slackening inflow of federal taxes and just how it can justify sharing funds it does not have.

By the same token, local governments have an obligation to review their federal fund usage and to determine alternatives should the very economics of revenue sharing force a reduction in the size of checks they had been expecting.

MRS. LUCE STRIKES A POSITIVE, HAPPY NOTE

Mr. GOLDWATER. Mr. President, I am happy to report today that during one of the gloomiest holiday periods I have ever experienced, at least one strong voice was raised in our Nation for a happy New Year. The voice was that of our former House colleague, the famous writer, Mrs. Clare Boothe Luce.

In an article written from Honolulu for the Gannett News Service, Mrs. Luce reminded her fellow countrymen that if they wipe "the rosy mists of sentimentality" off their spectacles they would see that we are the happiest generation of Americans that ever existed.

Mrs. Luce began way back in 1776 to trace the attitude of her countrymen and noted that in that year there were only 3,800,000 people living in America and most of them were "still poor and largely illiterate." She believes the citizens today should take note of the fact that our country now stretches from sea to shining sea, and is the strongest, freest nation with the highest living standard ever known.

Mrs. Luce pointed out that since 1776, American "childhood" has been prolonged by about 12 years and that all American children are looked upon as "kids" until their formal education is complete. Mrs. Luce emphasized that nearly everything in America has changed for the better since the days of the Revolutionary War. But she added:

> One thing has never changed in America. It has always been a land of promise to immigrants. And the promise has always been kept.

Mr. President, it is sign of our times that an article which strikes a positive, happy note is so unusual that it deserves more than average attention. Consequently I ask unanimous consent that Mrs. Luce's article be printed in the RECORD.

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

IT'S A HAPPY NEW YEAR

(By Clare Boothe Luce)

People are funny. Even when times are good, they generally insist that "things were much better when we were young." But when times, like now, are just a little worse than they were last year, they become downright weepy about the wonderful days of "long ago" that are now "gone forever." If we are willing to wipe the rosy mist of sentimentality off our retrospectacles and look back on things as they really were in America, we will see that we are the happiest generation of Americans who ever existed.

In 1776, the first New Year of American independence, there were about 3,800,000 people living in our land. The majority of the people living in the 13 original colonies were descendants of settlers who had landed from the Old World on the shores of the New World with little but hope in their hearts. They were still poor and largely illiterate. The guerrilla war that their "ragged Continentals" fought for freedom from their mother-country, England, was won, in the end, by the skin of their teeth.

Even after the 13 colonies came together to write the Constitution, and form the United States of America, many of its first generation of citizens doubted that their weak new nation could long maintain its sovereignty in a world that was dominated by the strong, rapacious and greedy European colonial powers.

Today, the U.S., which stretches from 'sea to shining sea' across a vast continent, is the strongest and freest of the nations. And

in its 50 states, its 230 million citizens are enjoying the highest living standards any people have ever known. What Americans consider a "poverty-level" income is the median income of the citizens of the second-strongest nation, Soviet Russia.

Happy New Year to America! You certainly made it!

Happy New Year to the American man!

In the early century of our Republic, the life expectancy of an American male was 38 years. And however a man earned his living, he worked from sun-up to sun-down. Until well into the 19th century, the "working man" put in a 14–16 hour day, and a six-day week. He had few holidays, and was lucky if he got a two-week's vacation a year with pay.

Until the 20th century, the laboring man received no pensions, bonuses or "fringe benefits." If he lost his job, he got no unemployment compensation. If he couldn't find another job there was no "Welfare" for him or his family to go on. There was no Medicare. He received no Social Security checks at 63 or 65. However, this didn't matter much since, worn out with work, he seldom made it to that age.

Today, male life expectancy is 67, and still rising. The wage-earner enjoys all these benefits, and many more that his Revolutionary ancestors and pioneer forebears would have considered a Utopian dream. No working man has, in all history, bettered his conditions quite so much, and so fast.

Happy New Year to the American woman!

In 1776, an American woman was not even a second-class citizen. She had no legal identity of her own. Until she married, she belonged to her father, or, if he died, to her oldest and closest male relative. When she married, which she generally did at about 15 or 16, she became the chattel property of her husband.

If she worked outside the home, he was legally entitled to her wages. He was also legally entitled to beat her, if she disobeyed his wishes. If she ran away from a brutal or drunken husband, he could set the law on her, and force her to return. At best, she was his well-treated servant, at worst, his much-abused slave.

Except in marriage, she had no economic security. In marriage, willing or unwilling, she became a "baby-machine". One or two of every three children she bore died at birth. Only one or two out of three of the small survivors made it to the age of 12. Until well into the 19th century, she was fortunate to get more than a "little red school house" grammar school education. Between work in the house, the garden, and the yard, and bearing and burying many babies, she died, worn out, at 38 or 40.

Today, the American woman has the vote, and is a full-fledged citizen. While marriage is still her preferred career, her anatomy is no longer her destiny. Medical technology has now given her control of her reproductive organs. She seldom has more than 2 or 3 children. She is no longer hopelessly husband-home-and-child bound.

Her life expectancy, which was 40 in the 18th century, and about 50 in the 19th century, is now 75. (For those who wish to take an even longer view of the history of woman, in the first Christian New Year, Anno Domini 1, her life expectancy was 18.)

She receives all the same social benefits as a man. As consumer, wage-earner, and active participant in politics, she is recognized as a political and economic force. Almost all institutions of higher learning are open to her. She has entered all the professions, including the military and the ministry. If she is not yet man's equal in the eyes of the law, or in social status, she is, nevertheless, getting there just about as fast as she, herself, cares to go.

Happy New Year—you really have come a long way, baby!

Happy New Year to the American child!

In the first century of the Republic, childhood was a short, rough deal. Few parents risked spoiling their children by sparing the rod. By the age of 10, girls worked in the home, along with their mothers, and boys worked by the side of their fathers in the field, or shop, or factory.

Boys became soldiers and sailors at 16, and boys even younger than that fought in the Revolutionary and Civil War armies. For more than a century and a half, only the sons of the fortunate few who had "made their pile" got to college. Horatio Alger, the legendary hero of the early part of this century, set out to make his fortune, without a dime in his pocket, at 14. Boys were expected to earn their own livings by the time they were 17 or 18.

Since 1776, American "childhood" has been prolonged by about 12 years. All American children are looked on as "kids" until their formal education is completed.

More and more, this is accepted as the age when they graduate from college, in their 20's. They go at their parents' expense, or on tuition loans, and grants. This fall, 10,137,065 students enrolled on the nation's 3,000 university and college campuses—5.5 percent more than last year. The general expectation is that almost all American "kids" will be going to college in another decade.

Youths can no longer be conscripted into the services. (It will require new legislation to send them to war.) Also, although they have no legal responsibilities as adults until they are 21, they can now vote at 18. The "kid vote" is now being assiduously courted by the politicians.

During their extraordinarily prolonged "childhood", the "kids" enjoy more fun, games, sports, entertainment and freedom from work, care and responsibility than any other group in American society. (They are forbidden by law to enter the labor force until they are 18.)

The astounding amount of money that they are given by their parents to spend on themselves has made them a powerful "consumer" group. Their desires and appetites are consulted and catered to by business, the advertising media, and especially the entertainment industry. Young TV and movie stars, and rock artists, become multi-millionaires in their teens.

Happy New Year, kids!

Happy New Year to black Americans!

In 1776, all blacks were beasts of labor, bound in chains. Their lot was unspeakably cruel. Their freedom was bitterly bought with the blood of four million Civil War soldiers. Their progress towards equality has been slow, but steady. Thanks to the Civil Rights laws of the '60s, they are now spurting ahead.

Today, black Americans are moving rapidly into the great American middle class. They are entering college in increasing numbers, are represented in all the professions, and are acquiring both political and economic power. No politician ignores their vote.

While they are still on the bottom of the American economic and social pyramid, they are incomparably the best-off members of their race on earth. The black American's median wages are higher than those of white American women in the labor force. His life expectancy is 60. The average income of his black brothers in Africa is a few hundred dollars a year, and his life expectancy is 30.

Happy New Year, black America!

Happy New Year to all American ethnics, especially to the Jews!

One thing has never changed in America. It has always been a land of promise to immigrants. And the promise has always been kept. Naturally, those who came first and in the greatest numbers, went up the American ladder first and fastest.

But while all ethnic groups have steadily mounted the ladder of success, none have mounted it so fast as American Jewish immigrants. Late-comers to America's shores, who are today only six per cent of the population, their rise has been spectacular. No other first or second generation immigrant ethnic group enjoys more prestige, or exerts more influence in academia, law, medicine, the sciences, arts, the media, and politics. Today three of the most powerful Cabinet officers—the Secretary of State, Secretary of Defense and Secretary of the Treasury are Jewish-Americans.

And if Hawaii, the 50th State, is any indicator, Oriental Americans are also making it fast. Hawaii has a Chinese-American Senator, a Japanese-American Senator, and two Japanese-American Congressmen in Washington. It has also a Japanese-American Governor, Lieutenant Governor, University President, and the rest of its State life reflects the success of its Oriental Americans.

So Happy New Year, everybody. These are the good old days now!

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, our Bicentennial is approaching quickly. For almost 200 years, we have remained committed to the ideals of the Founding Fathers and our Constitution. It is 26 years since the International Convention on the Prevention and Punishment of the Crime of Genocide was approved by the United Nations. I must remind my esteemed colleagues that the Genocide Convention was ratified unanimously and that the United States was a leader in its passage. Then, as in our revolutionary days and in our present days, we were at the forefront of efforts to safeguard the quality of human life.

The Genocide Convention is an international extension of our Declaration of Independence and our Constitution. It is an attempt to guarantee the preservation of man's inalienable rights of "life, liberty, and the pursuit of happiness," without regard to nationality, race, ethnic, or religious background. Our advice and consent of the Genocide Convention will reaffirm these principles on which our country was founded, in recognition that truly "all men are created equal." Daniel Webster once said:

> Every unpunished murder takes away something from the security of every man's life.

We must help to insure man's security by ratifying this convention.

Since the convention first was sent to the Senate, it has languished unnecessarily. Every President since Mr. Truman has urged ratification. Seventy-six other nations already have embraced this treaty. Our delay was wrong in 1950. It is wrong today. I urge the Senate to recommit itself to protecting mankind. I urge the Senate to approve the Genocide Convention.

THE 57TH ANNIVERSARY OF UKRAINE PROCLAMATION OF INDEPENDENCE

Mr. BUCKLEY. Mr. President, January 22 was the 57th anniversary of the Proclamation of Independence of the Ukraine and the 56th anniversary of their act of union, in which all Ukrainian lands were united into one sovereign state of the Ukrainian people. It is fitting

that we annually honor this day as a testament to the bravery of the Ukrainian people who have for so long been subject to the tyranny and oppression of Soviet Russia.

The Ukrainian experience has been a difficult one. Throughout the many years of oppression, the Ukrainians have retained a fierce national pride. Much as they would like to, the Soviets have been unable to crush the spirit of these brave individuals.

The names of Valentyn Moroz and Leonid Plyusch are well known in the Ukrainian American community. These two, along with hundreds of other individuals, have suffered harassment and imprisonment by Soviet authorities. It has been reported that Mr. Moroz, who began a hunger strike some months ago, has been placed in a prison hospital, though details cannot be confirmed. During a recent visit to the Soviet Union, I voiced my concern and the concern of all Americans about the condition of Mr. Moroz and numerous other individuals who find themselves innocent victims of political and religious persecution by the Soviet tyranny. It is my hope that the Soviet Government will recognize the seriousness of our concern and act accordingly.

It is time to honor the Ukrainians and the work done by the Ukrainian Congress Committee of America. I hope and pray that some day these brave men and women will be able to know the freedom we in the United States take so much for granted.

DEFERRAL OF HUD PLANNING FUNDS

Mr. CRANSTON. Mr. President, I am pleased to be a cosponsor of Senate Resolution 23, disapproving the deferral of $50 million in HUD 701 comprehensive planning funds. Approval of this resolution, submitted by Senator HUMPHREY, will restore to the budget 50 percent of the 701 funds appropriated for fiscal year 1975.

Officials from a number of regional and local planning agencies in California have written to me concerning the deferral of these funds. They cite the vital need for the full appropriation of $100 million in comprehensive planning funds. They urge my support for a resolution disapproving the 701 deferral. Mr. Chairman, HUD 701 funds are the only Federal moneys available for comprehensive planning—tying together various local programs in a meaningful fashion. I would like to share with you some of the ways in which these funds are being spent in California.

The Fresno Council of Governments has used 701 planning funds for the implementation of the process known as A-95 review. This review, mandated by Federal legislation, gives local government the opportunity to know what Federal programs other small governments in the region are applying for. This process helps to avoid duplication of facilities and operates as a useful information clearinghouse. With the use of 701 funds, the Fresno COG provides valuable technical assistance to its member governments in areas such as proposal writing, legislative information, and insight into meeting various Federal requirements. Small local governments do not have staff available for this type of activity. A central regional clearinghouse represents the best way that many small governments can draw upon needed expertise.

The Southern California Association of Governments, SCAG, represents 10.5 million people in six counties. Frequently, an organization such as SCAG is funded by a single-purpose agency to perform one specific function—waste management, transportation planning, open space planning, et cetera. However, only 701 funds allow a planning agency flexibility to tie these programs together for a comprehensive growth plan. With the use of these funds, SCAG has been able to make a 20-year projection on population growth in southern California. This information is vital to the establishment of a basic growth policy which can take into account the sum total of southern California's needs and resources.

SCAG and other California area planning agencies have instituted a minorities planning program with 701 funds. Minority graduate students receive financial aid and gain 20 hours of work experience per week in planning agencies. The SCAG program alone has seen 30 minority graduate students receive their degrees and go on to full-time public employment.

The Tahoe Regional Planning Agency has been mandated by Federal law to establish sound policies that will protect the Lake Tahoe environment. HUD 701 grants to this bi-state agency have varied from $50,000 to $75,000 per year over the last 4 years. These funds have been used solely for meeting the mandates of Federal law. Without continued 701 funding, needed planning studies for the protection of Lake Tahoe will be seriously delayed.

The city of San Francisco has used comprehensive planning funds to develop its highly regarded urban design plan. This plan led to the development of height limitations and other regulations which will insure that the city remains an attractive place to live. Housing and recreation plans for Chinatown and a general increase in long-range planning capacity are just two of the varied functions for which the city uses 701 moneys.

Indian tribal groups and multitribal groups are also eligible recipients of comprehensive planning funds. Too often Indian groups are neglected when various program funds are allocated. Yet without a tax base, Indian reservations are more dependent on Federal program funds than any other local or regional group.

The Inter-Tribal Council of Sacramento represents a number of California Indian tribes. Comprehensive planning funds should enable groups such as the Inter-Tribal Council to maintain liaison with local governments on behalf of the various tribes and keep abreast of local and regional activities which affect nearby reservations. However, at the present time, ITC does not possess enough funds to perform this function adequately. HUD 701 funds are on hand for use in assembling and disseminating information on housing programs. Yet, there is a desperate need to assemble information on social and economic development programs also. Expertise is needed to determine the best use of limited resources and make application for programs that can fill certain needs. If HUD 701 funds are slashed by 50 percent, there will be no hope of meeting the planning needs of groups such as these.

Mr. Chairman, one of the arguments used in defense of the 701 deferral is that similar funds are available through HUD's new community development program. I submit that this is not the case. It is my feeling that the actual implementation of community development programs will absorb all of the funds currently available. Recipients of community development funds have a backlog of needs due to curtailment of so many other HUD programs. It will be impossible to provide adequate funds for an ongoing planning effort with so many demands being made on limited community development moneys.

Comprehensive planning provisions of the Housing and Community Development Act of 1974 were specifically written to assist localities to develop a management capacity and an evaluation capacity—in addition to planning. Adequate assistance for these types of functions is long overdue.

Comprehensive long-range planning is our only hope for solving the difficult problems which confront us in the areas of energy, housing, air and water quality, land use, transportation, and so forth. Solutions to these problems are obviously interrelated. We must not hamper the efforts of local and regional areas to respond in a comprehensive manner.

A SUMMARY OF HEARINGS ON A PROPOSAL TO CREATE A NATIONAL CENTER FOR PRODUCTIVITY AND WORK QUALITY

Mr. PERCY. Mr. President, on December 16 and 17, 1974, the Senate Committee on Government Operations held hearings on S. 4130 and S. 4212, two bills introduced in the 93d Congress by Senator NUNN and myself, respectively. These bills sought to revitalize and reinvigorate the national effort toward increased productivity growth and an improved quality of working life. We were privileged to receive the testimony of a very distinguished and knowledgeable group of witnesses representing labor, management, and government. The comments we heard were varied and constructive, but one point was resoundingly clear: the distressing lag in American productivity growth is contributing significantly to our current economic difficulties. I feel strongly that a renewed pledge by the Federal Government to support increased productivity and an improved quality of working life for all Americans must be an integral part of our comprehensive economic program. I am confident that our recent hearings can serve as a springboard in the 94th Congress for positive

congressional action in the field of productivity and work quality.

Mr. President, I ask unanimous consent that a list of witnesses and a summary of their testimony at the hearings on S. 4212 and S. 4130, prepared by Glenn W. Reed of the Committee on Government Operations' minority staff, be printed in the RECORD.

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

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

(Hearings on S. 4130 and S. 4212, 94th Congress, December 16 and 17, 1974)

LIST OF WITNESSES

R. Heath Larry, Vice Chairman, United States Steel Corporation.

Stephen S. Gardner, Deputy Secretary of the Treasury.

Lee Loevinger, Hogan and Hartson.

Dr. John T. Dunlop, Chairman, National Commission on Productivity and Work Quality accompanied by George Kuper, Acting Executive Director, National Commission on Productivity and Work Quality.

Georgia Regional Panel: Rudy L. Yobs, Assistant Director, Engineering Experiment Station, Georgia Institute of Technology; J. L. Birchfield, Director, Productivity Program, Engineering Experiment Station, Georgia Institute of Technology; Alex Sessoms, Union Timber Company; H. E. Ruarck, Georgia Forest Research Council; Barry Torrence, Carpet and Rug Institute.

Peter Dicicco, Vice President, International Union of Electrical, Radio and Machine Workers.

John M. Stewart, Director, McKinsey and Company.

Frederick Dent, Secretary of Commerce.

Bruce Thrasher, Assistant to the President, United Steelworkers of America.

Basil Whiting, Program Officer, The Ford Foundation, accompanied by Ted Mills, Director, National Quality of Work Center.

Jack Jericho, Executive Director, American Institute of Industrial Engineers.

Dr. Harvey A. Averch, Deputy Assistant Director, Analysis and Planning, National Science Foundation.

Thomas G Kleppe, Administrator, Small Business Administration.

Dr. James Miller, Associate Dean, School of Business Administration, Georgia State University.

Elmer Staats, Comptroller General of the United States.

Dwight Ink, Deputy Administrator, General Services Administration.

Bernard Rosen, Executive Director, U.S. Civil Service Commission.

SELECTED EXCERPTS FROM TESTIMONY ON S. 4212

From hearings held on December 16 and 17 by the Senate Government Operations Committee:

R. Heath Larry, Vice Chairman, United States Steel Corporation—

A. Pointed out that United States is in "dire need of improved means of capital formation."

B. Suggested that it "might be a great thing if the National Productivity Center, which might be established pursuant to these bills, might be the one which undertook to issue the proposed economic impact statements."

C. Problems and virtues of existing National Commission on Productivity—

1. Commission is poorly funded.

2. Commission has "had successes in an area which most lends itself to government activity."

3. Commission has done "quite a job in assembling a library of knowledge of methods and means by which municipalities, counties, states, and Federal departments can improve their productivity."

Stephen S. Gardner, Deputy Secretary of the Treasury—

A. Performance of NCP during the past three years was restricted by funding and organizational limitations and "chronic uncertainties about its future."

B. "The proposal for establishing a national productivity center, for setting up a program of capital grants and technical assistance delivered through existing educational and research institutions, and for identifying a positive national policy for stimulating productivity can all contribute to the national economic goals."

C. Treasury Department sees "nothing inconsistent with the above ideas and the existing plans of the National Productivity Commission."

D. The Treasury Department believes that the recently rejuvenated National Commission on Productivity can serve as a catalyst in coordinating labor, management, and governmental efforts to stimulate productivity.

E. Any productivity effort should stress aid to private sector activities "because most of the actual work must be done by labor and management groups."

F. Treasury supports the call for removing the legislative and regulatory barriers which artificially restrict the efficient functioning of the economy. This can be accomplished by supporting the President's request that a National Commission on Regulatory Reform be created.

Lee Loevinger, Hogan and Hartson—

A. Suggested that the term "efficiency" be coupled with increased productivity as declared Federal policy objectives by Congress.

B. Suggested that all courts of the Federal government give due consideration to the policies set forth in S. 4112 "in all cases to which such policies are relevant, and in reviewing any agency action shall give due consideration to agency compliance with the policies, procedures, and provisions of this Act."

C. Senator Nunn pointed out the two major criticisms of his proposed productivity impact statement—excess paperwork and problem of accurately and definitively measuring productivity. Mr. Loevinger replied that productivity impact is easier to measure than environmental impact. Furthermore, the "multiplication of paperwork argument is a specious one for this reason: agencies cannot take such actions without issuing a statement of the reasons that impel them to take such actions." Continuing, "It is simply a matter of requiring agencies to broaden their vision beyond the immediate objective that each one of them is serving." Finally, the issuing of economic impact statements would require the public to look at the already existing conflict between the environment and the economy.

John T. Dunlop, National Commission on Productivity and Work Quality—

A. Dr. Dunlop, under questioning by Senator Nunn, stated that the Commission is authorized and funded to employ 20 people on its staff but at present is only employing 16. Dr. Dunlop commented that 2 of these people are outside of Washington, one in Chicago and one in Dallas. Dr. Dunlop commented that the Commission could be much more effective if it could get from Congress some authorization which goes beyond one year. Responding to Senator Nunn's suggestion that a "productivity extension service" be created to carry technological and human resource utilization techniques to small businesses in the states, Dr. Dunlop stated that although he thought it might very well be a good idea, "somebody has got to try it out for size."

B. Under questioning by Senator Percy, Dr. Dunlop defended the apparent lag in creating a labor-management cooperation policy by stating that "the problem of getting a Commission appointed takes a great deal of time." He went on by stating that the steel industry had already begun to make inroads in this area. Senator Percy replied that he was disappointed by the Commission's lack of initiatives in other industries.

C. Regarding labor-management committees, Dr. Dunlop said that "there are only a limited number of places in the country at any one time where one can successfully introduce this." Senator Percy replied that he himself had not found this negative attitude in the labor sector—"I find the ground fertile now."

D. In reply to a question from Senator Percy concerning what the Commission has done, George Kuper, Acting Executive Director of the Commission, replied that they had a book on the history of labor-management committees about to go to press. Furthermore, the Commission is examining the "eight or ten examples of labor-management committees that are now existing in state, local, and Federal government settings with the idea that the description of their existence will stimulate others to examine the feasibility of applying the idea."

E. Senator Percy asked if the reinvigorated Commission would be able to accomplish anything in the areas that the old commission "seemingly failed." He said that a new Commission with 24 Commissioners "seems a little topheavy." Dr. Dunlop replied that he was quite happy with the new Commissioners, which were chosen from several sectors of the economy. The Commission has also sought "to try to provide a more vigorous program by arranging for an executive committee headed by Mr. Abel and Mr. Burnham of Westinghouse." "We hope to get our staffing up to 20," Dr. Dunlop commented. He has held off doing so because "I thought it only in fairness to the Commission who want to get their ideas of what they specifically wanted to do before one filled all the slots."

F. Summing his arguments, Senator Percy commented that "we do not worry about pride of authorship. We can call it anything. But we must do something different to get over this resistance point we have had to date."

Rudy L. Yobs, Assistant Director, Engineering Experiment Station, Georgia Institue of Technology—

A. Describing his engineering extension program at Georgia Tech, Mr. Yobs pointed out that "our program addresses itself primarily to the technology-related aspects of productivity."

B. J. L. Birchfield, Director of the Productivity Program at the Engineering Experiment Station, commented that there is "a need at the Federal level for coordination of activities under programs such as ours with other state programs and with similar private sector programs. This coordinating role could be handled very well by the National Productivity Center proposed within both S. 4130 and S. 4212."

C. Mr. Yobs: "We feel that the thrust of the Center should follow the direction that has already been established by the National Commission on Productivity and Work Quality. Since the National Commission has the ability to function in both the private and public sectors, we would suggest that this unit be given the responsibility for carrying out the requirements of the Center and that this group be given the necessary resources to accomplish the goals of the proposed National Productivity Center."

D. Under questioning, Mr. Yobs saw two needs at the Federal level in terms of a pro-

ductivity effort: "One is the need for a very clear-cut national policy direction for productivity. The other is an organization which in our view would be small, which would provide a coherent direction for all of the state productivity centers or regional activities so that each state has enough latitude to work on its individual problems but can interface and synchronize with those in other states."

E. Alex Sessoms of the Union Timber Company: "A nationwide system of county agents for businessmen would, in my opinion, be the greatest single achievement that this or any other Congress has achieved in the field of economic legislation."

Peter Dicicco, Vice President, International Union of Electrical, Radio and Machine Workers—

A. The assumption that improvements in the quality of work life should lead to greater productivity and improved economic effectiveness is not necessarily valid. Mr. Dicicco "would suggest that the benefits of quality of work life programs should not be solely contingent upon improved productivity. There is a great deal that should be done for the distinct purpose of improving the quality of work life simply because there is a need for that in itself."

B. "It would be a serious misjudgment to expect the cooperation of workers in the shop or their unions in a project of improving productivity if improving their work place and their roles in the shop did not take an equal status. If improving the working lives of over 90 million workers in the United States cannot be established and become a defined objective of the United States Congress, then that concept should be removed in total from the legislation rather than introduced in a way that would suggest nothing less than a dependent status."

C. In reviewing S. 4212, Mr. Dicicco felt that amendments to change the term "work quality" to "quality of working life" would "simply not be sufficient."

D. The proposed Center should not be administered by or delegated to any specific governmental department, and the efforts of the Center should be directed to promoting self-involvement, without any strings attached. This might appease "the ongoing concern of most unions over government involvement and leverage in labor-management relations, an extremely sensitive area."

John M. Stewart, Director, McKinsey & Company—

A. The Center should encourage planning, among industries, among companies and between companies and unions, to minimize the effect of job loss of workers. "This is the single biggest obstacle to productivity improvement."

B. Manpower planning should be focused and concentrated toward forecasting industry needs by skill or geographic location. Labor unions are forced to fight productivity improvements in order to provide time for their members to adjust to dislocations.

C. Proposed Center should encourage recognition of individuals who improve productivity and ensure that productivity improvement is well regarded by elected and appointed officials.

D. A productivity Center should be located outside of any government department, as an independent executive agency.

Frederick Dent, Secretary of Commerce—

A. Strengthening the functions and programs of the existing National Commission on Productivity, rather than establishing an additional agency, appears appropriate.

B. State and local activities to stimulate productivity growth should be encouraged; however, the costs of such programs should be shared essentially by sponsors and participants on the basis of realistic appraisals of expected utility.

C. Increased effort should be directed at the collection and dissemination of information on specific and outstanding accomplishments in both the public and private sectors.

D. The concerns reflected in S. 4212 over "structural economic imbalances" which act to inhibit the growth of productivity in both the private and public sectors, are most appropriate at this time. However, the responsibility cited in Section 103(2) relating to structural imbalances constitutes an exceptionally broad mandate in a complex and controversial area. The scope of this responsibility should be revised so as to not duplicate responsibilities contained in the Administration's proposed bill to establish a National Commission on Regulatory Reform.

E. The wording at the beginning of Section 103—"to consolidate in one government unit the responsibility . . ."—should be revised so that it does not inadvertently detract from the basic principle that productivity improvement is an inherent responsibility of managers at all levels of government.

F. Section 206(9), specifying the function of the Center ". . . to initiate, develop, and implement a national, regional, and local technical assistance, referral and extension service . . .", seems too broad. This provision should be modified, limiting this function to one of supporting only selected demonstration efforts.

G. The wording of Section 207 should also be revised to delete blanket support for almost any agency or organization boosting productivity and the exemption of Center grants and contracts from the provision of Federal procurement statutes and regulations. "These special authorities do not appear justified by the nature of the proposed Center's responsibilities."

H. Unless the authorization levels reflected in Section 304 are intended to support all special productivity activities of the Federal government, they appear excessive for the type of role envisioned for the Center.

I. "A major thrust of this effort should be in the government sector."

Bruce Thrasher, United Steelworkers of America—

A. While the United Steelworkers fully support the effort to establish a Federal productivity policy, "we do have serious concerns as to what agency or department of government will be responsible for implementing such policy."

B. The Steelworkers feel that a Federal policy on productivity should be implemented through the now-existing National Commission on Productivity and Work Quality. What the nation needs is a pledge of full support for the National Commission on Productivity from the executive branch and the Congress in the form of a long-term authorization with adequate funding and staffing.

C. "It is our position that a proposal to establish a new government agency with all of the recycled phrases, concepts, and cliches does nothing more than delay our nation's efforts to come to grips with this vexing problem." Instead of a new agency, "a well-financed, well-staffed National Commission on Productivity and Work Quality can be an important asset to the American worker, the American consumer, and American business."

Basil Whiting, Jr., the Ford Foundation—

A. Mr. Whiting recommended that the Federal government mount a program in the area of improving both work productivity and the quality of working life in tandem. Reducing the personnel problem associated with the introduction of new technology is one reason why it is necessary to devote attention to the human side of productivity.

B. There is a problem with the use of the words "work quality" in the existing Commission—"it comes across to many people as having to do with the quality of the product."

C. It cannot be guaranteed that improvements in the quality of working life will always lead to improvements in productivity, "though what evidence we have suggests that this is often the case."

D. "We do not need additional psychological and sociological studies of worker motivation, job satisfaction, and the like. We do need to know how to improve the human side of productivity and to improve the quality of working life—this can best be learned through an action-oriented approach involving closely evaluated experimentation with joint labor-management efforts to redesign jobs and organizations."

E. The productivity program deserves independent and fairly long-term status within the Executive Branch. "It should not be located in either the Commerce or Labor Departments which are regarded as beholden to the interests of their named constituencies."

F. Separate status as a "Center," "Commission," or "Institute" "seems approprate."

G. A Federal Productivity Center should not undertake direct operations itself, especially with respect to the technical assistance and action-research or experimentation aspects of its program. "These are matters of intimate concern to labor and management. Our system of government agents, who may too frequently be perceived as playing a political role, are simply inappropriate to perform these functions."

H. The Center should function through grants to universities, and other non-profit institutions with competence, to provide technical assistance or to stimulate, advise, and evaluate this sort of labor-management experimentation.

I. There is virtually "nothing in the area of learning lessons of how to organize jobs more effectively. We are behind in this area."

J. Under questioning by Senator Percy, Mr. Whiting felt that the attitude of labor would be hostile to a program with "Federal agents running around the country trying to stimulate labor-management committees".

K. Mr. Whiting, in written testimony, recommended that the National Commission on Productivity and Work Quality should be retained but moved to independent status within the Executive Branch. It should then be renamed the National Commission "or Center or Institute" on Productivity and the Quality of Working Life. When pressed by Senator Percy on the need to make the name-change, Whiting commented that the term "quality of work" is ambivalent. It tends to connote "the quality of the product that is produced." Senator Percy agreed that if "quality of working life" is more labor-oriented in connotation, than to make the name change "is well-worth it then, because that is what we really had in mind."

L. Senator Percy commented that he felt there was an "antagonism" toward creating more commissions. "I would like to search for another name because 'commission' sounds too much like a regulatory agency." Mr. Whiting agreed, and recommended the term "Center", as opposed to Institute since "Institute" connotes research to many people.

M. Ted Mills, Director of the National Quality of Work Center, who appeared with Mr. Whiting, commented that "when our program was housed in the National Commission on Productivity, it was a great deal harder to gain willing management and labor participants. The fact that we, so to speak, wore a red, white and blue hat gained for us a lot of suspicion and occasionally downright hostility." Senator Percy agreed that "we are after grants to keep management and control of the programs to a great extent

in the hands of those for whom the programs are designed."

Jack Jericho, Executive Director, American Institute of Industrial Engineers—

A. The AIIE supports the establishment of a Federal productivity policy and a National Productivity Center. No action-oriented group exists to systematically find the problems and the barriers causing the declining rate of productivity growth.

B. There is no clearinghouse or central group which can adequately evaluate the problems to determine the priority for research technology improvement in specific areas.

C. There is no central information and technical center to gather, evaluate and publish material which can effectively provide technological improvements which are directly related to productivity. This is particularly true for small businesses.

D. With regards to S. 4212, Mr. Jericho recommended that consideration be given to including professional societies and trade associations in carrying out the mandates of the legislation.

E. Mr. Jericho recommended that the Board of Directors be extended to include the Attorney-General, representatives from the Federal Trade Commission, the Interstate Commerce Commission, the Federal Power Commission, the Federal Energy Office, and the Environmental Protection Agency.

F. Mr. Jericho also recommended that three members of the Board be selected from the professional and technical engineering societies.

G. Serious consideration should be given to establishing the Center as quasi-government business rather than as an agency.

Dr. Harvey A. Averch, National Science Foundation—

A. Concerning productivity impact statements, "experience with environmental impact statements suggests that there are conceptual, analytical, and measurement problems in assessing or evaluating the impact of diverse programs on a general objective such as productivity or productivity growth. Dr. Averch suggested that R&D funds be channeled to research in this area; if experiments suggest that productivity impact statements are feasible and cost-effective, then legislation could be drafted and implemented on the basis of validated information.

B. An independent agency in the Executive Branch would be preferred to one housed in the Commerce Department.

C. S. 4212 does not provide necessary or sufficient criteria for distinguishing the Center's programs from those of other agencies.

D. The National Science Foundation believes that the specific design of the activities proposed in S. 4212 may not be "cost-effective."

Thomas G. Kleppe, Small Business Administration—

A. SBA would support those provisions of S. 4212 that require "a review of all Federal agencies of current statutory authority, administrative regulations, policy and procedures to ensure these are consistent with the purposes, policies, and goals of this Act."

B. It is with respect to small business that governmental productivity programs are most needed. SBA suggests that private, and especially small R&D firms be made eligible for grants.

Elmer B. Staats, Comptroller General of the United States—

A. Since 1970 the General Accounting Office has been a partner with the Office of Management and Budget, the Civil Service Commission, the Bureau of Labor Statistics, and more recently, the General Services Administration in fostering efforts to measure and enhance productivity in Federal activities. The present National Commission on Productivity and Work Quality has been very supportive, but a still stronger national organization would be of value in advancing these efforts.

B. "We believe the stress given to improved state and local programs by the bills you are considering is very appropriate. This is particularly true of S. 4130 with its concept of productivity centers at the state level."

C. The history of the National Commission on Productivity and Work Quality "has been one of constant struggle to maintain its identity and even minimal financial support for its efforts." Mr. Staats pointed out that the authorization of $2.5 million to the Commission by Congress "signifies a very minimal effort that can be pursued by this Commission."

D. The National Productivity Center should be an independent agency replacing the existing Productivity Commission and with direct and authoritative access to the Director of OMB, the Council of Economic Advisors, "and to the heads of principal departments and agencies concerned. These agencies include Commerce, Labor, Treasury, HUD, HEW, NSF, Defense, NASA, AEC, Civil Service, GSA, and GAO."

E. "We favor a small, but fully empowered Board of Directors, appointed by the President, confirmed by the Senate. Its membership as envisioned in S. 4212 should be representative of private sector management, public sector management, and labor."

F. The charter of mission of the Center should be broadly stated. "We are particularly impressed with the definitions and mission goals presented in S. 4212 which stress the importance of equal emphasis on programs and projects designed to improve the utilization of technology on the one hand and those designed to achieve improvements in the utilization of human resources and work quality on the other hand."

G. Any new legislation "should be free of regulatory detail, such as the requirement for productivity impact statements. We believe such matters should be left for later determination rather than be part of the statute itself."

H. The Center "should have a life expectancy and adequate funding for at least five years so that it can be held accountable for bringing to fruition long lead time efforts which are frequently the nature of productivity research and application."

I. The principal need which is not specifically addressed in either bill is development of a corps of personnel with leadership in analytical skills, who would be motivated to work on projects to improve performance in productivity, particularly in the public sector.

J. Mr. Staats pointed out that an important issue "is the extent to which and when the Center should be divorced from Federal management and primary reliance on Federal funding." Mr. Staats suggested that the National Productivity Center could "underwrite the establishment of both national and state level Centers which would become self-supporting. Such authority is envisioned for the states in S. 4130. Of course, regional and perhaps metropolitan centers should not be precluded in appropriate situations."

Dwight Ink, Deputy Administrator, General Services Administration

A. "The work quality which is recognized by S. 4212 is exceedingly important. It is not just a useful relationship. It is essential."

B. "We believe the Committee is moving generally in the right direction, particularly with respect to S. 4212. We believe it is desirable to establish an independent agency, similar to that envisioned in S. 4212, either by revamping the existing Commission or a totally new organization. I think that one can arrive at almost the same point through either route."

A $420 MILLION LOSS

Mr. MOSS. Mr. President, a cost benefit analysis of an operational Earth resources satellite system now known as LandSat has been conducted for NASA by ECON, Inc. The results of this study were published in the January 27 edition of Defense/Space Daily. This study shows that a delay in launching the third LandSat Earth resources technology satellite after 1977 could cost the Nation up to $420 million in benefits.

I ask unanimous consent that the Defense/Space Daily article be printed in the RECORD.

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

STUDY FINDS ERS BENEFITS WOULD FAR OUTSTRIP COSTS

DELAY IN LANDSAT-3 COULD COST NATION $420 MILLION

The benefits derived from an operational Earth Resources Satellite (ERS) program over the next two decades would far outstrip its costs, according to an economic evaluation of the program conducted for NASA by ECON Inc.

At the same time, the company found that a delay in launching the third LandSat Earth Resources Technology Satellite after 1977 could cost the nation up to $420 million in benefits.

Based on data from Goddard Space Flight Center, the company estimated that it would cost from $368 million to $853 million to develop, build and operate an Earth Resources Satellite system over the 1977–1993 time period.

At the same time, based on its own independent evaluation of ERS benefits, including case studies in agricultural, water management, and land management areas, the company estimated that benefits from ERS in the 1985–1993 time period alone could total approximately $3.9 to $6.7 billion.

Adding potential benefits not covered in in-depth case studies, it said ERS benefits over the 1985–1993 time period could total between $9.3 billion and $17.8 billion.

"The measured benefits that can be reasonably expected to flow in the 1980's, year-by-year, from an ERS system," it concluded, "are about $450 million." For the 14-year period 1980 through 1993, this would amount to $6.3 billion in benefits.

ERS SYSTEM COST

Cost of an ERS system over the 1977–1993 time period was subdivided as follows for a one, two and three-satellite system (9, 18 and 27 satellites, respectively, each satellite with a two-year life):

[In millions of dollars]

Cost area	1-satellite	2-satellites	3-satellites
Investment	258	494	645
Operation	84	117	150
Civil service	26	40	58
Total	368	621	[1] 853

[1] ECON notes that actual costs would probably be lower due to "sensible system changes to more efficiently obtain the increased technical capability."

ERS SYSTEM BENEFITS

Annual benefits from the ERS system by 1985 are estimated below based on in-depth case studies and on in-depth case studies plus extrapolations.

[In millions of dollars

Benefit area	Studied benefits	Extrapolated benefits
Agriculture	252.5–554.5	726.3–1,511.7
Forestry/rangeland	62.2	92.2
Inland water	57.2	107.3–178.3
Land use	53.5	53.5
Natural resources	1.6–3.9	34.6–80.9
Atmosphere	1.5–10.5	7.1–39.1
Oceans	1.8–4.3	6.8–17.0
Total	430–746	[1] 1,027.8–1,972.7

[1] Does not include potential "substantial benefits" in "industry" area.

THE LOSS FROM LANDSAT PROGRAM DELAY

The present value of benefits foregone in the event of a one-year gap in ERS service occurring in 1977 (following two-year operation of LandSat-2) is estimated to be "$220 million" based on a 10 percent rate of discount, ECON said. A two-year delay would mean the loss of $420 million in benefits. [At a 15 percent discount rate, the benefits foregone would be $147 million and $274 million, respectively.]

The company noted that its report "bases its conclusions on the conservative viewpoint that the measurable benefits are due only to activities requiring technical capabilities presently demonstrated by ERTS [LandSat], and not performed by other existing civilian satellite systems.

"These results alone provide economic justification for an ERS system with capabilities similar to ERTS [LandSat], or better if the cost is not too high. The fact that system alternatives are available merely serves to reinforce this conclusion . . ."

OMB TAKES IMPORTANT STEP TOWARD IMPLEMENTATION OF THE FEDERAL PRIVACY ACT

Mr. PERCY. Mr. President, among the number of truly significant domestic affairs bills to be enacted by the 93d Congress, the Federal Privacy Act of 1974 stands apart as the first comprehensive measure designed to safeguard jeopardized rights of personal privacy. This legislation is certain to stimulate a heightened respect for the right of privacy in every sector of our society.

I am particularly pleased to learn that the Office of Management and Budget has moved without delay to take the first step toward implementation of the Federal Privacy Act. OMB has requested that the heads of all executive branch agencies undertake in-house studies which must be conducted prior to the drafting of implementing agency regulations. Specifically, OMB has requested that all Federal agencies immediately begin to pursue the following tasks:

First. Identify systems of records which they maintain which will be subject to the act. A listing of systems identified through earlier requests by OMB will be circulated shortly. Agencies will be requested to update that list and provide that information to OMB.

Second. Determine the extent to which procedures already exist which meet the requirements of the statute for access, accounting, et cetera.

Third. Consider the applicability, if any, of the exemptions provisions of the bill.

Fourth. Begin to define the routine uses of each system of records.

Unless agency officials act now to determine the nature and extent to which their agencies' personal information systems are covered by the Federal Privacy Act, they will find themselves in the difficult position of having to approve proposed implementing regulations which may be inadequate.

Mr. President, the cosponsors of the Federal Privacy Act and I recognize the necessity of prompt action by the agencies to take the first steps toward implementation of the act. We strongly urge the agencies to cooperate fully with OMB in this regard and we are prepared to lend our continued support to that effort.

ONE TIME ECONOMIC STIMULUS NOT ENOUGH—TO REDUCE UNEMPLOYMENT SIGNIFICANTLY WILL REQUIRE A PROLONGED AND SUBSTANTIAL STIMULUS

Mr. PROXMIRE. Mr. President, there is an article in today's Wall Street Journal by James P. Gannon which is of great importance and which should cause both the President and Congress to think very hard about the path to reduced unemployment and economic recovery.

Mr. Gannon points out a number of very startling and truthful facts.

UNEMPLOYMENT GOES UP FASTER THAN IT COMES DOWN

First, unemployment goes up very much faster that it comes down. It took from 1961 to 1965, even with expansive economic policies, to reduce unemployment from the 6.7 level to 4.5 percent.

We have seen unemployment rise from 5.4 percent in August of 1974 to 7.1 percent in December, and all predictions are that it will go up to a level between 8 and 9 percent in the near future.

BIG STIMULUS NEEDED FOR SMALL UNEMPLOYMENT REDUCTION

Second, under what is known as Okun's law, because it was first formulated by Arthur Okun, the former Chairman of the President's Council of Economic Advisers, it takes a very strong economic stimulus to reduce unemployment by even small amounts. Okun's estimate is that for every additional 1 percent in the growth rate, unemployment is reduced by one-third of a point per year. Therefore, to reduce unemployment by 1 percent, economic growth would have to increase by 3 points. The normal growth rate is about 4 percent a year. Therefore, the economy would have to grow at a 7 percent annual rate merely to reduce unemployment by 1 percent per year.

TWOFOLD PROBLEM

The problem here is twofold. While a growth rate of 7 or 8 percent is not unknown for short periods of time during a recovery period, it has seldom been sustained for a long period of time. Therefore, the outlook for reducing unemployment is not good, not only because it takes such a big stimulus to get a marginal reduction but also because such a big stimulus is difficult to sustain. Furthermore, a growth rate of 7 or 8 percent extended over a very long period of time certainly creates the danger of a new round of inflation. While that danger is not immediate and is not great during the early and intermediate stages of recovery, it would be difficult to sustain a 7 or 8 percent growth rate for the period needed without at some point running into the danger of a new inflation.

NEED PROLONGED AND SUBSTANTIAL STIMULUS

But the single most important point to be made is that at this time—now—we will need a much more substantial and a much more prolonged economic stimulus than the President's program envisions. A one-time tax stimulus—even if it is not offset by the President's energy policies—is just not enough to do the job.

Mr. Gannon's article is one of the most thoughtful I have seen and it raises very profound issues for the President, the Congress, and the American people in fashioning an economic policy which will bring us back to full employment soon.

I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

A HIGH JOBLESS RATE IS LIKELY TO PERSIST FOR LONG TIME TO COME

(By James P. Gannon)

WASHINGTON.—The steep climb in unemployment, which still has months to run, will take years to reverse.

Economists in and out of government agree that the swift upswing in joblessness caused by the current recession isn't likely to be followed by a similarly rapid decline. The nation's unemployment rate has zoomed from a seasonally adjusted 5.4% of the work force last August to a 13-year high of 7.1% in December, and it appears to be headed for 8% or so by March. Then the jobless rate is likely to stick around 8% for nearly all of 1975, most economists figure.

But working the unemployment rate back down to a more normal 4% to 5% is likely to be a long, hard process. The Joint Economic Committee of Congress, stating that high unemployment "seems destined to dominate the remainder of this decade," forecasts that even above-average economic growth rates wouldn't reduce joblessness below 5% until 1980. While Ford administration economists think that's too pessimistic, they concede it will be two to three years before the unemployment problem can be reduced to normal dimensions.

EMPLOYMENT VS. INFLATION

Why? For one thing, the path back down to tolerable jobless rates will start from the highest point since the end of the Great Depression; unemployment hasn't exceeded 8% since 1940. More important, the sort of boom that would rapidly restore "full employment" is unlikely—and, many economists contend, also undesirable, because it would threaten a worse-than-ever outbreak of inflation. Anyway, the economic pinch imposed by energy costs and shortages may slow job growth for several years.

"The economy has already slipped so far," observes economist Charles L. Schultze of the Brookings Institution in Washington, "that even with vigorous action it will be a long time before recovery can produce reasonable prosperity." Mr. Schultze, a former White House budget director, calculates that even if good luck and effective government economic policies combine to produce a steady

economic growth rate of 7% a year (about 4% is the long-term average), it would take until mid-1978 to reduce unemployment to 6%.

That grim outlook has profound economic, political and social implications. It means tough job hunting for college seniors, housewives, teen-agers and other new entrants to the labor force. It means billions of dollars of added strain on federal and state budgets for unemployment benefits. It threatens potential social unrest among the groups hardest hit by unemployment, such as black teen-agers, whose jobless rate already is 38% (versus 16% for white teen-agers).

The burden of unemployment is spread unevenly among various groups of workers, but it is worsening now for all groups. While teen-agers have the highest jobless rates, more than 80% of the increase in unemployment since August has been among adults. Of the nearly 1.7 million persons added to the jobless rolls since August, almost 700,000 were adult men and 650,000 adult women.

The recession is hitting especially hard at blue-collar workers, whose jobless rate reached 9.4% in December, compared with 4.1% for white-collar employees. The unemployment rate among married men still is only 3.7%, but that's up from 2.2% a year ago. And unemployment among female heads of families is 8.5%. While these figures do not necessarily imply as great a degree of hardship as suffered in some past recessions, given the liberalization nowadays of unemployment benefits and other such "cushions," they signify a growing economic, social and political problem.

A PRESIDENTIAL LIABILITY

For Gerald Ford, the prospect of a long bout of high unemployment represents a peril that could end a presidency. Mr. Ford already has been warned by his economic aides that bad-looking unemployment rates are sure to continue in election year 1976. Even if the recession should end later this year, it's doubtful that the politically potent jobless rate would drop below 6.5% or so during 1976, his economists concede.

"We haven't had a presidential election since the Great Depression with an unemployment rate as high as it is going to be in 1976," contends one Washington economist. Whether that alone would be enough to defeat Mr. Ford—or else convince him not to run—is problematical, but it would be a gigantic liability.

Some White House officials argue that in political terms, it's not the absolute level of the jobless rate that's important but whether the rate is moving up or down. They figure that if Mr. Ford can point to a declining rate next year, he will survive. Fear of job loss is greater, one White House economist says, "if the rate is moving up from 4% to 6% than it would be if it's moving down from 7% to 5%."

The President himself is taking an optimistic view of the economic and political outlook. In a televised interview last week, he admitted that he would face "pretty tough odds" against reelection if double-digit inflation and 7% unemployment gripped the economy in 1976. But, Mr. Ford said, he looks for a more rapid economic rebound than the "pessimists" do. "So I am not anticipating that in 1976 we are going to have that high unemployment," he added.

Some administration economists aren't so optimistic. As the election year begins, one official predicts, the unemployment rate probably will be around 8%, a prospect that would horrify the White House. The President's new economic plan, featuring one-time tax cuts in 1975, probably won't provide enough thrust in 1976 to push the jobless rate below 7% by election day, he figures. Thus he expects Mr. Ford either to propose even more stimulative economic measures late this year or early in 1976, or willingly accept economy-boosting measures passed by the Congress.

Whatever its ultimate political impact, worsening unemployment will take a huge toll in economic loss and human hardships. December's 7.1% unemployment rate translates into 6.5 million jobless persons, the largest number out of work since the Great Depression (when unemployment reached 25% of a much smaller work force).

Because the recession is expected to bring further layoffs during the next few months, the jobless rate may spurt quickly to a post-Depression peak, government economists believe. Talking in "round numbers," one analyst figures the rate may rise "a half point in January and a half point in February"; it would thus climb above 8% in the first quarter rather than in the third quarter, as officials predicted earlier. "We have a more sudden and steeper rise" than had been expected this analyst says.

At some point later this year, unemployment probably will peak out in the 8% to 9% zone, most economists believe. But they see little if any decline before 1976. One reason is that even if there's a second-half upturn in the economy—which is by no means assured—it will be a modest, slow-starting one, administration economists concede. The other reason is that the jobless rate is a sticky statistic; it normally doesn't start dropping until some months after a recovery begins.

"Employment tends to lag production," Assistant Commerce Secretary James Pate explains. "Employers won't hire back people until they are convinced there really is a recovery in progress" and their own production should be increased, he says. Mr. Pate figures that even if a mild economic upturn starts in the third quarter of 1975, as the administration predicts, it probably would be well into the fourth quarter before the unemployment rate started turning down.

Then there's the long road back to "normal" unemployment levels. Those predictions that the process could take much of the rest of this decade aren't sheer guesswork or crystal-ball gazing. They're based on the record of the past.

CONSULTING THE PAST

"It takes a hell of a lot of economic stimulus to reduce unemployment," comments Nat Goldfinger, chief economist for the AFL-CIO. "The experience of the 1960s demonstrates that."

Mr. Goldfinger notes that the unemployment rate averaged 6.7% in 1961, the first year of President Kennedy's administration. "It took four years of substantial effort, including a massive tax cut (in 1964) and the startup of the Vietnam war to get the unemployment rate down to 4.5% by 1965," the labor economist says. "And now we're starting from a higher level, so we'd need several years of rapid economic growth" to reach 4% unemployment again, he contends.

Economists use a formula known as "Okun's Law" to calculate the likely trend of future unemployment rates. The formula, devised by former White House economist Arthur Okun, is complicated, but it boils down to the following rule of thumb, somewhat oversimplified: Just to keep unemployment steady and absorb the normal growth in the labor force, the "real" gross national products (total output of goods and services, adjusted for inflation) must grow at a 4% annual rate; for every percentage point of growth above or below 4%, the jobless rate is reduced or raised by one-third of a point. Thus, a 7% annual growth rate in real GNP would chop the jobless rate by one percentage point a year.

Using that rule of thumb, which has proved accurate in the past, economists can project how fast unemployment will rise or decline, given various economic growth rates. That's how Mr. Schultze of the Brookings Institution gets his forecast that it would take three years of 7% real growth to lower the jobless rate by three points—from 8% in mid-1975 to 5% in mid-1978.

MECHANISTIC CALCULATIONS?

The Joint Economic Committee, in a recent report, used similar calculations to arrive at its grim outlook on unemployment. The Democratic-dominated panel recommended policies to produce an 8% annual economic growth rate in 1976 and 1977. "Even so," its report said, "unemployment may average about 7% in 1976 and slightly above 6% in 1977. Growth rates of 5% to 6% would be needed in 1978 and 1979 even to bring the unemployment rate under 5% by 1980."

Some economists reject these calculations as too mechanistic, though admitting it will take two to three years to undo the present spurt in unemployment.

"I don't have a great deal of faith" in projections based on Okun's Law, comments Mr. Pate of the Commerce Department. "The key to this unemployment rate is labor-force growth, which is hard to forecast," he says. Mr. Pate suspects that the work force may start growing more slowly in the next few years; that would make possible a more rapid decline in the jobless rate.

The Labor Department's projections don't indicate any significant slowdown in the growth of the work force in the years immediately ahead, though some slowdown is expected after 1980. The labor force, the projections say, will continue growing at an annual rate of 1.7% during the rest of the 1970s, about the same as in the 1960s. These projections assume continuation of recent trends, including a slightly declining relative participation of men in the labor force and a rising participation rate for women. If those assumptions are wrong, Mr. Pate could be right, and the jobless rate would fall faster than the calculations under Okun's Law suggest.

Herbert Stein, chief White House economist under President Nixon, says that he's "skeptical" of projections such as the Joint Economic Committee's. He recalls a one-year period, from the spring of 1958 to spring of 1959, when the jobless rate dropped about two points as the economy recovered from a recession. But a drop of 1% a year is more common in a recovery, he notes, adding: "It may be wise policy to get back down (to 5% or so) rather slowly," in order to avoid overheating the economy into an inflationary outburst.

That's the sort of thinking that dominates in the Ford administration right now. One senior presidential adviser, asked how soon the unemployment rate might recede to 5%, responds: "It is most unlikely to occur within the next two years." Even if it were possible, he adds, "I'm not sure it would be desirable" to reduce joblessness any faster. "Trying to force-draft our way down probably would create a too-high inflation rate, which means we wouldn't be able to hold unemployment down more than temporarily," the official contends.

This official's comments suggest that, unless 1976 political pressures force another policy switch, the administration prefers a slow, steady erosion of the jobless rate. And that is a process of years.

ARMCO'S RESPONSE ON RESERVE MINING CASE

Mr. PERCY. Mr. President, in previous reports to the Senate I have often expressed my support of the Federal Government and the States of Wisconsin, Minnesota, and Michigan in the celebrated Reserve Mining case. The case involves alleged pollution of Lake Superior by taconite tailings and an alleged health

hazard caused by asbestos fibers in the air and water.

In fairness to the company, I would now like to present a response offered by the chairman of Armco Steel Corp. which is a part owner of Reserve Mining Co. I ask that Chairman Verity's letter and the first 25 pages of Reserve's brief to the Eighth Circuit Court of Appeals be printed in the RECORD.

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

ARMCO STEEL CORP.,
Middletown, Ohio, December 30, 1974.

Hon. CHARLES PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I was disappointed and upset to read your inaccurate and one-sided comments in the Senate on November 26, concerning the Reserve Mining case. I believe you should know both sides of such an important issue before you make statements and insert material in the Congressional Record, many of which are simply not true.

Dr. Arnold L. Brown, Chairman of the Department of Pathology and Anatomy, Mayo Clinic and the Federal District Court's expert witness, as well as the three judges of the Eighth U.S. Circuit Court of Appeals do not agree with you on the question of a possible health hazard at Reserve Mining. Dr. Brown said:

"On the basis of the evidence that I have seen, heard, read, I would be unable to predict on scientific grounds that there will be an increased incidence of cancer in the population of Duluth by virtue of their exposure to abestiform fibers in their water or that might be present in the air."

The health issue is not the real issue in the Reserve Mining case. We could not, and would not operate a facility if it posed a valid threat to public health. The health issue was a last-minute effort by the Environmental Protection Agency to close the Reserve Mining plant and "win" what they see as a landmark pollution case.

Since last August the Court of Appeals has been pressing both sides in this long, bitter controversy to work toward the best, long-range solution to the pollution question; a solution that would accommodate the best interests of the overall environment, the economy of the area, and the 10,000 or more people who depend on Reserve Mining for their livelihood. We have been trying to get the State of Minnesota to accept a plan that would dispose of the taconite tailings on land and solve the pollution problems, and at the same time allow the plant to continue to operate.

We don't believe cutting off 10 million tons of iron ore is any solution at all in an economy that is fighting inflation, unemployment and shortages of basic materials.

We would like an opportunity to tell you the facts in this case. In the interest of fairness, you might also extend your remarks in the Congressional Record to include the first 25 pages of the enclosed court record, which gives medical and scientific evidence to show there is no health hazard at Reserve Mining.

When might we come to your office to tell you more about this important case?

Sincerely,

BILL VERITY.

BRIEF TO THE EIGHTH CIRCUIT COURT OF APPEALS

STATEMENT OF THE ISSUES

I. In respect to Reserve's discharges and the alleged health hazard involved therein, did the District Court accept the bare risk of the unknown as proof that the unknown exists?

II. Where the District Court has prevented the defendant from presenting evidence relative to the claimed pollution, can a finding of pollution be sustained?

III. Where a state, pursuant to the Federal Water Pollution Control Act, adopts a federal-state regulation and is engaged in proper proceedings to enforce that regulation, may a federal court (1) displace the ongoing state enforcement proceedings, or (2) undertake to relitigate those matters previously determined in the state proceedings?

IV. May the United States or Minnesota invoke the jurisdiction of the federal court in respect to claims based upon the so-called "federal common law" of nuisance, and do the other plaintiffs possess the right to assert nuisance claims?

V. Did the District Court err when it permitted a Rule 15(b) amendment to the complaints where the amendment related to issues which were not tried by the consent of the parties?

VI. May the findings that Reserve's air emissions violate Minnesota regulations or constitute a common law nuisance stand where they are unsupported by the evidence and are contrary to the applicable law?

VII. Is the District Court's determination that Reserve is guilty of miscellaneous statutory violations supported by the law or the evidence?

VIII. Is defendant entitled to relief on counterclaims asserted against the United States and Minnesota?

IX. Is the granting of injunctive relief warranted when, as required by law, the equities in favor of and opposed to the closing of Reserve are weighed?

STATEMENT OF THE CASE

This action was commenced by the United States against Reserve Mining Company on February 17, 1972. The United States alleged that the District Court had jurisdiction pursuant to the Federal Water Pollution Control Act (FWPCA), 33 U.S.C. § 1160, and the Refuse Act, 33 U.S.C. § 407 [1] (Appellant Reserve's Appendix, Vol. 1, pp. 1–2, hereinafter cited as "A. 1: 1–2"). The United States charged that Reserve's discharge of taconite tailings into Lake Superior violated Minnesota water quality standards, WPC 15(a)(4), (c)(2), and (c)(6) [2] and thus was subject to abatement pursuant to 33 U.S.C. § 1160(g)(2) (A. 1: 6–11). The United States also charged that Reserve's water discharge constituted interstate pollution and thus was subject to abatement pursuant to 33 U.S.C. § 1160(g)(1)(A): 11–12). Finally, the United States claimed that Reserve's discharge was a nuisance under the federal common law (A. 1: 15).

Reserve, in addition to denying that it was guilty of pollution, raised various affirmative defenses, including (a) lack of jurisdiction, (b) the existence of valid and subsisting federal and state permits authorizing its discharge, (c) on-going state proceedings in which it had been established that Reserve was not guilty of pollution and that WPC 15 was inapplicable to Reserve, and (d) failure of the United States to exhaust the administrative procedures specified in 33 U.S.C. § 1160 (A. 1: 17–42).

[1] The text of the pertinent parts of the federal and state statutes referred to herein is contained in the Supplement to his brief.

[2] The text of the Minnesota water (WPC) and air (APC) pollution control regulations referred to herein is contained in the Supplement to this brief.

The County of Lake, Minnesota; the Villages of Silver Bay, Beaver Bay and Babbit, Minnesota; and various other Minnesota entities, including the Duluth Area Chamber of Commerce, intervened as defendants on Reserve's behalf (A. 1: 54–101).

The United States' complaint was amended to include claims that Reserve's discharge into the air and water constituted a public health hazard (E.g., A. 1: 102–109).

The States of Minnesota, Wisconsin and Michigan also became plaintiffs. Minnesota, alleged violation of the FWPCA; Minn. Stat. c. 115 and c. 116; WPC 15, 25, 26, 27, and 28; and APC 5, 6, and 17 (A. 1: 175–76; 191; 192–93). Michigan alleged violations of the FWPCA, various Michigan statutes and WPC 15 (A. 1: 337–349), and "public nuisance" in respect to water (A. 2: 31) Wisconsin alleged federal common and Wisconsin common law nuisance in respect to water (A. 2: 39–44). Various private entities such as the Minnesota Environmental Law Institute, Inc., intervened as plaintiffs making basically the same claims (A. 2: 82–98; 128–147; 153–58; 174–79).

By appropriate responsive pleadings, Reserve placed the foregoing allegations in issues (A. 1: 228–78; 299–327; A. 2: 1–27; 44–67; 97–127; 148–52; 159–64).

The trial commenced on August 1, 1973. In September 1973, a motion for a temporary injunction, based upon the alleged health hazard, was made. From that time on, the testimony was almost entirely limited to evidence concerning the health issue. Plaintiffs provisionally rested on September 25, 1973 (T. 4,997–5,011).

On January 2, 1974, the District Court ordered that Armco and Republic Steel Corporation be joined as defendants. On January 23, 1974, the United States Court of Appeals vacated the joinder order and ruled that the joinder could not be reconsidered until the testimony concerning health and liability was completed. On March 29, 1974, weeks prior to the completion of the testimony concerning health and liability, the District Court summarily ordered the rejoinder (T. 17,517–41; 17,598–600). By appropriate responsive pleadings, Armco and Republic placed the allegations against them in issue (A. 1: 151–58; 182–88; 215–18; 280–88; 328–33; A. 2: 33–38; 75–81; 165–73; 186–94).

The testimony of various expert witnesses appointed by the Court was completed on April 13, 1974 (T. 18,707). On April 20, 1974, Judge Lord issued his injunction order halting Reserve Mining Company's operations (A. 2: 195–207). The "trial" continued into May, 1974, and was not formally terminated until October 18, 1974 (A. 3: 1–22).

The injunction order was supplemented by judicial Memoranda filed on May 11 and on August 3, 1974 (A. 2: 208–320; 321–65). Judge Lord in his April 20th order and in his May 11th Memorandum made it clear that his grant of injunctive relief was predicated solely upon his belief that a public health hazard existed (A. 2: 196–97; 210).

The defendants and the United States appealed from the April 20th injunction order (A. 2: 366–71).

On June 4, 1974, the Court of Appeals provisionally extended a stay of the injunction and ordered Reserve to prepare a plan for the on-land disposition of its tailings. *Reserve Mining Co.* v. *United States*, 498 F. 2d 1073 (8th Cir. 1974). In compliance with this order, Reserve prepared a comprehensive plan which was completed and ready for filing on June 29th, the due date specified by this Court in its June 4th order. However, notwithstanding said order, Judge Lord ordered the plan not to be filed with this Court at that time and further ordered the taking of

testimony throughout July.[3] n August 3, 1974, Judge Lord issued an opinion rejecting Reserve's proposed plan (A. 2: 321–65).

Also, in its June 4th order, the Court of Appeals directed the District Court to determine the remaining, undecided issues before it; and, on August 16th, this Court remanded the case to the District Court, ordering it to make that determination. On October 18, 1974, the District Court issued a Memorandum determining some of the issues and reserving the issues of fines, penalties and sanctions for post-appeal resolution by the District Court (A. 3: 1–23). Defendants appealed from the judgment entered on October 18, 1974 (A. 3: 25).

In the interests of brevity, appellant Reserve Mining Company adopts the argument contained in the brief of appellants Armco and Republic Steel Corporations filed herein.

(Reserve's petition for review was filed in appeal no. 73–1293 on April 13, 1975 to preserve its right to judicial review under § 509 of the FWPCA. In view of the fact that Reserve has proposed an on-land deposition system and in view of the absence of any claim of waiver, the appeal may remain in pending status until the main case has been concluded.)

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[3] Faced with the dilemma of two conflicting Court orders, the defendants, by letter, sought the guidance of this Court as to their proper course of conduct. This inquiry resulted in the following occurrence in District Court:

"The COURT. Have you heard from the Court (Eighth Circuit Court of Appeals) on your latest mini-appeal?

* * * * *

"The COURT. What is that proceeding, Mr. Fride, that sent you to the Court of Appeals? Was that mandamus or what was it?

"Mr. FRIDE. We weren't at the Court of Appeals at all, Your Honor. I simple wrote a letter to the Court of Appeals, which a copy, of course, went to Your Honor and to all counsel, indicating that, as Mr. Hyde indicated last June 25, we were in somewhat of a quandary being faced with an order dated June 4 from the Court of Appeals saying to file Reserve's plan by June 29, and Your Honor's direction at the same time that raised some question about it, and I simply wrote a letter to them, Your Honor, and raised the question so we would not be in violation of any order of any court. And there was no formal appearance, there was no personal appearance, it was simply a letter that went down.

"The COURT. Were you here the day when I told you I would take the responsibility of seeing that the Court of Appeals' order was obeyed? Were you in court that day?

"Mr. FRIDE. I was here, Your Honor, on the 25th of June, yes, sir.

"The COURT. I read your letter. Your letter was a gross misrepresentation of what took place in this court and what the spirit was of what we were doing.

"Now, you are free to do that, Mr. Fride, during the pendancy of that case. You are free to do anything you want to which involved what may be contumacious conduct. I will do nothing to you during the pendancy of this action. You go ahead.

"Mr. FRIDE. Could I just make one comment in that connection, Your Honor.

"The COURT. Yes, sir.

"Mr. FRIDE. That in company with that letter was a complete transcript of the entire proceedings on the 25th, and certainly reference was made to it, so there was certainly no intent nor, I believe, no activity that reflected anything different than what the record said." (T. 113–115, Proceedings on July 2, 1974).

ARGUMENT

Introduction

In its order of April 20, 1974 and its Memorandum of May 11, 1974, the District Court made it clear that the sole basis for the injunction closing Reserve's operations was the Court's belief that Reserve's discharge constituted a public health hazard (A. 2: 197–98; 210). Thus, while the Court made conclusions of law in respect to other claims, those conclusions do not provide bases for the injunction which is before this Court for review.

The defendants will demonstrate that the Court's conclusions of law cannot be sustained because:

(a) There is no evidence supporting the District Court's finding that Reserve's discharge (air or water) constitutes a health hazard; (b) under the facts and the law, no basis exists for a finding of pollution; (c) pursuant to the FWPCA, ongoing state proceedings to enforce WPC 15, a federal-state regulation, may not be displaced by federal court action. Furthermore, the decisions of the Minnesota courts relative to WPC 15 and its application to Reserve are res judicata; (d) no basis for a finding of common law nuisance exists; (e) the various air regulations are inapplicable to Reserve; (f) Reserve is not guilty of violating the Refuse Act and miscellaneous state statutes; (g) Reserve's counterclaims are meritorious; and, (h) injunctive relief closing Reserve is unwarranted.

I. IN RESPECT TO RESERVE'S DISCHARGES AND THE ALLEGED HEALTH HAZARD INVOLVED THEREIN, THE DISTRICT COURT ACCEPTED THE BARE RISK OF THE UNKNOWN AS PROOF THAT THE UNKNOWN EXISTS

A. Medical expert testimony

While scores of witnesses testified concerning the alleged health question with the result that the record contains thousands of pages of complex scientific evidence, the reams of testimony cannot conceal the fact that relatively simple issues are presented by this appeal. Basically, Judge Lord found (1) that Reserves' air emissions and water discharges contain amphibole fibers which are identical or similar to amosite asbestos and (2) that, therefore, the emissions and discharges substantially endanger the health of those who breathe Silver Bay air or drink Lake Superior water (A. 2:196–97). It is Reserve's position that these findings are simply not supported by the evidence; they are contrary to the direct evidence which was submitted to the Court.

1. Asbestos and Cancer

The parties each presented a number of medical and scientific expert witnesses and the Court itself appointed a group of independent, impartial experts who were given the important task of carrying out essential studies and of analyzing and evaluating the testimony and the pertinent medical and scientific literature.

Dr. Arnold L. Brown, the Court's chief impartial witness, who is Chairman of the Department of Pathology and Anatomy of the Mayo Clinic, was given the task of studying the literature and of reviewing all of the expert medical testimony at the trial. To this end, he compiled a bibliography of 418 writings and he either heard or read the testimony of all of the other expert witnesses (T. 18,129; 18,130; 18477; Reserve Exhibit 510). He based his testimony upon his personal knowledge and experience and upon his bibliography (T. 18,129).

The District Court described Dr. Brown as the person who presumably knows more about the subject than anybody in the world (T. 18,472). The Court conducted the direct examination of Dr. Brown pursuant to a questionnaire prepared by Dr. Brown and the Court's law clerks (T. 18,136).

In the words of the District Court:

"The plant may close, depending on a guy standing right over there [indicating Dr. Brown], and how his testimony comes out. . . ." (Court conference on April 10, 1974, p. 1).

According to Dr. Brown, there are many known human carcinogens in our environment including coal tar, benzidine, tobacco, vinyl chloride, X-rays, and sunshine (T. 18,-671–72). He stated that whether or not asbestos or asbestiform particles have significant biological effects has been the subject of a great deal of consideration in the scientific community (T. 18,466). The knowledge that the scientific community (T. 18,466). The knowledge that the scientific community has concerning the biological effects of asbestos is generally incomplete. Dr. Brown said:

"It seems to me, Your Honor, that the precise scientific answers to many of the questions that are being raised in this court in this case, that those answers will not be available to us for some time." (T. 18,399).

In Dr. Brown's opinion, exposure to asbestos can cause several kinds of cancer including lung cancer, mesothelioma, and gastrointestinal cancer (T. 18,137; 18,139). He agreed that the only studies that appear to implicate asbestos in the development of malignancies in persons not heavily occupationally exposed, such as a worker in an asbestos factory, are those involving diffuse mesothelioma, an uncommon, rare tumor which is an extremely difficult tumor to diagnose (T. 18,137–38; 18,264; 18,588).

As to gastrointestinal tract cancer, Dr. Brown believed that:

"* * * the evidence is probably good enough for me to draw the conclusion that it is likely that one could expect an increased incidence of cancer of the gastrointestinal tract in *occupationally exposed people*." (T. 18, 149; emphasis supplied).

Virtually all of the data available and relied upon by Dr. Brown was concerned with the *inhalation* of asbestos fibers by occupationally exposed persons. In respect to *ingestion*, Dr. Brown stated that while it is conceivable that the ingestion of asbestos can cause gastrointestinal cancer, he does not know the amount of asbestos which may be ingested below which the likelihood of cancer becomes so remote as to be ignored (T. 18,150). He explained that in respect to any substance which is known to be cancer-causing, there is a threshold level (i.e., a level of inhalation, ingestion, etc., below which there is no real danger); that there is no reason to believe that the same is not true of asbestos; and that he hasn't "the foggiest idea * * * as to what that level might be, either in air or water" in respect to asbestors (T. 18,151; 18,831; 18,466). Because there is no direct data supporting the speculation that the ingestion—as distinguished from inhalation—of asbestos fibers can cause cancer, there is no information available to provide a basis for a surmise as to a possible ingestion threshold limit. Of course, if ingested asbestos is not carcinogenic, there can be no threshold limit in respect to ingestion.

Plaintiff's chief witness, Dr. Irving Selikoff, admitted that he knew of no evidence that fibers ingested with drinking water would occasion a health hazard (T. 4,988). Dr. William E. Smith, Director, Health Research Institute, Fairleigh-Dickenson University, who has spent 35 years researching the causes of cancer, opined that there is no evidence that the ingestion of asbestos fibers causes cancer (T. 9,126). Dr. John M. G. Davis, Head of Pathology Branch, Institute

of Occupational Medicine, Edinburgh, Scotland, and Dr. Paul Gross, Professor of Pathology Branch, Institute of Occupational Medicine, Edinburgh, Scotland, and Dr. Paul Gross, Professor of Pathology, University of North Carolina, who have conducted extensive experiments in this field, testified that their work revealed no tumors resulting from ingestion of large doses of asbestos fibers (T. 9,552; 9,575–76; 16,313–15).

Plaintiffs' evidence revealed that between 98% and 99.3% of the alleged amphibole fibers discovered in Duluth water are less than 5 microns in length and that the average length is only 0.8 micron (Plaintiff's Exhibit 156; T. 3,129; 3,949, 4,021).[4]

It is Dr. Brown's personal opinion that the studies made so far do not permit a conclusion that short fibers are any less cancer-causing than long fibers (T. 18,143). To him, the data absolving short fibers of being disease-causing was not entirely convincing, although he conceded that a great many highly competent scientists disagree with him (T. 18,495). His bibliography contained scientific articles by Drs. Klosterkotter, Timbrell, Skidmore, Webster, Hilscher, Pott, Friedrich, Smith, Gross, Wagner, Stanton, Maroudas, Wright, Kuschner, and Davis; and he conceded that all those scientists reported that short fibers did not produce any significant biological effects and that long fibers (ten microns or more in length) did produce significant biological effects including asbestosis, fibrosis, and neoplasms (T. 18,638–39). His only reason for questioning the opinions of these experts is their failure to describe in their reports the methods which they used to measure the size of the fibers which they examined (T. 18,598–99).

Under the Occupational Safety and Health Act (OSHA), 29 U.S.C. § 651, et seq., the standard set by the National Institute for Occupational Safety and Health (NIOSH) for occupational exposure to asbestos refers only to fibers in excess of 5.0 microns in length (T. 4,501–2). NIOSH's Review Committee stated that "control of worker exposure to the limits stated [i.e., fibers longer than 5.0 microns] will prevent asbestosis and more adequately guard against asbestos-induced neoplasms [tumors]" (T. 4,502). The British counterpart of NIOSH also adopted the same (5 micron length) conclusion (T. 4,510). The OSHA and British determinations that the occupational exposure to asbestos fibers less than 5 microns in length is not significant were supported by the testimony of the following witnesses who are among the world's leading experts on the health effects of asbestos: Dr. George W. Wright, a chest specialist who has examined and treated large numbers of asbestos workers (T. 9,860–63; 9,895–96); Dr. William E. Smith (T. 9,085–89; 9,134–34A); Dr. Paul Gross (T. 8,681–85); Dr. John M. G. Davis (T. 9,541–45); and Dr. Marvin Kuschner, Dean of Medical School, University of New York, a pathologist (T. 16,993; 16,996–97).[5]

Dr. Brown tended to believe that the diameter (two or less microns) of any fiber is a more important factor than length (T. 18,-144). In his view, the thing about asbestos fibers which can cause cancer is the size and shape of the fibers (T. 18,156). Thus, it makes no difference to him what the chemistry of a fiber may be (T. 18,156). It follows, according to Dr. Brown, that there is no difference between one kind of fiber and another in relation to their ability to cause cancer (T. 18,156).

In Dr. Brown's testimony it was revealed that the Commitee of Toxicology of the U.S. Government (made up of representatives from the National Institute of Health, National Cancer Institute, National Institute for Experimental Health Sciences, and the Food and Drug Administration) has appointed a commitee on asbestos to determine whether or not the ingestion of asbestos can actually cause cancer. The type of asbestos given top priority for testing is chrysotile because of its common presence in beverages, water, foods, and drugs. The next type of asbestos in order of priorities is crocidolite (T. 18,537–42). Dr. Brown's interrogation concerning this commitee was cut short by Judge Lord on the basis that it "adds nothing" (T. 18–542). The Court also interjected that, "as far as the Court is concerned, it would be fruitless" to pursue with Dr. Brown the question of the carcinogenicity of chrysotile, crocidolite, etc. (T. 18,539). However, Dr. Brown was later permitted to express his opinion that both amphibole and non-amphibole fibers may cause cancer (T. 18,682). He stated there was insufficient information to opine as to whether diatomaceous fibers can or cannot cause cancer (T. 18,685). (The significance of the classification of fibers as amphibole, non-amphibole, and diatomaceous will be discussed later.)

2. Testimony Concerning the Alleged Hazard

Turning from his general discussion of fibers, Dr. Brown stated that there is no evidence of an excess of cancer in Duluth, Silver Bay, or other North Shore communities (T. 18,571). He stated:

"Scientifically and medically I see no evidence for an increased incidence of cancer in those communities that could be attributed to the presence of asbestos fibers in aid or water." (T. 18,571–7).

Dr. Brown said that he has no evidence that the fibers of the cummingtonite-grunerite series, "which the Court has found to exist in Lake Superior," has caused disease up to the present time (T. 18,367). And, based on the totality of the information that has been available to him and his education, experience, and training, it is his view that there is no evidence, one way or the other, that amphibole fibers in Lake Superior are associated with producing any past or present disease (T. 18,663–64).

Dr. Brown concurred with the statement in a March, 1974, letter from Dr. Russell W. Peterson, Chairman of the Executive Office of the President's Council on Environmental Quality: "There is inadequate information as to the significance of either the quantity or size of asbestos-like fibers [in Duluth water] to enable us to assess the health risk of ingestion of water containing these fibers" (T. 18,662–63).

Dr. Brown testified that:

"On the basis of the evidence that I have seen, heard, read I would be unable to predict on scientific grounds that there will be an increased incidence of cancer in the population of Duluth by virtue of their exposure to asbestiform fibers in their water or that might be present in the air." (T. 18,584–85).

Thus, he was unable to predict from the available information that there will be an adverse effect which will occur in the citizens of Duluth or Silver Bay based on the presence of fibers in their environment (T. 18,665).

He added that, as a medical person, he "believed" that asbestos fibers might cause cancer and thus concluded that asbestos fibers should not be present in drinking water (T. 18,377). He also believed that if a human carcinogen is in the air of a community "and if it can be lowered I would say, as a physician, that, yes, it should be lowered. And if it could be taken out of the air completely, I would be even more happy" (T. 18,385). The basis for his reasoning is that people who are *heavily occupationally exposed* to asbestos, such as asbestos factory workers, show a higher than average amount of lung cancer, especially when they also smoke cigarettes (T. 18,379). As a physician, he is concerned about any known carcinogen and hopes that affirmative evidence will be forthcoming someday to support a scientific prediction one way or the other (T. 18,585). Generally, Dr. Brown agreed with Dr. Selikoff's statement to the effect that, so far, we have no way of knowing whether the asbestos fibers are a threat to health in Duluth. Dr. Brown added that because, in his opinion, they are carcinogenic and "we are dealing with uncertain knowledge about a human carcinogen," that is the basis for his concern (T. 18,581). His feelings are based on the presence of fibers as distinguished from the number or size of such fibers (T. 18,664).

He explained the basis of his "medical" as distinguished from "scientific" testimony:

"I have no expectations that our environment will ever be entirely free of asbestos. But until we know what safe limits are, as a physician who would rather see well people than sick people, I have some sort of compulsion to protect ourselves against known agents that produce cancer until we know what safe limits are. That is my entire base." (T. 18,668).

But he admitted that the informational base about this problem is not established well enough for him to do anything but "speculate" (T. 18,692).

Early in the trial, it was deemed important that a study of tissues of deceased Duluthians be made to determine whether or not fibers were present in such tissues. An elaborate Court protocol designed by Dr. Brown and approved by the parties' experts was established to carry out this study. Dr. Selikoff informed the Court that if appreciable quantities of fibers are not found in the tissues, then "there is no danger, at least up to this point, to the population" (T. 4,881–83; 4,909–10).

These extensive tissue studies *failed to disclose any amphibole fibers* which could have come from Reserve during the subjects' lifetimes. The subjects were selected by the Court witnesses as representative and included only tissues from persons inhaling Duluth air and ingesting Duluth water in excess of 15 years (T. 17,776).

Comparable coded tissue specimens from the same subjects were also supplied by the Court witnesses to Dr. Zussman for Reserve and Dr. Selikoff for plaintiffs. Dr. Zussman confirmed the Court study in reporting zero amphibole fibers (T. 18,200), while Dr. Selikoff did not report at all (T. 18,550–51).

When questioned about the absence of any significant number of fibers in the tissues of deceased Duluthians, Dr. Brown stated that, in his view, while the failure to find fibers does not completely exonerate fibers as a hazard, "it does tell me that it is not an emergency situation" (T. 18,338). He stated that, in view of the tissue study, we are not dealing with a time element which is as pressing as it would have been had there been fibers found in the tissues.

Another pertinent study involved the examination of 1,463 chest X-rays and records of employees of Reserve who had worked there more than 15 years including a group of 225 who had worked there more than 20 years. The significance of the X-rays is illustrated by the fact that Dr. Selikoff, in his study of asbestos-exposed American insulation workers, reported that 41.1% of the men exposed from 10 to 19 years had abnormal chest X-rays (T. 9,705). The Reserve employees' X-rays were examined by Dr. Russell Morgan, Dean of the Medical School, Johns Hopkins University, who is a radiologist. Dr.

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[4] One inch=25,400 microns; one micron=.0000394 inch.

[5] Dr. Wright referred to two studies of workers occupationally exposed to asbestos by Drs. McDonald and Enterline, respectively, to demonstrate that the concentrations of amphibole fibers reported in Duluth water samples were substantially below the levels tolerated by such occupationally-exposed work forces without any demonstrable, significant increase of gastrointestinal cancer (Reserve Exhibit 295).

Morgan found the X-rays to be the same as would be found in a normal, nonoccupationally exposed population (T. 10,663–64). Dr. Leonard J. Bristol, a radiologist, who is Director of the Department of Silicosis Control, Trudeau Institute, New York, opined that, based upon the X-rays and a survey of long-term employees, there was no significant hazard at Silver Bay with respect to asbestosis or pneumoconiosis (T. 9,699). Dr. Donald D. Haase, Sr., stated that he could not find a single case of asbestosis in Reserve's employee group (T. 10,268; 10,339). Dr. Brown testified that the fact that the X-rays showed no diffuse lung changes, etc., which might be related to dust, indicated that the exposure which the employees had must have been at a level which would not, to date, produce disease (T. 18,571; 18,653).[6] This testimony was confirmed by the fact that the information from the Minnesota Department of Vital Statistics revealed that the incidence of lung and gastrointestinal cancer deaths in Silver Bay is well below the incidence of those deaths in Minnesota generally (T. 10,350–54; Reserve Exhibit 302).

One of the more puzzling rulings which Judge Lord made in respect to Dr. Brown's testimony was his adamant refusal to let Dr. Brown testify as to whether or not many municipal water supplies throughout the country contain substantially greater numbers of fibers than Duluth (T. 18,527–30). Such testimony might well have proved how comparatively pure Duluth water is.

The Court stated that the basis for sustaining the objection to the comparison of other water supplies was that no epidemiological studies were tied to those fiber sources to indicate the significance of any such exposure (T. 18,530, et seq.). However, studies by plaintiff's witnesses, Dr. Thomas Mason (T. 17,089, et seq.) and Dr. Arnold Lindall (T. 17,145, et seq.) indicate no epidemiological significance to the alleged fibers in the Duluth water supply.

The Court also sustained the Government's objection to a question as to whether or not Dr. Brown agreed with the following statement in his bibliography:

"It seems likely that asbestos occurs, naturally in much drinking water in the United States. Environmental exposure to it is increased by filtration of certain beverages and pharmaceuticals through asbestos filters. Used extensively in construction for its fireproofing qualities, asbestos contaminates the air in most office buildings and stores, and examination of lung sections of people living and working in New York City has shown some fibers in the lungs of every person examined. Similar results could probably be found in any other urban area in the nation." (T. 18,613).

However, Dr. Brown was permitted to testify that a meeting of the National Cancer Advisory Board (Presidential appointees) which he chaired on March 18, 1974, he advised the Board that asbestos fibers have been found in air, beer, wine, and gingerale in larger concentrations than in the water at Duluth, and that the drinking water of one of the largest cities in the country contains a thousand times more fibers than Duluth (T. 18,527-38)

Dr. Brown agreed with the conclusion of the National Academy of Sciences that most human lungs harbor thousands or millions of fibers and that some of these are asbestos (T. 18,432). He also agreed with the statement of the International Agency for Research on Cancer that asbestos fibers are present in the lungs of most urban adults and that the total number of fibers may be large but there is no evidence, at present, that this lung burden is the cause of excess morbidity or mortality in the general population (T. 18,516–17). He stated that there is no evidence that exposure of the general public to past levels of asbestos dust in the ambient air or in beverages, drinking water, food, or pharmaceutical preparations has increased the risk of cancer (T. 18,523). He said that there are asbesots fibers "in the air of just about every city that I know of" (T. 18,-675).[7]

The Court's witness, Dr. William F. Taylor of the Medical Research Section, Mayo Clinic, testified that the levels of fibers in the air at Silver Bay amounted to only .0627 fiber per cubic centimeter of air (T. 18,083). The great majority of the fibers were less than 5 microns long (T. 18,086). The Silver Bay level is far below the level of 5.0 fibers (greater than 5 microns in length) per milliliter[8] of air approved by the Secretary of Labor as the permissible occupational asbestos exposure standard pursuant to the Occupational Safety and Health Act (OSHA) (T. 18,084).[9] Based on extensive studies by himself and others, Dr. Hans Weill, Professor of Medicine, Tulane Medical School, calculated that the no-effect (threshold) level was 5 fibers per millimeter over a working lifetime of 40 years (T. 9,251–93). Drs. Gross and Wright both expressed the opinion that the level of mineral fibers in the air at Silver Bay does not pose a public health problem (T. 16,295-316; 8, 715–22; 10,043–54).

Thus the effect of the injunction was to impose an air emission standard on Reserve far higher than is imposed on any comparable industry and far higher than is recognized as necessary by those experts knowledgeable in this field.

Significantly, the scientific data revealed that the only increase in risk of asbestos-related disease was to those employees in actual asbestos plants who were heavily exposed years ago before modern dust collecting equipment was utilized.

"Q. * * * Dr. Brown, if I understand your view now, based on the totality of the information that has been available to you and your education, experience, and training, in your view there is no *direct evidence* nor *any other evidence believed credible* that amphibole fibers in Lake Superior are associated with or a causative agent in producing any past or present human disease?

"A. Yes, there is no evidence one way or another." (T. 18,663–64; emphasis supplied).

In their briefs in opposition to the notion for a stay and in support of their petition for rehearing, various plaintiffs have attempted to de-emphasize Dr. Brown's testimony by reference to the testimony of partisan witnesses called by plaintiffs: Drs. Irving Selikoff, Harold Stewart and John Rankin. For example, plaintiffs have pointed to the testimony of Dr. Selikoff where he expressed his belief that a health hazard exists (e.g., T. 4,858–72, 4,874–77). Included in his testimony are statements like—"I think we ought to have a sign at the entrance to sections of town [Silver Bay] 'Please Close Your Windows Before Driving Through'" (T. 4,868). Following an understandable furor in the media (see T. 4,942), Dr. Selikoff recanted and stated that the remark was facetious—that he really didn't mean it (T. 4,885). Dr. Selikoff conceded that his beliefs were based on his studies of asbestos workers exposed to the grossest conditions (T. 4,960). He admitted:

"I have no evidence that general community asbestos air pollution, not only in Duluth, but in other communities, is associated with any hazard. I have no evidence for this at this time." (T. 4,943).

* * * * *

"Q. You don't have evidence that fibers, if they were ingested with the drinking water of Duluth would, in fact, occasion a public health hazard?"

"A. No, I think I described my position on that at the outset." (T. 4,988).

His view today is that "we do not know whether current levels of general environmental asbestos contamination of either air or water are *or will be* associated with risk, since no appropriate studies have been completed" and "we will not know whether *or not* these particular circumstances will cause cancer until another 25 to 35, maybe 40 years have passed" (T. 4,952; 4,858; emphasis supplied). Thus, Dr. Selikoff's testimony, although often expressed in a hair-raising manner, ultimately reached the same conclusion as that of Dr. Brown.

So also was the testimony of Drs. Rankin and Stewart. Dr. Rankin subscribed to the philosophy that anything which is suspect as a carcinogen must be deemed hazardous until proven safe (T. 7,246–47). However, he too, acknowledged that there is no data that asbestos in water is a health hazard (T. 7,230; 7,246; 7,313); that he has no knowledge that any discharge of Reserve, either in air or water, is carcinogenic (T. 7,319); and that he does not have sufficient information to permit him to say that there is or is not a significant health hazard to the residents of Duluth (T. 7,320–21). He defined a hazard as something which "may possibly occur" (T. 7,329). He concurred in the above-quoted testimony of Dr. Selikoff (T. 7,335–39).

Dr. Stewart, who described himself as a garden variety pathologist who was not an expert relative to asbestos (T. 3,660–61), expressed his philosophy that any carcinogen should be eliminated from the environment, if possible, because of the possibility that it will cause cancer (T. 3,637–39). He also acknowledged that he had no evidence permitting him to disagree with the conclusion that the data relative to the ingestion of asbestos revealed no demonstrable risk (T. 3,660).

The philosophy of these witnesses may be expressed as follows: A health hazard exists if it may possibly exist. They cannot say whether or not a health hazard does or will ever exist in Duluth or Silver Bay. Thus, they share a common medical concern but are in substantial agreement that the available data will not support a conclusion that the discharges are in fact hazardous or potentially hazardous.

In summary, the medical testimony reveals that:

(a) There is evidence that *inhalation* of large amounts of asbestos dust over a long period (i.e., heavy occupational exposure) may cause various diseases including cancer.

(b) There is no evidence that Reserve's air discharges at Silver Bay may be equated to such heavy occupational exposure and thus there is no evidence of a present or future likelihood of disease.

(c) There is no evidence that *ingestion* of asbestos in any amount has ever caused disease in anyone. Thus, there is no evidence that Reserve's discharge into Lake Superior (whether or not such discharge contains any asbestos) constitutes a present or future likelihood of disease.

(d) There is no evidence that amphibole fibers in the concentrations and dimensions allegedly found in Lake Superior water entail a risk of asbestosis, cancer, and other adverse health consequences.

(e) There is unrefuted evidence that no one has ever gotten sick from breathing Silver Bay air or drinking Lake Superior water in the 20-odd years of Reserve's operation. Indeed, none of the medical experts

[6] Pursuant to Court order, the X-rays were made available to Dr. Selikoff, but he did not look at them.

[7] A rather fascinating speech by Dr. Selikoff before a Senate committee about the environmental omnipresence of asbesots is quoted at T. 4,976, et seq.

[8] 1 cubic centimeter=1 milliliter.

[9] Effective July 1, 1975, the OSHA standard will be 2.0 fibers (greater than 5 microns in length) per milliliter of air.

who testified can prophesy that anyone will ever become sick.

3. Basis of Judge Lord's Medical Findings

In a word—using Dr. Brown's terminology—the alleged health hazard is a matter of pure *speculation*. Reserve's discharge has not been linked to some present or future likelihood of disease. Thus, when Judge Lord found as a fact that a health hazard existed, he accepted the bare risk of the unknown as proof that the unknown exists. In doing so, he went beyond the evidence and substituted his personal policy judgment in place of the evidence before him as the basis for his determination.

While it is proper for a legislature to formulate legislative policy judgments subject to appropriate constitutional limitations, and while it is proper for a legislature to delegate some legislative functions to administrative bodies subject to appropriate safeguards including judicial review, it does not follow that the judiciary is or may be vested with such legislative power. The significant difference between the policy judgment function of the legislature and its administrative delegates and the decision of cases and controversies function of the courts is exemplified in *Industrial Union Department, AFL–CIO v. Hodgson*, 499 F. 2d 467 (D.C. Cir. 1974). In *Hodgson*, the Court had to undertake the difficult task of judicially reviewing the OSHA 5-fibers-per-milliliter asbestos air standard promulgated by the Secretary of Labor. In doing so, the Court emphasized the legislative nature of the Secretary's action and the lack of concrete evidence relative to if-and-when asbestos is a health hazard—

"For example, in this case the evidence indicated that reliable data is not currently available with respect to the precisely predictable health effects of various levels of exposure to asbestos dust; nevertheless, the Secretary was obligated to establish some specific level as the maximum permissible exposure. After considering all the conflicting evidence, the Secretary explained his decision to adopt, over strong employer objection, a relatively low limit in terms of the severe health consequences which could result from over-exposure. Inasmuch as the protection of the health of employees is the overriding concern of OSHA, this choice is doubtless sound, *but it rests in the final analysis on an essentially legislative policy judgment, rather than a factual determination, concerning the relative risks of underprotection as compared to overprotection*." 499 F. 2d 474–75 (emphasis supplied).

The *Hodgson* case is significant in that it reveals the extent to which Judge Lord's injunction order represents a legislative policy judgment rather than a decision, based upon proved facts, in an injunction case.

Judge Lord, himself, has occasionaly stated that he viewed the proceeding as a "judicial inquiry" as to which there are "no parameters" (T. 12,280; 14,179; 19,536). Indeed, he once went so far as to compare his activities to "an administrative procedure like they do in Great Britain where they investigate a problem and try to solve it" (T. 4,871). And in his Memorandum of August 3, 1974, he stated his view that to the extent that his "action is to be considered to be legislative and not a judicial decision", he believed that he acted properly pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1160 and Minn Stat. § 116.04 (A. 2:363).

Neither of these statutes purport to delegate legislative powers to any court.[10] No law permits, much less authorizes, a federal judge to transmute a civil action into some sort of inquiry or inquest at which he is free (no parameters) to issue decrees based on his own policy judgments regardless of the facts or the law. It follows that it is not the province of the District Court to transmute a speculation into a fact as a basis for imposing injunctive relief.

B. Other Scientific Testimony

In addition to their failure to present any probative evidence from a medical standpoint in support of their public health allegations, plaintiffs were also unable to present any substantial evidence in support of various nonmedical allegations upon which their public health claims are based. The following factors illustrate the failure of plaintiffs to establish the underlying assumptions upon which their public health allegations were based:

1. The evidence firmly refutes the finding that Reserve's tailings are "similar to" or "identical to" amosite asbestos.

2. Undisputed evidence establishes that the vast majority of the fibers found in the Duluth water supply could not possibly have any relationship to Reserve's discharge.

The absence of any substantial evidence to support the allegations with respect to the areas mentioned above militates strongly against the granting of injunctive relief.

Essentially all of the findings of Judge Lord relating to public health depend upon the assumptions that Reserve's tailings are "similar to" or "identical to" amosite asbestos and that significant quantities of the tailings are transported to Duluth (A. 2: 196–97). Aside from the lack of evidence to support these assumptions, however, it is important to recognize that plaintiffs do not dispute the fact that the vast majority of the fibers found in the Duluth water supply have no relationship whatsoever to Reserve's discharge.

[10] It is basic American constitutional law that a legislature may not impose legislative functions on the judiciary. *United Steel Workers of America v. United States*, 361 U.S. 39, 43–44, 80 S. Ct. 1, 4 L. ed. 2d 12 (1959).

SCIENTISTS SUPPORT ERTS—"LANDSAT"

Mr. MOSS. Mr. President, the American Association for the Advancement of Science is one of the oldest, largest, and most prestigious scientific organizations in the United States. It was founded in 1848 and today has more than 120,000 members. This year's president of the AAAS is the distinguished anthropologist Dr. Margaret Mead.

Mr. President, in an unusual, if not unprecedented, action, the board of directors of the AAAS has issued a statement strongly urging the continuation of the ERTS—now called Landsat—program.

Let me just read a small portion of the letter that I have received from Dr. Mead:

. . . [W]e believe there are compelling reasons to pursue this experimental effort to develop the demand for a follow-on operational program.

We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world.

Mr. President, I ask unanimous consent that Dr. Mead's letter and the statement by the board of directors of the AAAS be printed in the RECORD.

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

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE,
Washington, D.C., January 23, 1975.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: I am writing to bring to your attention the statement of the AAAS Board of Directors regarding the desirability of continuing the Earth Resources Technology Satellite (ERTS) Program. We are concerned that the forthcoming President's budget will not include appropriations for this program. Although we appreciate that limited financial resources require priority allocations, we believe there are compelling reasons to pursue this experimental effort to develop the demand for a follow-on operational program.

We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world. Although these benefits must be weighed against the satellite costs and evaluated comparatively with alternative possible methods of providing similar information, we believe that the experimental program must run continuously for ten or more years to determine its utility, and to provide a basis for a future operational system funded appropriately by private and public sources. Only after an adequate duration of testing and experimental usage can the benefits from earth-resources satellite data be quantified and evaluated adequately for a national and international resource to become a reality.

The attached statement develops the major points which lead us to our conclusion. These points include the observations that four years is less than the statistically significant period required to draw wholly supportable conclusions about the nature of some important changing natural or man-induced phenomena, and the preset time is much too early in the experimental ERTS Program to permit a meaningful cost-effectiveness assessment, because the analysis, technology, and utilization of the satellite system's capabilities are still in their infancies. We recommend that greater attention be directed toward innovations and technological advances in all aspects of the ERTS Program. More attention should be directed toward enhanced resolution technologies, increased spectral ranges, and better data processing, and most especially to using the information in earth resource decisions, management, and policy.

We are sending this same material to certain other people including OMB Director Ash, Dr. James Fletcher, NASA Administrator, and Representative Olin E. Teague, Chairman of the House Science and Technology Committee.

If you wish more information about our view of this matter, my colleagues and I would be most happy to provide it. I have asked Dr. Richard Schribner, a staff member of our Association, to be a contact point for your office. His telephone number is 467–4475.

Sincerely,

MARGARET MEAD,
President, AAAS.

STATEMENT ON THE EARTH RESOURCES TECHNOLOGY SATELLITE PROGRAM BY THE BOARD OF DIRECTORS OF THE AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

The Board of Directors of the American Association for the Advancement of Science (AAAS) is concerned that the experimental Earth Resources Technology Satellite (ERTS) Program will be terminated without adequate data for a full and fair evaluation of the potential benefits of earth resources information available through the satellite system. The Board appreciates that limited financial

resources require priority allocations, but believes that there are compelling reasons to pursue this experimental effort.

The information gained already from the first satellite demonstrates that the utility of ERTS is great in the short term, but the Program should not be judged solely from this perspective. The Program is developing into a new and useful tool of continuing value for scientific endeavors. Because ERTS observations are made all over the world at the same local time, the same instruments, involving the same wavelengths, and processed by the same facilities, the results of this unique coverage are providing many scientific disciplines with a storehouse of valuable information, especially those disciplines that require reliable worldwide comparisons in the distribution of terrestrial phenomena. Furthermore, the scientific user group is very much an international community, a fact which underscores not only the non-parochial character of the investigations, but also the value of the ERTS Program within the larger context of international relations.

A promising but exotic technology such as ERTS requires a number of years of experimentation and refinement to define the range of opportunities, stimulate utilization mechanisms, and perfect the technology. A particularly critical aspect lies in the processing, handling, and distribution of the ERTS data. As the information obtained continues to be applied for the immediate or future benefits of mankind, and as more people become aware, the demand for ERTS photographic-like imagery, for ERTS-supporting ground and aircraft observations, and for future remote-sensing missions will become clearer. Thus, an eventual operational program can be formulated, including the design of the collecting and processing equipment, and, most importantly, the specification of the appropriate balance between public and private funding. Given those results, then, the "demand pull" will be able to balance and, indeed, drive the "technology push" of the remote sensing system.

More specifically, the ERTS Program provides terrestrial information for large, but ecologically coherent, land masses. For example, in dealing with water pollution and eutrophication which affects many of our freshwater lakes, the relevant ecosystem unit is the entire catchment basin. However, granting agencies and neighboring states or nations find difficulty in looking beyond their own political boundaries toward the formulation and support of functional ecological, earth resource, or demographic studies of large units of the earth. ERTS is a prime tool for focusing the attention needed to remedy this situation, providing that observations and data analysis of many phenomena, inadequately understood, can be performed over a statistically significant period. This period is often substantially longer than four years if supportable conclusions are to be drawn about the nature of certain changing natural or man-induced phenomena. For example, a ten- or twelve-year time span is characteristic of dry-wet fluctuations in climate, of fallowing cycles in swiddening systems in tropical and semitropical zones, and of the corresponding animal/insect population oscillations.

For shorter time cycles, the repetitive, contiguous coverage provided by ERTS gives good sequential information for agricultural purposes and seasonal change evaluation. However, understanding world climate changes and global food production requires regular, standardized data which can be analyzed for the relationship between climatic patterns and crop yields over a period much longer than just a few years.

Obtaining the information needed will require experimentation with several satellites involving a systematic attempt to develop more effective technologies, and a coherent program of data analysis and utilization to reach a demand driven, operational point. In short, approximately a decade or more of data collection and utilization will be required to evaluate the ERTS Program adequately.

ERTS 1 (recently renamed LANDSAT 1) was launched in July 1972 and has been delivering spectral images of the earth's surface. The satellite's productive lifetime has already exceeded that anticipated for it. LANDSAT 2, launched January 22, 1975, is expected to provide earth resources data into 1976. Approximately two years are required to prepare a satellite for launch. LANDSAT C (to be named LANDSAT 3 if and when it becomes operational) is in the early planning stages. We are concerned that funds allocated for this third satellite may be eliminated from the federal budget.

Arguments put forward for eliminating such funds include: cost-effectiveness assessments which conclude that more conventional resources collection methods are better, and the view that successive satellites do not constitute the significant technological advances required to justify the label "experimental" and to adequately "push" data analysis and utilization systems.

In our view, the present time is much too early in the experimental ERTS Program to permit a meaningful cost-effective assessment, because the analysis, technology, and utilization of ERTS capabilities are still in their infancies. In fact, some evidence suggests that ERTS may be very significantly better than the more conventional methods, for example whenever information is required on very large land masses, and that therefore the cost-benefit situation would be decidedly in the satellite system's favor. However, more experience with the system is required before a clear-cut case can be made in either direction. Furthermore, continuity in data output from ERTS will be essential of there is to be an adequate period in which to evaluate this new technology.

Further innovations and technological advances in the ERTS Program are required. More attention should be directed toward enhanced resolution technologies, increased spectral ranges, and better data processing. Of special importance is the need for using the information in earth resource decisions, management, and policy.

Certainly LANDSAT C should be a significant technological advance over B. Through such advances and enhanced utilization, this information tool will be brought to the point where government and private users can make the most of its potentials.

We believe that earth resource information obtainable from ERTS will provide substantial benefits to society. The ERTS experimental program could lay the foundation for an information tool and utilization system of unparalleled value to the entire world. Although these benefits must be weighed against the satellite costs and evaluated comparatively with alternative possible methods of providing similar information, we believe that the experimental program must run continuously for ten or more years to determine its utility, and to provide a basis for a future operational system funded appropriately by private and public sources. Only after an adequate duration of testing and experimental usage can the benefits from earth-resources satellite data be quantified and evaluated adequately for a national and international resource to become a reality.

Therefore, the AAAS Board of Directors recommends (1) continuing the ERTS Program for approximately a decade, and at least through LANDSAT C, to better accomplish the needed experimentation and refinement, to provide adequate data for a full evaluation of the Program, and to encourage further public and private interest needed to achieve a demand driven operational program; (2) additional attention be given within the Program to collecting and analyzing data on natural and man-induced phenomena which have statistically significant periods longer than just a few years; and (3) greater attention be directed toward innovations and technological advances in all aspects of the ERTS Program.

PETRODOLLARS

Mr. ABOUREZK. Mr. President, for all the months since the Arab oil embargo we have been bombarded with calamitous headlines announcing the demise of the Western World because of OPEC's decision to quadruple the price of oil. The hysteria has grown to such proportions that responsible leaders of this Government talked in no uncertain terms of the possibility of going to war over oil.

In today's Washington Post, Hobart Rowen reports that a high Treasury official "forecast that revenues being accumulated by the oil cartel countries may total only $200 billion to $250 billion by 1980, or well under half of the $650 billion estimated last year by the World Bank." The chief reason for this dramatic reassessment is the fact that the oil exporting countries are not sitting on their money, but have been spending their "petrodollars" on physical goods and services produced in the United States and other advanced industrialized nations. This new assessment reaffirms my belief that only negotiations between consuming and producing countries will bring about the international understanding necessary for just and fair trade policies.

Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

OIL CARTEL'S DOLLAR SURPLUS ESTIMATE CUT

(By Hobart Rowen)

A high Treasury official yesterday forecast that revenues being accumulated by the oil cartel countries may total only $200 billion to $250 billion by 1980, or well under half of the $650 billion estimated last year by the World Bank.

Thomas Willett, deputy assistant under secretary of the Treasury for research, said that this total, while still large and painful does not present an inherently unmanageable problem.

Willett stressed that the calculation was a personal projection. But in an interview, he said that it represents current appraisals within the Treasury and elsewhere in the government.

A key reason Willett's estimate is sharply lower than the World Bank's is evidence that imports of physical goods and services by the cartel countries are already significantly higher than once believed possible and are likely to expand further.

This means that instead of piling up as money balances, a substantial part of the cartel's earnings will be exchanged for what are called "real resources" produced by the industrial world.

The appropriate response by the Western World, Willett said, "is the development of monetary and fiscal policies that will promote investment" in the kinds of products that can be exported to the cartel.

Willett's remarks were made to an international audience of financial experts at the second day of a conference here sponsored by the Center for Strategic and International Studies.

There was a consensus at the conference that the world had come through the crisis posed by the five-fold increase in petroleum prices in better shape than had been anticipated, with the exception that no one had found an answer to the mounting deficits of the less developed countries.

Willett's numbers tally with a growing consensus in banking and academic circles that the problem of petro-dollar surpluses—while still serious—may have been exaggerated in the last year.

For example, a new analysis by the Morgan Guaranty Trust Co. of New York said that the accumulation of surplus reserves by the Organization of Petroleum Exporting Countries may hit a peak of about $250 billion as early as 1977.

"The financing of the oil deficit, therefore," the bank said, "appears to be a serious problem for only a few more years."

Ed Fried of the Brookings Institution, who made similar calculations for a recent study called "Energy and U.S. Foreign policy," said in a telephone interview that he puts the 1980 surplus as low as $150 billion to $160 billion.

As an example of the relative optimism prevailing at yesterday's session, Brookings Institution senior fellow C. Ford Bergsten commented that there now "is virtually no possibility of an international financial crisis."

J. J. Polak, research director of the International Monetary Fund, said there is no need for the oil-consuming nations "to tighten their belts. The important thing is that they accept a share of the capital inflow" from the cartel.

Willett argued that even the more pessimistic World Bank figure projecting a cartel surplus of $650 billion by 1980 would not have been an unprecedented cash transfer, as a percentage, compared with many episodes in past history.

Like Morgan Guaranty's and Fried's estimates, Willett's calculations are based on constant 1974 dollars, whereas the World Bank figure was based on so-called current dollars, which include an inflation factor. Adjusting the World Bank figure to constant dollars, Willett said, would bring it down to $400 billion.

(Economists say that using the higher, current-dollar figure for the cartel surpluses creates a distortion, because everything else would be inflated, as well.)

Willett then made a further reduction of the World Bank estimate to take into account higher OPEC imports, reduced oil sales, and a refinement of the original bank calculation of the interest buildup.

The Morgan Guaranty survey showed that OPEC imports are already in a sharply rising trend, having increased by 70 to 75 per cent in 1974 to about $20 billion.

The economists at Morgan Guaranty say they think that the OPEC nations' imports may rise so fast that they may actually be running a trade deficit before the end of the decade. Willett disagrees only on the timing, believing the deficit will come later.

One element in Willett's analysis is the expectation that, as the rest of the world develops alternative sources of energy, OPEC oil production in the early 1980s may fall to about half of the capacity the cartel will have by that time.

He said he thinks that the cutbacks in production (as a percentage of capacity) would fall hardest on Saudi Arabia and Kuwait, the least populous of the major producers. A larger share of the cartel's oil exports, then, would accrue to the populous countries, such as Iran, Venezuela and Libya, which would be able to absorb a greater volume of physical goods and services.

No one at the sessions suggested that a more optimistic view of the longer-run problem diminishes the need for emergency financing by the International Monetary Fund and other international agencies of a large part of the 1975 oil deficit, which still is expected to run $50 to $60 billion.

LIMIT ON POLITICAL USE OF PUBLIC LAW 480

Mr. CLARK. Mr. President, there have been very encouraging reports lately that the Ford administration soon will announce a $500 million increase in this country's food assistance program. If that happens, it will mean more food for people that now are literally starving to death in countries like Bangladesh, and it will represent a reaffirmation of our commitment to help lead the fight against world hunger. All of this will be particularly gratifying to those members of Congress who argued for an increase in the U.S. food commitment at the World Food Conference in Rome last year.

That Conference and the administration's decision not to announce an increase in food aid then were followed quickly by legislation in the Congress. On November 24, the Senate approved an amendment that assigned the highest priority under the food assistance program to the nations that need it the most to combat starvation. Then, December 4, the Senate amended the Foreign Assistance Act of 1974 to limit the amount of food assistance that could be used for political purposes. As approved by Congress, the limit was set at 30 percent of concessional sales, and that limit was signed into law by the President. The message was simple: Food assistance should be an expression of compassion, not political leverage, and seven out of every 10 bushels of food assistance should go to those 32 countries designated by the United Nations as most seriously affected by the food shortage.

Despite that simple message, there seems to be some confusion within the administration over the intent of Congress and the impact of the limitation on political food assistance. As an article in the January 28 New York Times indicates, the administration apparently feels that the limit applies to the entire Public Law 480 program—title I concessional sales and title II humanitarian aid. The confusion is unwarranted. The administration's interpretation of the law is mistaken.

Laws are often ambiguous—sometimes intentionally, sometimes unavoidably. But this law is not one of them. Fortunately, the amendment which established the limit was discussed thoroughly by Senators HATFIELD and HUMPHREY during the debate on the foreign assistance conference report December 17. One need only read that colloquy to understand the purpose of the amendment and the effect of the law. The 30-percent ceiling applies only to title I concessional sales. It makes no sense to suggest that in trying to limit the political uses of food assistance the Congress actually would increase its political use by providing that 30 percent of "humanitarian" food aid could be used for political purposes.

Mr. President, the apparent confusion on the part of the administration dampens what otherwise would be the best of news. The apparent confusion has resulted in a Catch-22. The $500 million increase in food assistance will mean more food for Bangladesh and Sri Lanka, but a substantial portion of it will go to countries like South Korea and Chile in the form of political assistance, assistance that could be better used elsewhere and may end up being sold for cash instead of being given to the hungry.

I am very disappointed that the administration seems intent on this course of action. The law is clear. And so is the intent of Congress. In the months ahead, Congress may well decrease even further the amount of food assistance used for political purposes. At a time when so many people are going hungry, humanitarian aid is far more important than political aid.

This legislation, this issue of food assistance, represents an opportunity for Congress and the administration to work together. In a recent speech in Los Angeles, Secretary of State Kissinger called for "mutual trust" between Congress and the administration, and this issue is an excellent place to begin.

Mr. President, I ask unanimous consent that the New York Times article I mentioned and the December 17 colloquy between Senator HATFIELD and Senator HUMPHREY be printed in full in the RECORD.

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

UNITED STATES TO ANNOUNCE RISE IN FOOD AID

(By Leslie H. Gelb)

WASHINGTON, January 27.—The Ford Administration plans to announce this week a $500-million increase in the food aid program, to $1.4-billion, as it continues to negotiate with legislators over how much of the total should be allocated for political rather than humanitarian purposes, according to Administration officials and Congressional aides.

Secretary of State Kissinger has pledged to give more than $500-million in food aid to such nations as South Vietnam, South Korea and Chile, according to State Department memorandums, even though these are not officially classified as among the most needy countries.

An amendment to the foreign aid bill that was signed into law by President Ford on December 30, however, restricts nonhumanitarian, or political, food aid to 30 per cent of the Public Law 480 program. At issue are the questions of which nations should be included in the 30 per cent category and of what figure the 30 per cent should be figured on.

Administration and Congressional sources said today that the Administration had abandoned earlier efforts to gain Congressional assent to treating food aid for South Vietnam as humanitarian rather than political.

CHANGE FOR SAIGON OPPOSED

The effect of such a change would have been to make more aid available for South Vietnam, but also to free the entire 30 per cent in the restricted category for the other non-neediest nations to which Mr. Kissinger has pledged help.

Senator Hubert H. Humphrey, Democrat of Minnesota, the author of the 30 per cent amendment to the foreign aid bill, said today that "Vietnam will not be classified as a most seriously affected nation," and would thus remain in the political category.

Food aid under Public Law 480 is divided into a large concessional sales program and a smaller grant aid program.

Mr. Kissinger is reportedly arguing that the Humphrey amendment applies to the entire Public Law 480 and not just to the concessional sales part.

Administration officials said that, in the new $1.4-billion program to be announced, about $1.15-billion would be longterm, low-interest sales and about $250-million would be provided in grants through voluntary agencies.

By the Administration's interpretation of the amendment, $420-million, or 30 per cent of $1.4-billion, would be available for political aid.

But Senator Mark O. Hatfield, Republican of Oregon, another framer of the amendment, contends that the political aid figure would be $345-million, or 30 per cent of $1.15-billion.

BASIC CONFLICT SEEN

The significance of the issue goes beyond the $75-million difference. According to Mr. Hatfield, the Administration's interpretation would be a violation of the spirit and letter of the law since, he asserts, the floor debates on the amendment clearly defined the 30 per cent in terms of the sales program alone.

The Administration is contending that the language in the amendment that refers to "concessional food aid" means all noncommercial food sales or grants.

Administration officials said that key members of the House Foreign Affairs Committee had agreed to this interpretation. Sources on the committee, however, insist that the committee has not taken any position. Senator Humphrey, according to an aide, has not made up his mind either.

Mr. Humphrey and Mr. Hatfield originated the amendment, their speeches in the Senate make clear, in reaction to the Administration's using 70 per cent of the concessional sales program last year for South Vietnam and Cambodia. The Administration increased food aid allotments to these nations after Congress had reduced their economic aid allotments.

The Administration does not need Congressional approval in the current fiscal year for the $500-million increase in the over-all food aid program. It merely borrows the additional funds from the Commodity Credit Corporation and seeks reimbursement in the next fiscal year.

Mr. HATFIELD. Mr. President, I would like to direct an inquiry to the manager of the bill, the distinguished Senator from Minnesota (Mr. HUMPHREY) regarding section 49 of the Senate bill, and its disposition by the conference. I note that the conference has agreed to set a limit of 30 percent on concessional food assistance to nations not on the U.N. list of 32 countries "most seriously affected" by the current global economic crisis. As the Senator knows I have had a very deep concern about the continued diversion of concessional sales under title I of Public Law 480 to nations who are not in deep need of food, but who are receiving such aid for purely political purposes. It is unconscionable to me that at this time, when the needy nations of the world face a grain deficit of 7.5 million tons in the next 6 months, that we should continue to divert large portions of our food aid to nations for purely political purposes. Now, my question to the Senator is to what does this 30-percent limitation figure apply?

Mr. HUMPHREY. The 30-percent figure applies only to concessional sales.

It applies, therefore, only to title I of the Public Law 480 program. Title II, which is purely grants, is not included in figuring this limitation.

Mr. HATFIELD. I am pleased to hear that. Does this mean, then, that the administration is limited in this current fiscal year to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected"?

Mr. HUMPHREY. That is exactly correct. In determining the 30-percent figure, we had clearly in mind 30 percent of the title I budget under Public Law 480. We did not include title II within the limitation since the title II program of grants, given through voluntary agencies primarily, is clearly humanitarian. We were not interested, therefore, in limiting its allocation because of its evident humanitarian nature. That is why the limitation applies only to title I.

Mr. HATFIELD. That is as I had hoped, and how I understood the actions of the conference committee. However, I have wanted them to be interpreted explicitly so as to prevent any misunderstanding. In that regard, let me point out to the Senator that the language agreed to by the conference in this matter reads "30 percent of concessional food aid." In this instance, then, "concessional food aid" refers to title I, and title I only of Public Law 480. It does not include, for the purposes of interpreting this law, the Public Law 480 title II program.

Mr. HUMPHREY. The Senator is absolutely correct. This limitation applies only to the concessional sales and loans operating under title I of Public Law 480. That is what the language means, and there should be absolutely no ambiguity in anybody's mind about it.

Mr. HATFIELD. I understand that the administration has under its consideration a total of Public Law 480 program of about $1.2 billion for this fiscal year. Of that amount, about $350 million would be available for grants under title II, and about $850 million would be available under concessional loans under title I. Now, if that particular budget, which we are using here as an example, were adopted, then, as I understand what the Senator has said as to the conference committee language, there would be a 30 percent limitation on the $850 million title I program, for nations not on the U.N. list. Therefore, under this budget and limiting formula, only $255 million would be available for nations not on the U.N. list under title I. Is that correct? Was that the intent of the conference committee?

Mr. HUMPHREY. Again, the Senator is totally correct in his understanding of the action taken by the conference committee. And I should like to commend the Senator for his diligent and detailed interest in this very critical subject.

Mr. HATFIELD. I want to thank the Senator very deeply, and commend him for his outstanding leadership in this entire issue. As the original author of the amendment, which has been accepted by the conference with the one change we have noted, the Senator has shown a continued and steadfast desire to limit the use of our food aid for political purposes during this time of great human need.

I would point out, further, that this limitation will allow the administration to fulfill its political commitments of food aid to the Middle East and elsewhere. But it will establish a meaningful limit on the political use of such aid. It will prevent major portions of food aid going to nations such as Korea, Indonesia, and Chile, whose people do not face the threat of starvation in the way that those in Bangladesh, India, Sri Lanka, and elsewhere do. By limiting the food aid which can flow to nations for political purposes, we can increase the levels of food aid given to save the lives of millions in the next 6 months. I have calculated that $100 million worth of food aid, if given to nations facing unmet grain deficits before the next harvest, can support 3 million people through the next 6 months. So that is the true significance of the action which we have taken here.

The Senator knows that in the past I have not voted for the foreign aid bill because of my objections to particularly the military aid portions of it. But in light of the action taken by the conference committee on this critical issue, I shall vote for passage of the conference committee report.

Mr. HATFIELD. Mr. President, last year's politicizing and prostitution of the food for peace program, when nearly half the available commodities were sent to support the war economies of Indochina rather than to avert famine in other areas of the world, prompted the Senate to impose a limitation on political uses of food aid in the Foreign Assistance Act of 1974 (P.L. 93-559).

Section 55(a)(5) of that act provides that—

> Not more than 30 percent of concessional food aid should be allocated to countries other than those most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian purposes.

On December 17, the author of that section, Senator HUMPHREY, and I had a colloquy during debate on the Foreign Assistance Act conference report which further clarifies the expressed intent of the limitation. The following day, December 18, Representative BROWN of California and Representative SYMINGTON of Missouri again made it quite clear for the record in the House debate on the conference report, that the limitation specifically restricts the administration to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected" by the current food shortages.

Despite all this legislative history and the abundantly clear language of the law itself, however, the administration is attempting to circumvent the limitation of section 55(a)(5) and increase political food aid.

The Congress has expressed its will, and written a law. The task of the executive branch is to enforce that law, not to circumvent or ignore it.

To remind my colleagues and the administration of the legislative history of section 55(a)(5) of Public Law 93-559, I ask unanimous consent the colloquy between Senator HUMPHREY and myself on December 17, 1974, concerning this matter be printed in the RECORD at this point, along with the remarks of Representative BROWN of California and Representative SYMINGTON of Missouri from the RECORD of December 18, 1974. I also ask that a letter of December 23, 1974, to AID Administrator Dan Parker from Senator HUMPHREY and myself and my letter of January 23 to Secretary of State Kissinger be printed in the RECORD at this point. These materials should leave no doubt as to the intent of Congress concerning the limitation of political food aid.

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

COLLOQUY BETWEEN SENATOR HATFIELD AND SENATOR HUMPHREY

Mr. HATFIELD. Mr. President, I would like to direct an inquiry to the manager of the bill, the distinguished Senator from Minnesota (Mr. HUMPHREY) regarding section 49 of the Senate bill, and its disposition by the conference. I note that the conference has agreed to set a limit of 30 percent on concessional food assistance to nations not on the U.N. list of 32 countries "most seriously affected" by the current global economic crisis. As the Senator knows, I have had a very deep concern about the continued diversion of concessional sales under title I of Public Law 480 to nations who are not in deep need of food, but who are receiving such aid for purely political purposes. It is unconscionable to me that at this time, when the needy nations of the world face a grain deficit of 7.5 million tons in the next 6 months, that we should continue to divert large portions of our food aid to nations for purely political purposes. Now, my question to the Senator is to what does this 30-percent limitation figure apply?

Mr. HUMPHREY. The 30-percent figure applies only to concessional sales.

It applies, therefore, only to title I of the Public Law 480 program. Title II, which is purely grants, is not included in figuring this limitation.

Mr. HATFIELD. I am pleased to hear that. Does this mean, then, that the administration is limited in this current fiscal year to giving only 30 percent of title I, Public Law 480 loans for concessional sales to nations that are not on the U.N. list of "most seriously affected"?

Mr. HUMPHREY. That is exactly correct. In determining the 30-percent figure, we had clearly in mind 30 percent of the title I budget under Public Law 480. We did not include title II within the limitation since the title II program of grants, given through voluntary agencies primarily, is clearly humanitarian. We were not interested, therefore, in limiting its allocation because of its evident humanitarian nature. That is why the limitation applies only to title I.

Mr. HATFIELD. That is as I had hoped, and how I understood the actions of the conference committee. However, I have wanted them to be interpreted explicitly so as to prevent any misunderstanding. In that regard, let me point out to the Senator that the language agreed to by the conference in this matter reads "30 percent of concessional food aid." In this instance, then, "concessional food aid" refers to title I, and title I only of Public Law 480. It does not include, for the purposes of interpreting this law, the Public Law 480 title II program.

Mr. HUMPHREY. The Senator is absolutely correct. This limitation applies only to the concessional sales and loans operating under title I of Public Law 480. That is what the language means, and there should be absolutely no ambiguity in anybody's mind about it.

Mr. HATFIELD. I understand that the administration has under its consideration a total of Public Law 480 program of about $1.2 billion for this fiscal year. Of that amount, about $350 million would be available for grants under title II, and about $850 million would be available under concessional loans under title I. Now, if that particular budget, which we are using here as a example, were adopted, then, as I understand what the Senator has said as to the conference committee language, there would be a 30 percent limitation on the $850 million title I program, for nations not on the U.N. list. Therefor, under this budget and limiting formula, only $255 million would be available for nations not on the U.N. list under title I. Is that correct? Was that the intent of the conference committee?

Mr. HUMPHREY. Again, the Senator is totally correct in his understanding of the action taken by the conference committee. And I should like to commend the Senator for his diligent and detailed interest in this very critical subject.

Mr. HATFIELD. I want to thank the Senator very deeply, and commend him for his outstanding leadership in this entire issue. As the original author of the amendment, which has been accepted by the conference with the one change we have noted, the Senator has shown a continued and steadfast desire to limit the use of our food aid for political purposes during this time of great human need.

I would point out, further, that this limitation will allow the administration to fulfill its political commitments of food aid to the Middle East and elsewhere. But it will establish a meaningful limit on the political use of such aid. It will prevent major portions of food aid going to nations such as Korea, Indonesia, and Chile, whose people do not face the threat of starvation in the way that those in Bangladesh, India, Sri Lanka, and elsewhere do. By limiting the food aid which can flow to nations for political purposes, we can increase the levels of food aid given to save the lives of millions in the next 6 months. I have calculated that $100 million worth of food aid, if given to nations facing unmet grain deficits before the next harvest, can support 3 million people through the next 6 months. So that is the true significance of the action which we have taken here.

The Senator knows that in the past I have not voted for the foreign aid bill because of my objections to particularly the military aid portions of it. But in light of the action taken by the conference committee on this critical issue, I shall vote for passage of the conference committee report.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Speaker, the distinguished chairman of the committee mentioned the colloquy with the gentleman from Missouri (Mr. SYMINGTON) with regard to "Food for Peace," which occurred on the floor of the House when the bill was before us, and there is a similar colloquy between Senators HATFIELD and HUMPHREY as reflected in yesterday's RECORD on page S21794 with regard to the percentage of the title I Food for Peace which will be allocated to the countries which are not on the U.N. list of 32 countries "most seriously affected" by the current world food crisis.

I wish to ask the distinguished chairman of the committee if he is in agreement with the interpretation contained in the remarks of Senator HATFIELD with regard to the provisions in the conference report.

Mr. MORGAN. Mr. Speaker, as the gentleman remembers, the House bill had no similar provision dealing with food aid.

Mr. BROWN of California. That is right.

Mr. MORGAN. Our committee of conference, however, adopted the Senate language favoring more food for those who need more help. We believe the language in the conference report moves in that direction. It puts emphasis on food assistance to the poorest countries.

The interpretation worked out by Senators HUMPHREY and HATFIELD is somewhat confusing to me, but I believe the language in the report is pretty clear. If the gentleman will follow the language in the report, I think he will find it spells out the details of what the conferees agreed upon.

Mr. BROWN of California. If the gentleman will yield further, may I inquire as to whether or not the specific percentage limitation which is referred to appears in the conference report. In other words, does the language state that not more than 30 percent of title I concessional food assistance is authorized for those countries which are not among the "most seriously affected" according to the U.N.?

Mr. MORGAN. Yes, Mr. Speaker, it refers to the list of countries that are included in the U.N. definition of the poorest countries. Thirty percent of our concessional food aid is to go to such countries.

Mr. BROWN of California. Mr. Speaker, I thank the chairman of the committee for his explanation, and his assurance that the language in the conference report refers to title I congressional food aid and does not include the Public Law 480, title II grant program.

REMARKS BY REPRESENTATIVE JAMES W. SYMINGTON

Mr. SYMINGTON. Mr. Speaker, I take this opportunity to refer again to the food-for-peace provisions of the bill. The record is now explicit with respect to what is meant by concessional food aid, in section 55(a)(5).

It is clear from the colloquy that occurred in the other body, and here, that what is meant by that subsection is that not more than 30 percent of title I concessional food sales may be allocated to countries other than those most seriously affected by food shortages.

The word concessional is a term of art. It only refers to title I sales for foreign currency. It means sales on concessional terms. It is not used redundantly in this or any other section. It is not used with respect to title II, the title which deals with grant programs.

It is quite important that we nail this down for the record. We are not talking about 30 percent of the total of food aid under title II plus concessional aid under title I, but only of title I concessional food aid. For the coming fiscal year, this would be restricted to the amount of $255 million. I am glad both bodies have accepted this interpretation.

WASHINGTON, D.C., *December 23, 1974.*

Hon. DANIEL PARKER,
Administrator, Agency for International Development, Department of State, Washington, D.C.

DEAR DAN: May we offer our warm thanks for your assistance during the consideration of the Foreign Assistance Act. Your patience and cooperation throughout our work on this legislation was most appreciated by all of those involved.

It is our understanding that some question has been raised concerning the interpretation of Section 55 of the Foreign Assistance Authorization Bill as reported by our Conference Committee and passed by the Congress. Section 55(a)(5) provides that "not more than 30 percent of concessional food aid should be allocated to countries other than those most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian food purposes."

It is the clear intent of the author, Conference Committee, and the Congress, as duly demonstrated in various colloquies on the issue, that the 30 percent limitation apply solely to Title I of PL 480. While the denotation of the word "concessional" might be interpreted to apply to both concessional sales and grants the connotation of the word as applied to our food assistance programs is that referring to sales and loans only. In offering this provision, the author's intent was that the 30 percent limitation apply to Title I of PL 480 only and using Title I program funds as a base upon which the 30 percent limitation is applied.

Since this was a Senate provision, drafted by Senator Humphrey and clarified specifically in our colloquy, it should be clear that there is no room for any other interpretation. As the Senate was the initiator of this

amendment, and as it was our position which was accepted in the Conference, there is no possibility for doubt over its meaning.

Our interest in including this restriction is not to encumber the program with permanent programing mandates nor to discourage political uses of food assistance with modesty in time when international supply conditions permit. Rather, our concern is that a sense of balance between political and humanitarian objectives be restored in our Food for Peace programs. Frankly, unless such a balance is attained the future of the program may be jeopardized as confidence in the humanitarian aspect of the program is lost.

We are most anxious to work with you in the spirit of cooperation which has characterized the passage of the Foreign Aid Bill and, therefore, want you to be totally clear about the intent and effect of this aspect of legislation which the Congress has passed.

Sincerely,

HUBERT H. HUMPHREY,
MARK O. HATFIELD.

U.S. SENATE,
Washington, D.C., January 23, 1975.

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

DEAR MR. SECRETARY: I am greatly disturbed by a *New York Times* article of January 21 which reports that you are advocating that the projected $101 million in food aid to South Vietnam be considered as "humanitarian" rather than "political," and thus exempt from the 30% limitation of Title I concessional food aid for nations other than those most seriously affected by the current food shortages.

The Congressional position on this matter has been made absolutely explicit. Section 55(a)(5) specifically states that "during the fiscal year ending June 30, 1975, not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes." The President has made no such demonstration for these Committees to consider and approve.

I would also refer you to the colloquy between Senator Humphrey and myself on December 17, 1974, pertaining to the limitation language of the conference report (page S21794 of the Congressional Record). In that colloquy, it is made clear repeatedly that no more than 30 percent of concessional food aid under Title I of P.L. 480 shall be given to nations not on the United Nations "most seriously affected" list.

South Vietnam is not on that list, and it is not on that list for good reason. The United Nations Emergency Operation, together with the International Bank for Reconstruction and Development, the International Monetary Fund, the Food and Agriculture Organization of the United Nations, and the United Nations Conference on Trade and Development carefully considered the economic situation in South Vietnam, and determined that its condition was not such that it should be placed on the "most seriously affected" list. The absence of South Vietnam from that list is in no way attributable to its not being a member of the United Nations.

The South Vietnamese rice crop in calendar year 1973 amounted to 6.7 million tons. For the year just ended, the harvest is projected at 7.0 million tons, a 300,000 ton increase. That increase is greater than the amount of rice the United States shipped to South Vietnam in each of the past two years. Therefore, the projected $101 million of food aid to South Vietnam cannot be justified on humanitarian grounds. Rather, it is obvious that this is political aid intended to provide budgetary support for the Thieu government.

Given these facts, I am shocked that you would attempt to have South Vietnam considered as one of those countries most seriously affected by the world food shortage and therefore exempt from the limitation in P.L. 93-559 on political food aid. And I am keenly disappointed that you, after stating your support for the highest possible level of food aid to the world's hungry, would now compromise that commitment and attempt to evade an explicit Congressional directive as is reported in the press.

Finally, in light of your proclaimed concern for meeting the humanitarian needs of those who face starvation especially in the next five months, I am keenly depressed to see you give the first priority in our food aid program to meeting political rather than humanitarian needs. That is neither in accord with the wishes of the Congress nor the sentiments of the American people. If you are serious about a new attitude of cooperation with the Congress in our nation's foreign affairs, and especially in such a vital subject as our food aid, then I would respectfully urge you to reassess your present priorities.

I hope you would recognize that you cannot meet all the political commitments of food aid which you would prefer under the constraints of law which the Congress has imposed and still remain within acceptable budget and commodity availability limits. The solution, pragmatically, is to fulfill what political commitments you can within 30% of the Title I program by increasing the total program to whatever possible extent, and thereby also making possible substantial increases in food aid to those nations presently facing the deepest humanitarian needs. It is deeply discouraging to me to realize that any increases in humanitarian assistance will come only because of commensurate increases thereby made possible in political allocations. But this is the reality, because of the obvious priorities of your policy. It would be my hope that you would devote your energies to using our food aid for saving some of those who are starving, rather than to continue attempts to circumvent the intent of law in order to maximize the amount of food to be used for political purposes.

The entire Congressional effort to place a limit on the Food for Peace funds used for political purposes has come about because of the utter prostitution of this program that culminated during last fiscal year, when nearly 70% of all Title I P.L. 480 went to Indochina. Congressional sentiment expressed clearly in law will now prevent such misuse of our Food for Peace program in the future. I certainly trust that you will be fully responsive to the law in this regard, and my colleagues and I are prepared to cooperate with you in fulfilling the law's intent and obligations.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

Mr. KENNEDY. Mr. President, reports in recent days suggest that the administration has finally reached a decision regarding the amount of food exports the United States will ship abroad under the food for peace program. I join many of my colleagues in welcoming this decision, especially since it means that the food for peace program will apparently be supplemented by an additional $500 million in this fiscal year. In view of the continuing decline of Public Law 480 exports in recent years, this commitment to help feed hungry nations means a new lease on life for famine-stricken regions experiencing severe malnutrition and hunger.

This decision will hopefully buy precious time for nations desperately trying to catch up on lost agricultural production—production decimated by drought and war, and the indifference of nature to the needs of a growing world population. This good news not only should receive the support of the Congress and the American people, but it should also be welcomed by the other food exporting nations which have joined the international efforts to rescue millions of people on the brink of starvation.

There is little doubt that America's food commitment abroad can have an important impact upon the peace and progress of developing nations today in food shortage areas. That is why the Subcommittee on Refugees and the Subcommittee on Health, both of which I serve as chairman, have repeatedly expressed their deep concern regarding the priorities and allocations in the food for peace program.

Since the passage of Public Law 480 more than 20 years ago, Congress has repeatedly stressed the importance of humanitarian purposes in the priorities and allocations of food for peace. In recent years, however, the basic humanitarian purposes of Public Law 480 have been distorted and neglected in favor of security objectives.

Public Law 480 food has been flowing into nations which cannot possibly warrant such assistance, when others have been left high and dry without food. In too many cases, food for peace has become food for cash—and even food for war. In Indochina, funds generated by Public Law 480 have been used for military rather than humanitarian purposes. Despite the assumption of the American people and the intent of Congress that the program should reflect the genuine humanitarian concern of the American people, our Government has distorted this objective and tilted the program toward defense purposes—to the neglect of starving millions around the globe.

The time is past due to renew the basic humanitarian purpose of Public Law 480. In order to accomplish this objective, I joined with other Senators in sponsoring an amendment to the Foreign Assistance Act which placed a $350 million ceiling on political food exports under Public Law 480. It was our intention to tie food for peace exports to an international humanitarian barometer, in this case, the most seriously affected—MSA—list of nations earmarked for special humanitarian economic concern by the United Nations.

In conference, the ceiling of $350 million was substituted in favor of a 30-percent ceiling limitation. Today, there seems to be some controversy as to whether or not this 30-percent ceiling applies to title I of the food for peace program or to title II as well. Additionally, there has been some suggestion that the administration is intent upon including South Vietnam under the MSA list of nations.

Mr. President, as an author of the

amendment, I would like to comment on these important issues of concern to Congress.

First, the amendment applies to title I only.

Second, the New York Times has reported that this 30-percent ceiling has become a significant focus of attention in our Government's efforts to increase our aid to South Vietnam. Distortion of the 30-percent ceiling not only would have an unwanted impact upon the humanitarian dimension of the Public Law 480 program, but once again raises the specter of a resumption of alternative means to fuel the war in South Vietnam.

Let me state for the record that South Vietnam does not appear on the MSA list. And as long as South Vietnam remains off this list, I strongly feel that the 30-percent ceiling applies to any assistance to South Vietnam under title I of the Public Law 480 program.

There are 32 nations on this list of most seriously affected states, and the clear intent of the amendment expressly stated that nations which do not appear on this list should not receive assistance beyond the 30-percent ceiling. Any effort to circumvent this legislative intent goes against both the word and spirit of the amendment. And the amendment should also apply to the proposed increase of $500 million.

I am hopeful, Mr. President, that the amendment sponsored by Senators HUMPHREY, CLARK, HATFIELD, and myself will be fully adhered to. Our amendment was introduced in answer to the very critical issue of the continuing mismanagement by the executive branch of congressional intent for Public Law 480. And in a spirit of cooperation, I am confident that our Government will fully evaluate the clear intention of Congress and the wishes of the American people in executing the fiscal year 1975, Public Law 480, program.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, the time for morning business has expired.

REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 281, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 281) to amend the Regional Rail Reorganization Act of 1973 to increase the financial assistance available under section 213 and section 215, and for other purposes.

The ACTING PRESIDENT pro tempore. The time for debate is limited to 4 hours to be equally divided and controlled by the Senator from Indiana and the Senator from Alabama or their designees, and the time used on any amendment, debatable motion or appeal shall come out of the time on the bill.

The Senate resumed the consideration of the bill.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

I would like at this time, if I might, to propound some questions to the distinguished Senator from Connecticut (Mr. WEICKER) who, I believe, is the floor manager of the bill, if I might do that.

Mr. WEICKER. Might I just ask for a few minutes of respite here as I get my forces in order?

Mr. ALLEN. Very well.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. WEICKER. Mr. President, today we are continuing our consideration of S. 281, the administration's request for emergency interim financial assistance to assure the continuation of essential rail services in the region.

Yesterday these provisions were debated at length on the floor of the Senate. Unfortunately, because of delays by the Government Printing Office and getting the report on this legislation to the floor of the Senate, we were unable to conclude action on this vital measure. Nevertheless, the debate was instructive, and I believe that the Members present yesterday gained a good understanding of the necessity of early action on this bill in order to avoid a major catastrophe in our economy.

At this juncture I point out that the questioning led by the distinguished Senator from Alabama was terribly important not only in the result of education, but also very clearly in having it understood that whatever we are going to do here, it is not just going to be the doling out of cash with no safeguards, with no questions asked.

This might have been the way of the American railroads—or too many of them, not all of them, but too many of them—in the past but it is not going to be the way of the Senate of the United States.

I commend the distinguished Senator from Alabama for that questioning process which will continue here today and which I think is good.

As both the distinguished Senator from Indiana and I pointed out, it is with no great joy that we stand before our colleagues and make this request, but we do so with our eyes on the future, a future that hopefully will have a viable, decent, well-run, nontax-draining rail system in this country.

As Senator HARTKE explained yesterday, the tremendous increases and inflation and costs for the carriers, in conjuction with a sharp decrease in revenues have brought about a cash crisis which is rapidly coming to a head. Because Senator HARTKE fully explained the events leading to the current crisis during yesterdays debate, I will not take up the time of the Senate with repeating his remarks here.

I should point out two important facts that should be in the minds of all the Members of this body as they consider this legislation today. First, if this legislation is not enacted the railroads—especially the Penn Central—will be unable to meet their payroll February 25. This means they will begin refusing all further freight shipments on February 14 in preparation for complete shutdown of the railroad. These facts have been thoroughly investigated by the Department of Transportation and the Senate Commerce Committee, and I am convinced that in fact there will be a substantial shutdown of the essential rail service in the Midwest and Northeast unless further interim assistance is forthcoming immediately.

The second major point that everyone should realize relates to the consequences of a shutdown. A shutdown would plunge the entire Nation into a major depression far beyond the recession we are currently experiencing.

I might add some of these comments were written out by the very fine members of Senator HARTKE's staff. I am not at all sure that we are not in the middle of a depression rather than a recession right now.

Essential delivery of food and coal to utilities in the major cities could not occur. I do not think it is necessary for me to elaborate on the consequences of a lack of heat, power, and food in an area which contains 42 percent of the population of the entire United States. For the 17 States in this region, a shutdown would have extremely adverse consequences. An import point that should be remembered, however, is that the effects of a shutdown are by no means limited to the Northeast and Midwest; the effects would be truly nationwide. The railroads of the United States form an interdependent network, and a shutdown of the substantial portion of the network affects the entire Nation as a whole. A shutdown of the Penn Central alone would decrease the rate of economic activity in the entire Nation 4 percent within 2 weeks. Every State in the Union is dependent on the operations of this portion of our rail transportation system. The railroads in the northeast and midwest receive over 300 cars a day from the State of Alabama, over 360 cars a day from the State of Georgia, over 520 cars a day from the State of Minnesota, and over 640 cars day from the State of California. The effects of a shutdown are by no means limited to the goods shipped from the rest of the country into the Northeast and Midwest; the State of Louisiana receives over 200 cars a day from the Northeast, the State of Washington receives over 197 cars a day, the State of Texas receives 679 cars a day, the State of Tennessee receives over 562 cars a day, the State of North Carolina receives over 567 cars a day, and the State of California receives over 810 cars per day. A widespread rail transportation shutdown in the Northeast and Midwest would most certainly precipitate economic chaos of major proportions in every State of the Union.

Mr. President, I would like to make

one final point before I suggest that we should proceed with debate and later to vote on this measure. As Senator HARTKE indicated yesterday, the members of the Senate Commerce Committee are not enthusiastic supporters of this legislation. The simple fact of the matter is it is absolutely essential for the economy of this Nation. If any Member of the Senate would prefer that we withdraw from consideration, we would be amenable to doing that and allowing some alternative proposals to be put forward. A 20 to 30 percent increase in unemployment within the first 3 weeks of a shutdown may well help focus the attention of those who would oppose this measure on why it is so badly needed. The Senate Commerce Committee has carefully evaluated all the alternatives, and we would not be asking the Senate to approve this measure if we did not feel that it is absolutely essential for the health of the Nation.

Mr. President, I would also comment in this regard that in the past I think the impression was held that the Penn Central Railroad is principally a vehicle used to go to and from work by some wealthy commuters in Westchester County and Fairfield County, Connecticut. The fact is that a long time back the Metropolitan Transportation Authority in New York and the Connecticut Transportation Authority in Connecticut began contracting for those type of services. So this has nothing to do with what we are coming to the Senate with here today.

What we are talking about principally are those operations that can be put in a noncommuter class. What we argue for now, and I would say now is probably the toughest time, is this: We have behind us the wreckage of a nonrail system, a wreckage created by a combination of bad management on the part of private enterprise, a wreckage created by overdependence on the highway trust fund and the utilization of 95 percent of our Federal transportation dollars in highways rather than in rails—a wreckage. Members of this body know, the distinguished Senators from Alabama, from Florida, Iowa, myself, regardless of our views on this particular legislation, that upon us sits the obligation to create a balanced and a decent transportation system in this country. We are in that transition period when we do not have the new tools fully in hand and we still have to deal with the old tools. I will stand beside any Senator who sits there and shudders as he sees taxpayer money being utilized to sweep the stage clean. That, in effect, has to be done before anything new can be created. That is what makes this request and the request preceding it, and probably some additional ones coming ahead, so difficult. But I know the commitment of the Senator from Indiana. I know the commitment of this Senator and the Commerce Committee in making sure that we correct the wrongs or the omissions. This initiative started right here in this body.

I recall well in the last 4 years, with no help from the White House, with no help from the House of Representatives, it was the Senate of the United States, both in the Commerce Committee and also the Public Works Committee, with the distinguished Senator from West Virginia, and many others who involved themselves, which brought into focus the very desperate shape of transportation in the United States.

This is the world's greatest economic free power and we have the worst rail system in the entire world. It was the Senate of the United States, not the executive branch or our good friends across the way, which insisted that we change these time-honored policies and that we bring balance into our transportation system.

So this is the commitment not only of this particular Senator, but of most of the men in this Chamber.

To put things in perspective, I just want to throw this out: In 1973 all levels of government in the United States spent a total of $28.2 billion in public funds on transportation—$28.2 billion; 86 percent was spent on highways; 10 percent was spent on air transportation; 3.7 percent was spent on waterways. Less than one-quarter of 1 percent was spent on rail transportation.

I propose that we have exactly what we paid for in this country when it comes to rails—nothing. Indeed, it is embarrassing to stand here after so many years and have to make these types of requests. But, as I have indicated, they are made not to continue the past, but to sweep the past off the stage and to launch a new era in transportation.

If there is time, because I am suffering somewhat from a cold, and since I anticipate questions from the Senator from Alabama, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WEICKER. Mr. President, I send to the desk certain technical amendments.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes technical amendments.

The amendments are as follows:

On page 6, line 4, strike "Section 1. This" and insert in lieu thereof "That this".

On page 6, line 11, strike "211(e)" and insert in lieu thereof "211(e)(1)".

On page 6, line 25, after the word "date" insert the word "such".

One page 7, line 19, after the word "date" insert the word "such".

On page 7, line 24, after the word "date" insert the word "such".

On page 8, line 2, strike "facilities or equipment" and insert in lieu thereof "rail properties".

On page 8, line 18, strike "conditions" and insert in lieu thereof "condition".

On page 9, line 2, strike "agreements" and insert in lieu thereof "agreement".

On page 10, line 18, strike "Subsection (b) of section 207" and insert in lieu thereof "Section 207(b)".

On page 12, line 4, after the word "supplement" insert "to the preliminary system plan".

On page 12, line 7, strike "the" and insert in lieu thereof "such".

On page 12, line 10, strike "Paragraph (2) of subsection (d) of section 205" and insert in lieu thereof "Section 205(d)(2)".

On page 10 delete lines 23 through 25, and on page 11 delete lines 1 through 3 and insert in lieu thereof the following:

"(2) Whenever it has been finally determined pursuant to the procedures of paragraph 1 of this subsection, that the reorganization of a railroad subject to reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) shall not be proceeded with pursuant to this Act, the court having jurisdiction over such railroad may, upon a peti-".

Mr. WEICKER. Mr. President, I move the adoption of the amendments.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. ALLEN. Mr. President, I do not anticipate that there will be a very large vote against this bill; but at the same time, I felt that it needed some discussion, some exposure to the light, some debate in the Senate so that the public might be advised of the direction in which we are proceeding with respect to these bankrupt railroads.

Last evening, when the bill was laid before the Senate, it seemed that there was likelihood that it would pass on a voice vote. Then a request was made for a rollcall vote, in order that Senators who felt so inclined could protest the enactment of the proposed legislation.

First, it was proposed by the leadership that debate be limited to 20 minutes, 10 minutes on each side. That seemed inadequate to the Senator from Alabama, though at the same time he does not wish to have what might be called extended debate. It is too important to call it up and pass it by voice vote, without debate or with 20 minutes of debate and discussion. After all, involved in this bill, as shown of page 1 of the report, is the not unimportant sum of $275 million. That is just the tip of the iceberg, Mr. President.

I commend the distinguished Senator from Connecticut (Mr. WEICKER) and the distinguished Senator from Indiana (Mr. HARTKE) for the public service they are rendering in managing the bill on the floor of the Senate after it has been reported by the Committee on Commerce.

I appreciate, also, the candor of the distinguished Senator from Connecticut in pointing out the direction in which we are proceeding with the passage of this measure. Certainly, he is not overjoyed at the prospect of passing the measure.

Last evening, as the distinguished Senator from Connecticut has said, the report from the committee was not available to the Senate. All that was available was a bill of some 12 pages, but no explanation of what the committee had done, what was in the bill, what the background of the bill was, and what the purpose was. It was not until today that this report became available.

Mr. President, yesterday, on the floor of the Senate, I asked the distinguished Senator from Indiana (Mr. HARTKE), by way of identification of the bill when it was called up, if this was a further bailout of the Penn Central; and the distinguished Senator from Indiana did not shrink from that characterization by the Senator from Alabama. He said yes, that it was, and is, a further bailout of the Penn Central.

I may be mistaken—and I am sure that I will be corrected if do misstate the matter—but I note from the bill that it was introduced on January 21, 1975, and reported on January 27, 1975. I have not seen—though I could be mistaken—any notice in the newspapers of hearings held on this important subject; not a word. I would be interested in seeing a copy of those hearings. But I doubt if lengthy hearings were held on this subject. Certainly, after the bill was introduced on January 21, there generally would be some notice of a committee hearing. It just does not look like any full-scale hearing was held. Possibly one was. I am not saying that one was not. We will find out later, as we question the distinguished Senator from Connecticut. In a hurried scanning of the committee report, I do not see that a hearing was held.

Mr. President, when this Regional Rail Reorganization Act of 1973 was passed, I recall the explanation made by the distinguished Senator from Indiana that some 18 or 19 railroads were involved. It is suggested in the report—and I am sure this is correct—that eight class 1 railroads are involved; and I believe that two of them first said they could make it alone, and I note that one of them now says it cannot make it alone.

So it would seem that 6 or 7 class 1 railroads are involved, and I assume that the number 18 or 19 had to do with subsidiary lines held by these major roads.

Mr. President, I think we are rapidly moving away from the term "free enterprise" as supplied to many railroads. I might say that there are some strange practices in running railroads. I assume that railroads are operated for the purpose of making money; making money for the stockholders, making money for the bondholders, providing employment for many people, and performing a service for people who get the benefit of the services of railroads. One would think that in a rich territory, as the committee report points out is being served by these railroads in bankruptcy, a railroad could make a profit in these rich areas. The distinguished Senator from Indiana, last night, in making his opening statement—and apparently, his opening statement is contained as the committee report here; they seem to be identical, certainly, up to a point—pointed out that the railroads involved carry as freight 34.7 percent of the automobiles, 34.6 percent of the metals, 30.5 percent of waste and scrap, 19.6 percent of metallic ore. It would seem that, getting that much business, these railroads could operate at a profit if they are being properly managed.

Let us look at another statistic as contained in the report. I read from page 2 of the report, starting with the fourth line from the bottom:

> The eight railroads serve an area in which 42 percent of this country's people live and in which 50 percent of this country's industrial goods are produced.

So, Mr. President, if these railroads serve 50 percent of the country's industry and 42 percent of the country's inhabitants, why in the world can they not make a go of it? This Government subsidy is not going to cause them to make a go of this enterprise. If they cannot go it alone, if they cannot make money, in this rich territory, how in the world are they going to stay afloat except through the massive injections of taxpayers' money? That is the only way they will stay afloat if we are going to keep this subsidy program going. In just a moment, I am going to comment on this just being the tip of the iceberg, this $285 million.

Mr. President, I do not have any statistics on the success of other railroads. I gather that the Southern Pacific, the Union Pacific, and the Northern Pacific are doing all right. The Atchison Topeka and the Sante Fe seems to make it. The Atlantic Coast Line combined with Seaboard—Atlantic Seaboard, I think it is called now—seems to make money. Southern Railway, I believe, had its very best year in 1974. Louisville and Nashville, the old reliable, so-called, seems to stay alive. Yet they serve sparsely settled areas of the country. All of these railroads—and there must be dozens of them that seem to be making money—serve the sparsely settled areas of the country. They have less industry to serve, fewer inhabitants to serve, but greater distances to go.

So, Mr. President, we are taking on a load here for the American taxpayer that is going to go on and on. The distinguished Senator from Connecticut warned of that. He said that this is not all; there is more on down the road—on down the railroad, one might say.

I notice that one of these roads, the Erie-Lackawanna—I assume that is the surviving company of the old Erie. I may be mistaken on that, but I rather imagine that is correct. That is the road that was plundered back in the days of Jay Gould and Jim Fisk, where they just set up a printing press and turned out stock certificates just as fast as they could and robbed the railroad blind.

I should say that some of the modern day robber barons have handled the affairs of some of these railroads more delicately than did Jay Gould and Jim Fisk. But, Mr. President, we have a sorry record of mismanagement before us.

Every one of these railroads—some 18 or 19 in number, if we take all the subsidiaries, or 7 or 8 in number, if we go by the present method of calculating—every one of these roads was in receivership, had gone broke. To take these railroads and put them over in a Government-subsidized operation is the next thing to nationalization. The only difference is that the Government does not own the railroads; it just pays the way. That is the only difference between the present system on these roads and nationalization. The very same conditions that caused the bankruptcy of these railroads were carried over into the new operation and they froze in the very same conditions that existed and had caused the bankruptcy.

Well, one might say, what is the alternative? Quit supporting, quit subsidizing these railroads with taxpayers' money. Railroads can be operated in this rich area. They can be operated at a profit. And why not? With 50 percent of the manufacturing and 42 percent of the people, why could they not make money?

I predict that if these railroads were allowed or required to go ahead into the reorganization process, rid them of this tremendous debt, one or two or three strong, viable companies would result.

I notice in the newspapers from time to time that a number of profitable roads—I think Norfolk & Western, possibly, which is a profitable road, the Southern, and other railroads—are trying to purchase some of the rail lines and franchises, I guess one would say, from the Penn Central and some of these other roads.

Mr. President, I believe that some of the strong companies, or some of the well-operated companies, I would say, could carry on on a profitable basis through free private enterprise, and could render this service in this rich, populous area.

How much is it going to cost us ultimately? Well, I do not know, but I think one of the best informed Members of the Senate, in addition to the distinguished Senator from Connecticut (Mr. WEICKER), is the distinguished Senator from Indiana (Mr. HARTKE). He has not tried and the Senator from Connecticut has not tried to cover up the sorry picture that is presented here. They lay the facts out on the table, and I appreciate that.

What does Senator HARTKE say is the ultimate cost? And who is going to pay for it, if it is not the taxpayers?

Senator HARTKE, on page 1499 in yesterday's RECORD, stated

> It is estimated it will take $5 billion to put the rails and plant back in shape.

That is his estimate. Now, going on over on page 1500 of yesterday's RECORD, Senator HARTKE says:

> It is estimated, as I said a moment ago, it will take about $4.5 to $5 billion to put this railroad back in shape.

That is not going to come out of profits, because it has not been having any profits.

> I really think it is going to take more money from the Government beyond the loan guarantees and beyond the bonds. I cannot tell you how much more at this moment. No one knows.

Mr. President, we are going out on an uncharted sea here when we continue with this subsidization program.

They say they cannot pay their bills; they cannot meet their payroll. Well, Mr. President, I hate to suggest it, but there are many millions of people who are not receiving any paychecks these days. They would have a lot of company if temporarily the railroads went under.

It would not be long, Mr. President, before private companies would take over

this burden, which would not be a burden to them, because they seem to know how to operate a railroad. Why these said-to-be bankrupt railroads in the Northeast and Midwest have not been able ot operate at a profit is something the Senator from Alabama cannot understand. I would like to inquire, in a moment, of the distinguished Senator from Connecticut, what the chances are of the Government, the taxpayers, ever getting any of their money back, and how much of it is to be on a grant basis. At this time, I would like to have a short colloquy with the distinguished Senator from Connecticut in this area.

Mr. WEICKER. Mr. President, I would be delighted to have a colloquy with the distinguished Senator from Alabama. Let me say that if he would like to retire with me to the cloakroom, and we can call the president of the Southern Railroad, which is one of the best run railroads in the entire world, and ask him whether or not he would like to have this property, and we will not even claim a finder's fee, I venture to say he will not even respond to the call. He will not even pick up the receiver. I am afraid that is the point of view he has as toward the Penn Central. I wish I could concur that, indeed, this is a property desired by other railroads, but it just simply is not.

Mr. ALLEN. Let me ask the distinguished Senator this: Is it not possible that other railroads would take over the roadbed and the equipment and the station facilities, if they did not have to take over this mountainous debt? In going through reorganization, could not these railroads be shorn of this tremendous debt, and would not the facilities then be available at a price that could be afforded? Is it not the tremendous debt that needs to be wrung out of these railroads that is hindering the taking over of some of the roads by well-operated companies?

Mr. WEICKER. I would have to respond in this way: First off, I think some of it they would like to take over. They would like to take over the best parts of these railroads, as indeed the management of these railroads, prior to their going into bankruptcy, of course, took the best off for themselves and their stockholders, leaving the worst behind. So really what they would have to choose from are the leavings, after the other ripoff artists had already done their job on the railroads, leaving them in that sorry state to begin with.

The difficulty here is that you and I look upon this from a legislative point of view, but we have to remember that there are trustees in reorganization here who have to meet certain legal obligations, and we cannot just snap our fingers and say "The debt is gone." It is not gone; it is there; and really what they are having to deal with is the debt and whatever creditors happen to be out there, in sharing what is left of these railroads.

So, yes, I think there are certain funds that will be gathered by the trustees from selling off the more fortunate portions of the Penn Central, but then what remains will be even less desirable, probably; that is one of the difficulties.

That is why we informed these corporations to, in effect, take over that which no one else wants, and yet which is absolutely essential in the way of services.

I would like to point out also that actually even the healthiest railroads in this country are barely making it. The overall return on investment in the railroads in this country is about 3 to 4 percent. None of the railroads can afford the investment needed, even the Southern and the Southern Pacific cannot afford to commit themselves to needed improvements like electrification of mainline routes. Electrification is coming in all over the world except in the United States, leading to less fuel consumption, less costly operations, cleaner air, and greater efficiency, but none of the railroads are in a position to make such improvements. The Southern, the Southern Pacific, the L. & N.—all of those railroads we can speak of as healthy, but insofar as a private enterprise is concerned, we are comparing them to other roads that have gone under, rather than to other private enterprises in this country. By that standard they are probably in very bad shape also, and I worry about the time when even these will go under also.

One other point I could not help but think of when the distinguished Senator from Alabama was speaking was that insofar as the consolidation of the railroads is concerned, I remember when the answer to all the problems was going to be the merger of the mammoth Pennsylvania Railroad with the mammoth New York Central Railroad, and this was to be the best of all worlds.

Well, that turned out not to be the case, but just to have compounded the problem.

So I am concerned. I just do not think private enterprise has the capacity to pick up the entire ball of wax here. I do say yes, there will be those little bits and pieces which could improve their own operations, and they should go to private operations if that would provide less of a burden on the taxpayer.

I am not going to indicate to anybody that the U.S. Government is not going to be in the rail business. It is, just like it is in the highway business.

Mr. ALLEN. Well, the Senator has talked about the merger of the New York Central and the Pennsylvania as not having lived up to its expectations.

I would like to ask him if he thinks that the merger of 18 and 19 bankrupt railroads is going to live up to the expectations of the sponsors of this legislation, and I am not going to include the Senator from Connecticut as being one of the sponsors of this legislation because he hardly qualifies as that. He is just on the periphery of this legislation.

Mr. WEICKER. No, in the sense is the merger of this group of railroads going to achieve a healthy economic status within the free enterprise system, and the answer is candidly, no; no, it is not.

Mr. ALLEN. Are we going the right route?

Mr. WEICKER. I do not think the Senator from Indiana or the Senator from Connecticut has pretended this is anything other than what it is, which is that the U.S. Government is going to get into the business of creating rail systems and having to support them. Hopefully, we will not have to do it on a total basis such as in the case of highways. Hopefully the healthy railroads will be able to stay that way.

We do not want to get into it any more than we have to, but do we have to? The answer is yes. In regard to the $5 billion the distinguished Senator from Indiana mentioned as being the total cost—I think maybe he is low on that; we spent in the Northeast alone last year $4.5 billion on highways. That I think puts it into focus. Yes, $5 billion is a lot of money to anybody, but do we have to, does Government, in order to create a complete and a satisfactory transportation system, have to involve itself in rails as indeed it has involved itself in highways? And the answer is yes.

Mr. ALLEN. Well, I recall when this legislation was up back in 1973, the organizational merger or consolidation of these bankrupt railroads, there was a moratorium in there saying they would not abandon any of these lines, these competing and duplicating lines, for a period of 18 months, indicating they were trying to maintain the status quo that had brought them to bankruptcy, which did not seem to be very good legislation.

Mr. WEICKER. I agree.

Mr. ALLEN. The Senator from Alabama voted against that.

Mr. WEICKER. I agree with the distinguished Senator from Alabama. Does the Senator know I sat out here on the floor of the Senate on various requests—I remember there was specifically the Amtrak request—and the requests were to cover the operating deficits of Amtrak. In one of my proudest moments on the Senate floor I managed to get additional funding for Amtrak, which additional funding could not be devoted to operating deficits but could only be devoted to research and development and capital improvement so we could get out of this operating deficits. The Senate of the United States passed it and a letter came down from the Appropriations Committee, opposing it, from the Secretary of Transportation and the President of Amtrak at that time. I said, "How in heaven's name will we ever get out of this vicious circle if we are going to run the same trains over the same tracks in the same way? We are going to end up with the same deficits except now it is in the public lap rather than in the private sector."

It seems to me the only way we can possibly get out of this bind is make some sort of investment on the capital side and research and development and that way we can break the cycle, so it becomes not more of a drain and push out the operating deficits.

I could not agree more. I have no desire to stand here and ask for these operating deficit subsidies. The system plan will be coming before the Senate by the end of July of this year, the final system plan. But the ultimate plan is to create a private for-profit type of operation.

Now, I think I understand Government and what is required in the way, or what is required of Government in the way of services to ever hope that anything is going to be run for profit. Our constituents would be yelling loudest if it was too much for profit, but that is the objective, not to live with the situation that we now have.

I wonder if I might just for a minute, because I think it is important, reflect on the origins of this legislation, and to give the Senator from Alabama a minute to rest his voice, read a few paragraphs from the original act as to what it was that we all intended to do at the outset.

In the background of the original Rail Services Act of 1973 the following statements were made:

The Penn Central's collapse stemmed from the complex interaction of a number of factors, including questionable management policy * * *

Questionable, I mean I do not hesitate to say on the floor of the Senate and even off the floor of the U.S. Senate that is a plain old ripoff on the part of too many.

As the Senator says, Jay Gould and Jim Fisk—that was sensational. The modern-day types are a little more delicate and a little more subtle, but what they do is as bad if not worse.

The misdeeds of individuals, Federal regulatory policies and practices, an inadequately developed national transportation policy, the national economy, deteriorating business conditions in the Northeastern part of the United States, the inability of the private sector to respond to these changes, and successful competition from other modes of transportation.

In the last several decades, railroads operating in the Northeast and Midwest found themselves in an environment where the national economy was changing, reducing the importance of the principal commodities carried by railroads and therefore, the role of the railroads in the transportation system.

I unfortunately know full well what has happened here in the sense of so much of our employment because the distinguished Senator from Alabama knowns, because he represents the Southern States, they have been the beneficiaries of what has been the misfortune of many of the New England States where much industry has moved geographically into the Southern portion of the United States.

The percentage of the gross national product represented by agriculture, mining, and nondurable goods—heavy users of rail freight transportation—declined during the 1960's; a trend toward locating factories closer to consumer markets reduced the demand for transportation services; the 1960–61 and 1968–70 recession had a pronounced impact; in the late 1940's and early 1950's railroads virtually abandoned hauling goods in less than carload lots; and the railroads' share of total intercity freight traffic declined from 44 per cent in 1960 to 41 per cent in 1969 and the rail share of freight revenues fell from 28 per cent in 1960 to 22 per cent in 1969.

You get a very graphic demonstration of what occurred, insofar as our transportation policies relating to the highway rather than the highway and rail or rail, in the State of Connecticut, starting at the New York line, along the coast, the Connecticut throughway multilane expressway runs absolutely parallel to the tracks of the old New York, New Haven and Hartford Railroad. Well, there is that highway sitting there, built by the taxpayers, totally a Government operation, and there sits the railroad which for a long time was in private enterprise hands. Obviously, the competitive situation has changed a great deal.

I am now returning to reading the report.

These factors operated with the greatest negative force in the Northeast and Midwest: 65 per cent of American manufacturing took place in this area in 1950, but in 1969 only 54 per cent of the manufacturing occurred here; the region produced 71 per cent of the coal mined in the Nation in 1957 but only 62 per cent of the amount produced in 1970. By 1970 nearly 3 times as much coal was used to generate power at the mine location than was transported by rail; the railroads failed to compete successfully with trucks for the increasingly important manufactured goods traffic; and the interterritorial divisions between railroads operating in various regions remained static. Heavy debt burdens and a lack of cash, in some cases combined with questionable payments of dividends, resulted in deferred maintenance and reliance on leasing to obtain the necessary equipment. Investments of assets outside the traditional area of railroad operation was also a factor leading to cash drain, although a relatively small factor in terms of cash drain on the railroads when compared to others, such as dividend policies.

I can remember when these railroads were shoveling out dividends nowhere near covered by earnings.

As cash shortages continued and worsened, more maintenance and capital improvements were deferred, which led to higher operating costs, more slow orders, higher accident rates, less reliability, and a further loss of revenue.

Here, we get into a very dangerous area. I read the testimony, I think, of the assistant secretary who presented the administration's plan, which is what we have before us today, and it means that the trustees had some plan which would or could, if implemented, provide safety.

The problem now is that we are reaching a critical point insofar as safety is concerned. We can compensate for the inadequacy of track and roadbed by cutting down on the speed of the train, but then all of a sudden we are almost at the point where the trains are going backward.

So we no longer can take care of the safety problems or those inadequacies in such a fashion.

I am almost through on this:

As cash shortages continued and worsened, more maintenance and capital improvements were deferred, which led to higher operating costs, more slow orders, higher accident rates, less reliability, and a further loss of revenue.

In the case of the Penn Central, the merger of the Pennsylvania and New York Central railroads contributed significantly to the cash drain. Generally declining economic condition was responded to poorly, if at all, by management. The Penn Central followed a policy of disguising the reality of its situation through "earnings maximization," a technique that overlooks the realities of income or cash flow and attempts "to pretend that earnings [are] larger than they really were by inflating them." In 1968 (after merger) the Penn Central lost $2.8 million but paid stockholders $55.4 million in dividends; in 1969 the railroad lost $82.8 million but paid dividends of $43.4 million. Investments in real estate ventures, such as Great Southwest Corporation, helped Penn Central to distort earnings by reporting the paper profits generated in these transactions. Management did not establish any overriding corporate goals and there was no organized effort to achieve goals—"the separate units of the corporation in some cases had mutually exclusive objectives." But the "blame" for the demise rests not only with management. It must be shared by the other American railroads for taking no action prior to collapse to counter the deterioration of the railroads in the Northeast and Midwest region; by the Congress for for failing to face up to these deficiencies; by the Executive Branch for failing to spotlight problems or propose remedies; and by the ICC.

Now, that was the complete picture as to why we went into the Rail Services Act of 1973. It is a grim picture. All I am saying is that I care, at least, to say that we are capable not to have future generations point at us as not being in the forefront of a solution to this particular problem, not that any of us on this floor in any way condone this grim type of history.

Mr. ALLEN. I thank the distinguished Senator.

I am advised by the Chair that this colloquy has been coming out of my time and I wonder if we might ask——

Mr. WEICKER. This should be divided equally, or charged to the Senator from Connecticut, I was talking here.

Mr. ALLEN. The whole colloquy, I suggest, be charged equally. I ask unanimous consent on that.

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

Mr. ALLEN. I would like to ask the distinguished Senator, in this area served by these bankrupt roads, it is said by the report to contain 50 percent of the industry and 42 percent of the population of the country, if there are and railroads serving that area that are alive and in the black?

Mr. WEICKER. Well, counsel informs me, and I do not consider this in that area, but technically, apparently, it does, the Chesapeake and Ohio, the C. & O. operates profitably.

But I think maybe in the Senator's mind of the Northeast, and we do not normally associate with those which are in the Middle Atlantic and southern area, and the Norfolk and Western I do not think we would associate——

Mr. ALLEN. Well, these same factors, that is, the economic conditions applied to these two railroads the Senator has mentioned, the Chesapeake and Ohio and the Norfolk and Western—let us see, is the Baltimore and Ohio in that?

Mr. WEICKER. Part of the C. & O.

Mr. ALLEN. Part of the C. & O.

Mr. WEICKER. Yes.

Mr. ALLEN. Did not the same economic factors exist with respect to these healthy railroads that existed with respect to the bankrupt roads?

Mr. WEICKER. Well, I think, sure. The ICC, that would be something common to all of the railroads. The inattention of Congress, that would be common to all the railroads. The negative effect of the highway trust fund, that would be common to all the railroads.

But, then, I suggest there are specific things that clearly differentiate the railroads. Management would be one. I would doubt the Norfolk & Western and the C. & O., traditionally well-managed railroads, I doubt they would go ahead and sustain those kinds of losses and then order those kinds of dividends paid their stockholders.

So, there would be a clear difference between the railroads.

Also, the shift of business that I mentioned from the original committee report, that very definitely shifted more into the territory served by the C. & O. and by the Norfolk & Western, so that there are some of these matters, yes, common to all, but I think very significant ones that accelerated the plight of Penn Central.

And as I have warned my good friend and distinguished colleague from Alabama, I issue a little word of warning here, if things continue the way they are going, 10 years from now we can be standing here making the same pitch on behalf of these railroads, the C. & O., the Southern, and so forth.

Mr. ALLEN. Another railroad that has survived down south in the State of Florida, I believe, is the Florida East Coast Railroad. The employees of that railroad are on strike. I do not know if they have settled it now or not, but they were on strike for a decade or more, yet with that tremendous burden on the railroad they managed to stay afloat and to make money.

It is a matter of great concern to the Senator from Alabama why these roads in the rich area that they serve cannot make a go of it. It is just a mystery to the Senator from Alabama, and I am just wondering to what extent this condition has been explored by the appropriate committees in the Senate.

As a starter, I might ask the distinguished Senator from Connecticut how many days of hearings were held with respect to S. 281, which involves $285 million and which is setting this country on the course of spending, as estimated by the distinguished Senator from Indiana (Mr. HARTKE) and as upped by the distinguished Senator from Connecticut, which would cost this country some $5 billion. How many hearings were held?

Mr. WEICKER. The hearings on this specific addenda, and that is the best way to describe it, to the original bill were one day of hearings held on the 22d of January, a copy of which I certainly can make available to the distinguished Senator from Alabama.

The matter also was discussed at length at an executive session of the Commerce Committee, which I attended.

But to answer the distinguished Senator's question, one day of hearings and several hours of discussion within the Commerce Committee itself in executive session.

Mr. ALLEN. Well, from what group were the witnesses drawn, may I inquire?

Mr. WEICKER. Those making statements at the hearing, and this does not include those that have made written representations to the committee, were: The Honorable John Barnum, Deputy Secretary of Transportation; Mr. Hall, Acting Administrator of the Federal Railroad Administration; Mr. Eyster, General Counsel of the Department of Transportation; Robert W. Blanchette, trustee, Penn Central Transportation Co., accompanied by: John McArthur, trustee; Jervis Langdon, Jr., president and chief officer; Paul R. Duke, general counsel; and Charles Howsky, Esq., Covington & Burling, Washington, D.C.; and Ernest Varalli, assistant vice president of Penn Central Transportation Co.

Ralph S. Tyler, Jr. and Thomas F. Patton, trustees, Erie Lackawanna Co.; accompanied by: Gregory W. Maxwell, president, Erie Lackawanna Co.; John L. Altieri, counsel; and Harry Silleck, counsel.

Mr. ALLEN. That is a large number of names. If all those were able to testify in a day's time, it would seem they were not questioned in depth.

Mr. WEICKER. Either that or they were not Senators and did not talk so much.

I think, in fairness, what we have to do is place that hearing in context with all the other hearings that were held on this matter. Again I repeat, because I know the distinguished Senator from Alabama is going to be here, and rightfully and properly so, when another request comes forward I imagine it will probably be a day or so. This is part of a continuing story.

Mr. ALLEN. That is what disturbs the Senator from Alabama.

Mr. WEICKER. And it disturbs the Senator from Connecticut. I have assured, as indeed has the distinguished Senator from Indiana, this was unlikely when we first got into this, and there was no entity at the end of the line which eventually was going to stop the type of business we are engaged in here. Fine. Then I can understand that type of criticism. But I think it is also fair to say we have tried to construct the shape of the future in a way directly opposite to what it is that we are hearing about today. I would agree that for $250 million, one day of hearings would hardly be adequate. But as part of an overall set of hearings and discussions, I think that is the framework which has to be considered.

Mr. ALLEN. I would like to ask the distinguished Senator——

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

Mr. WEICKER. I yield.

Mr. MAGNUSON. We should look at this as a whole. When we talk about hearings, I do not know of anything that has taken up more time in the Commerce Committee, with all the things we have to do, than this Penn Central matter.

I believe we have heard from everybody we can think of—railroads, consumer groups, trustees, judges. I bet this has taken more time—double or triple the time—in the past 2 years than any bill we have had in the Senate Commerce Committee. We expected they were going to come back here. We did expect that. But we were hoping that maybe they would not come back for so much. It is part of a whole package. I know people say, "What are you throwing more money down a rathole for?" But we are not doing that. We do have a plan. The plan is under law. It has started to take effect. What we are doing is trying to keep them moving until, hopefully, this plan will start to work.

Is that about the story?

Mr. WEICKER. The distinguished Senator from Washington has summarized it well.

Mr. MAGNUSON. The chairman of the committee, from the State of Washington, would like nothing better than to forget about the Northeast railroad problem.

Mr. ALLEN. I am sure that is true.

Mr. MAGNUSON. I have other problems. But this is the thing we have to do, and this is the only thing we could come up with now. I hope we can get a vote on it one way or another. It has to go to the House.

I do not want to see these people out of work, but they claim they are going to be out of work.

I must say to the Senator from Alabama I have heard that story every once in a while, too, and somehow it went on and on. But I believe we have reached the point now where this is the only way we can keep it moving.

Mr. WEICKER. I believe the distinguished Senator is very correct. One thing which has been pointed out in the colloquy between the distinguished Senator from Alabama and myself might well be worth looking at. That is that maybe it is that we should find out whether there is anything that should be done now relative to the healthy railroads so that we do not end up with them 10 years from now also. This is also something that we should consider. We should find out what do they predict as to their future; what is the trend of their profits? Many of the healthy ones even now are deferring maintenance. What is going to happen down the road? It seems to me I would rather spend a little bit of money, a little bit of assistance, in some way, to keep them in the hands of private enterprise and out of the responsibility of the taxpayers. As I have indicated here, as healthy as some of these are, I bet none of them would guarantee that they are going to be in that condition 10 years from now. It is a lot cheaper to look at them now than 10 years from now.

Mr. ALLEN. I thank the distinguished Senator. I imagine these so-called healthy roads would much prefer the long arm of the Federal Government not to reach out and draw them into this combine. I believe they would rather go it alone.

There is an area I would like to pursue a little bit. In these reorganization proceedings, I believe some of the bondholders were given stock in this new company. Could the Senator give us some idea of how much bonded indebtedness of these railroads was converted over to what we might call equity capital; that is, stock? What was the fate of the bondholders?

Mr. WEICKER. Since entering into reorganization in 1970, all of this has been frozen by order of the court. None has been converted into an equity position. It was frozen.

Mr. ALLEN. What is contemplated as being the ultimate fate of the bond-

holders? Is the Government going to pay them off? I was under the impression there had been some conversion of bonded debt over into equity capital in some areas.

Mr. WEICKER. Of course, this is the responsibility of the trustee. That is exactly what he is there for. I do not know what they are going to end up with. But I do know this, which I think is of concern to the Senator from Alabama: Nothing that we do here today is going to be included in that which reverts to these bondholders. In other words, this eventual entity which will come into existence, Conrail, will be priced prior to this money going into it. This is not money, in other words, which will accrue to the present bondholders.

Mr. ALLEN. One instance of lack of good business judgment, which came to light when we passed this bill in 1973, was that provision was made with the employees that if any of them lost their job as a result of this so-called merger, if they had worked for any of the railroads for as long as 5 years, they would carry on at their regular compensation, full compensation, until they became 65 years of age. That would have enabled a young man 20 years of ago going to work for a railroad to work 5 years and then, losing his job as a result of the merger, to carry on at his salary from age 25 to age 65. He would be on more or less of a pension for 40 years' time.

It was also provided, as the Senator from Alabama recalls, that if those in his class received wage increases, that this man, on retirement would receive the same wage increase, that he would get up to the same level. If he exerted a little initiative and went out and got a job somewhere else during this time, as I understand from what the Senator from Indiana said last night, it would relieve the roads or the Federal Treasury of only half of this compensation. That protected employees up to $30,000. So if a man was working for $30,000 and he lost his job as a result of the merger, he would get $30,000 from the railroads until he became 65; and if he got out and secured a $30,000 job he would still get half. Only $15,000 would be charged against what he was drawing. Nonbusinesslike agreements such as that have resulted in the plight of these railroads.

I feel that we are freezing in bad management. We are freezing in the very conditions that brought these companies to bankruptcy. The new company that is going to be operating—I do not know whether one would call it a Government operation or what, but it is a quasi-public body, certainly—would not operate the railroad any better than the former management, in the view of the Senator from Alabama.

I believe that we should stop these subsidizations right now. I feel that the further bailout of these bankrupt railroads, these railroads that have not been able to make it—the further subsidization by the taxpayers—should be stopped. I plan to vote against the bill.

I might say to the distinguished Senator from Washington that a time has been set for voting, so there will be a vote no later than 4:30.

Mr. MAGNUSON. Mr. President, I want to clear up for the record the story I have listened to about a 20-year-old man being paid until he is 65.

Mr. ALLEN. Twenty-five. He would have to work for 5 years.

Mr. MAGNUSON. Let me finish.

In the first place, the bill requires that furloughed employees must be rehired. As to a 20-year-old, I doubt, with thousands of employees on the railroad, that a 20-year-old could get a job any place, it is so tight. It would be the rarest of the rarest occasions. But suppose he could. Because of attrition, he would be back at work in 6 years at the most; and if he does not accept the job, he is no longer entitled to any payment. That is the law. That was worked out.

So the possibility of this extreme example of a 20-year-old going down and getting a job on the railroad and then saying, "I got laid off, and until I am 65, I can sit there," is impossible. If that were to happen, I would eat this bill.

Mr. ALLEN. The Senator is talking about what might happen or what would happen.

Mr. MAGNUSON. That is Alice in Wonderland.

Mr. ALLEN. Does the Senator concede that that is correct?

Mr. MAGNUSON. He has to be rehired.

Mr. ALLEN. I understand all that. Suppose he was not. Would not the compensation continue?

Mr. MAGNUSON. No. He has to be rehired. His compensation would not continue.

Mr. ALLEN. But there is no guarantee that he would be rehired.

Mr. MAGNUSON. The minute a person retires—I do not know what he would be—if he should happen to be in there when a person retires, they have to ask him to take this job; and if he does not take it, he is out.

Mr. ALLEN. I understand all that. That is not at variance with what the Senator from Alabama said.

Mr. MAGNUSON. The Senator from Alabama is talking about an extreme. It would not happen at all.

Mr. ALLEN. It could happen.

Mr. MAGNUSON. A lot of things could happen.

Mr. WEICKER. Mr. President, this is what was known, when we attended law school, as the fertile octogenarian type of theory. [Laughter].

I yield to the distinguished Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. WILLIAMS). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment on page 10, beginning with line 10—

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 10, beginning with line 10 strike out section 6 of the committee amendment and substitute in lieu thereof the following language:

Section 6: Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by inserting immediately after the third sentence the following: "This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities, but in no event shall such compensation exceed $90,000 per annum."

Mr. JOHNSTON. Mr. President, under section 6 of the bill, the lid is taken off executive compensation in Amtrak, in the Rail Passenger Service Act. This means that we would probably revert to the former practice applicable in 1970, when Amtrak was created, of an executive compensation in the $100,000 range.

In 1972, this act was amended to put a cap on executive compensation of $60,000, executive level 1, the same level that Cabinet members now receive.

In December of 1974, the Senate passed—the House did not concur in it, for whatever reason—essentially this section, which allows the chief executive officer of Amtrak to receive a salary of $85,000. That is for a particular purpose, and that is to get a top, qualified executive, one who I understand is now available, who will come for $85,000, for a short period of time, and attempt to bail out and to infuse some vitality into the management of Amtrak.

The amendment adopted in December of this year, I think, is sufficient to take care of this problem—that is, to allow the hiring of that one official, that one executive. We have upped it from $85,000 to $90,000 in this amendment and made it clear that it applies to only one executive.

The reason for this amendment is not that I fear that this executive officer would not be worth his salt, at whatever we are going to pay him, but because of the general need of the Senate and Congress as a whole to address itself to what I see is an all-important question of compensation for Government employees.

Amtrak is not the only Government agency which has a problem of executive compensation. We have the FDIC which limits its executives to $38,000, the TVA to $40,000, Eximbank to $40,000, U.S. Railway Association to $60,000, Overseas Private Investment Corporation to $40,000, U.S. Postal Service to $60,000.

It is a crazy quilt of authorities and of limitations, one that shows no clear thread, one that does not show the considered judgment of Congress on the question of executive compensation.

What I am attempting to do by this amendment is to put a temporary bandaid on this problem, relieve the pressure for Amtrak, by allowing them to hire this one executive at $90,000, to take care of this management problem, but to defer the larger question of executive compensation through the rest of Amtrak and through the rest of these Government agencies—and, indeed, all Government employees—to a full hearing and a full

consideration of Congress. I think this kind of consideration is long overdue.

It should not be the policy of Congress, by this kind of amendment, not considered by Congress, to allow Amtrak officials to receive salaries in excess of $100,000, and all through the executive ranks, while holding Eximbank employees to $40,000, holding the employees of these other Government agencies, such as the FDIC, down to the $40,000 range—$40,000 and below.

If I had my way, Mr. President, if we really put in the amendment which I think ought to be put in, I would hold the Amtrak executives to the same level applicable throughout Government—not, again, because I do not think they deserve it, but because we need to consider it in a larger context. We need to consider executive compensation, not just for Amtrak, but for every governmental agency to which the problem of executive compensation addresses itself. We are long overdue in that kind of consideration.

I hope that this temporary bandaid will be accepted to allow the pressure to be taken off, to get this one official and, hopefully, to give some kind of impetus to a more full consideration, a more complete consideration, by Congress of executive compensation in the Government as a whole.

Mr. WEICKER. I thank the distinguished Senator from Louisiana. I have conferred on this matter with the distinguished chairman of the committee. I do wish to point out, however, in order to clarify the words of his amendment, aside from those he has just spoken, that this does not set the salary at $90,000. It says that the salary shall not exceed $90,000.

Mr. JOHNSTON. That is correct.

Mr. HUMPHREY. Mr. President, what is that about a salary at $90,000?

Mr. WEICKER. This relates to the amendment specifically introduced by the distinguished Senator from Louisiana, which reads, relative to Amtrak—

> This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities; but in no event shall such compensation exceed $90,000 per annum.

Mr. HUMPHREY. I do not want to take much time on that amendment. Let me say that this just focuses attention on disparities in compensation. Here is the Secretary of Transportation, who I think does a whole lot more than the manager of the broken-down Penn Central Railroad, that has one capacity, to be bankrupt and to come in here year after year to ask for more money for a big bailout. We are going to give them up to $90,000 to come back another year. Yet, we have judges on our courts who are leaving the courts because they cannot afford to stay on the court unless they have an outside income.

It seems to me that the time is at hand for the American public to understand that there are people, even in Government service—and I am not speaking now of Senators; we have our own problems—there are people in Government service today who are taking on a big responsibility. The Secretary of Transportation will get much less than the head of a railroad—one railroad. He is going to get much less than someone running a bus company. We justify this in the name of what we call getting competent people for industry. Well, I think if we need competent people, we need them in Government, as well.

Mr. JOHNSTON. If the Senator will yield, I could not agree more. What this amendment is doing is putting a cap on it at $90,000, because without this amendment, there would be no cap at all and it could go over $100,000.

Mr. HUMPHREY. I think the Senator's amendment has a salutary effect. I only rise to point out what I consider to be an incongruity here and a paradoxical situation. Here we have a railroad that comes into this Congress and says, "Look, we have failed. We are losing money faster than you can print it," even though they have the most populous part of the United States.

If they cannot make money on the eastern seaboard, how would they expect to make money in the Middle West? We have railroads out that way that do make some money. They run quite well. I do not know what their compensation is, and I am not complaining about it being too much, because at least they are making some money and they are a profitable enterprise. But Penn Central has a record of coming to the Congress of the United States for assistance time after time, and each time it comes asking for just a little bit more. Then we say that they have to get not more than $90,000, which I want to say is much better than just leaving the gate wide open. But I do think people should know that in the instance of railroading, whether it is Penn Central or Amtrak or whatever it may be, it is only a part of the total picture.

We have here the Amtrak situation and they, too, are losing money. It seems to me that what we should be paying somebody for is to make some money.

I think the whole railroad system of this country needs renovation. I think we need to take a big look at it rather than a piecemeal look at it.

I appreciate that we need railroad services; in fact, we need them more than any other thing right now in terms of our transportation system. And I know that we need Amtrak. In fact, I would like to get Amtrak to go from Minneapolis to Duluth, Minn. But if people are not on the eastern seaboard, they do not want to talk to them about where the train ought to go.

This is a fact. They get the attention here. We have lousy railroad services by Amtrak in the Midwest. We need better service than we are getting.

So what do we have? We have Penn Central come in on the one hand. They come in to ask for bailouts. Amtrak comes in and it has a deficit—this is Amtrak. And we are going to say that the man in charge of passenger service on Amtrak—is that the chief executive officer?

Mr. JOHNSTON. Originally it was chief executive, but I have changed that to one employee because of the difficulty of his designation. But he will be the chief executive officer.

Mr. HUMPHREY. How many are included that can only get $90,000 a year?

Mr. JOHNSTON. Only one man.

Mr. HUMPHREY. How much money did Amtrak lose last year? Can somebody tell me?

Mr. JOHNSTON. I think——

Mr. MAGNUSON. Amtrak lost about $150 million last year. By the way, I am for the line to Duluth.

Mr. HUMPHREY. I thank the chairman.

Mr. MAGNUSON. We have to figure out whether we are going to lose more money by putting a line to Duluth.

Mr. HUMPHREY. We do not think so.

Mr. MAGNUSON. I know that the people of Twin Cities-Duluth do not think so. I have a couple out in my State. But they have to start out with these lines that pay; otherwise, we are going to have to subsidize, they like the mail service.

Now, talking about salaries, we are trying to get Penn Central and Amtrak back on the track, to coin a term. We figure that we have to get people who know a little bit about this business. We think a good executive in that position could save $10 or $15 million. Penn Central is in trouble because, as one of the main reasons, of bad management.

Mr. HUMPHREY. Correct.

Mr. MAGNUSON. So we are trying to get somebody.

Now, I am not too concerned with whether it is $80,000 or $90,000, because when it gets above $60,000, the Government is taking half of it back anyway, are they not?

Mr. HUMPHREY. About. But they have very good methods when they are in business. When they are in business, they can charge off an awful lot of stuff for what they call business expense.

Mr. MAGNUSON. Well, they cannot do that. Our friend, the president of Burlington Northern, I guess, makes $170,000.

Mr. HUMPHREY. And runs a good railroad.

Mr. MAGNUSON. All right. We are trying to get a good railroad here.

Mr. HUMPHREY. I would like to give him a flat salary of about $60,000 and then give him a bonus on all he makes above it. We do that in merchandising. I know, for example, we frequently give a manager of a store a certain amount and if he makes money above it, we give him a little spiff, as we call it, a little extra.

Mr. MAGNUSON. Now, I do not know what would happen if we had that. If I had nothing else to do, I would take a job for expenses, and I would make myself $10 million a year.

Mr. HUMPHREY. Senator, I was going to get to that. The expense account is just a delight.

Mr. MAGNUSON. The big reason a railroad president takes one of these jobs, or any business, is the stock options. There are no stock options involved here.

We are trying to get somebody who is competent to run it and we are moving slowly. But I think a good executive—let us say on Amtrak—could knock that amount down by himself.

Mr. HUMPHREY. What is the present salary in this instance, may I ask?

Mr. MAGNUSON. It is $60,000 now.

Mr. HUMPHREY. Well, my point in rising was——

Mr. MAGNUSON. Plus deferred compensation. I do not think this makes much difference. We are talking in hundreds of millions of dollars here and whether the fellow gets $40,000 or $60,000 or $90,000 seems less significant if he can cut those huge losses; if we give him $100,000, he is getting $50,000, actually.

Mr. HUMPHREY. The reason I brought this up is that I think the time has come where we are going to have to take a look not only at the salary of Amtrak for good management, but I could not help but think, as the Senator spoke of not more than $90,000 for the salary of Mr. Amtrak, that we have the Secretary of Transportation over here, and we need a good man in that position, who gets considerably less. I am not saying he earns more, but he gets considerably less. And we have other officers of Government who handle these things, who have more responsibilities.

My only point in rising was that when I heard that figure, $90,000, knowing how much money the railroads lose, I could not resist getting up and asking, "Now, wait a minute, is there not some system whereby we could work out more equity in the pay scales?" We have the Secretary of Transportation over here; what does he get, as a Cabinet officer?

Mr. JOHNSTON. $60,000.

Mr. HUMPHREY. $60,000; and here we have the Director of Amtrak getting $90,000.

Mr. MAGNUSON. Well, the Senator from Minnesota knows that the reason these people take these jobs down here is that they like the power and glory of being Secretary.

Mr. HUMPHREY. Well, it is certainly a misconception, I can tell them that.

Mr. MAGNUSON. On Amtrak, he is not going to have any of that. I can tell you, he will have nothing but grubbing, and it means nothing to him. The Senator and I have seen people who took Cabinet offices and secretaryships and things like that for less than one-fifth of what they had made.

Mr. HUMPHREY. Or less.

Mr. MAGNUSON. In fact, there are a few Senators who could make more money on the outside, but they do not want to give up that title of Senator. That means a lot.

Mr. JOHNSTON. Mr. President, if the Senator will yield——

Mr. MAGNUSON. This guy has to be a grubber and a worker. He has to get down on the tracks. I would not be surprised to see him with one of those railroad ties, carrying it out there.

Mr. HUMPHREY. I must say that after the Senator from Washington has explained to me what kind of man they are going to get, I feel reassured. I thank the Senator very much for yielding; I think there was a point to be made on what we call comparability of compensation.

Mr. JOHNSTON. If the Senator will yield, I appreciate his contribution. I hope this will help us in some small way on the dialog on executive compensation. Many of the people of my State feel that you get what you pay for in government, and they are thinking particularly about the small senatorial salaries as they make that statement.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, certain questions have arisen concerning the technical amendment adopted yesterday where the words "railroad facilities and equipment" were deleted and the words "rail properties" were inserted. The question appears to be whether this use of the word "rail properties" has the same meaning as the term is defined in section 102(10) of the original Regional Rail Reorganization Act. It is intended that the meaning is the same.

A second question concerns the scope of the amended section 215 of the act. Apparently in the complex financing structure of railroads there are a number of instances in which railroad properties such as yards, terminals and lines of railroads are under lease to railroads in reorganization. In some instances the trustees of the railroad in reorganization have options of limited duration to purchase the property under lease. The trustees may not presently have resources to enable them to exercise these options even where it would be in the interest of the railroads to do so. Therefore, the question arises whether this amendment would permit the Secretary, with USRA approval to make payments for the purpose of enabling trustees of railroads in reorganization to exercise options to purchase profitably leased rail properties, with, if appropriate, the underlying fee interest. Section 215 is clearly broad enough to allow the Secretary, with USRA approval, to approve such payments.

Mr. SCHWEIKER. Mr. President, I would like to urge my colleagues to support the amendments to the Regional Rail Reorganization Act, which are being considered today, to assure the continuation of rail services essential to the economic viability of not only the Northeast, but of many other regions in the Nation as well.

This bill would authorize $275 million in additional funds under sections 213 and 215 of the Regional Reorganization Act. A large part of these funds will be used for Penn Central; a railroad hard-hit not only by rising fuel costs, but also by the reduction of freight being hauled because of the recession and the coal strike. The Regional Rail Reorganization Act of 1973, designed to restructure the bankrupt railroads of the Northeast and Midwest into an efficient rail system, failed to take into account the emergency situation which has arisen in our economy, and the funds being considered today will serve to prevent the termination of service until the Consolidated Rail Corporation can take over the reorganized system, as provided for in the Regional Rail Reorganization Act of 1973. During this period of critical economic problems, a complete shut-down of the Penn Central would mean increased plant closings and industrial cut-backs leading to skyrocketing unemployment figures.

Railroads are clearly an essential factor in a region's ability to compete in economic development. If we take away a suitable railroad system from an area, we are, in effect, deciding that the area will not be permitted to compete and survive economically. The implications of such a decision could be devastating. It is vital that these funds be approved to avert economic collapse not only in Pennsylvania but throughout the country.

Mr. BUCKLEY. Mr. President, once more it is necessary to provide additional funds to prevent major railroads in the Northeast and Midwest from ceasing operations. It cannot be denied that bad management has contributed heavily to the present state of affairs. Yet to point out the obvious shortcomings of railroad management is not the same as relieving the Government of its major share of the responsibility for the railroads' troubles. Government intervention created the atmosphere in which managerial incompetence could flourish.

The backbone of our free enterprise system is competition. Such competition between and within modes of transportation is desirable and should be encouraged. But the Interstate Commerce Commission's interference, resistance to rate increases, and resistance to innovation completely thwarted the railroads' attempts to compete. The Federal Government poured billions into fostering overwhelming competition for the railroads through subsidization of the national highway system and the airway system and supporting the inland waterways with $250 million annually. The railroads not only could not compete, but were in effect limited to freight and passengers that other transportation systems did not find expeditious to carry.

There is, Mr. President, irony in the fact that it has become very popular in recent months to view rail transportation as the most efficient and economical transportation available in terms of cost and energy. Most environmentalists assess railroads as the only logical means of satisfying transportation needs while achieving air quality goals.

Those concerned with national security look to railroads as the only transportation capable of coping with massive freight movements in times of national crises. The energy crisis has alerted the public to the majestic powers of the locomotive in comparison to the fuel-consuming diesel tractor trucks. Increased dependence on our abundant coal resources for energy needs has handicapped the need for a healthy system of rail transportation. It is, as I said, ironic, that at the very time it has become clear that rail transportation is crucial to the survival of this Nation, there is a threat that a major portion of the rail service in the Northest might collapse. This crisis, like so many others,

is not due to Government neglect, because the Northeast railroads could have survived neglect, but to incentive-stifling Government involvement over a period of years.

Through the sixties the U.S. Post Office systematically diverted mail away from passenger trains to the airways and other means. The result of such a policy was that by 1968 the Penn Central's annual revenues were reduced by $32 million. Penn Central attempted to absorb 1,000 mailhandlers rather than spend the required $14 million to pay them off but the U.S. Government did not accept any responsibility for hardship it imposed by its actions. It was not the first or last time the Federal Government would refuse to face squarely the accumulating labor problem of the railroads. The Penn Central was further saddled with millions of dollars worth of useless mailhandling equipment. To add to the dilemma, the Interstate Commerce Commission refused to approve any reduction in the scheduled passenger trains which became unprofitable without the sustaining mail revenues.

Under the guise of protecting the public interest, the ICC studied the feasibility of the Penn Central merger for 5 years, finally giving approval contingent on the inclusion of the bankrupt New York, New Haven, and Hartford in the plan. The New Haven had lost $22 million the previous year even though taxes and credits were suspended under bankruptcy laws. Another $22 million expenditure was forced on the Penn Central because the New Haven's equipment was badly in need of repair. This ultimatum from the ICC not only drastically weakened the possibility of the Penn Central merger producing a viable railroad but was the main contributing factor to the bankruptcy of the Lehigh & Hudson River Railroad, a well-managed class II railroad that was not encumbered with any mortgages or bonded indebtedness.

The inclusion of the New Haven in the merger made it economically expedient for the Penn Central to divert freight traffic to the New Haven Railroad through the congested terminals of New York City and away from the Lehigh & Hudson's efficient and inexpensive bypass to the metropolitan area.

ICC has delayed decisions on rate increases for at least a year and often longer. The railroads were accustomed to governmental obstruction when seeking increases, but when innovation offered opportunities to reduce rates or increase efficiency, the ICC was even slower to agree. The Southern Railway developed a taller freight car designed to carry larger amounts of grain more cheaply. Final approval from FCC was withheld for 4 years. This bureaucratic sluggishness has made it virtually impossible for railroads to cope with working costs and competition.

Thus, there is overwhelming evidence that makes it clear that Government bureaucracy and intervention sapped the strength of the railroads with the very tools which were enacted to protect the public interest. The potential calamity we are attempting to avoid with the legislation now under consideration can be traced ultimately to unwarranted Government interference.

Solutions are forthcoming. The Regional Rail Reorganization Act of 1973 is in the process of coming to grips with the root causes which sent eight railroads into bankruptcy. The U.S. Railway Association will be presenting their recommendations for a final system plan on February 26. Additional proposals are under consideration that will permit Conrail to operate at a profit and finally take its place as a free, privately owned member of the business community. Mr. President, I am dedicated to the premise that the railroad business, like any other business, must be free to function like a business.

The evidence is clear, however, that by February 24, the Penn Central will be forced to cease its operations. The final blows to the acute deterioration of Penn Central's cash balance were the sharp decline in the economy and the coal strike in the fall of 1974. The Penn Central will be unable to meet a $14 million payroll which falls due February 25, 27, and 28. By that time, all grant moneys under section 213 of the Rail Reorganization Act of 1973 will have been exhausted. For the same reasons, Erie Lackawanna has abandoned its efforts to reorganize outside of the Rail Reorganization Act.

It staggers the imagination to contemplate the chaos that would result should the Penn Central and the Erie Lackawanna cease operations. The predicament facing thousands of farmers and commercial and industrial firms in New York that are dependent on shipments by rail is equally great. The "domino effect" would jeopardize many firms and farmers throughout the Nation as well as leave many profitable railroads stranded. Stoppage of shipments of coal to powerplants would cause whole communities to be without electricity. Food supplies for all the major cities in New York would be jeopardized. The money required to cope with health and safety emergencies would far exceed the moneys being requested today.

The problem would not be limited to the States serviced by these rail lines. Southern and western States would be unable to efficiently and economically move their goods to the profitable markets of the Northeast. There are not enough motor and water vehicles in existence to fill the void.

If the Penn Central and the Erie Lackawanna are to have a chance to survive, they must be assured of an adequate source of capital. Unless confidence is restored in the financial viability of these railroads, private investments in all railroads will be totally discouraged.

Mr. President, I urge that my colleagues approve these amendments so that the opportunity to establish for profit railroads in the Midwest and Northeast is not lost.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have a statement by the Senator from Delaware (Mr. BIDEN) printed in the RECORD.

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

STATEMENT OF SENATOR BIDEN

HELP FOR THE RAILROADS IN THE NORTHEAST

I support the proposed amendments to S. 281, recommended by the Committee on Commerce.

The trustees of both the Penn Central Transportation Company and the Erie Lackawanna Railroad have indicated that they would be compelled to terminate operations if additional Federal assistance is not provided by the last week in February.

The Penn Central which serves the State of Delaware has informed me that it will be unable to meet its $14 million payroll which falls due on February 25, 27 and 28, since by that time the funds provided by section 213 of the Rail Reorganization Act of 1973 will be completely expended.

During the week of February 10–14, shippers will be notified that future freight deliveries will not be accepted. No later than February 22–24 all Penn Central operations, both freight and passenger, will terminate. This would mean that 20,000 miles of Penn Central line would be shut down.

I am most disturbed by the use of the term "bail out" by both opponents and proponents of this bill. We're not bailing out the Penn Central or anyone else. We're considering legislation to prevent economic catastrophe from falling upon the regions served by these railroads and the country as a whole.

Indeed, we are considering legislation to preserve us from the imaginary horrible, an economic nightmare that none of us could conjure on our most restless nights.

The State of Delaware and other affected States will have the present recession transcended into a major depression without rail service.

At a time when Congress and the administration are proposing public employment programs and tax rebates and other measures to put people back to work, I find it incredible that anyone questions whether or not this Government should provide the funds to keep these railroads from shutting down and thereby preempting any chance that we may have to restore economic order.

Mr. ALLEN. Mr. President, unless someone else wishes to speak against the bill, I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 281) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER (Mr. HELMS). The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from Indiana (Mr. BAYH) and the Senator from Indiana (Mr. HARTKE) are absent on official business.

I also announce that the Senator from

Vermont (Mr. LEAHY), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Delaware (Mr. BIDEN) are absent because of illness.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE) and the Senator from Delaware (Mr. BIDEN) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Kansas (Mr. DOLE), the Senator from Kansas (Mr. PEARSON), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Idaho (Mr. MCCLURE) and the Senator from Vermont (Mr. STAFFORD) are absent on official business.

The result was announced—yeas 59, nays 27, as follows:

[Rollcall Vote No. 5 Leg.]

YEAS—59

Abourezk	Hatfield	Muskie
Baker	Hathaway	Nelson
Beall	Hollings	Pastore
Bentsen	Hruska	Pell
Buckley	Huddleston	Percy
Case	Humphrey	Randolph
Clark	Inouye	Ribicoff
Cranston	Jackson	Roth
Culver	Javits	Schweiker
Domenici	Johnston	Scott, Hugh
Eagleton	Kennedy	Sparkman
Eastland	Long	Stevens
Fong	Magnuson	Stevenson
Ford	Mathias	Symington
Glenn	McClellan	Tower
Gravel	McGee	Tunney
Griffin	McGovern	Weicker
Hart, Gary W.	Metcalf	Williams
Hart, Philip A.	Mondale	Young
Haskell	Moss	

NAYS—27

Allen	Church	Nunn
Bartlett	Curtis	Packwood
Bellmon	Fannin	Proxmire
Brock	Garn	Scott,
Burdick	Goldwater	William L.
Byrd,	Hansen	Stennis
Harry F., Jr.	Helms	Stone
Byrd, Robert C.	Laxalt	Talmadge
Cannon	Mansfield	Thurmond
Chiles	Morgan	

NOT VOTING—13

Bayh	Hartke	Pearson
Biden	Leahy	Stafford
Brooke	McClure	Taft
Bumpers	McIntyre	
Dole	Montoya	

So the bill (S. 281) was passed as follows:

S. 281

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 "Regional Rail Reorganization Act Amendments of 1975".

SEC. 2. (a) Section 211(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(a)) is amended by deleting the phrase "for purposes of assisting in the implementation of the final system plan;" and inserting in its place "for purposes of achieving the goals of this Act;".

(b) Section 211(e)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721 (e)(1)) is amended by deleting the phrase "carry out the final system plan" and inserting in its place "achieve the goals of this Act".

(c) Section 211(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721 (f)) is amended by deleting the phrase "goals of the final system plan" and inserting in its place "goals of this Act".

SEC. 3. (a) Section 213(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723(a)) is amended by adding the following at the end thereof: "Where the Secretary and the trustees agree that funds provided pursuant to this section are to be used (together with funds provided pursuant to section 215 of this Act, if any) to perform program maintenance on designated rail properties until the date such rail properties are conveyed under this Act or to improve such designated properties, such agreement shall contain the conditions set forth in section 215(b) of this Act.".

(b) Section 213(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 723 (b)) is amended by striking out "$85,000,000" and inserting in lieu thereof "$210,000,000".

SEC. 4. Section 215 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 725) is amended to read as follows:

"INTERIM AGREEMENTS

"SEC. 25. (a) PURPOSES.—Prior to the date upon which rail properties are conveyed to the Corporation under this Act, the Secretary, with the approval of the Association, is authorized to enter into agreements with the trustees of the railroads in reorganization in the region (or railroads leased, operated, or controlled by railroads in reorganization)—

"(1) to perform the program maintenance on designated rail properties of such railroads until the date such rail properties are conveyed under this Act;

"(2) to improve rail properties of such railroads; and

"(3) to acquire rail properties for lease or loan to any such railroads until the date such rail properties are conveyed under this Act, and subsequently for conveyance pursuant to the final system plan, or to acquire interests in such rail properties owned by or leased to any such railroads or in purchase money obligations therefor.

"(b) CONDITIONS.—Agreements pursuant to subsection (a) of this section shall contain such reasonable terms and conditions as the Secretary may prescribe. In addition, agreements under paragraphs (1) and (2) of subsection (a) of this section shall provide that—

"(1) the Corporation shall not be required under title III of this Act to compensate a railroad in reorganization for any portion of the value of the properties subject to the agreement and designated under the final system plan for transfer to the Corporation which is attributable to the maintenance or improvement performed pursuant to the agreement. The Association and the special court shall, in determining value pursuant to section 303 of this Act, take into account the physical condition as of the effective date of the agreement; and

"(2) in the event that property subject to the agreement is sold, leased, or transferred to an entity other than the Corporation, the trustees or railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects value attributable to the maintenance and improvement provided pursuant to the agreement.

"(c) OBLIGATIONS.—Notwithstanding section 210(b) of this title, the Association shall issue obligations under section 210(a) of this title in an amount sufficient to finance such agreements and shall require the Corporation to assume any such obligations. The aggregate amount of obligations issued under this section and outstanding at any one time shall not exceed $300,000,000. The Association, with the approval of the Secretary, shall designate in the final system plan that portion of such obligations issued or to be issued which shall be refinanced and the terms thereof, and that portion from which the Corporation shall be released of its obligations.

"(d) CONVEYANCE.—The Secretary may convey to the Corporation, with or without receipt of consideration, any property or interests acquired by, transferred to, or otherwise held by the Secretary pursuant to this section or section 213 of this Act.".

"SEC. 5. Section 303(c)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(c)(1)) is amended by deleting the last word of paragraph (A); by deleting the period at the end of paragraph (B) and inserting "; and" in its place; and by inserting after paragraph (B) the following new paragraph:

"(C) what portion of the proceeds received by a railroad in reorganization from an entity other than the Corporation for the sale, lease, or transfer of property subject to an agreement under section 213 or section 215(a) (1) or (2) of this Act reflects value attributable to the maintenance or improvement provided pursuant to the agreement.".

SEC. 6. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)) is amended by inserting immediately after the third sentence the following: "This limitation upon compensation shall not apply, however, in the event the Board determines with respect to one position that a higher level of compensation is necessary and is consistent with the general level of compensation paid officers of railroads in positions of comparable responsibilities, but in no event shall such compensation exceed $90,000 per annum.".

SEC. 7. (a) Section 207(b) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 717(b)) is amended (1) by inserting "(1)" immediately before the first sentence thereof, and (2) by adding at the end thereof the following new paragraph:

"(2) Whenever it has been finally determined pursuant to the procedures of paragraph 1 of this subsection, that the reorganization of a railroad subject to reorganization under section 77 of the Bankruptcy Act (11 U.S.C. 205) shall not be proceeded with pursuant to this Act, the court having jurisdiction over such railroad may, upon a petition which is filed within 10 days after the date of enactment of this subsection by the trustees of such railroad, reconsider such order. Such reorganization court shall (i) affirm its previous order or (ii) issue an order that the reorganization of such railroad be proceeded with pursuant to this Act unless it finds that this Act does not provide a process which would be fair and equitable. The provisions of paragraph (1) of this subsection are applicable in such reconsideration, except that (A) such reorganization court shall make its decision within 30 days after such petition is filed, and (B) any decision by the special court on appeal from such a decision shall be rendered within 30 days after such reorganization court decision is made. There shall be no review of the decision of the special court. The Association shall take any steps it finds necessary, consistent with time limitations and other provisions of this Act, to effectuate the conequences of such a revised order, including the preparation and submission of any necessary or appropriate supplements to the preliminary system plan.".

(b) Section 207(a)(2) is amended to read:

"(3) The Office is authorized to hold public hearings on the preliminary system plan and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of the preliminary system plan, not later than 60 days after the date of release of such plan. The Office is authorized to hold public hearings on any supplement to the preliminary system plan and to make available to the Association a summary and analysis of the evidence received in the course of such proceedings, together with its critique and evaluation of such supplement, not later than 30 days after the date of release of such supplement.".

SEC. 8. Section 205(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 715(d)(2)) is amended to read as follows:

"(2) employ and utilize the services of attorneys and such other personnel as may be required in order to properly protect the

interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the reorganization process as provided by this Act.".

Mr. WEICKER. Mr. President——

Mr. ALLEN. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Alabama.

PROHIBITION AGAINST IMPOSITION OF TARIFFS ON OIL

Mr. ALLEN. Mr. President, there now being no unfinished business, I move that the Senate proceed to the consideration of Senate Joint Resolution No. 12.

Mr. MONDALE. Mr. President——

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A joint resolution to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of the Congress of any such action within 30 days.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

Mr. MONDALE. Mr. President——

The PRESIDING OFFICER. The question is on the request. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. The motion to proceed with the consideration of Senate Joint Resolution 12.

Mr. HELMS. I thank the Chair.

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

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

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 4

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Robert Barnett, of my staff, be given the privilege of the floor while Senate Resolution 4 remains on the calendar, including during votes.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, I welcome the opportunity to move ahead on the proposal which has been introduced by myself and the distinguished Senator from Washington (Mr. JACKSON), Senate Resolution 12. This resolution represents the sentiment of more than half the Members of the Senate, both Democrat and Republican, North and South, East and West.

I must say that I, for one, am prepared to move toward an early consideration of this matter and would be prepared to vote momentarily. I do recognize, even so, that this is a motion to proceed to this consideration, with the yeas and nays ordered on it. It was not a motion that was made by the leadership, the majority leader or, to my understanding, with the knowledge of the minority leader.

Although Senator JACKSON and I had assurances from the majority leader that we would get early consideration of this measure, we recognize that, given the parliamentary situation, those who have called it up are interested in perhaps moving the burden of discussion away from rule XXII and into a more prolonged discussion by those who support the President's position and oppose our resolution.

Obviously, I do not want to be part of a tactic such as this, as one who believes fervently and passionately about the appropriateness of deciding its own rules and deciding them by a majority vote. I do not want to be part of a parliamentary tactic which would prohibit us from reaching an early resolution of that matter.

I want to indicate that I, for one, am prepared to see a vote on this matter at the earliest possible time. I would feel bound, however, to notify the chairman of the Committee on Finance, who has indicated reservations about this particular approach. In fairness to his position, and with the recognition that if this resolution were actually assigned to a committee, it would have been assigned to the Committee on Finance, I feel that he should be notified and permitted any comments that he would make on this resolution prior to a vote.

I feel that the statements that were introduced at the time of our debate last week and the statements of the distinguished Senator from Washington and myself at the time the resolution was introduced, just a week ago, spell out fully and completely and convincingly the reasons and justifications for proceeding in this particular manner. I would be glad to review for the membership those particular reasons in whatever detail the membership should desire.

I would hope and I would wish that my distinguished colleague in this matter would agree that we are prepared to have an early resolution of this measure; that we welcome the opportunity to debate and discuss this matter; that it really is the first issue before our country.

We who have cosponsored this resolution are desirous of working with the President in developing an energy policy. But because of its devastating impact on the economy, we feel that artificially imposed higher oil prices, achieved through fees, decontrol and excess taxes is an inappropriate and unwise step. I think that one who questions it need only look at the statements by the White House over the last 36 hours, when they increased their estimate by $95, from $250 to $345 as to what this program is going to add to the fuel costs or the average American family.

I am sure that the Senator from Washington and I are prepared to get into debate on this measure. We are absolutely delighted to have a chance to talk about it. And we are ready to vote on it. Obviously, we want to insure, through our contacts with the chairman of the Committee on Finance, and I should think, in fairness to the Senator from Minnesota and the Senator from Kansas, that any debate and discussion on this measure will not be at the expense of the Senate coming to a swift resolution of the disposition of another important matter, that is rule XXII.

Mr. JACKSON. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JACKSON. Mr. President, I wish to concur in the remarks of the able Senator from Massachusetts. I feel very strongly that we should dispose of rule XXII. I had no knowledge that a motion was going to be made at this time to bring up Senate Resolution 12. We are anxious to dispose of that matter without delay, but certainly, for those who are interested in getting action on Senate Resolution 12, the simple way is to get an immediate vote on a motion to take up and act with dispatch on this crisis of the Nation. We are in a crisis.

Mr. President, with over half of the Members of the U.S. Senate as cosponsors of this resolution, it seems to me that the Senate should recognize that the people of this country are going to look at this body and wonder whether they are really concerned about the economy of America if we fail to act in an expeditious manner.

Are we going to have filibusters in the midst of economic crisis? I say we had better act in a responsible and timely way. The people of this country can properly demand, in my judgment, that Members of the U.S. Senate act with dispatch and permit, on this issue, Senate Resolution 12, an immediate vote, at least, to take up purely a procedural matter.

What we are confronted with is obviously a move to delay because we are

dealing only with procedure. This is not a substantive motion. If it is made in good faith, then let us vote.

I ask unanimous consent, on this a matter that normally is handled by simple voice vote, that we have a vote at 4 o'clock on the motion to take up.

Mr. CURTIS. Mr. President, reserving the right to object, and I shall object, I wish to ask my distinguished friend, why are the proponents of the Senate joint resolution opposed to a committee hearing on this measure?

Mr. JACKSON. We are not opposed to a committee hearing. This is an interim emergency measure in order to deal with the situation as it exists, one in which the President of the United States, despite the fact that more than a majority of the Senate have asked that this matter be deferred for 90 days, has gone ahead and issued the proclamation to add a $1 tariff to the cost of oil coming into this country. This has nothing to do with national defense, and I think there is a good lawsuit pending on this issue. This particular resolution would stay an added cost, together with the decontrol proposed on old oil for April 1, of $32 billion that will be added to the cost for the consumers of this country. Old oil, which is 60 percent of the production of oil of the United States, will jump from $5.25 to $14.40.

Now, the theory that the administration advances is that we have to increase the tax on imported oil to deter consumption of oil coming in. Well, Mr. President, the trouble with the tax is that it inflates the whole economy, it does not just deal with the cost of gasoline at the pump. That alone would rise by 12 cents or 15 cents a gallon. But this tax is all-pervasive. It will hit right across the board.

Airline fares will go up at least 20 percent and what it does to the utility industry of America is to bring them to the brink of bankruptcy.

I say that this is an emergency.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. This is an emergency and all we ask is an opportunity to vote, with a majority of the Senate on record, to move on this resolution, Mr. President. It is clear that in the midst of crisis, we have a filibuster.

I know how the people are going to react. They are going to say, "We will have no more of that." If the Senators want to draw the line——

Mr. CURTIS. Will the Senator yield?

Mr. KENNEDY. Mr. President.

Mr. JACKSON. The Senator from Massachusetts has the floor.

Mr. CURTIS. Will the Senator yield?

Mr. KENNEDY. No; I should like to make a response as well to the Senator's question.

We intend to offer an additional unanimous-consent request to see if we are unable to get an agreed time to vote this afternoon, whether we cannot get an agreed time either tomorrow or in the early part of next week. It would seem extremely unfortunate if a person who was to call up a measure for consideration would object to any consideration of that. I want to indicate that, prior to yielding the floor, I shall make such a unanimous-consent request.

I say to my good friend from Nebraska on the question of having a hearing, it is interesting to listen to him talk about a hearing when the President refused to have a hearing on imposing new import fees or on listing "old" oil prices. Instead, he imposed a measure that is going to cost the American taxpayer about $50 billion, by Presidential proclamation.

Why did he not follow the procedures? Why was he not willing to permit the Congress to examine these particular measures? He was willing to have a hearing on the conservation measures. He was willing to go to Congress on these measures—most of which we passed last year but were vetoed—measures that are not going to come out of the pockets of the American consumers. But he refused to give us a single opportunity to consider his proposal. He announced it on January 14; he signed a proclamation on January 23, and the first dollar goes into effect on February 1.

We have how many working days? Three working days left prior to the time that the first dollar of the import fee takes effect. We were only organized into committees of a new Congress and Senate of the United States, a matter of hours before he signed his declaration to put this into effect.

Mr. CURTIS. Will the Senator yield for a further question?

Mr. KENNEDY. No, I will not yield.

We listen to these admonitions about following the procedures of the Senate, yet there are those who refuse to let the Senate operate and function and work its will and try to decide whether there may be alternative ways of meeting our national crisis. Let me say there are cosponsors of this measure who believe, as my colleague from Massachusetts (Mr. BROOKE) does, that we should have an additional 20 cents a gallon tax; or the Senator from Connecticut, another Republican (Mr. WEICKER), who things we should go into a gas rationing proposal, as does the majority leader; and I, who think we should go to a mandatory allocation program. None of these is going to have a hearing. This has shown what I consider to be a fundamental disdain for the workings and the functionings of the legislative process by the President.

I am delighted it is being challenged by the Governors of many of the States, not only New England but other parts of the country. I have read the legal memoranda that have been prepared by attorneys general and I think there is the strongest possible case that can be made.

Even in the face of this, we are being denied the opportunity to give the Senate of the United States an opportunity to express its will. The House of Representatives is not in that bind. They are moving ahead on this resolution.

I am convinced, as the Senator from Washington is, that every dilatory tactic will be explored here, every parliamentary means will be used to deny us the opportunity to permit the Senate a reasonable opportunity to study this particular measure and to examine the various statistics of the administration, which have changed dramatically in the period of the last 36 hours.

Mr. BARTLETT. Will the Senator yield?

Mr. KENNEDY. I yield now for a question.

Mr. BARTLETT. I should like to ask the Senator from Massachusetts to answer this question: The Senator from Washington mentioned the crisis of energy and the Senator from Massachusetts has been addressing that question. What is there in the resolution that the Senator is sponsoring that provides a solution to the shortage of domestic energy?

Mr. KENNEDY. Well, first of all, it provides a bar against the President moving ahead and creating what I consider to be economic chaos in this country. It will be so far New England and for other regions as well. And I wonder why not a period of 90 days, when we are talking about a program that will go into effect, effectively, in 4 or 5 years—that is what it will take by the time we implement the various conservation measures. What we are trying to do is convince the Middle East countries and the Arab countries that we mean business about conservation and the elimination of wastage. Why is it so bad, then, to say that we need an additional 90 days to examine the President's program because it threatens the vitality of our economy?

I feel that the greatest danger we are facing is the danger of recession. It is in my part of the country. So I think we should have an additional 90-day period to find out what the economic impact is going to be.

We have heard the President talk about rationing versus increased prices, but he dismissed the whole question of mandatory allocation. Mandatory allocation worked pretty well for New England last year.

What we do not hear about is the economic impact. If the Senator from Oklahoma had sat in on the Joint Economic hearings, and heard the reactions of economists—Democrats and Republicans—who have served over the last 10 years in both Democratic and Republican administrations, he would know that what we are talking about is taking $50 billion out of the taxpayers' pockets and putting this country in very serious danger of an economic stalemate.

Mr. BARTLETT. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield to the Senator from Minnesota.

Mr. MONDALE. I thank the Senator from Massachusetts. I strongly support Senate Joint Resolution 12. It is crucial for the upper Midwest. All of our crude oil is imported in the upper Midwest. It comes from Canada. The President proposes to tack a $3 a barrel tax on oil coming from Canada, on the grounds that its introduction into the United States poses a risk to the Nation's security.

Mr. President, I have checked carefully, and Prime Minister Trudeau has no plans to invade the United States. I think we can safely continue talking

about importing a few million barrels from Canada and non-OPEC countries without fundamentally threatening the United States.

If the President's tariff is imposed, next year alone, the cost of fuel to the citizens of Minnesota, one State, will go up $100 million.

I am convinced that the Senator from Massachusetts is correct. The opponents of Senate Joint Resolution 12 are going to do everything they can—they are going to use every parliamentary procedure they have—to block this Senate and this Congress from implementing the clear will of the American people; namely, to stop this $3 tariff before it takes us into a deeper recession.

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

Mr. MONDALE. I want to make one further point. I think it is quite clear that calling up Senate Joint Resolution 12 this afternoon is directly related to our efforts to change rule XXII. It shows the importance of Senate Resolution 4 which seeks to prevent a small group of Senators from having the authority to paralyze the American Government, to paralyze us as we seek to deal with the energy crisis, to paralyze us when we seek to represent the American people on such issues as tax reform.

Unless we can change rule XXII by adopting Senate Resolution 4 so this Congress can work its will, I predict we will run up against a filibuster every time we try to do something that the major oil companies do not like. Every time we try to change the tax laws to help reduce the burden on the average American, I think we are going to be confronted with a filibuster, which will be supported by this administration.

The PRESIDING OFFICER (Mr. GARN). There is a unanimous-consent request pending. Is there objection?

Mr. CURTIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Mr. President——

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

Mr. KENNEDY. I shall yield in a moment. I just want to make a couple of brief comments, Mr. President.

We have listened to the President talk about the energy problem. One of the statistics or figures that he points out is the fact that we have not had an increase in production in terms of old oil or an increase in production of new oil, and, therefore, we can see the handwriting on the wall, so to speak, that we are increasingly dependent upon the overseas operations and because of the danger that this presents, we have to take these critical steps.

The thing we do not know is the reason why the major oil companies have not gone out and produced more, and the reason why we do not know is because we cannot get that information. It seems to me that the case ought to be made, and made authoritatively, that there is not a possibility here at home of producing crude oil at a lower cost than what we are getting it for outside. By raising "old" oil prices all we do for the near future is raise the profits of the oil companies. When the administration pushed and succeeded in decontrolling new oil prices, they said we would get higher domestic production. Profits have increased but production has decreased.

I am hopeful, Mr. President, that we can get an agreement on a vote on our resolution. I have asked my staff to notify the distinguished Senator from Louisiana (Mr. LONG), who I think ought to be notified about this proposition, so that we can give fair notice on it. I would like, at least until I hear from Senator LONG, to be able to maintain my right to the floor with the Senator from Washington, so that we can make that proposition when Senator LONG is present, although I do not doubt that it will be objected to in any event.

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

Mr. KENNEDY. I yield.

Mr. JACKSON. Mr. President, just to follow up on the remarks of the able Senator from Minnesota, when the Canadian Government put a tax on their oil to bring up their overall price to the world price, which is the cartel price, we heard a terrible outcry on the part of the administration. They protested to the Canadian Government, and the Canadian Government very properly replied by saying, "All we are charging you is what you are permitting your oil producers in the United States to get for new oil." So they put on a substantial tax that represented the difference between that which was charged within the provinces and the world price, a tax in excess of $5 per barrel.

It looks a little bit ridiculous, in that kind of a situation, to come in now, after having protested the tax on the oil coming in from Canada, and slap on a $3 tax on top of that.

Let me say to my colleagues, in response to the question of the Senator from Oklahoma about what are we doing about production, that just about a year ago, Mr. President, a year ago this time, we had the omnibus energy bill before us, which was vetoed by President Nixon. Now President Ford is coming in here asking for most of that legislation on an emergency basis.

We appreciate the fact that we have a new administration, but we said at the time, "If you permit the price of new oil to go to the world cartel price level here in the United States, it will not produce any more oil, for the simple reason that the problem facing the country is a shortage of oil rigs, tubular steel, and everything that goes with it."

Now what has happened since a year ago this very time? Oil production has been going down steadily. Yet we heard from the other side of the aisle that the way to start up production is to deregulate.

We deregulated 40 percent of the oil, the so-called new oil, and we have had a continuing decline in the production of new oil.

The real answer is for the Government of the United States, through a national energy production board which we are putting together in legislation, to go out and identify the areas where there is promise of new oil and do the necessary drilling.

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

Mr. JACKSON. We have tremendous reserves of oil on the Outer Continental Shelf and Alaska, Mr. President. I am fed up with the attitude on the part of the administration of saying Congress is not doing anything, when this administration vetoed the far-reaching legislation that we passed last year.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. Just let me finish my statement. I am speaking at the courtesy of the Senator from Massachusetts, and I want to complete my statement.

But the strategy, Mr. President, is very, very simple. It is very simple indeed. Downtown they are going to say, "Congress is not doing anything," and up here there is a strategy to stop action on the part of Congress. In this specific instance, we have a resolution that will do something to avert a further crisis, both in terms of inflation and recession, with over half of the Senate sponsoring that legislation, and they do not want to bring it to a vote.

Now, they are not going to fool the American people for long on that kind of strategy, and I predict it is going to happen on other energy bills that will be coming out of the committees—they are going to do everything they can to use the filibuster device, delay and dilatory tactics to prevent action on the part of the Congress.

The very idea that I have a motion to bring up this resolution, which is going to unlimited debate, proves the nonsense of their position, and very clearly they do not want forceful action in the area of energy.

Mr. KENNEDY. Does the Senator see any reason why they should prohibit us from moving to consider this resolution on the merits if they are serious about moving rapidly on a final energy program acceptable to the White House, the Congress, and the American people?

Mr. JACKSON. If they are serious about this, why can we not have—we have over half of the Senate on this resolution—unanimous consent to a time certain to vote on this particular measure?

Mr. KENNEDY. On this particular measure, and that would certainly reserve——

Mr. JACKSON. Why not go ahead?

Mr. KENNEDY. Then I would ask, and I would indicate that before we would vote on the particular measure itself, we will certainly give an opportunity and notice to the chairman of the Finance Committee. But just——

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Just on the procedural question of being able to move to the merits, or we get a consideration on the merits, I want to make a unanimous consent request, that we vote on proceeding to the merits no later than half-past 4.

Mr. CURTIS. Well, Mr. President, reserving the right to object, this measure was attempted to be introduced on

January 21, completed on January 23, and immediately, not after they suffered any delay, immediately actions were taken to bypass the Committee on Finance. If they had been anxious to get this enacted, they could have gone to the Committee on Finance, asked for an early hearing, it could have been back. The Ways and Means Committee has already acted. They followed the committee system over there.

Now, the proposal that just because you have some cosponsors there should be no committee hearings is a ridiculous legislative procedure. Many bills are introduced that have more than 51 cosponsors, but it is never contended that the multitude of cosponsors relieved the Senate of the responsibility of proceeding orderly and having a committee hearing.

Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. Then I would make a unanimous consent request that we vote tomorrow no later than 4 o'clock.

Mr. CURTIS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. How about next Monday?

Mr. CURTIS. I object.

The PRESIDING OFFICER. The Senator did not state a unanimous-consent request.

Mr. KENNEDY. That we vote no later than 4 o'clock.

The PRESIDING OFFICER. Is that a unanimous consent?

Mr. CURTIS. I object. I think there should be a committee hearing.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. Mr. President, I feel that we ought to have clear notice as to where objection is coming from on this particular measure, to even permitting us the opportunity to talk on the merits. We are being denied the opportunity to do so, and it ought to be very clear where this is coming from. Quite clearly it is coming from the White House and from the administration, and there should be no confusion in the minds of the American people on this.

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

Mr. KENNEDY. So I think that really ought to be understood, particularly in light of a stated claim by the President that he—and I have listened to it at the time when he gave his first state of the Union message about cooperation and about Pennsylvania Avenue being a two-way street, and I listened before in his last economic measure about wanting to work with Congress.

There are 53 Members, not only Senator JACKSON and myself, there are 51 other Members who are saying, "Mr. President, let us have this time, let us have this time. Let us give consideration to the various figures and statistics which are put in at one level one day and changed the next. Let us determine what it is going to cost the American family. Let us examine that, Mr. President. Let us find out whether this does work an undue and unreasonable hardship on different parts of our country."

We need to thoroughly understand the full economic impact of the administration's high price proposals. How convincing are we going to be to the Middle East Arab countries that we are serious about the problems of conservation if our proposals would produce economic chaos in this country. What kind of cooperation is this going to mean in terms of our allies in Japan and in Western Europe when they see a further economic slide in this Nation?

These are matters that ought to be considered. It is not just the Members of the Senate who are saying this. All you have to do is look at those who have testified in the Ways and Means Committee. Read the record there, Mr. President; read the record before the Joint Economic Committee; read the record before the Interior Committee, and you will see that this is an effort——

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

Mr. KENNEDY. An effort by not only Members of your own party but Democrats as well who want to work with you in terms of the reduction of the tax system of this Nation to provide some relief for middle- and low-income people. We are prepared to support the other energy conservation measures, including requiring an additional 40-percent mileage per gallon from Detroit, tax credits for home and building insulation, and many of the other conservation measures outlined in the President's proposal. We are prepared to work and support those measures, many of which were in bills vetoed a year ago. But we are just——

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

Mr. KENNEDY. Will the Senator respect and not interrupt me and then I will yield? Just give us an opportunity to be heard. That is all we are asking.

We are not only refused that hearing but we are refused the opportunity to even permit the Members of the Senate to exercise their will on this resolution, and there should not be any doubt as to where this opposition is coming from.

I yield and then I am to yield the floor.

Mr. BARTLETT. Mr. President, I appreciate the Senator yielding to me because I want to give him this opportunity to speak on the energy problems. I think they are very important not only to the Northeast but to the 50 States, and certainly the 48 States wanting to have more energy and for the entire 50.

But I would like to ask the questions: Does the Senator consider the shortage a part of the economic crisis that he referred to? I feel that the shortage plays a great, important role there and I would like to know whether he considers the shortage of energy a problem to the high-priced imports that are plaguing the Northeast and the entire country. The Senator from Washington mentioned the interference by the veto and the sustaining of that veto by Congress, by the Senate, of the omnibus bill that he offered, and that bill, as the Senator will recall, provided a price rollback. I would like to ask the distinguished Senator from Massachusetts, or the Senator from Washington, just how that would lead to more energy being produced in this country.

I think we want to have more discussion and hear more from the Senator from Massachusetts as to how to solve the energy shortage but, I would like to know whether the Senator thinks the energy shortage important or is just a dampening of demand important.

Mr. KENNEDY. Of course, I consider——

Mr. BARTLETT. I appreciate very much his answers because I would like to hear him and hear the Senator from Washington.

Mr. KENNEDY. Well, Mr. President, I will make a response and then yield to the Senator from Washington.

The burden falls on those who are suggesting that by having higher prices we are going to have more production. We have seen that does not work, and all you have to do is look through the figures prepared by the Ways and Means Committee. We can go through that.

I direct the attention of the Senator from Oklahoma to the hearing record which, in appendix F, publishes the year and quantity and the production. What this says is just increasing the price does not increase production. What we are going to be asked here to do on February 1 is increase the price some more with any assurance of additional production.

The President is asking us to tack $3 more per barrel on there without knowing that it will yield a single barrel of new production. Nor will raising the already overstated price of old oil achieve any significant increase in production.

Let me just say this and then I will yield to the Senator from Washington and I will be here for whatever debate or discussion the Senator from Oklahoma would welcome.

Mr. BARTLETT. Will the Senator answer one quick question along the lines he was saying?

Mr. KENNEDY. Yes.

Mr. BARTLETT. Does the Senator mean that then he believes by reducing the amount of money available to the oil companies or to reducing the prices that this will bring on more?

Mr. KENNEDY. No, but I think we could have a rollback of old prices and not affect that production. I happen to believe that it is unconscionable to consider raising the old oil price. And I think there are economic justifications for limiting new oil prices to far less then the current $11 per barrel.

When we have major oil companies buying up a circus and Montgomery Ward with what should have been the money being invested in finding further production, I wonder how the Senator from Oklahoma can stand there and wonder whether the oil companies are getting sufficient revenues for capital expansion and investment.

My own feeling is that what we need to eliminate waste, is to have a solid conservation program, one that does not threaten to deepen the recession and cause even higher inflation. I think it makes eminently sound sense to restore the mandatory allocation program which we saw last year linking to a progressively

declining quota on imports of gasoline and crude oil. It did not work terribly well in January and February, but we had six people from FEA who were overseeing the whole part of New England at that time. But by March and early April it did work and we had approximately 90 percent allocation.

If we had 90 percent allocation in terms of gasoline today, it would save 670,000 barrels a day.

Now, I think, quite frankly, that is going to be more than the actual amount saved under the President's program, but we do not know because we do not have any hearings on the President's program. Short-run mandatory allocation is not going to mean any additional cost for the consumer, either in Massachusetts or Oklahoma or around the country. With the President's program we will slide even deeper into recession. I do not know how it is in the State of the Senator from Oklahoma but we have the highest unemployment in 38 years in Massachusetts—the highest in 38 years—and it is going up every single day.

Mr. BARTLETT. Will the Senator yield?

Mr. KENNEDY. And that is what I think we have to be most sensitive to.

I would like to yield the floor and let the Senator from Washington gain it in his own right and then I will be glad to enter into this with the Senator.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, let me just state very simply that the argument that we heard a year ago was that if we took the controls off petroleum prices, we would get all the oil the Nation would need. It might take a little while, but we would get it.

Now, Mr. President, at the time when we debated the rollback on prices, the point was made over and over again that the problem was not price. Oil could go to $20 or $30 a barrel and we would not get more oil in the United States. The constraint was not capital but drilling equipment, labor, pipe, and other essential material.

We had in S. 2589 the authority to allocate equipment, drilling rigs, tubular steel, and so on, and that authority was vetoed.

Mr. President, since the price of oil has been deregulated, new oil that is, domestic production has gone down steadily and it continues to do so.

As a matter of fact, the major companies have been sending drilling equipment abroad and we found that up to 75 percent of the drilling equipment was in the hands of eight companies.

The idea of talking about taking controls off the price of oil to increase production is nonsense.

We can have a rollback on the price of oil and still have adequate incentive to the industry.

Mr. PASTORE. Will the Senator yield?

Mr. JACKSON. To provide for the kind of production of which this Nation is capable, I believe, of producing with the vast reserves that are untapped and untouched, more is needed than the adjustment of prices.

Yes, I yield to the Senator.

Mr. PASTORE. The one thing that always amazed me is this constant argument that somehow we deregulate gas, or we decontrol domestic crude, or that we keep on the oil depletion allowance; that for some reason there is going to be some incentive on the part of the oil industry to explore and find more oil.

Only last night, I picked up the newspaper and Shell Oil Co. made 99 percent more profit this year over last year, and the Lord only knows how much more they made last year. And then another company made 65 percent more profit.

Now, I would like to know in this day and age of inflation when so many people are unemployed, when the price of oil keeps going up and up and up—and let me give you an example, the price of 1 gallon of home heating oil in 1965, less than 10 years ago, cost 16 cents. That same price went up to 19.9 cents in 1972. It went up 4 cents per gallon.

In 1973, they raised the price 11 times. Eleven times they raised the price, and it went up from 19.9 cents to 39.9 cents. Forty cents for a gallon of heating oil.

The President of the United States comes along with an excise tax that is going to be imposed on February 1—that is only next week—and then he is going to raise it again on March 1, then he is going to raise it again on April 1, and by the time he gets through that same 40 cents is going to go up to 50 cents.

What do they want to do to the consumers of the country? And here they are making money hand over fist.

They are not giving it back to the consumer. All they are doing is socking it on, socking it on, socking it on, and by the time they get through the American public is going to freeze to death.

And here we are, we are here today, all over again, all over again we are here today to talk about helping the oil industry.

What a disgrace. I say, "Shame on the oil industry of this country." They never seem to be satisfied.

They own the oil, they own the coal, they own the uranium, and by the time they get through, I am telling everyone, they are going to own the country.

We will just come over here every year, fuss around, fuss around, fuss around, talk about what we are going to do to the American people.

The American consumer is being crucified. I am getting a little bit fed up with all this talk about the poor oil companies. Decontrol it so that these fellows will go find more, decontrol your natural gas because it is going to run out, and where have they been up to now?

All they have been doing is filling up their pockets, and it is a disgrace. It is about time someone stands up for the American consumer, and I want to thank my dear friend from Washington.

Mr. JACKSON. Mr. President, the Senator from Rhode Island, as always, has given us a clear, logical, lucid explanation of the absurdity of the proposed $3 tax or tariff on imports.

I have been trying to figure out the rationale of the President's approach on this tariff.

If it is an endeavor to cut down consumption of oil from abroad, it is not going to achieve that purpose because, very clearly, people will have to pay the price that is being levied.

Earlier he said he was opposed to a tax on gasoline, but this $3 tariff will put a 12-cents-per-gallon tax on it, increase it in price by 12 cents or some such figure. It will increase. Heating oil will increase.

But when he tries to deal with the specific usage of oil, what he is doing is taxing the whole economy, every aspect of it. He is inflating the cost of doing business in every area of the American economic system. This just does not make any sense.

May I just make one other observation? There is a strategy and a tactic to try to frustrate the Congress in acting so that the appearance is that we are not acting. May the record show that after the President vetoed, and we lost, I think, by eight votes on an override a year ago, we acted in a responsible way to try to put some of the parts back together. We introduced another bill, S. 3267, which was on the calendar since April of last year. But every time we would make a move they would bring up an amendment to deregulate natural gas, to get into a filibuster. In that bill, S. 3267, we had most of the things that the President is now asking for. We tried to work out an agreement on that issue in December, Mr. President. We were told that there could be no agreement on the question of an amendment to deregulate natural gas.

Everything seems to hinge around deregulating the price of oil and deregulating the price of natural gas as a means of solving this problem.

I say that the course of action that is being followed here, in the judgment of responsible investment analysts, academic economists, and the business economists, is to inflate the economy, to make the recession worse, and to make the inflation worse. I hope that we can have some cooperation. I hope that we will not be in a situation where we are going to have filibusters when a clear majority want to have a vote. I would hope that we could get an agreement on a purely procedural matter to vote on this motion to take up, and that we take it up routinely. I ask unanimous consent that we vote on the motion today at 5 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. I object.

Mr. JACKSON. The country is seeing what kind of procedure is being followed when there is an effort to try to do something in behalf of the people.

Mr. FANNIN. Mr. President, objection has been stated.

Mr. BARTLETT. Will the Senator yield?

Mr. JACKSON. I yield.

Mr. BARTLETT. I appreciate the distinguished Senator yielding. I know he has been studying the problems in the natural gas area for some time as chairman of the special study authorized by Senate Resolution 45. I know he is particularly concerned about the curtailments and the problems of natural gas that are now affecting employment in the East, particularly, and other parts of the coun-

try. I just wonder if he would be kind enough to express what he considers the solution to the natural gas problem. He discussed deregulation, and apparently does not like deregulation. I would ask the chairman what he believes is the solution to the shortage of natural gas.

Mr. JACKSON. I am not going to get off into the many different areas of the energy problem. I think very clearly we must continue to regulate the price of natural gas. I think adjustments in price are warranted in many areas. I do not think it makes much sense to be bringing in liquefied natural gas—LNG—from abroad, which we are doing now, I believe, from Algiers. I do not know what it is running.

Mr. BARTLETT. Is that not a pretty high price?

Mr. JACKSON. It is over $2 per 1,000 cubic feet. I think some of these things have to be adjusted. I have never argued against that. But what I am trying to say here is that we ought to face these issues with an opportunity for the Senate to work its will. I do not think it is fair to the American people in the midst of a crisis, Mr. President, not to have a chance to vote when a clear majority have expressed in their cosponsorship of this resolution that they want to vote. We cannot even get a vote to take up the resolution. Who are we kidding?

If this is not dilatory tactics, if this is not an effort to try to frustrate the majority, I do not know what it is.

If this goes on—and it can go on day after day, and the Senators involved will have the spotlight—I know what the response will be in this country as they see the prices going up, with the $1 per barrel being added and the decontrol coming in April. The American people will respond in a way in which I think some legislators who do not now understand will subsequently understand.

Mr. President, I yield the floor.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock a.m. tomorrow.

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

PROHIBITION AGAINST IMPOSITION OF TARIFFS ON OIL

The Senate continued with the consideration of the motion to proceed to consider the joint resolution (S.J. Res. 12) to prohibit for a period of 60 days the imposition of tariffs, fees and quotas on oil imports and the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of approval of, the Congress of any such action within 30 days.

Mr. FANNIN. Mr. President, we have heard a great deal this afternoon regarding what is wrong with the President's program. All of the statements that are made must be considered in light of just what is involved. When we are talking about Senate Joint Resolution 12, we are not talking about just a 60-day or 90-day delay before the President's program goes into effect. We are talking about killing the President's program. That is the effect of Senate Joint Resolution 12. I do not see that we should not be factual and not be straightforward with just what is involved.

The effort is being made that, because we have not done anything, we are worried about whether we are going to do anything in the future. If we will take Senate Resolution 45 and consider it as passed back in the spring of 1971, here is what it was going to accomplish: It was a fuels and energy study. Out of that study were supposed to come recommendations to solve this problem. That was 4 years ago. What has been done? Nothing. Nothing has been done. That was a meeting on November 20, 1973, and we were supposed to come to some decisions. But we did not come to any decisions. Nothing was done.

The distinguished chairman of our committee, the Interior and Insular Affairs Committee, says what the President is doing is wrong. We have not been doing anything right or wrong.

What has happened in the meantime? From 1972 to 1973 we had imports of $14 billion in 1972, and that went up to $19 billion in 1973. At that time, crude oil was $2.4 billion and in 1973 crude oil was $4.2 billion, quite an increase.

But, Mr. President, what we are talking about is what is happening because of our lack of action, the inability of the Congress to do something about this problem, not the President. We are talking about the inability brought about in 1973. I repeat, we had $19 billion of imports and crude oil was $4.2 billion; refined petroleum products of $4.3 billion; and chemicals, $3 billion.

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. FANNIN. I yield.

Mr. CURTIS. Mr. President, I ask unanimous consent that Senate Joint Resolution 12 be removed from the calendar and referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection?

Mr. JACKSON. Mr. President, will the Senator restate the unanimous-consent request?

Mr. CURTIS. I am anxious to get this matter considered under orderly procedures. My request was that Senate Joint Resolution 12 be removed from the calendar and referred to the Committee on Finance.

Mr. JACKSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JACKSON. The matter is on the Senate Calendar, and it is pending. We have an opportunity now—there is a motion pending—to take it up, and I think we should have a chance to vote on it.

Mr. CURTIS. Mr. President, the House has gone through the regular channels of committee hearings and has acted promptly from the very day that this was conceived.

There has been a steady effort to bypass the Committee on Finance, which has responsibility here. I am at a loss to know why an objection is made to a request that would expedite this measure.

I thank the Senator for yielding.

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

Mr. FANNIN. I would like to finish. Does the distinguished chairman of the committee want to have the floor or want to pose a question?

Mr. JACKSON. Mr. President, I simply want to say that this is an emergency matter. We are asking for an opportunity to vote on a resolution to stay this whole proposal, which is 60 percent of the production of oil in the United States, which will jump the price from $5.25 to $14.40 a barrel, for 90 days, so that we could make a thorough legislative review.

That is the sole purpose. That is the nature of the emergency. That is why we want to get a vote on that emergency issue now.

Mr. FANNIN. Will the Senator from Washington, the chairman of the Committee on Interior and Insular Affairs, be willing to listen to what the Senator from Arizona has to say in regard to what is involved? I will just take a short time.

What we are talking about, and what the President is trying to do, is to assist the economy of this country, to bring greater value to the dollar, to assist in the monetary system of the world.

I was referring to the imbalance of payments we have and the imbalance of trade we have. What are we going to do, I ask the distinguished Senator, if we continue building, as we have now, with imports in 1973 of $19 billion and imports of $42 billion in 1974, of which $15.3 billion is crude oil, $8.80 billion refined petroleum, and we have chemicals?

I just want the Senator to realize that the President is disturbed about this. We have not acted; we have refused to act over 4 years. We have had 4 years to do something about it, since we passed Senate Resolution 45.

Mr. JACKSON. Let me ask the Senator this question: What is the net takeout or put in, into the economy, under the President's program, when you balance the tax cuts, with the tariff of $3 a barrel, the excise tax of $2 a barrel on domestic oil, the decontrol of domestic oil and natural gas prices and then add on excise tax to the decontrolled price of natural gas?

Mr. FANNIN. If the Senate acts, that is up to the Senate.

Mr. JACKSON. This is the President's program. I will answer the question. Mr. Seidman, who is the President's economic adviser, has stated that the total added cost will be $55 billion; and when you allow for tax reductions, there will be a net takeout—in other words, the economy will be worse off, the average individual will be worse off—by some $20 billion to $25 billion. That is the President's own economic adviser.

Mr. FANNIN. I disagree with the figures.

Mr. JACKSON. Mr. Seidman is his economic adviser.

Mr. FANNIN. The Senator knows that the President has asked for the cooperation of Congress; and all these matters that he is discussing here are to be decided upon by Congress, other than the actions the President has taken.

I am very proud that the President was willing to take action and to get us started. Evidently, it needed a self-starter. We were not doing anything ourselves, so he had to kick us along.

Mr. JACKSON. Congress has acted and has for months sought to work with the administration. We have not been able to get an energy proposal out of him until just now. I wrote to the President in September, suggesting a bipartisan energy program.

I point out to the Senator that here we have a situation in which the President says he wants to cooperate. Well, we are ready to cooperate. We want to act on these matters.

Mr. FANNIN. That is all the President has asked for. He wants to be sure that we do it.

Mr. JACKSON. We are trying to act on the basis of a majority of the U.S. Senate, and what kind of cooperation are we getting?

Mr. FANNIN. He is not going to cooperate in killing everything he is going to do, and certainly I would not advise him to cooperate in trying to kill the very program he wants to have Congress work its will upon.

Mr. JACKSON. Is the Senator aware that about 80 percent of the legislative proposals in one area alone that the President has asked for was vetoed by his predecessor?

Mr. FANNIN. I will say this: The Senator is aware that we have not done anything, and we must have a program.

Mr. JACKSON. What we have done has been vetoed.

Mr. FANNIN. The President vetoed a bill that would be disastrous to the economy of this Nation. I am proud that he did.

Mr. JACKSON. When is the President going to send up these bills?

Mr. FANNIN. Very shortly. The President is working now to coordinate his efforts with those of the Members of Congress. He is working daily on this matter, as the Senator knows.

Mr. JACKSON. We are being accused here. The Senator is saying that Congress is not acting. Where are the bills?

Mr. FANNIN. In 4 years, we have not acted. What makes the Senator think we are going to act in the next 60 days?

This $1 goes into effect, but so far as the New England States are concerned, nothing goes into effect. The Senator from Massachusetts was talking about it going into effect.

Mr. JACKSON. The Senator says that we have not acted. In case after case, we asked for the administration's views. Take strategic reserves. The Senator knows that for 2 years we tried to get the position of the administration, and they would not give us a position.

Is the Senator aware—let me finish this, and I will not say any more—that the administration did not even ask for a budget request to develop Elk Hills and Naval Petroleum Reserve No. 4? We twice had to add it onto the budget in Congress.

Mr. FANNIN. The Senator has that understanding. May I ask our distinguished chairman—and certainly he is very well versed in Senate Resolution 45—when are we going to have a recommendation from Senate Resolution 45? When is that going to be done?

Mr. JACKSON. We have acted under Senate Resolution 45. What the Senator is complaining about is that we have not voted to deregulate natural gas.

Mr. FANNIN. We have not had recommendations from Senate Resolution 45. The Senator knows that. I think the Senator will discuss that further.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. I thank the Senator. I do not want to shut off anybody.

Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The motion to proceed to consideration of Senate Joint Resolution 12.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and at 4:08 p.m. the Senate adjourned until tomorrow, Thursday, January 30, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 29, 1975:

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning K. William Jeffers, to be captain, and ending John R. Fuechsel, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

IN THE COAST GUARD

Coast Guard nominations beginning Stanley J. Spurgeon, to be lieutenant commander, and ending Franklin H. Doughten, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

Coast Guard nominations beginning Bruce W. Kreger, to be lieutenant (jg.), and ending Terence M. Bills, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on January 16, 1975.

EXTENSIONS OF REMARKS

OCEANS IN CRISIS—I

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, for thousands of years the people inhabiting this Earth have depended on the oceans for protein. From 1950 to 1970, the amount of fish harvested from our seas increased steadily each year. In an effort to reap the seemingly inexhaustible supply of fish from the oceans, many nations built large fleets of fishing vessels, equipped with the most sophisticated gear that scientists and engineers could develop.

Their efforts were successful in the short term: Huge quantities of fish were caught and people around the globe increased their consumption of this protein-rich commodity. According to Lester R. Brown, a food supply expert, the average level of consumption for fish is now approximately 40 pounds per person annually—well above the world beef output.

Despite our dependence on the oceans however, we continually ignore the fact that we are rapidly destroying them with excessive pollution and over-exploitation.

Thor Heyerdahl, on his voyage on the Ra II, traveled through huge ocean areas containing sludge and garbage—the human and industrial refuse which is a less-heralded product of our modern cultures. (Yves) Jacques Cousteau, the renowned ocean explorer, foreseeing the eventual effects which the polluted sea will have on our planet, is now in the process of organizing a society whose chief purpose will be to draw attention to the seriousness and extent of ocean pollution. Indeed, Mr. Cousteau has pledged "the years remaining him" to the cause of alerting people to the eventual death of our oceans if we do not change our ways.

Mr. Speaker, the oceans are now in crisis. Not only must we take immediate action to stop the sullying of our oceans with human and industrial wastes, but we also must make every effort to preserve the fisheries resources which keep our oceans alive, and to protect millions of people from malnutrition and starvation.

Last year, Lester Brown succinctly described the current fisheries situation:

> Between 1950 and 1970 the world fish catch increased steadily and reached a new record virtually every year, rising from 21 million tons to 70 million tons. During this period, it increased by the average of nearly five per cent yearly, thus greatly out-stripping population growth and greatly boosting per capita supplies of marine protein. In 1970 the trend was abruptly and unexpectedly reversed. Since then it has fallen for three consecutive years, clouding the prospects for continuing expansion of the catch. Many of the marine biologists feel that the global catch of table-grade species may be approaching the maximum sustainable limits.

As members of an elected body anxious to serve the best interests of the people we represent, and cognizant of the protein needs of all the world's peoples, we must be concerned with the decimation of our fisheries resources. At the same time that we seek to accelerate and improve our methods of preventing ocean pollution, it is imperative that we conserve the fish we have left, by bringing the quantity of the total world catch down to the level of self-regeneration.

I have already noted that the global average consumption level of fish is approximately 40 pounds per person per year. My colleagues will, I think, be interested to know that the American average consumption rate is only 13 pounds per year. This rate can be compared to the Soviet Union's per capita rate of 23 pounds and Japan's per capita rate of 71 pounds.

Given these statistics, it should come as no surprise to us that Japan and the Soviet Union are two of the most active major nations engaged in the overharvesting of fish on the Georges Bank, a large portion of which lies within 200 miles of the U.S. shores. Despite international conservation efforts, these nations continue to plunder this area. The results have been staggering: In 1972, the catch of haddock was only one-seventh of what it had been 6 years earlier. The catches of cod and herring have similarly decreased.

Last week, I cosponsored with Congressman STUDDS and 23 others of my colleagues legislation which would extend, on an interim basis, the fisheries jurisdiction of the United States. As you know, this legislation was passed by the Senate during the closing days of the last Congress, but never reached the House floor. Today, I urge my colleagues to consider the current state of our oceans and the fate of those peoples who depend on the oceans for food. Serious conservation can begin in the waters off our coasts as soon as the 200-mile limit measure is passed. I urge the support of my colleagues for this most important bill.

MORE DOMESTIC OIL BY INCENTIVES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COLLINS of Texas. Mr. Speaker, America needs more domestic oil reserves. We must free ourselves from dependence on Arab imports. Felix R. McKnight wrote a sound editorial on this oil incentive. Here is the key part of the McKnight editorial in the January 19 issue of the Dallas Times Herald:

DON'T KILL INCENTIVE

One more time—the new, liberal-oriented Congress should lay aside its surface feelings about the American petroleum industry and act wisely in molding new tax policy for the oil folk.

It seems a foregone conclusion around Washington that the maligned oil depletion allowance, an incentive device used to encourage the search for new oil reserves, is dead and only awaiting formal burial.

Resuscitation is unlikely, but Congress should give one more honest, unprejudiced look at the consequences before taking a step that could come back to haunt everybody a few years hence.

The energy shortage in this country, horribly handled for the past few years, is real and worsening.

President Ford's jolting actions should be proof of that.

But if it becomes impossible because of an impulsive congressional act designed to hit at "the big boys," it may well be too late.

No special favors should be asked for the oil people. But neither should they be penalized in the heat of political action.

Most of the oil discovered in this nation—about 85 per cent of it—comes from the knowledge and persistency of small and independent operators—not the major companies.

There are multiple risks involved and all drillings do not result in producing wells and instant millionaires who light cigars with $10 bills. Or smug guys who beat the tax rap through the depletion allowance.

If the depletion allowance, which has been working since the early days of the tax system, isn't the right answer, the Congress should come up with another risk incentive plan.

It doesn't make sense to ask a man to risk his capital so that we can ride around on his produced gasoline and stay warm by his gas—and not protect his failures in some manner.

If we insist upon taking away all reasonable and fair incentive at the very time the Arab oil producing nations are holding our feet to a fire that is about to burn us into chaos and economic ruin, we have all lost our senses.

The last session of Congress came dangerously close to not only sweeping out the depletion allowance, but to making it retroactive back a full year. That would have created unbelievable chaos for those who had budgeted a full year's business operation based on existing tax structures.

But it overlooked and ignored the risks and facts involved in the oil business—and the small independent with the guts and know-how to keep looking for oil so urgently needed.

The only question remaining is how prudently it will act in substituting a law that will permit accelerated exploration and not leave the entire nation as a dry hole.

Kill a man's desire, or incentive, and you've killed the man. It could happen to the oil industry if narrow vindictiveness is substituted for prudence.

MIA AWARENESS AND MILITARY AID

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ADDABBO. Mr. Speaker, the second anniversary of the Paris Peace Accord cannot be celebrated without raising the most serious questions about our foreign policy in Southeast Asia. The return of our troops and prisoners of war 2 years ago was a long-awaited moment in history following years of military escalation and frustration in that troubled area, but the fighting continues without U.S. troops and we have failed to produce information about 1,300 missing in action.

It is a basic obligation of our Government to make every diplomatic effort to obtain the information about our missing in action. The President's proclamation of MIA Awareness Day was an important step in raising the national conscience on this problem and now we must motivate other nations to help us obtain the accounting of those missing in action which basic international law demands.

The situation in Southeast Asia becomes more dangerous and closer to home as we prepare to debate the President's request for $520 million in supplemental military funds for South Vietnam. The request comes at a time of economic crisis at home thereby raising fiscal as well as moral and military issues which must be answered by Congress. As a member of the House Appropriations Committee and as a Member who sponsored the amendments to end our military troop presence in Vietnam, I am surprised and very concerned by the President's request for this substantial—over 50 percent—increase in funds for South Vietnam.

The congressional intent in passing legislation requiring an end to our troop participation in Vietnam contained an assumption that there would be a gradual reduction in our entire military presence in Indochina. The President's request would, if granted, take us in the opposite direction.

The Vietnam war divided this Nation as few issues in our history. As we try to bind those wounds and unite our people in the face of an economic-energy crisis, it seems pointless and dangerous to stir up the Vietnam controversy by proposing such a significant increase in military aid.

The President has repeatedly asked Members of Congress to hold the line on spending. I cannot in good conscience agree that increased military aid to South Vietnam deserves the high priority assigned to it by the President. The congressional debate on this question will be most important and I urge my colleagues to scrutinize this request and reject any increase in military aid to Southeast Asia.

A DOSE OF NATIONALISM

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GAYDOS. Mr. Speaker, the Ford administration's economics program has fared badly, as we all have seen, at the hands of media and institutional analysts across the country who have united in pointing out the inconsistencies such as the proposal for tax rebates while, at the same time, again boosting the price of fuel.

But none, in my observation, has pummeled the program harder than Mary O'Hara, a Pittsburgh Press columnist. She calls it a "cruel joke" and then offers some economic advice of her own which I believe warrants serious consideration here in Washington.

I quote her:

What these chaps (the President and his advisers) need is a strong dose of nationalism. They should stop giving it away, all over the world, and concentrate on creating jobs here, building our roads and developing our industries instead of Russia's, improving the

way of life for thousands here who are devastated by inflation and unemployment. . . .

She adds:

We have, and still are pouring billions of dollars into South Vietnam and this has not stopped war. We beef up other economies, pour money into countries that have nothing but contempt for us, use food to play political chess. There's nothing easier to spend than other people's money.

Miss O'Hara concludes with a statement in which I join:

We better get back on course and take cognizance of our priorities.

Some of us, Mr. Speaker, have been trying to sound this alarm over the years. We have been ignored. The foreign giveaways have continued in every way possible, many times devious, to obscure the truth about them from the American public. Now, as Miss O'Hara writes, we are up against the consequences which were inevitable. Our Nation's prosperity has been sacrificed to the benefit of others and these now show us little, if any, appreciation. Needless to point out, we are being bled financially, for example, by the very Persian Gulf oil states and others upon which we once showered our foreign aid billions and, in some cases, still are doing so.

When are we going to come to our senses? Miss O'Hara asks that. When are we going to stop the giveaways and concentrate on our own needs? The time, I insist, is here and no economics program, whether devised by the White House or by the Democratic majority of Congress, will have a chance of succeeding unless it contains a good dose of the nationalism which Miss O'Hara prescribes.

NESTOR MANUEL LARA-OTOYA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. SCHROEDER. Mr. Speaker, I am today reintroducing a private bill for the relief of Nestor Manuel Lara-Otoya, a man who lives in my district, Denver, Colo.

Mr. Nestor Manuel Lara-Otoya is the father of four children—all in their late teens or twenties, three of whom are in the United States, one of whom is missing. Mr. Lara-Otoya's wife is deceased. Now in his fifties, Mr. Lara-Otoya has no one of consequence to him in his native Peru. He is not, nor will he be, a public charge. He is supported by his family which has emigrated to the United States.

Mr. Lara-Otoya has been in the United States 4 years. He might have obtained lawful status by now had he spoken English or had someone to speak for him. None of Mr. Lara-Otoya's children can afford him lawful status in the United States by virtue of their own until 1976. If sent back to Peru, Mr. Lara-Otoya would have to go alone and wait alone.

I believe that the personal and economic costs of his departure and later return would be an unnecessary and unfair burden on him and his family. His departure would unnecessarily disrupt a unified family life. By Peruvian custom and tradition Mr. Lara-Otoya is the head and central figure of family life. His family relies on him for good judgment, encouragement, counsel, and decision regarding all family matters of importance. He is of critical importance as a stabilizing influence on a family that has emigrated to this country. The role this man plays in his family, and the closeness of this family's life, cannot be overstated. Mr. Lara-Otoya's family is one struggling to stay together. It is unnecessary that the physical ties binding Mr. Lara-Otoya and his children be severed.

Mr. Speaker, the bill I am today reintroducing passed the Senate in the waning moments of the 93d Congress—too late for House consideration. I urge that the House take early action on the measure so that Mr. Lara-Otoya's future in this country will not continue in the jeopardy in which it is now.

TRIBUTE TO ROBERT GEORGINE—AN EXEMPLARY MAN OF LABOR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BIAGGI. Mr. Speaker, recently in Washington some 2,000 prominent labor leaders and public officials gathered to pay tribute to Robert A. Georgine, president of the Building and Construction Trades Department, AFL–CIO. Those who attended were honoring a true giant of modern American labor, a man who has dedicated almost half his life to improving the quality of life for the American worker.

Bob Georgine was born on July 18, 1932 and attended high school and college in the Chicago, Ill., area. It was also in Chicago where Bob began his distinguished career in labor which has now spanned more than 20 years. It was apparent to those who worked with Bob in the early days in Lathers Local 74 that he was destined to become a leader in the labor movement. After serving a 2-year stint in the U.S. Army, Bob Georgine began to achieve the excellence which many expected.

In less than 10 years Bob Georgine rose through the ranks of Lather Local 74 achieving the position of international representative in 1964 and finally in 1970 he was elected general president.

From this point, Bob's career has been nothing less than spectacular. In May of 1971 he was elected as the secretary-treasurer of the building and construction trades department and after serving in this capacity for only 3 years he was elected president and has served with distinction for the past 7 months.

Those who attended the dinner agreed it was a fitting testimonial to this dedicated man of labor. Tributes flowed throughout the evening from the president through the hierarchy of organized American labor. It was apparent to many that Bob Georgine is now truly one of the giants of the modern labor movement.

Knowing Bob for me has been a unique privilege and distinction and I extend to him my warmest congratulations for what he has accomplished thus far. He has a limitless future in the labor movement. The strength of our Nation is due a great deal to the millions of working men and women. These millions rely on their leaders to represent their interests. The members of the Building and Construction Trades Union are fortunate to have a man of the caliber of Robert Georgine working for them. I know they join with me in extending him best wishes for continued success.

WILLIAM B. WIDNALL

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HELSTOSKI. Mr. Speaker, many distinguished Members of Congress retired at the end of the last session, and today I would like to take a few minutes to pay tribute to William B. Widnall, who was honored last night at a special testimonial dinner. As you know, Bill Widnall represented New Jersey's Seventh Congressional District with dedication and distinction for nearly 25 years.

In view of the fact that I have the privilege of representing New Jersey's Ninth Congressional District, which is adjacent to the seventh, I was fortunate enough to have had the opportunity to work closely with Bill in helping the people of our community with their problems, and in implementing legislation beneficial to the citizens of our county and State.

During his tenure in the House, Bill Widnall provided the people of his district with outstanding service. While he and I sometimes disagreed philosophically, I nevertheless have a deep respect for him, and sincerely admire the way in which he performed his congressional duties.

Throughout his years of services in the House, Bill Widnall made many important contributions in the areas of banking and housing. As ranking minority member of the House Banking and Currency Committee, he played a major role in some of the most important bills to come before the House during the last decade.

Mr. Speaker, at this time, I would like to take this opportunity to extend my best wishes to Bill on the occasion of his retirement, and to thank him for the many fine contributions he made to the people of Bergen County. I am confident

that the citizens of our community will continue to benefit from his leadership and experience.

AMERICA, AMERICA—MAKE IT ONE AGAIN

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BAFALIS. Mr. Speaker, all too often we in the Congress hear complaints that we are falling down on our job of restoring and protecting our Nation's economy. While there might be some rationale for blaming elected officials for some of the problems, it is truly a national problem, caused by each and every one of us.

For that reason, I would like to share with my colleagues a column which appeared recently in the Fort Myers News-Press, written aptly by that newspaper's business editor, Richard Dennis. I think there is much here which deserves to be said all across the Nation.

Our problems cannot be solved solely by us here in Congress, or even by us working closely with President Ford. It must be a national effort and that is what Mr. Dennis is appealing for. And I commend him for his efforts. May they be realized.

The article follows:

AMERICA, AMERICA—MAKE IT ONE AGAIN

(By Richard P. Dennis)

Remember the girl in Ohio who held up the poster during the Nixon campaign trek there that urged him to, "bring us together again"?

Well it didn't work out too well over the next few years and we, as a nation, are probably farther apart today than at any time since the civil war.

But the little gal's plea is still a good one and perhaps the only really dependable answer to the raft of troubles our country faces now.

It seems that so many of the basic values we once held sacred have diminished almost to a dim memory. At the outset of World War II for example, this nation became bound together with a patriotic adhesiveness that took us from an ill prepared target to a world force to be reckoned with.

Even in the Korean conflict, as it was to become known, when we vocally objected to our involvement, as a nation, we backed the effort. Our guys fought and died, supposedly to protect the freedoms and rights that we held so dear.

Then came the involvement in Southeast Asia and we began to balk. As that skirmish stretched on out, until it became the longest war in our history, we became practically rebellious about the whole vague principle behind the war.

Now, in a so-called peace time economy, we are in a genuine financial struggle, a bona fide recession, and so far, not much is being accomplished to cure the whole thing.

Not only are our economics in dire straits but look at the civil unrest around the United States. Busing conflicts in Boston, policemen monitoring religious services in Gary, a church getting a liquor license, labor fighting management, management fighting labor.

Last winter we proved once again that we wanted to pull together and that we can, and will, where a national emergency dictates that we must.

During the so called energy crisis we throttled back voluntarily from a screaming 70 miles per hour to a much safer and conserving 55. It wasn't the law enforcement control that made us do that, it was American awareness that we were in trouble and that we, collectively, could ease the problem.

Then, after our efforts, as the prices of fuel soared, we came to believe that the whole thing was a gigantic ruse on the part of the petroleum industry to jack their profits with controlled supply. We have heard hundreds of reports that the storage tanks in the country were actually spilling over with oil and gas and that we had been had . . . real good.

I think most of us believe that to be true although no one has yet authoritatively said so. But even a glance at the financial statements of the big oil companies will tend to confirm the suspicions.

Now we face possible profiteering in other mainstay industries such as lumber, sugar and meats. Our beef ranchers are paying 333 per cent more for some grains today than they were a year ago and we're told that our supposedly credible Secretary of State is encouraging still further grain sales to those, who only months ago, were our most formidable adversaries.

As we sit back and helplessly watch the nation's unemployment climb to six and one half per cent and hear forecasts of a possible 13 per cent, we also read and hear of the unbelievable waste in government.

We learn that money on deposit in banks and in other financial institutions is at the highest level in our history. More money than ever before and yet interest rates and terms make it totally foolish to borrow except in the most hopeless of circumstances.

We learn that there are millions of dollars resting in the coffers of the State of Florida alone that are being bottlenecked by the bureaucrats that could be actively employed in job producing, recession breaking, construction activity.

To top it all off we have been forced to see a president plummet from power because of lies, deceit, ambition, suppression, and cover-up. Naturally we've becomt suspicious about government in general.

In our own state we have cabinet members under indictment, judges unseated, bankers perjuring themselves and politicians under indictment running for office, and winning.

In Fort Myers proper there have been recent reports of political maneuverings in zoning actions and questionable methods being employed by local government officials in annexations and other land and development transactions.

We watch our construction, real estate sales, and tourism sales volumes slide to a dreary low while, at the same time, we see building permits issued for millions of dollars in new construction for the future.

Paradox.

Paradox.

Paradox.

So what can we do about it? To whom do we turn in this time when the traditional and trusted barometers seem meaningless? What can we do after we evidence the conclusions of the so-called economic experts who met with our president and came away offering little if anything.

Do we wait for still another war to correct the economy? That's been our solution in the past but it is very doubtful that it will ever be again. World War III would be short, devastating and economically meaningless. Our now ability to level the planet in a few days precludes the notion that full scale, wartime production, can turn the economy around.

Do we wait for some magic formula from Capitol Hill . . . some panacea for all the money ills . . . some mystical wand that will wave us all back into prosperity?

Do we wait until the recession becomes a total depression? Another 1929? The experts say that can't happen again but the gloom merchants say that if we are apathetic enough about everything it sure can, and will, happen again.

Or. Do we gather together once again, take a hemispheric deep breath, put the national shoulder to the wheel, remember our heritage, our freedoms, our 200-year fight to gain and protect and preserve what we hold to be sacred, and, together, pull out of this apathetic quagmire.

Should we look back to Jack Kennedy on the podium at his inauguration and take to heart his suggestion that we try and do for our country instead of expecting it to do for us.

Or perhaps we should go the route of the woman in Chicago and manipulate ourselves into $100,000 in welfare payments and let our fellow man pay the bill.

Thank God Americans aren't like that. The great, great majority of us aren't, anyway

Could Southwest Florida start an example?

Who among us is willing to put a lot more effort into our work to produce a more realistic profit for our employer?

What banker is willing to pull down his certificate of deposit rate and, in turn his interest rates on loans to get some money flowing?

What commissioner is willing to take a hard stand on excessive spending and admit that just because the county has a $23 million budget doesn't mean that it all must be spent?

What politician is willing to put his office on the line to ensure the populace that only those programs that are needed and wanted by the majority will pass his or her approval?

What major retailer is willing to take a hard look at his profit and pricing structures to be very certain that the mark-up today is just as fair as it has been in the past. On every item.

What journalist is willing to take what might be called a nostalgic, idealistic stand for unity, sharing, and positively aiding and abetting his neighbor and fellow man.

I can answer for the last one.

Maybe it's time to recognize that Mother, the Flag, apple pie, and our home land aren't such corny, unsophisticated and passe' subjects as some would have us believe.

Gerald Ford and his Congress, be it Republican or Democrat, aren't going to change this country back to a viable, alive, economically sound entity.

We are, you and I.

SENSELESS DESTRUCTION

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. MEYNER. Mr. Speaker, I have been deeply concerned by recent reports of senseless destruction of valuable historical and prehistorical artifacts by the Army Corps of Engineers in Warren and Sussex Counties of New Jersey.

I am particularly disturbed because the Corps' actions appear to defy Federal regulations. In the Federal Register of February 19, 1974, volume 39, No. 34, part II, page 6480, the Department of the Interior declared that "historic proper-

ties which are either, first, eligible for nomination to the National Register of Historic Places, or second, nominated but not yet listed are entitled to protection under Executive order 11593." The Federal Register of May 8, 1974, volume 39, No. 89, part I, page 16176 declared that the "Old Mine Road Historic District" was entitled to protection under these provisions. Therefore, the area of Old Mine Road should be treated as a bona fide historical site and left completely unmolested by the Corps.

I have urged the Department of Environmental Protection of the State of New Jersey to take action on the nomination of the Old Mine Road area to the Federal Register of historical sites. I have urged them to use their influence to see that historical and archaeological value are given proper weight in the environmental impact and project studies to which they contribute.

I have also communicated my concern to the Army Corps of Engineers and urged them to abide by Federal regulations.

At the same time, however, I realize how many times before the Corps has resisted or circumvented the desires of other Federal agencies and the will of the people. I hope that we will soon see the day when the spirit of democratic accountability that we have seen recently in Congress will spread to Federal agencies like the Army Corps of Engineers.

Natural beauty, historical locations, and valuable archaeological sites are becoming increasingly scarce commodities in America. As our Bicentennial approaches, I believe that it is imperative that we make every effort to preserve the irreplaceable historical and prehistorical artifacts that constitute our legacy as Americans and friends of the Earth we habitate.

HEALTH HAZARDS: AN INTERNATIONAL PROBLEM

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, hazards to workers' health and safety respect no national boundary lines. And efforts to protect the lives and limbs of workers should likewise show no regard for man-made borders.

Two recent Russian studies pointing out the high incidence of cancer among Soviet workers exposed to chloroprene have been recently brought to the attention of the National Institute for Occupational Safety and Health, NIOSH, and American firms. Douglas Watson, in the January 25, 1975, issue of the Washington Post, reports that American scientists will soon visit the Soviet Union to personally observe the Russian experience.

I urge NIOSH to move quickly and decisively to safeguard the lives of American workers exposed to this toxic substance on the job.

I am including the article on chloroprene and its link to cancer and commend it to my colleagues' attention:

[From the Washington Post, Jan. 25, 1975]

CHLOROPRENE LINKED TO CANCER

(By Douglas Watson)

Several American scientists soon will visit the Soviet Union to learn more about two Russian studies that report higher lung and skin cancer rates among people exposed to chloroprene, a colorless liquid chemical used in the production of synthetic rubber.

Officials of the National Institute for Occupation Safety and Health (NIOSH) and E. I. du Pont de Nemours and Co., which operates three chloroprene plants in this country, say they are very concerned about the possible implications of the Soviet studies for an estimated 2,500 Americans who work with chloroprene.

Du Pont in recent weeks has tightened procedures to limit plant exposure to chloroprene which it produces in large quantities for chemical processes and marketing under the trade name of Neoprene. It also has alerted its customers to the possibility of "escaping chloroprene."

Neoprene is used in making hoses, cable sheaths, adhesives, fabrics and other goods where the chemical's high resistance to weathering and oil is valued.

Du Pont executives said the chemical corporation also has notified its chloroprene workers about the Russian medical studies and plans soon to send three company representatives to Soviet Armenia, where there is a chloroprene plant and where the Russian studies were done.

According to NIOSH, one Russian study of 19,979 people between 1956 and 1970 found that the incidence of lung cancer was at least 2½ times greater for chloroprene workers than those in many other jobs.

The second Russian study looked at 24,989 people over the same 15-year period and found that the incidence of skin cancer was at least 4½ times greater for chloroprene workers than for those not exposed to the chemical.

The study also found that those working with choroprene derivatives had a skin cancer rate that was higher than average but still little more than half that of persons who had worked for long periods in chloroprene production.

Federal and Du Pont officials emphasized that they know of no deaths or higher cancer rates among American chloroprene workers. But they acknowledge that long-term mortality studies to detect any pattern of chloroprene-caused disease in this country have not been done.

Dr. Joseph Wagoner, NIOSH's director of field studies and clinical investigation, said his agency is "deeply concerned" that chloroprene-caused cancers may have gone undetected in this country and has begun investigating the health of chloroprene workers.

Du Pont produces chloroprene at plants in Louisville, Ky., Laplace, La., and Houston. Another Du Pont chloroprene plant—in Montague, Mich.—closed in 1972.

NIOSH said that in recent years up to 385 million pounds of chloroprene have been manufactured annually, with production involving an estimated 2,500 workers now and an unknown number of former chloroprene workers.

"It takes maybe 10, 15 or 20 years for these things (diseases) to show up" in individuals, said Dr. John A. Zapp, director of Du Pont's Haskell Laboratory in Delaware, which in December first reported its concern to NIOSH, the research agency for the Occupational Safety and Health Administration (OSHA).

Du Pont began taking a closer look at chloroprene last year after workers at another plant were found to have died of angiosarcome, a rare liver cancer, as a result of industrial exposure to vinyl chloride, a gas used in manufacturing vinyls and plastics.

Chlorophene is a member of the vinyl chloride chemical family, Wagoner said.

Zapp said that Du Pont began studying the medical literature on chloroprene and came across the Russian studies this fall. Zapp said Du Pont's concern "is more theoretical than anything else" because its own statistics indicate no unusual incidence of cancer among the company's chloroprene workers.

NIOSH's report says, "Humans exposed to chlorophene have been reported to develop dermatitis, conjunctivitis, corneal necrosis, anemia, temporary loss of hair, nervousness and irritability."

Lyle Cressey, manager of Du Pont's Louisville plant where 500 people work with chloroprene, said, however, the only effect of the chemical noticed there is that a few workers have developed skin rashes.

Chloroprene is listed at 412th on NIOSH's priority list for developing toxic substance standards. Asked why there haven't been any American studies of chloroprene's effects, a NIOSH official said, "There are just so many chemicals to look at that it's been impossible to cover the whole territory."

PITTSBURGH DISTRICT LOSES COL. NORMAN G. DELBRIDGE, JR.

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GAYDOS. Mr. Speaker, next month the Pittsburgh District Office, U.S. Army Corps of Engineers, will lose an officer who has been almost totally involved in the water problems of western Pennsylvania since his arrival there in June 1972.

Col. Norman G. Delbridge, Jr., came to Pittsburgh in the midst of tropical storm Agnes, which caused extreme flooding in the area resulting in millions of dollars in damages. For the first 6 months of his tour, Colonel Delbridge devoted his time almost exclusively to flood recovery operations. His efforts and interest on behalf of the people of the area earned him the Service Merit Medal, the last in a series of military honors accorded him during his career.

While assigned to Pittsburgh as District Engineer, Colonel Delbridge was responsible for water resources development, including flood protection, navigation, and recreation for 27,000 square miles, encompassing parts of five States. He was instrumental in the expansion of recreational activities throughout western Pennsylvania and worked closely with sportsmen and conservation groups.

Under his direction, several major construction programs were started or planned, including: Girty's Run Flood Protection project in Allegheny County, scheduled for initiation in July of this year; the Saw Mill Run Flood Protection project, the on-going $35 million Charti-

ers Creek Flood Protection project; the new $87 million Hannibal Locks and Dam at New Martinsville, W. Va., scheduled for completion this year; the Warrendale Bulk Mail Handling Postal Facility; the $4 million DuBoise Flood Protection project, and the proposed Stonewall Jackson Dam at Weston, W. Va.

A former enlisted man who subsequently graduated from West Point Military Academy, Colonel Delbridge holds a master's degree in civil engineering from Iowa State College and is a registered professional engineer. He has had articles published by the National Academy of Science and the Army War College Commentary.

His military assignments have been varied. In Europe, Colonel Delbridge supervised airfield construction during the historical Berlin Airlift; in Turkey he was chief of construction with the Mediterranean Division and in Vietnam he commanded the Fourth Engineer Battalion, Fourth Infantry Division. He also has served in Korea and Japan. Immediately prior to his assignment in Pittsburgh, Colonel Delbridge served with the Office of the Chief of Research and Development, Department of the Army, in Washington.

During his career, Colonel Delbridge has accumulated an impressive list of honors. He holds the Legion of Merit with Oak Leaf Cluster, the Bronze Star with Oak Leaf Cluster, the Army Commendation Medal with three clusters, the Air Medal with two clusters and the Vietnamese Cross of Gallantry with Palm.

Mr. Speaker, Colonel Delbridge has served his country and the people of the Pittsburgh area extremely well. He has proven himself to be a credit to the military service and the members of his command. I wish him well in his new assignment. I know he will fulfill it to the best of his ability. He always has.

ACTION, NOT TALK, NEEDED ON ENERGY PROBLEMS

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PETTIS. Mr. Speaker, in a few days the House will take up consideration of legislation from the Committee on Ways and Means dealing with the President's imposition of fees on oil imports. This bill deserves the most serious study by Members of this body because the consequences of it are serious for our Nation and the world.

I would like to bring to everyone's attention an editorial which appeared in yesterday's Wall Street Journal. The points in the editorial are well taken and should be considered by all of us.

The editorial follows:

[From the Wall Street Journal, Jan. 28, 1975]

CAPITOL HILL AND OTHER CAPITALS

French Foreign Minister Jean Sauvagnargues recently has been refusing invitations to criticize U.S. foreign policy; with French ministers that's somewhat equivalent to Billy Graham refusing to discuss sin.

Some might interpret this as a sign of improvement in U.S. foreign relations, and, in a sense, it is. But we suspect that it also reflects a widespread fear in many foreign capitals that U.S. leadership in world economic and energy problems can't withstand challenges from abroad. It is already too badly weakened by the wrangling in Washington between the administration and Congress.

That fear is justified and the Europeans and Japanese are further justified if they feel they are more vulnerable than the U.S. to the dangers presented by the U.S. disarray. But the U.S. is vulnerable too and it is time for Congress to offer some better evidence that it can help the President and his Secretary of State form coherent and trustworthy foreign policies.

The latest evidence was entirely to the contrary. It was offered over the last few days by the newly expanded, newly led and newly liberalized House Ways and Means Committee, which reported out a bill designed to sabotage the President's attempt to show toughness towards Arab oil producers. The bill, which would revoke a $1-a-barrel oil import tariff due to take effect Saturday and scheduled to rise ot $3 by April 1, may not make it through Congress. But then again, it may, perhaps just before the much heralded spring confrontation between oil consumers and producers.

The oil tariff is central to foreign policy at the moment as it attempts to demonstrate to the world that the U.S. cannot be made hostage to Arab threats of an oil embargo in any future Arab-Israeli hostilities. A tariff is not the only policy to accomplish this end; some alternatives, particularly stockpiling, may indeed be preferable. But at the moment Mr. Ford's tariff is the only policy we have; Congress certainly is far from ready with any alternative. So for it, to undercut Mr. Ford, would only enhance the impression that already gives the producing nations such leverage in bargaining; the impression that the U.S. is a feckless nation incapable of following any policy at all.

Now, none of this is to say that Congress should have no role in making foreign policy. But it does say that Democrats, who are for all practical purposes leaderless in Congress, would do well to approach foreign policy with great caution until they can demonstrate that they have a coherent and acceptable concept of their own. We see little evidence of that in the latest move by the Ways and Means Committee or in anything else put forth from the various power centers of the Democrats in Congress.

What we do see is a parochial attitude towards the programs the President is putting forward, as if the central issue of the oil tariff was a nickel at the gas pump rather than international war and peace. That perception is obviously not shared in Paris, London or Rome, where the central question is whether the United States still can lead the Western world or whether its leadership has floundered on its own domestic disunity.

If the impression persists that the U.S. can no longer lead, it is not hard to envision the kinds of decisions other states will make in coming months. The Europeans and Japan will continue to make their private deals with the oil producers, freezing themselves into long-term disadvantageous economic relationships. The nominally friendly oil producers, Saudi Arabia and Iran for example, will look for their political security elsewhere, in enormous arms build-ups and alliances with Arab states that are disposed to enmity towards the West. Smaller states will look for security where they can find it, Russia or China, perhaps.

Mr. Ford and Mr. Kissinger are trying to put together a Western alliance to confront the OPEC nations this spring. The OPEC nations are trying to shore up their own alliance in the face of glutted international markets for oil. For the U.S. alliance to work, there has to be some perception among potential allies that U.S. foreign policy cannot be torpedoed unexpectedly by the whim of some obscure Congressman with influence in the Democratic Caucus.

There is a mood of fear and expectancy as other capitals try to assess whether U.S. policy is reliable. But on Capitol Hill, there seems to be only a minimal perception of what hangs in the balance.

NATIONAL HEALTH SERVICE CORPS BILL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. CARTER. Mr. Speaker, I am introducing today urgent legislation to extend and amend the National Health Service Corps Act.

The National Health Service Corps is really a very small Federal program but is one that has had, and I trust will continue to have, great impact. It is a simple idea and, as is true of most simple ideas, it works. The program has two parts, one is to establish scholarships for students enrolled in health professional schools, who then fulfill an obligation to become members of the NHSC for a period equivalent to the number of years of their scholarship, and the second to place physicians and dentists in communities where there are either no providers of health services or in areas with a critical shortage of health care professionals. Data reveals that the arrival of a physician in such an area markedly improves that community's health status and very definitely enriches that community's quality of life.

Over the last year, this program has systematically and aggressively recruited and found placements for health care personnel in areas of need. Over 400 NHSC assignees are now serving people in critical shortage areas who otherwise would be unable to obtain medical attention. Another 200 are slated to go into the field this summer.

These data reveal the great success that Corps recruiters have had, especially when one considers the numerous options open to physicians, and the additional fact that they usually make firm plans and commitments a year or more in advance.

I have been able to determine, Mr. Speaker, that the recruiting effort has been markedly improved. This improvement is attributed to the careful matching program of the NHSC which attempts to place the right physician with the right community. Recent data reveals that this effort has been successful since many physicians who have served their 2-year term have decided to remain in the community in which they had been matched. The increase in the retention rates is a sign that the program is achieving its principal objective; to wit, to place qualified physicians where they

are needed most. Many areas are quite capable of supporting a medical or dental practice.

The problem in the past has been to recruit physicians where there has been no prior medical or dental practice. These problems are now being overcome by the NHSC.

The Subcommittee on Public Health spent many hours during the last Congress considering ways to address the great problem of medical manpower and specialty maldistribution. Those who participated in these deliberations recognized that the corps was an outstanding approach to a difficult problem.

Surely there will be more involved measures taken with respect to medical school support scholarships but there is general agreement that the corps represents a significant step in the right direction. Yet, the corps is now at a critical juncture. Its statutory base is through a continuing resolution which expires on February 28. If we wait to take action we may very well get bogged down, as we did in the last Congress, with the health manpower and complex maldistribution problems that I mentioned earlier.

Ordinarily, this would not pose a serious problem; but the corps' budget for last year was based on its first 2 years of operation, when it was a fledgling organization.

Now the corps has come of age. It has recruited physicians on the basis of an anticipated increase in funding. The corps has done its part—doctors have been recruited and matched with previously selected medically underserved communities. Now it is time for Congress to act.

I have been informed by several physicians who have been selected already that, owing to the lack of legislation and adequate appropriations, their desire to serve might be frustrated. To jeopardize needlessly the likelihood of these physicians going to work in our medically underserved areas is a shame in itself. But there is another, urgent consideration and that is the possibility of jeopardizing the cooperation of local communities with the Federal Government.

Communities are not just assigned a corps worker arbitrarily. When a physician or other health professional is recruited and begins to serve, this is only the culmination of literally months, and sometimes years, of hard work at the local level.

In a partnership with the NHSC, communities seek out or form a nonprofit corporation to set up, assist, and oversee the management of the medical practice in which the corps worker will serve. The local community and NHSC work together arrange for the necessary linkages with hospitals, ambulance services, pharmacies, medical and dental schools, and all the other needed support facilities. They work together to set up the business aspects of the practice and arrange for hiring support personnel and for keeping the records and accounts systems. They work together to ease the way of the corps assignee into the community by arranging for housing, a job for a spouse, if necessary, and so forth.

Once the corps assignee actually begins serving in the community, the local organization charges reasonable fees for the services provided. These receipts are divided, under a prearranged formula, between the local organization and the Federal Government, with all profits at the local level plowed back into the practice by upgrading the facilities or services.

I have taken this time to detail this relationship in order to demonstrate the tremendous amount of preparation and consideration that underlies each assignment of an NHSC worker.

This is one program where the Federal Government recovers at least some of the costs of helping communities and individuals. But more importantly, it is a program which not only promotes a needed medical service, it fosters a relationship of equality and cooperation between the Federal Government and local organizations and individuals.

If we fail to fulfill our part of this relationship by failing to enact this legislation, we would not only seriously impair health care, we would provide yet another example of an unfulfilled promise to our communities. To do so would only lend further credence to the frequent distrust and cynicism directed not only toward the Federal Government as a whole, but toward Congress.

In my own State of Kentucky we have 43 counties that have been classified as having critical medical manpower shortages. We anticipate 13 NHSC assignees. More are desperately needed. To cut back this program now that the communities and doctors have been identified, in my judgment, would be tragic for the communities of my State, and for those in many other States as well. Up to 200 doctors and other professionals who already have been recruited may have to be turned away unless we can provide immediate relief in the form of this legislation. We must not hesitate to do our part to preserve and improve the health conditions of those living in the medically underserved areas of our districts. The size of appropriations that is necessary to fulfill the compassionate objectives of the NHSC program is really insignificant when compared with the immensity of other HEW programs.

Mr. Speaker, this is an important, timely, and vitally necessary proposal. The National Health Service Corps already has proven to be an integral piece of an overall rural health and geographical redistribution strategy. It has a great potential for further improvement of our Nation's health system, and prompt passage of the measure I am introducing will prevent the thwarting of that potential.

U.S. PERSIAN GULF POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HAMILTON. Mr. Speaker, on January 28, 1975, I delivered some remarks to a conference for corporation executives on "Outlook 1975: The Middle East and Energy" held at the Johns Hopkins University School of Advanced International Studies here in Washington.

My remarks concentrated on U.S. policy toward the Persian Gulf. This region has acquired new importance in recent months because of the energy crisis and has become the focus of considerable debate. Our policies there continue to need careful consideration and continual reevaluation by Congress and the executive branch. My remarks follow:

U.S. PERSIAN GULF POLICY

Ladies and Gentlemen, my remarks will focus on United States policy toward the Persian Gulf. When everything is said and done about energy policy today and tomorrow, it is clear that for the next few years no energy-related foreign policy issue is likely to be more important to the Western world than the success or failure of our policy in the Persian Gulf, where nearly three-quarters of the world's proven oil reserves lie.

We can, indeed must, reduce energy demand, increase alternate energy supplies; prepare for emergencies, and work toward self-sufficiency. But we also have to find successful ways of dealing with the Persian Gulf states if the Western world is to survive and continue as we know it.

U.S. INTERESTS

The United States interests in the Persian Gulf are several:

We want peace and stability throughout the region.

We want, for us, our allies and our friends, secure access to oil at reasonable prices.

We want to help foster internal development and regional cooperation in the entire Persian Gulf and Arabian Peninsula region. The 50 million people in the Gulf region have a legacy more of conflict than cooperation.

We want to help keep the region relatively free of extensive Soviet influence. It is obviously not in our interest for the Soviet Union to be able to determine how and on what basis we obtain access to Middle East Oil.

We want to assure that the rapidly increasing financial resources of the Persian Gulf states are used in ways which do not destabilize our economy or the international monetary system.

We want to expand United States export of goods, services and technology to the states of the Persian Gulf, and

We want to create a degree on interdependence and mutual respect which will help solidify all other relationships for the future.

From these interests flow—or at least should flow—a policy comprised of economic, political and military components, carefully orchestrated to achieve development, stability and security.

POLICY COMPONENTS

Let me point out several prominent aspects of present policy:

1. We are relying essentially on Iran and Saudi Arabia to maintain security in the Gulf Region. We are selling billions of dollars of arms to these two states, principally Iran. Last year, sales to Iran and Saudi Arabia accounted for nearly sixty percent of total worldwide U.S. arms sales of over $7 billion.

2. We are trying to prevent the Arab-Israeli conflict from becoming a source of confrontation between Arab oil exporters and ourselves. Whether we like it or not—and we do not—the Arab-Israeli conflict is a central political issue for all Arab states in the Gulf. Although our interests in the Persian Gulf were once immune from the Arab-

Israeli conflict, the impact of that conflict now pervades all aspects of our dealings in the entire Middle East region, if not the world. We can no longer divorce the Gulf region from the conflict, but we do seek to diffuse the conflict itself. In view of this conflict, the U.S. standing in the Arab world—with a few notable exceptions—remains remarkably good.

3. We seek a special relationship with Saudi Arabia. We have had a long standing and close relationship with Saudi Arabia and its leadership. Over the last three decades we have built a series of political, economic and military relationships with Saudi Arabia that have been the backbone of our policies in the entire Arabian Peninsula.

Saudi Arabia remains a friend today and the closeness and warmth of our ties with Saudi Arabia are barometers of our relations with all the other smaller states in the Gulf area.

4. We occasionally use the threat of military force to try to achieve changes in OPEC policies which we consider detrimental to the Western alliance. Those who are suddenly excited about Secretary of State Kissinger's reference in his recent Business Week interview to the possible use of force in the Middle East if the West faced economic strangulation, should be reminded that President Ford last fall and Secretary of Defense Schlesinger afterward introduced the same threat into the Persian Gulf policy mosaic.

5. We want to increase political, economic and technological interdependence between the United States and producing states in the Gulf. Such interdependence has been a foreign policy goal in the Gulf for several years. However, it is becoming increasingly clear that economic and technological cooperation must flow from a basis of political consensus and economic understanding on oil.

Such a political compatibility exists today on many issues and we are aided by the traditionally good ties we have had with most Gulf states.

U.S. FOREIGN OIL POLICY OBJECTIVES

The objective of U.S. foreign oil policy is to assure adequate and reliable supplies of oil at reasonable cost and without serious damage to U.S. relation with other nations.

We do not want to be vulnerable to any cutoff of Middle East oil, nor do we want to depend on Arab oil too much.

We want to maintain international economic order.

Oil fluctuations and the massive transfer of funds from oil importing to oil exporting nations can aggravate economic difficulties and pose a danger to the international monetary system.

We want to help insure that the less developed countries, which have been dealt harsh blows by the increased oil prices, are able to obtain adequate fuel requirements. We do not want oil to become a source of disruptive and dangerous controversy, and we want all oil consuming nations to obtain the oil they need.

To promote these energy objectives, we have concentrated on four policies:

1. We seek to achieve solutions to our energy problems through cooperation, first, among oil consuming countries and only then with producing countries. Although our continuing efforts to achieve consumer solidarity are being interpreted by some producers as seeking only confrontation, our stated policy indicates we want a dialogue on energy matters with both producers and consumers.

We want cooperation in meeting oil supply emergencies; in relieving the energy problem of developing nations, in diversifying energy supplies and conserving energy, and in stabilizing oil prices and supply levels.

Secretary Kissinger continues to advance the theory that only on the basis of consumer coordination on energy policy can the objective conditions be created by which the price of oil will come down. One year after Kissinger started dealing with energy policy, we are still waiting for prices to come down, but there is some evidence that consuming countries are cooperating on aspects of energy policy. The emergency oil sharing agreement and new financing arrangements are encouraging evidence of progress in cooperation.

In the absence of any dialogue with producers, however, it will appear to many producers that we are preparing for confrontation. Right now it is not easy to measure what mix of cooperation and confrontation our government seeks.

2. We seek to demonstrate an ability and determination to reach self-sufficiency. The purpose of domestic programs of conservation and the development of alternative energy supplies is to persuade Persian Gulf producers that the years of their control over our energy market may be numbered and that their oil policies should be moderated.

Self-sufficiency does not, and should not, mean that we will not import any oil. Rather, it means we should seek to maintain a degree of self-sufficiency that permits the United States to adjust to oil supply interruptions without serious hardships.

3. We rely primarily on international oil companies to negotiate with producing states on issues of supply and price. The United States Government continues to operate on the assumption that it is best to keep the government removed from oil negotiations, despite the troubles oil companies have had in countering demands by producing state governments.

Since 1970 U.S. oil companies operating overseas have faced severe challenges.

Strong companies which once might have been able to maintain both our national interests and their corporate interests are becoming service organizations, as producing states move toward nationalizations and majority ownership of oil installations and operations.

Producing states are asserting all the prerogatives of ownership: they are establishing output levels, price, marketing and distribution procedures. They hike taxes and set prices at will. The main contributions of U.S. oil companies today is the $3 billion addition to our balance of payments annually.

The options available in this predicament are threefold:

A direct bargaining role for the U.S. Government on oil price and supply issues;

Continuing to rely predominantly on oil companies to provide oil at reasonable prices;

A more active role by the Government on the periphery of negotiations but no direct role at the negotiating table.

In recent months, there are indications that the Government is willing to play a more active role. Gulf Oil, for example, could not agree last summer to pay Kuwait what it wants for participation oil without a strong, public rebuke by our Government.

During the oil embargo last year, there was some talk about what role the United States Government might play in future negotiations. That talk, however, appears to have subsided. An uncompleted study for FEA on this topic may add something to this debate but a concerted inter-agency study of the need and implications of a Government role in oil negotiations remain a policy question of the immediate future.

4. We have been trying to persuade Persian Gulf producers that it is in their interest to lower prices. We have concentrated in this effort on Saudi Arabia rather than confront the Shah of Iran. We have begged, cajoled, appealed to the producers' own economic self-interest. Some American officials have even threatened the use of force. But—and this is the significant point—we have failed to bring oil prices down.

Today even our strategy on prices is less clear. In a November 25, 1974 speech at Yale University, Assistant Secretary of State for Economic Affairs Thomas Enders mentioned a need to hold OPEC's potential market down by cutting consumption, but guarantee, at the same time, that new production—stimulated in non-cartel countries by higher prices—is guaranteed a market. Enders was suggesting a high price, high domestic production strategy. A continued real oil price of $11 a barrel is meant, in this possible scheme, to have the effect of creating stable investment expectations. In this view any downward break in world oil prices could be devastating for heavy American and other Western investment in the development of alternative energy sources.

Secretary of State Kissinger, in a November speech in Chicago, and in a recent Business Week interview, seems also to be putting less emphasis on lowering oil prices as an immediate objective. In that interview he suggested that oil prices will not come down in the short run, but only after a concerted consumer strategy is developed.

Today our oil strategy seems to stress conservation, development of alternative sources of energy and consumer collaboration more, and lower oil prices less.

But the question remains: is this strategy part of a recognition that we have failed in a key effort to lower prices, or is it part of a reassessment of the objectives of our energy policy, and a realization that higher prices might have benefits for Project Independence and other aspects of our national energy program.

OVERALL ASSESSMENT

I have listed several policies we are currently trying to implement to protect our interests and strengthen our ties throughout the Persian Gulf region.

Obviously no one could have predicted or anticipated the events of the last few years and the dislocations caused by actions taken by leaders in the Persian Gulf. The five-fold increases in oil prices, the impact of oil cutoffs and embargoes and the political effects of the October 1973 Middle East war have put the Persian Gulf and our policies there on center stage.

Some of the policies have simply not worked; others have been mismanaged here or misinterpreted there. But policies can be changed and revised. We have so many natural advantages pulling for us in the Persian Gulf that it would be a serious mistake if present policy deficiencies were allowed slowly to dissipate our current favored position.

Our problems in the Gulf are manageable and our energy policy problems in that part of the world are solvable. We and the states of the Gulf have mutual advantages in good relations. We have shared interests in the supply of oil, price stability, Western security and a stable international financial market. Conciliation and cooperation—not confrontation—or the threat of it—should mark our approach to the Persian Gulf States.

We have many advantages. One is that two of the three most important states in the region, Saudi Arabia and Iran, are very close to us. Only Iraq among the larger Gulf states today has poor relations with Washington.

Other advantages include:

The British heritage throughout the region,

The widespread respect for our military and technological capabilities,

Our valuable and growing market for oil, and the attractiveness of our economy for their investments,

The closeness of the ruling gulf families, often from education here, to the American way of life.

In dealing with the Persian Gulf we have a head start, even over some of our closest allies. We should continue to build on the desire of many Arab leaders for a closer relationship with the United States.

We also have some disadvantages, including the differences on oil prices, on our concepts of the role of OPEC and, of course, our strong support of Israel.

Despite these disadvantages, we have many opportunities in the Gulf. Rather than avoid the differences we should make them central in our day-to-day relations and speak frankly about them. Rather than continually trying to divorce the Persian Gulf from the Arab-Israeli conflict, which cannot be done, we should press on for a peace settlement.

For years we have tried to follow a two-track policy in the Middle East. On one track, we pursued policies toward the Arab-Israeli conflict and tried to create opportunities for promoting peace. On a separate track, we approached the states of the Persian Gulf and the issue of obtaining adequate supplies of oil at reasonable prices. It was a policy objective to insure that these two tracks never became interrelated or conflicted.

Recently, it has been impossible to separate the two policies. Today, the Arab-Israeli conflict is a major factor in our Persian Gulf policy. The course of the Arab-Israeli dispute will probably determine whether the U.S. has access to oil. But this does not mean that we have to choose between the security of Israel and access to oil. Moderate Arab leaders are not pushing us to any such choices, partly because it would risk damaging the world economy on which all of us depend.

Our policy goal should be to develop the kinds of policies toward the Persian Gulf which help promote peace and stability in the whole area, and which are not solely dependent on rapid and steady progress towards an Arab-Israel conflict settlement. There will be many stops and starts and detours on the road towards a Middle East settlement, and while we cannot insulate Persian Gulf policy from other developments in the region, we can devise policies that can survive the frequent fluctuations in Arab-Israeli negotiations that inevitably will occur. The wisdom of doing everything possible to achieve a settlement of the Arab-Israeli dispute is obvious. It is less obvious what steps short of settlement we can take to reduce the risk of an oil embargo or supply restrictions.

POLICY CHANGES

To strengthen our Persian Gulf policy, I offer several suggestions:

1. Our policy should place greater emphasis on economic, commercial and technological factors and less on the military factor. We should avoid any military role in the small states of the Gulf, and we should consider reducing our substantial military presence in Iran and Saudi Arabia which now numbers close to 1,500 men. We should also probably consider withdrawing MIDEASTFOR, that curious three-ship fleet, which is currently stationed on the island of Bahrain.

I am disturbed when we simply announce—with no public debate or even knowledge that a decision is imminent—that we will significantly depart from post policy and begin selling sophisticated weapons to Oman and seek base rights on island of Masirah.

2. A fundamental redefinition of the role of our government in future negotiations between oil companies and producing countries is needed. The U.S. Government should be involved because the issues have a bearing on our national interest. The oil companies may no longer be able to protect effectively our national interest and those of our allies in Europe and Japan. Trade in oil can no longer be left solely to a handful of oil companies and exporting countries. The interests of too many Americans are too closely linked to the results of those negotiations for them to be unrepresented at that bargaining table.

3. Systematic attention must be given to the connection between our oil interest in the Middle East and our military relationship with Saudi Arabia and Iran. If access to their oil at reasonable prices is in our national interest, and if our military technology is in their national interest, then there is much ground for mutual cooperation. Put another way, if we are to be concerned about their security and sell them arms and technology, then they must be concerned about our security and sell us oil at tolerable prices.

4. We should not make threats of the use of force against certain oil producing states. I would prefer to see a more concerted effort by consuming states, especially the United States, to achieve a dialogue with producing states, both bilaterally and multilaterally.

Our many shared interests can best be advanced through careful, systematic bilateral and multilateral discussions. Such an atmosphere of cooperation will do more good than confrontation. We must be prepared to act unilaterally should cooperative efforts fail, but the emphasis should be on cooperation and conciliation, not confrontation. It is only in direct meeting with producers that we will be able to put effectively all our relationships on the table and devise a mutually satisfactory basis for future cooperation in all areas.

5. U.S. policy toward Iran has contributed in a major way to Iranian military dominance in the region, which is not necessarily in our interest or in the interest of regional cooperation among all our friends. We should continually evaluate the degree of support we give Iran and the unproved and undebated premise of our policy that Iran acts in our interest. The Shah acts in Iran's own interests and those interests are not necessarily compatible with ours.

6. We should encourage regional cooperation, especially in the security fields, between our two strongest friends in the area, Iran and Saudi Arabia. At the same time we should also try to broaden the small areas of mutual interest we have with Iraq in the hope of eventually re-establishing relations, and in the hope that Iraq can be a responsible and moderate force in the Gulf region. Cooperation among all Gulf states is in our interest.

7. Special attention to United States-Saudi Arabian relations is necessary in the next several months. In the summer of 1973, the big question was whether King Faisal was bluffing when he said an embargo was possible if there was no progress toward a Middle East peace. Whatever reservations we may have about his internal policies and personal views, he is an old friend and over a long period of time he has meant what he said and said what he meant.

Last year, we urgently instructed the Saudi Arabian Ambassador to tell his government that we wanted to create a new special relationship and to establish special joint commissions with Saudi Arabia to help effect closer ties. We launched this report three days before Secretary Kissinger's February 1974 Washington Energy Conference was viewed by the Arabs as a step toward confrontation, and we followed up this proposal with the creation of joint commissions with just about every other country in the Near East and South Asia region.

We have done relatively little in the last year or two to demonstrate effectively to the Saudi leadership that we sincerely intend to reinforce and preserve our special ties. Our bilateral relationship, which has been in the past almost exclusive, may be facing growing pains. Each state may be re-evaluating past relationships. If we still believe there is a need and desire for maintaining our former closeness, we will need to give substantial substance to the joint commissions and work toward a franker and better dialogue and understanding with Saudi leaders on policy issues. In our dealings with the Saudi elite, we must explain better why we aid Israel and why we sell vast quantities of arms to Iran. We cannot pretend these issues do not exist in Jiddah, as we may have done in the past.

8. We need to devise a comprehensive, systematic approach to the handling and investment of excess oil revenues from the Gulf States. We must promote the exports of American goods and services and decide which investments we welcome and which investments by them we do not welcome.

The entire recycling problem needs thought and attention. We must be thinking of ways to encourage petrodollar investments overseas without exposing the United States or our financial institutions to unacceptable risks and yet satisfying the financial security of the Gulf states and their fears of default, devaluation and inflation. The solution must involve the oil producers, as well as the consumers.

I have been impressed that Japan is able to sell as much or more, non-military goods and services to Saudi Arabia, for instance, than we are, and several other states are increasing their exports at a faster rate than we are. For example, France's exports to the major OPEC states increased in the first nine months of 1974 to nearly 8 billion francs from close to 1 billion for the equivalent period of 1973.

The United States cannot boast of such dramatic improvements. Moreover, Britain is beating the United States commercially in the lower Persian Gulf.

The seeming reluctance on the part of some Gulf states to "buy American," to the degree they have in the past, may be because the Gulf states do not like U.S. energy policy or U.S. Middle East policy, or because they want to diversify their business, or because U.S. businesses, with the exception of defense-related industries, are not conveniently nor easily galvanized into action in new and distant foreign regions.

Whatever the source of the problem, the United States is unlikely to increase significantly its exports to the Persian Gulf in non-military areas without changes in policy.

9. We urgently need to rethink our arms sales policies in the region. I worry about the potential implications of an escalating arms race there. Over the last 8 fiscal years 42 percent of the $20.8 billion in arms we have sold overseas went to the Persian Gulf, principally Iran and Saudi Arabia. Kuwait and Oman must now be added to the listed receiving sophisticated arms.

I also worry about the implications of:

Transfers of arms and repeated actions across borders.

Iranian involvement in Oman.

Pakistani pilots in the United Arab Emirates.

Foreign military involvement in the Yemen Arab Republic.

Jordanian officers throughout the lower Gulf, and

Iranian transfers of equipment to Pakistan, Jordan and elsewhere. The more arms in the region, the more they are likely to cross borders.

It is not alone the volume of arms that disturbs me, but the compactness of the region, the looseness of borders, and the long list of potential, tribal, political, ethnic and religious disputes that could erupt at any time, as they often have in the past.

I was once told that over the last three years, three of the most important United States Government policy statements on the Persian Gulf were three annual presentations by Assistant Secretaries of States before the House Foreign Affairs subcommittee on the near East. The Subcommittee is not flattered by such accounts. Rather, I find it symptomatic of the lack of systematic policy attention to the region and the absence of any clear and coherent policy.

Our task is to work for a fundamental change in our relations with the Persian Gulf states. It should be an open, mature relationship; characterized by systematic, regular government-to-government discussions, and where our shared interests are emphasized and our purpose is cooperation, not confrontation.

Hopefully, our Arabs friends will come to see the U.S.—less as a staunch and faithful friend of Israel—and more as an increasingly important trading partner, a good place to invest excess oil monies, and a source of advanced technology.

AN ADDRESS BY CONGRESSMAN WILLIAM S. COHEN ON THE NATION'S ECONOMIC AND ENERGY PROBLEMS

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. EMERY. Mr. Speaker, last Saturday evening, in an address to the Caribou, Maine, Rotary Club, my distinguished colleague, Congressman WILLIAM S. COHEN, delivered an important and timely address on our Nation's economic and energy problems. I believe that Congressman COHEN's remarks represent a constructive contribution to our ongoing economic and energy dialog, and I am pleased to call to the attention of my colleagues Mr. COHEN's speech:

ADDRESSING OUR ECONOMIC-ENERGY PROBLEMS

(By WILLIAM S. COHEN)

In an address delivered in San Francisco in 1954, the late Walter Lipmann, one of the most astute political thinkers of modern times, observed:

"We are living in an age of disorder and upheaval. Though the United States has grown powerful and rich, we know in our hearts that we have become, at the same time, insecure and anxious. Our people enjoy an abundance of material things, such as no large community of men has ever known. But our people are not happy about their position or confident about their future. For we are not sure whether our responsibilities are not greater than our power and our wisdom."

The relevance of Lipmann's observation has not diminished with time. A pervasive sense of despair, helplessness and uncertainty permeates American society. So great is our distress that we are now calling into question the basic tenets upon which our society was founded and has prospered. We now question the ability of our traditional political, economic and social institutions to effectively address the problems plaguing the United States. And, perhaps most significantly, a growing body of Americans now question whether the much-discussed and sought "American dream" will, in the final analysis, either elude us or turn out to be a cruel hoax.

It is not difficult to understand why the American people are disillusioned, confused, and unhappy over the present state of affairs. In the span of a decade, they have endured a disastrous experience in southeast Asia, a political system nearly torn asunder by gross personal abuses and excesses, and now an economy mired in a deepening recession. The strength and resiliency of the American people has always amazed me, but never more so than at the present.

We can take solace in the fact that, to a great extent, the horrors of Vietnam and Watergate are behind us. But solutions to our economic and energy problems remain largely undefined and unaddressed. I would like to use this occasion to offer a broad outline of the actions that I feel should be taken to redress our immediate economic and energy problems.

I have decided tonight to eliminate, as much as possible, the chronicle of statistics and time-worn cliches usually associated with an economic speech. I have done so largely because I believe that each of us is well-indoctrinated in this regard. Moreover, I feel that an endless recitation of grim economic indicators dulls the senses, and only adds to our numbing frustration.

I have felt for some time that one of the most formidable obstacles that must be surmounted if we are to effectively deal with our economic and energy problems is the Government's penchant for painless trade-offs, panaceas and undiluted optimism. How many times were the American people told that the energy crisis was over? How many denials were issued claiming that the economy was not headed for a recession? How many times were we told that the economy was merely "waffing sideways," whatever that means.

In pointing an accusatory finger at both the Congress and the executive branch, it is not my intention to minimize the complexity of these problems. As *Business Week* magazine recently observed, classical economics simply have no advice to give to the economic policy maker who finds himself fighting inflation and recession at the same time. Clearly, we find ourselves in an unprecedented and unenviable position. A colleague of mine put it well when he stated that:

"The American economy can be compared to a cancer victim who also suffers from heart disease. Each must be diagnosed and treated as a separate illness. But, at the same time, the attending physician must be careful not to prescribe remedies which, while curing one ailment, unduly aggravates the other."

Perhaps the most significant aspect of President Ford's state of the Union address was the clear acceptance of the fact that the time is at hand for making the hard economic and energy choices. And while certain parts of his program offer promise and will have my support, I do have serious reservations over some of his recommendations. Certainly the complexity of our economic and energy problems lends itself to honest differences of opinion on what should be done. The crux of the shared challenge confronting President Ford and the Congress is to reconcile their differences promptly, and get on with the task at hand, unencumbered by petty squabbling.

Our present economic difficulties stem from a myriad of causes, and no single policy will turn the economy around. A number of actions such as assisting the depressed housing industry, reform of the Federal regulatory structure, comprehensive tax reform, and vigorous enforcement of our anti-trust laws must supplement and reinforce the proposals outlined in President Ford's state of the Union address.

Time does not permit me to examine these issues at length or to discuss with you the foreign policy implications of our economic and energy problems. In most cases, a separate speech would be required if the issue is to be covered thoroughly. Instead, I will focus on the major elements of Mr. Ford's State of the Union address.

President Ford has given us essentially a three-part program. He has proposed a series of tax cuts and rebates to restore purchasing power to the low- and middle-income consumer. He has asked for a moratorium on new spending programs in an effort to rein in deficits in the Federal budget. And he has called for increased import taxes to raise the price of oil and thereby discourage consumption of that precious commodity.

I welcome the President's tax cut proposals, although I do harbor serious doubts as to whether the proposed cut is large enough. As several prominent economists have pointed out, the average rebate will be less than $200—a sum that will not match what the average family has lost to inflation in the past six months and will lose to inflation in the coming months. For the vast majority of families in Maine, there is simply no flexibility in their budgets for so-called "discretionary spending." They can barely make ends meet in attempting to provide for their basic needs such as food, fuel and housing. Unless the cut is large enough and directed primarily at low- and moderate-income families and individuals, it will clearly fail to achieve its intended purpose. It seems to me that we ought to be thinking in terms of a $20 to $25 billion cut which, as Walter Heller (former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson) has pointed out, will still only represent approximately one and a half percent of the projected gross national product for 1975.

The proposed increase in the investment tax credit from 7% to 12% is also welcome, although again, serious doubts exist with respect to the usefulness of making the increase only a one-year change. In any event, an increase in the investment credit is necessary to encourage businesses to expand their productive and employment capacities and should give an immediate boost to employment in the durable goods industry. Plant expansion and modernization are major factors in increasing worker productivity, and to do this, industry needs the extra capital that such a credit would provide for financing capital improvements. Most importantly, increases in the tax credit and worker productivity would make it easier for industry to absorb increased wage demands without passing them along to the consumer in the form of higher prices.

I share the President's desire to reduce all unnecessary Government spending, although I doubt that an absolute moratorium on new spending programs is practicable and feasible. New programs may be needed to merely assist individuals to survive the hardships of a deepening recession. And, with regard to proposed curbs on social security cost of living increases and increases in food stamp costs, I believe that social equity demands that government not attempt to "economize" at the expense of those least able to absorb added financial burdening.

I think that it is highly unfortunate that the President has chosen to weaken the effect of his proposed tax cuts by ordering a stiff tariff on imported oil—a tax that would have a devastating effect on the economy of Maine and New England. A $3 per barrel tax on oil imports will increase home heating oil costs by $75 million per year and residual oil costs by $442 million per year for New Eng-

land. Our electric and home heating bills would soar to levels higher than in any other section of the country, and unemployment levels and plant shutdowns would increase further in the region.

As the New England Council pointed out in a telegram to the President, the major problem with an import or oil tax is that heating and residual oils are already being conserved at high levels in New England and elsewhere. An increased tax on these oil products would do little to lower consumption but would mean higher prices to consumers or further closing of industrial plants.

It should be pointed out that heating oil conservation levels are approaching 20 per cent in New England, with national consumption 5.4 percent below 1973 levels. Residual oil use also is down in the northeast, and down 7.5 per cent nationally. The conservation figures for gasoline are much less impressive, down approximately 2.5 percent.

I am quite prepared to support tough policies that encourage energy conservation, but only if they are fair and even in their impact. A stiff tax on imported oil fails on both counts, and I will vigorously work with my colleagues from New England to block this regressive and inequitable approach to energy conservation.

As Hobart Rowan observed in a recent article in the Washington Post, "A new tax on crude oil is comparable to the now abandoned medical practice of attaching leeches to a bleeding patient." It would not only fail to increase energy prices to a level sufficient to measurably cut demand, but it will work its way through the economy increasing the cost of such basic commodities as heat, food, clothing, electricity, drugs, and needed manufactured products. The proposed tariff on imported oil is clearly inflationary, it will act as a drag on the industries we should be trying to stimulate, and it will drain away much of the new purchasing power that a tax cut is designed to provide.

In seeking ways to reduce our reliance on imported oil, the emphasis must be placed on gasoline, not home heating and industrial oils. And while I strongly support the President's goal of reducing oil imports by one million barrels-a-day by the end of 1975, I favor strengthening the existing mandatory allocation program and the use of import quotas to achieve this end. This approach would guarantee a fair share of petroleum and oil products to all states, and would be more equitable than imposing a stiff import tax. Under the mandatory allocation program, the states would have the primary responsibility to allocate oil and gasoline among various contending uses, including transportation, home heating, industry and recreation.

I would like to add that I was particularly pleased that the President recommended legislation to assist homeowners in making energy-saving improvements on their residences. The legislation that the President recommends closely parallels two measures that I originally introduced in the 93d Congress and reintroduced only a few days ago. One measure would provide homeowners and small businessmen with a 25% tax credit on the first $1,500 of the cost of installing energy saving devices such as insulation, thermal pane windows and heat pumps. The other measure would establish a low interest loan program in the Department of Housing and Urban Development for larger energy saving expenditures. Both bills have the same goal: assisting the consumer to reduce residential energy consumption and expenditures by reducing waste.

Obviously, the most important action that we must take if we are to return our economy to a sound footing is to formulate a comprehensive, future-oriented energy policy. Each of us is now acutely aware of the critical link between energy, the economy and national security.

This task will not be easy. As the Wall Street Journal put it in a recent editorial:

"Policy makers have no good choice. Any choice will impose costs of one sort or another and costs that come at a most unfortunate time. Energy policy consists of minimizing the inevitable costs, reducing the dislocations, choosing the least bad alternative."

The Congress has, of course, already begun the task of fleshing out a national energy policy. We have greatly expanded funding for all federally related energy activities, created a new institutional structure to consolidate Federal energy efforts, approved legislation furthering research and development in both nuclear and non-nuclear energy sources, cleared the way for production of our Alaskan oil reserves, and put in place programs to deal with the short term ramifications of the energy crisis.

To be sure, much more remains to be done on both the conservation and supply fronts.

While energy conservation is certainly not an end in itself, this country can and must significantly reduce its energy growth rate. Perhaps the most alarming and shameful fact to emerge from our national energy dialog is that as a society, we waste at least one third of the total energy that we consume. Coincidentally, this figure approximates our degree of dependence on foreign oil imports—imports that have quadrupled in price in the past year or so, greatly exacerbating our inflationary and recessionary problems.

The principal finding of the two year study of national energy issues by the Energy Policy project sponsored by the Ford Foundation was that neither jobs, nor growth rates in income, nor household comforts will measurably suffer if the nation's energy growth rate is halved through more efficient use of energy. Paring the fat from our bloated and unbalanced energy budget is not the latest Federal fad. It is, as a former energy administrator observed, "a major national imperative."

The possibilities for achieving a significant reduction in energy consumption are almost endless, with the greatest opportunities lying in increasing the efficiency of the automobile and the heating and cooling of buildings. Fortunately, government and private industry have now begun to focus on the area of residential energy saving improvements. Unfortunately, the same degree of attention and urgency has not been given to the automobile. In a very real sense, we have literally driven ourselves to the brink of energy and economic disaster.

It need not, and in fact cannot be allowed to continue. A University of California study estimates that reducing the average automobile to 2,000 pounds and eliminating other inefficiencies could almost double the average gasoline mileage. According to research engineers at Arthur D. Little, Inc., passenger car fuel economy can be improved up to 43%, mostly through existing technology, despite stringent federal safety, emission and noise standards. Detroit is simply going to have to build smaller, more efficient cars, and the American public is going to have to simply adjust to less power, less comfort and less status. And if it takes a steep horsepower tax to encourage this adjustment, then I am prepared to enthusiastically support it.

Our search to pare the fat from our energy budget need not stop with the automobile or the home. Significant energy savings are possible in industry through more efficient production processes and greater use of recycled materials. Additionally, utility rate structures should be redesignated to reward individual efforts to reduce energy conservation in the household. If an individual insists on having a house full of energy consuming gadgets, I see no reason why his electrical bill should not reflect his extravagances. Why should the rest of us subsidize his excesses?

On the supply front, the United States is still an energy rich nation. The critical issue around choosing the supply options with the least environmental costs. The development of our remaining oil and gas reserves, greater production and use of our vast coal and oil shale resources, and more nuclear power plants all entail certain environmental risks. While we obviously must accept a degree of environmental degradation or leave these resources untapped, it is imperative that every step be taken to minimize the damage.

One of the illusions that has surfaced with the onset of the energy crisis concerns the relationship between our supply deficiency and the efforts to clean up the environment. Many have contended that concern for environmental values is incompatible with the development and use of our energy resources. The simple truth is that our efforts to clean up our fouled air and water can in no way be categorized as a primary cause of the energy crisis. It has aggravated the situation, but it has not caused it.

Environmentalists have warned for years that the gluttonous use of our energy resources would exact a stern price on our society if consumption were not moderated. We have now come to realize the foresight and wisdom of these predictions.

It seems to me that the crux of the energy challenge confronting us revolves around not only recognizing, but reconciling the multiple concerns of environmental quality, economic development and national security. A wholesale retreat from our commitment to clear air, clean water, and intelligent land use might improve our energy posture in the short run, but it would clearly have tragic results for our children and grandchildren. Current generations simply have no right to keep using up the options of future generations.

In looking down the road, our emphasis should be on developing alternative sources of energy such as solar, wind, geothermal, hydroelectric and tidal power. Wood also has significant potential as both a direct source of energy or as a chemical feedstock. And, the Federal Government must actively encourage and support the development of coal gasification and liquefaction processes, as well as see to it that the problems attendant to the use of nuclear energy are dealt with promptly and conclusively. In the final analysis, the cheapest and safest supply option available to us in the short term is simply energy conservation.

When one objectively examines the origins of America's energy problem, it is manifestly clear that in large part, it is a self induced ailment—one that has been nurtured by decades of improvident policies, tunnel vision, neglect, waste, and sheer indecision.

For far too long, we have operated under the illusion that our mineral resources were infinite.

For far too long, we have embraced the notion that it is every man's inalienable right to consume as much as he wants for as long as he wants.

For far too long, we have fought against the limits of nature, rather than learning to live comfortably within them.

And for far too long, we have failed to understand that "progress" and "growth" do not necessarily and automatically equate to an improvement in the quality of life.

As Anthony Lewis put it in a recent article in the *New York Times*:

"In a thousand ways, the Industrialized World now faces basic decisions about its future course of development. And the crucial choice is not between existence and beauty. It is between two views of existence: the short term and the long term.

Each of us would do well to weigh Lewis' comments carefully.

PRESIDENT FORD'S OIL TARIFF

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DRINAN. Mr. Speaker, it has come to my attention that the Federal Energy Administration has just raised its estimate for what the President's total energy package will cost the American public. After its most recent calculations, the FEA is now projecting that this energy program could cost the average American family as much as $345 in increased fuel bills. This figure raises by $95 a year the previous estimate of $250 per year for a family of four.

I am just amazed, Mr. Speaker, that the President could continue to announce his support for this potentially disastrous energy program. A recessionary economy and an upward spiraling inflation rate make the further imposition of new energy price increases on the American consumer almost ludicrous. Not only will these increased costs severely tax the average family, but they will virtually cancel out any remedial effect which the proposed tax cut will have on our economy.

The New England region will of course receive the major brunt of the President's energy proposals, especially where they relate to oil. In this regard, I would like to call to the attention of my colleagues a fine summary of the economic difficulties which the oil tariff would create for my State of Massachusetts. This summary was ably prepared by the Associated Industries of Massachusetts.

The summary follows:

FORD OIL TARIFF UNFAIR TO MASSACHUSETTS

SUMMARY

In an effort to mount a national energy conservation program, the President plans to impose a $3 per barrel tariff on imported oil—the first of three monthly $1 increments to go into effect February 1. He has asked Congress to offset this action by imposing a tax on domestic oil, plus decontrolling the price of natural gas. The problem is not one of supply, assuming there won't be another embargo. There is plenty of oil if you pay the price, which, for imports, has quadrupled since the fall of 1973. The thrust of the President's program, as announced in his State of the Union Message, is to reduce the flow of American dollars abroad. This is an important national goal, but the approach is wrong.

AIM believes the tariff would spell economic disaster for Massachusetts and, indeed, all New England:

1. *We depend more on oil than other regions.* New England Fuel Institute states that 86 percent of the six-state region's total energy needs are supplied by oil. Nationally, the figure is 45 percent. On that basis alone, we would get hit twice as hard. However, we not only use more, we import more. Some 90 percent of all our residual oil for electric power and industrial heating and processing is imported, along with 25 percent of our home heating oil.

2. *We have done a better job* than the rest of the nation in conserving oil. Massachusetts industry already has cut consumption an average of 20 percent. Some companies have reached a 35 percent conservation level. Homeowners have done nearly as well. Nationally, fuel oil conservation has been less than 6 percent. The kind of conservation we have achieved, obviously, is a one-shot deal. You can only cut consumption so much and still stay in business. So, the plan won't achieve its goal, only make us pay an inflationary surcharge on already inflated prices.

3. *Other sections of the country will not share* or make the same sacrifices. Regions served by massive, often government-financed, hydroelectric systems, i.e., TVA, Columbia River, or those relying on coal or natural gas will make no comparable sacrifice. New England should not be asked to underwrite national policy to this extent.

4. *The tariff idea seems doomed to fail* from the outset. Most informed observers agree that the problem is gasoline, not oil, and that it is here that there has not been adequate conservation. As distasteful as it may be, politically and to us as individuals, such observers believe that a substantial tax increase on gasoline (25 cents or more per gallon) is the only way to discourage consumption short of the even more distasteful notion of rationing. To be equitable, such a plan would have to incoroprate some system of prompt rebates to essential users—such as salesmen and commuting workers with no access to public transportation—and to low-income motorists: If the country must act to conserve fuel, beyond the voluntary measures being taken, a gasoline tax at least would treat every region of the country fairly . . . would zero-in on a fuel where added savings are possible and more likely . . . and, overall, would be less inflationary.

5. *The President has authority to impose the tariff* by executive order (a claim which may be challenged in the courts) but since an "equalizing" domestic tax will require Congressional approval, the time-lag certain to develop between these two actions would make the impact on importing regions even more severe and the economic imbalance even more outrageous. The energy-cost differential for New England is already great. This could make it near fatal.

6. *A new rash of plant shutdowns and layoffs* could result from the President's apparent assumption that New England industry can either pass along such higher costs to the consumer or absorb them. Massachusetts already has the second highest unemployment rate in the nation. Its industry already faces energy-related competitive problems.

7. *Finally—the whole damned thing is needlessly inflationary!* It won't create a single new job and, according to a leading economist, the tariff (coupled with domestic excises and price increases) could send a $100 billion "ripple" through our entire economy.

ADDITIONALLY

The President promises steps to insure that no region of the country will suffer unduly. We have no indication of how he would do this, in view of the singular dependence of this area on oil imports. His statements have been somewhat ambiguous about the scope of the tariff—at times speaking of crude oil and at others speaking of both crude and petroleum products. We assume he means all. Either would be bad . . . it is a question of degree. There have been hints that this plan was hatched in the office of the Secretary of State—a grand strategy, if you will, for dealing with the OPEC cartel, evidence to show our allies we mean business, etc. That may help some of us comprehend an otherwise incredible proposal, but it won't help us pay the higher fuel and electric bills. It won't put people to work, stop double-digit inflation, or even—most suspect—cut down imports appreciably. For New England industry and consumers, however, it would totally nullify the benefits of any subsequent tax cut. And in that regard, we should be very skeptical of talk that these added costs will be somehow "returned" to hard-hit regions.

Most Americans applaud the broad goals of the President's economic and energy programs. All of us can admire his personal courage and candor. AIM would commend his recognition of the real seriousness of the energy crisis . . . his determination to do something about it. He has asked everyone to "sacrifice a little" for this goal. But we must reply that Massachusetts already has made sacrifices not shared nationally—and at a considerable cost.

DO WE REALLY NEED GAS RATIONING NOW?

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PETTIS. Mr. Speaker, of late there has been considerable discussion about instituting a system of gasoline rationing. Though I do not always agree with the Washington Post, recently it carried an editorial that points out the real problems with the gas rationing idea. I am inserting the editorial for those who might have missed it:

[From the Washington Post, Jan. 26, 1975]

HOW TO RATION GASOLINE

Let us suppose, for a moment, that you are the person to whom President Ford assigns the job of designing a system to ration gasoline. The President thinks that rationing is a terrible idea and wants to cut consumption by raising prices and taxes instead. But a great many well-intentioned senators and congressmen think that rationing is much fairer. We are now going to suppose that they win the coming fight, a rationing law is enacted, and you are appointed to set up the operation. The basic program is clear. There remain only a few minor issues of policy that a sensible person like yourself should have no difficulty resolving quickly and—to repeat the key word—fairly.

The first question is to whom to give ration books, and your first inclination is to give them to every licensed driver. That brings you to the family in which both parents and all three teen-aged children have licenses. If they have five ration books, the kids can continue to drive to school. You think that they ought to take the school bus, and you revoke the kids' coupons. But then you learn that they all have part-time jobs—one of them plays the xylophone in a rock band—and they will be unemployed if they can't drive. You get a call from the White House telling you not to contribute to unemployment, which is rising. You give in, and return the kids' ration books. That gives the family five times as much gas as the widow across the street whose three children are all under 16.

Continuing the crusade for fairness, you take up the case of Family A, whose harassed father has to commute 30 miles to work every day, and Family B next door, whose father runs a mail order business out of his basement. Family B goes to the beach every weekend—very inexpensively because, as the congressmen made clear, the point of rationing is to avoid raising prices. Score another point for fairness and turn to the case of two suburban communities, a mile apart, one of which has bus service to and from central city and the other of which does not. Reasonably enough, you give less gas to people in the community with buses—until you discover that none of them works in the central city. They all seem to work in other suburbs, most of which have no public transportation. Your response, obviously, is to make everyone in the United States fill out a form showing where he works. Then you hire a computer firm to identify those who can get to their jobs by public transit in less than 90 minutes with no more than three transfers; they will get fewer coupons. There are certain difficulties in enforcing these rules, as you concede to several congressional committees, but you expect to be able to handle them with the expanded appropriations that you have requested to hire more federal gas investigators.

Now that you are beginning to get the hang of the thing, you will want to proceed to the case of the salesman who flies to an airport and rents a car. If you issue gas to the rent-a-car companies, the salesman might be tempted to use one of their cars to take his family on a vacation. But the salesman's personal coupons won't cover company trips. Now you have to decide how much gasoline to give to companies, and which business trips are essential. You might turn that over to the staff that you set up to decide which delivery services are essential and how to prevent delivery trucks from being used for personal business.

By the way, you have to consider the rural poor—for example, the laborer who lives far out in the country. Some weeks he's employed far from home and commutes hundreds of miles. Some weeks he finds work nearby. Some weeks he's unemployed, particularly when the weather's bad. You post a prize for the formula to cover that one.

You are beginning to discover the great truth that simple rules are never fair, and the fairer the system gets the more complicated it has to become. Even in World War II, when there were only one-third as many cars and the national dependence on them was far less pronounced, it was necessary to set up boards of citizens in every community to rule on a flood of special requests, hardships, grievances and challenges. It is a method that requires, unfortunately, a massive invasion of personal privacy. Americans accepted it then as a temporary wartime expedient. But the present emergency is not temporary.

A year ago, when the Nixon administration was considering rationing, the planners suggested simply giving everyone the same number of coupons and letting people buy and sell them legally on a "white market," as they called it. But in a white market the laborer with the long trip to work would have to bid against the family that wants to drive its station wagon to Yosemite for its vacation. Under President Ford's price scheme, at least the country would know roughly what the increased price of fuel would be. In a white market, no one could say how high the bidding might go, or how widely it might fluctuate from one season to another.

Congress, and specifically the Democratic leadership, is behaving rather badly. Its committees have been exploring the economics and technology of energy with considerable skill for more than two years, and they understand the choices as well as the administration does. The Democratic leadership's cries for further delay now are hardly more than a plea merely to postpone unpleasant but urgent decisions. A year ago, when President Nixon asked for rationing authority, Congress said that rationing was unpopular; the law never passed. Now that President Ford proposes the other alternative, higher prices, congressmen cite polls to show that people would prefer rationing.

In the present state of general indecision, the most widely popular position is probably the one represented by Gov. Meldrim Thomson of New Hampshire. Gov. Thomson opposes both rationing and higher prices. He would prefer, evidently, simply returning to the halcyon days of 1972 before the energy squeeze took hold of us. It is a pleasant idea. But it is not, unfortunately, one of the real choices—not even for New Hampshire.

SALUTE TO THE "SAVE A LIVING THING" PROJECT

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. STEELMAN. Mr. Speaker, I wish to commend the tremendously successful campaign, "Save a Living Thing," initiated by the Southland Corp. of Dallas, Tex.

In September of 1974, Southland, along with the National Wildlife Federation, undertook the significant project of saving our national symbol, the American bald eagle, from extinction. Their goal was to raise $200,000 to acquire a tract of land along the Missouri River to be used as a refuge for this endangered species of bird.

Because of their sincere interest in conservation and wildlife habitat, 4 months later the Southland Corp., and the National Wildlife Federation have presented to the American people the South Dakota bald eagle sanctuary.

Further information concerning this worthwhile project is included in the statement released by the Department of Interior.

LAND DONATION TO BECOME NATIONAL AMERICAN BALD EAGLE SANCTUARY

Control over more than 1,000 acres of land in South Dakota and Nebraska that will serve as a sanctuary for the American bald eagle was turned over to Interior's Under Secretary, John C. Whitaker, tonight (December 19) in a ceremony at the National Wildlife Federation headquarters in Washington, D.C.

The land was donated jointly by the National Wildlife Federation and the 7-Eleven Food Stores Division of the Southland Corporation of Dallas, Texas, as the climax of a special fund raising campaign.

Under Secretary Whitaker, in accepting the deed, announced that the land will be used to establish a new national wildlife refuge to be administered by the U.S. Fish and Wildlife Service, and that the refuge will be named for the late Senator Karl E. Mundt of South Dakota who strongly supported the Endangered Species Act of 1966.

The Under Secretary also presented Thomas L. Kimball, Executive Vice President of the National Wildlife Federation, with a letter of appreciation from President Ford. The President wrote:

"This generous gift is an outstanding demonstration of cooperative volunteer action by all those involved. It is entirely fitting that the bald eagle, our national symbol, should be the immediate beneficiary of your gift, especially in view of its current survival problems.

"On behalf of the American people, I thank all of you who have worked to make this donation. I hope that your action will serve as a model for others to follow."

Secretary of the Interior Rogers C. B. Morton in his statement said: "I am pleased to know that once again private industry and conservation-minded citizens, acting through the National Wildlife Federation, have together made a lasting contribution to the Nation. It is fitting that this sanctuary, which serves as a winter home for nearly 15 percent of the bald eagles found in the lower 48 States, be named after the late Senator Karl E. Mundt of South Dakota. Senator Mundt's keen awareness of the need to protect our dwindling wildlife populations helped inspire a historic piece of legislation in the first Endangered Species Act, and his work in that area will long be remembered."

The conveyance includes title to 818 acres purchased through the National Wildlife Federation, plus a conservation easement of about 300 acres. About 19 acres of the refuge area is in Nebraska; all of the remaining acreage is in South Dakota. The refuge's Missouri River bottomland, with its tall cottonwood trees, is a winter sanctuary for as many as 300 bald eagles each year. Other local wildlife includes white-tailed deer, bobwhite quail, wild turkey, fox, coyote, opossum, raccoon, and sometimes a bobcat.

Athough it is not officially an "endangered species," the northern bald eagle population has been greatly reduced in recent years. Pesticide pollution and habitat destruction have plagued eagles, primarily in the lower 48 States, and estimates now show about 1,000 nesting pairs. "It is hoped that by providing such a sanctuary as the Karl E. Mundt NWR—a protected resting area for the eagles—that their population will no longer decline at such a rapid pace," said Lynn A. Greenwalt, Director of the Fish and Wildlife Service.

INTOLERABLE

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BAFALIS. Mr. Speaker, my mail reflects, I am sure, pretty much what the mail to all Members shows—a great concern for the economy of our Nation. As evidence of that concern, I would like to share with my colleagues a letter to the editor of the Naples, Fla., Daily News by the president of a group known as Citizen Inflation Fighters, Inc. There is a great deal of food for thought in this letter and I commend it to my colleagues as the thinking of many of our constituents:

INTOLERABLE

EDITOR, Naples Daily News:

A prolonged high level of unemployment is intolerable. The problem must be solved. But the manner in which it is solved will

determine, largely, whether we restore a sound economy—free of the inflationary force of deficit spending—or whether we create more inflation in solving unemployment.

If government continues to spend beyond its income we shall have more inflation as a result. Budgets must be balanced at every level of government. The question is how to solve unemployment without more and greater deficit spending. The only solution is to give productive public works projects top priority and balance the budget by reducing or eliminating, as far as necessary, expenditures of lower priority. We simply must "bite the budget bullet!"

These public works projects to provide job opportunities for the otherwise unemployed should be contracted to private industry on a competitive basis. Quality and high productive efficiency should be prime objectives, stimulated by performance incentives for both employes and the company.

Simultaneously with the availability of such work opportunities, welfare should be dispensed only to those who are physically unable to work. All others should be expected to earn their livelihood, which is both just and economically sound.

Let us not forget that Inflation Is the Cause of Our Recession and the resulting unemployment. Both inflation and recession can and must be stopped by this and other basic corrective actions.

ROBERT F. WEINIG.

NAPLES.

CUBAN APOSTLES OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. PEPPER. Mr. Speaker, today is the 122th anniversary of the birth of the great Cuban patriot, poet, and apostle of freedom, Jose Marti.

Born on January 28, 1853, Jose Marti in 1898 turned the course of Caribbean history by proclaiming the ideological basis of a free Cuba. His inspiration led to Cuba's independence from Spain and his inspiring words still right out the call of freedom for a Cuba newly enslaved to communism.

In commemorating the birth of Jose Marti, I wish to introduce once again my joint resolution commending the Cuban "Declaration of Freedom," adopted January 23, 1966, by 15,000 Cubans in exile at a meeting in Key West, Fla. This resolution appropriately was drafted at the San Carlos Club from which Marti proclaimed his words of freedom.

The enlightened ideas for which Marti gave his life have been, and continue to be, summarily rejected by the Castro regime. There has been no real change in the repressive character of that brutal Communist regime, no change in the fostering of subversive activities in the hemisphere, and no change in the military alliance with the Soviet Union which has brought Soviet power into the Caribbean with bases and troops on the island of Cuba.

What Marti said of Cuba in 1898 is equally true today:

Melodies are heard; choruses resound, but it is clear that this is not the symphony of peace.

There can be no true peace in Cuba or security for our hemisphere until the spirit of Marti and of the Key West "Declaration of Freedom" are once again the guiding light of liberty for the Cuban people.

I include the text of my resolution, House Joint Resolution 152, in the RECORD at this point:

H.J. RES. 234

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the lentgh of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That the score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism in Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.

SST BILL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. WOLFF. Mr. Speaker, I rise today to express a mixture of wonder and concern over plans announced by Great Britain and France to seek a series of 50 experimental flights of their Concorde supersonic transport airplane into and out of John F. Kennedy Airport near New York City, perhaps as early as May of this year.

I am concerned because despite all of the medical and psychological knowledge we have gained in recent years in our investigations into the adverse effects of noise pollution, we must still spend time evaluating requests on an aircraft which even its most optimistic backers admit will make at least as much noise—and probably a good deal more—than the presently unacceptable levels of standard jet passenger aircraft.

While most present aircraft can be modified by retrofitting to help our nearly shattered eardrums, Mr. Speaker,

I would point out that no one claims that the SST can be retrofitted, or its noise modified in any way.

Towns, counties, cities, and States across the Nation are today protected by antinoise laws, thanks to the lead provided by Congress in passing the Noise Control Act of 1972.

Unfortunately, the area of aircraft noise is still a nebulous one for many localities to attempt to regulate, for they obviously have difficulty apprehending noisy aircraft which do not have the courtesy to land within their jurisdictions.

Consequently, we in the Congress must once again step into the area of nationwide regulation, and I today offer legislation which would prohibit any commercial flights by any SST into or over the United States pending certain findings by the Administrator of the Environmental Protection Agency, and the Secretary of Transportation.

Specifically, Mr. Speaker, we must be assured beyond any doubt that the SST will have no detrimental physical or psychological effects on our citizens on the ground, and that the SST will truly have no adverse environmental effects.

My legislation would require the Secretary of Transportation to report in writing and to the affirmative to Congress before any SST flight into the United States would be possible.

I note that within the past week or so a DOT report has allayed fears that the SST might disrupt the ozone layer of our atmosphere, which is crucial to protecting all of the earth's peoples from skin cancer and excessively high temperatures. This is some comfort, at least, should other nations build and maintain fleets of SST's.

However, Mr. Speaker, a full environmental impact report—one which will include the physical and psychological concerns covered in my bill—is presently being studied by the Secretary of Transportation's experts for final recommendations to the Federal Aviation Administration.

This report, which is not expected to be released for at least a month must receive detailed scrutiny before any consideration of possible SST flights into this country should be given even a preliminary hearing.

To discuss the noise pollution problem in a little more depth for a moment, Mr. Speaker, I would suggest that it really makes no difference if the final reports say the SST by itself is medically and psychologically acceptable.

The fact is that we in America today already have too much noise for our own good. We cannot judge such things as aircraft, or motorbikes, or power saws, or jackhammers, or trucks—or even rock concerts—simply by themselves.

It all adds up, Mr. Speaker, and in this country today it all adds up to too much noise. Some cynic might say there is already too much noise here in the Nation's Capital, but I can assure the House that we will have heard nothing compared with the cries of outrage which will descend upon our ears if and when entire neighborhoods trapped under the Kennedy Airport holding patterns are subjected to the thunder of an SST circling overhead.

For despite all the hoopla about supersonic speeds and miraculous travel times, an SST would be just another airplane when it gets near Kennedy, and, just like any other airplane, it will have to wait its turn to land.

It is precisely such concerns as these which have reportedly promoted authorities from Tokyo, to Sydney, Australia—and even Africa—to discourage plans for flights by the SST.

Needless to say, plans to fly the Pacific routes means that before long we will be hearing from our friends in the Los Angeles area on this topic.

At the beginning of my remarks, Mr. Speaker, I said that I veiewed with some wonder the request by Great Britain and France that their Concorde SST be allowed to land at Kennedy Airport.

To this wonder I should also add sympathy for our friends and allies who have been stuck with one of the great white elephants of all time, and are hoping that we will somehow help them bail themselves out.

When the Concorde was first proposed for purchase by the world's airlines, a major American carrier investigated and discovered to its horror that to merely break even, it would have to charge 150 percent of its present first-class rates to Europe, and that each flight would have to be at least 60 percent filled.

To compound the uneconomic aspects of the present proposition, the Concorde will hold considerably less than half of the 400 passengers now being carried by the giant subsonic jet transports of today.

And, should any of us really need to get to Paris 2 hours ahead of everyone else, we would have to endure up to 1 hour acceleration before reaching altitudes suitable for supersonic speeds—all the while strapped into our seats at a 45-degree angle.

Mr. Speaker, while I served on the Aeronautics and Space Committee as a freshman, and you well know my affinity for aircraft, I can assure you that I share with most of the SST's potential customers a reluctance to emulate an astronaut.

Far more serious, of course, is the fuel which would be burned up by these uncomfortable and uneconomic aircraft. As presently designed, the Concorde would use nearly twice as much fuel per hour as a conventional subsonic jet. Since it can carry only half the passenger load, I can see no excuse for the United States involving herself in any way—even if simply by the tacit encouragement represented by allowing a series of test flights—of such a conspicuously wasteful consumption of fuel.

What today's rising fuel prices will do to the estimated costs—and hence the ticket prices—of SST operations is anyone's guess.

Mr. Speaker, a few years ago many of us in these Halls listened with great attention to the debate over America's own SST. We decided at that time that such an aircraft was environmentally and economically unwarranted, and I have received no evidence since then to prompt me to change my mind.

While some might say that it is the business of the British or the French what they wish to build, I must counter that when our friends propose to build and fly a machine which threatens to shatter the peace and even the health of millions of our own citizens—not to mention the world—then we must take strong action.

Mr. Speaker, the time to close the door on the SST once and for all is now upon us, and I urge adoption of my bill. I am confident that when all the reports are in, you will agree with me that the Concorde, or any other supersonic transport, is simply not in the best interests of any one involved.

CONFERENCE ON EDUCATION IN NUTRITION

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. CARTER. Mr. Speaker, I offer for the consideration of my colleagues an article by Orrea F. Pye which appeared in the Journal of Nutrition Education for October 1974.

Health education will certainly be among the many basic issues to confront Congress within the next 2 years. I believe the author, acting chairman of the nutrition program at Teachers College, Columbia University, cites a number of concepts and recommendations which should receive consideration in any future governmental program in the area of nutrition. The article consists of a report of the activities of the Conference on Education and Nutrition commemorating the 65th anniversary of the founding of the nutrition program at Teachers College.

The article follows:

CONFERENCE ON EDUCATION IN NUTRITION AT COLUMBIA

(By Orrea F. Pye)

A "Conference on Education and Nutrition—Looking Forward from the Past," was held in February 1974 at Teachers College, Columbia University, to commemorate the 65th anniversary of the founding of the Nutrition Program there.

The two-day program began with a historical perspective as speakers presented an overview of the nutrition heritage at Columbia's Teachers College. Dr. Orrea F. Pye, Acting Chairman of the Nutrition Program, introduced the historical sessions by telling about the Nutrition Program in general. Three distinguished professors-emeriti of Columbia University gave reminiscences of earlier teachers and/or colleagues, all famous pioneers in the field of nutrition. Those speakers and the subjects of their reminiscences were: Dr. Clara Mae Taylor—Mary Swartz Rose, 1874–1941; Dr. Charles Glen King—Henry Clapp Sherman, 1875–1955; and Dr. W. Henry Sebrell, Jr.—Robert R. Williams, 1895–1965.

The keynote address, "The Changing Focus in Nutrition," given by Dr. Grace Goldsmith,

formerly Dean of the School of Public Health and Tropical Medicine, Tulane University, included a skillful summary review of the history of nutrition.

Dr. Bertlyn Bosley, a former research associate of Mary Swartz Rose at Teachers College, moderated a panel discussion of how to make nutrition education effective. Other speakers included Drs. Richard Wolf and Elizabeth Hagen, specialists in educational evaluation at Teachers College.

The first day of the conference closed with Dr. Myron Winick, Director of Columbia's Institute of Human Nutrition, speaking on "Nutrition and Mental Development."

Dr. William Darby, President of The Nutrition Foundation, Inc., a cosponsor of the conference, introduced the second day's topic, "Directions in Education in Nutrition, 1974 and Beyond." Drs. A. Harry Passow and Gary Griffin, specialists in curriculum development at Teachers College, discussed today's educational challenges and responsibilities in general and strategies for educational development and change.

A panel discussion of "Communication—An Essential Factor in Nutrition Education," moderated by Dr. Kristen McNutt, Research Associate, The Nutrition Foundation, Inc., served as a springboard to the group discussions by participants which concluded the conference.

The Concepts (see below) were developed by the organizers of the conference and the Recommendations stemmed from presentations and discussions at the Conference. Both are a part of the Proceedings which have been published.

CONCEPTS

The term "nutrition education" has different meanings for different people depending upon their knowledge of the science of nutrition, their particular knowledge and skills in the area of education, and their educational objectives. In turn, these are influenced by the environment in which the art and skill are employed. It can be said truly that there is at present no universally accepted definition of nutrition education.

Therefore, the organizers of the conference deemed it advisable to present certain concepts relative to nutrition education which would serve as focal points for discussion recognizing that the broad and varied background and experience of the participants would influence their reactions. It is believed that the following concepts are fundamental to the development of sound policies affecting the future nutritional health of all people in the United States and throughout the world.

1. There is a difference between the word "education" and the word "information." The dissemination of information does not necessarily result in the education of the recipient of the information.

2. "Nutrition education" is the development of an understanding capable of producing intelligent decisions and actions. Education is not merely the acquisition of a fund of technical knowledge. Education in nutrition is the meaningful interpretation of that knowledge.

3. An "educator in nutrition" is one prepared by training, aptitude, and experience to assume responsibility for planning, directing, and/or the conduct of educational programs designed to increase the knowledge and understanding in nutrition of those involved in such programs.

4. An "educator in nutrition" must have a strong foundation in the science of nutrition, natural sciences, behavioral sciences, and education.

5. A sound educational program in nutrition is based on clearly defined and recognizable needs and the resources available to meet those needs.

6. Every segment of the population should receive basic education in sound nutrition practices.

7. Programs in nutrition education should take into consideration the age, background of knowledge, interest, and experience of those to be educated; the stage of development of the social and economic environment; and the probable acceptance of those nutrition practices to be established which are consistent with available food resources.

8. The "status" value of foods promoted by educational programs should be in relation to their nutritional contribution to biological needs.

9. The extent to which any food and nutrition policy will be implemented will depend on the manner in which the educational programs are planned and carried out.

10. The effectiveness of any program of education in nutrition designed to meet defined needs can be measured by the extent to which the teaching is applied and the degree to which the desired practices are established.

RECOMMENDATIONS

Recommendations emanating from conference speakers and discussants are presented below.

1. Education in nutrition is the right of every human being.

2. The formulation of a national policy in relation to nutrition education is needed. It should stress coordination of all available resources. One means of implementing such a policy would be through area councils in different regions.

3. Universal nutrition literacy should be a priority of a national policy related to nutrition education. The aim of national nutrition literacy should be to enable citizens to utilize knowledge of food and nutrition necessary to promotion and maintenance of health adjusting to the realities of changing food situations. Curricula should be developed within schools, beginning in the elementary grades, as a means of developing sound nutritional behavior in later life. The principle of conservation should be emphasized in all nutrition education efforts because population pressures and shortages in food supply will necessitate sharing of resources.

4. Special university centers or institutes for education in nutrition should be established where dialogue and collaboration between related and essential disciplines are practical. Such university centers could take responsibility for preparation of broadly based interdisciplinary specialists in nutrition education and in the continuing education of "nutrition educators" of various kinds. These centers could help to coordinate, integrate, and unify efforts in nutrition education. They could conduct the research in methodology of nutrition education which is so urgently needed. Innovative approaches adaptable to the needs and characteristics of different learner groups could be initiated. Well-designed, experimental approaches could be tested and evaluated on a continuing basis.

5. There should be an increased number of specialists prepared in education in nutrition to meet growing demands from educational institutions, organizations, service agencies, and industry. These specialists should have a broad vision of population growth and needs and the possible ways of meeting these needs, based upon scientific nutrition concepts and knowledge of human behavior. Their educational understandings, techniques, and approaches, along with evaluative skills, should provide them with the tools required to achieve clearly defined objectives.

6. Those persons responsible for preparing specialists in nutrition education must keep in mind that different aptitudes and background experiences will influence the type of training required. Different kinds of teachers are needed and must be prepared at different levels to reach the various age and population groups.

7. Teachers College should appoint a task force following this conference to determine possible ways of implementing conclusions and recommendations of the Conference.

SWAMP STOMPER

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GINN. Mr. Speaker, while recently visting in the Okefenokee Swamp which is partially located within the First District of Georgia, I had the privilege of meeting Steve Davis, a 15-year-old swamp stomper. I was very impressed with his love of the swamp and knowledge of the area. I was pleased to discover that an article about Steve had recently been published in the Atlanta Journal and Constitution and I wish to take this opportunity to share the article with my colleagues:

[From the Atlanta Journal and Constitution magazine, Dec. 1, 1974]

YOUNG STEVE DAVIS IS A SWAMP STOMPER

(By Robert Coram)

Ralph Davis, one of the last old-time swamp stompers living on the edge of the Okefenokee Swamp, was being bothered by a pesky bear a few years ago. The bear kept nosing around the barn at night and Davis knew it was only a matter of time before the bear began killing hogs and cows.

So, in the direct manner of the swamper, Ralph Davis decided to do something. He took his young son Steve and a few dogs, and went hunting for said bear with the intent of doing serious bodily harm to him.

Davis was in the middle of a pine stand about 100 yards away from his son when the bear got up in front of him. One shot from his 12-gauge shotgun hit the bear in the shoulder and angered him in no small degree. The bear wheeled with the shock, saw young Steve Davis and charged. Undergrowth prevented the elder Davis from shooting again.

Steve raised his 20-gauge shotgun—not even a decent bird gun and little more than a popgun to an enraged 350-pound bear—and fired. The first two shots dropped the bear but each time he bounced back angrier than ever. Still charging.

Steve Davis never flinched. He stood there with the little ole 20-gauge steady as could be and fired the third and final shot in his gun. It caught the bear squarely in the throat from 20 feet away and dropped him, this time for good.

Ralph Davis, who has a rather respectable girth, parted the palmetto bushes a few minutes later, took in the situation—his only child leaning on his gun with the bear a few steps away—let loose a long slow breath of relief, and in the understated way swampers talk, said, "Well, son, looks like you got your first bear."

"Guess we'll have bear steaks tonight," Steve replied calmly. He was 10 years old at the time.

Years later, when telling of the incident under the proud prodding of his father, Steve showed no inclination to embellish events. He tells it calmly.

When asked what was going through his head after the second shot and the bear was still charging, he matter-of-factly said, "Well, I knew it was my last shot. So I had to make it count."

Today, a ripe old high school sophomore at Charlton County High School in Folkston, Ga., Steve Davis still is demonstrating those qualities of grace under pressure, love of the outdoors, and a straightforward way of looking at and solving problems that long have characterized the people of the Okefenokee.

Steve Davis is, in a very real sense, a state treasure. There should be some way to bronze this kid like a pair of prized baby shoes so people years from now will see the caliber of people this state can produce.

He is a child of the Okefenokee. He doesn't even remember the first time he went into the swamp, it was at such an early age. "There is no other person Steve's age who knows as much as he does about the swamp," said John Eadie, refuge manager of the Okefenokee National Wildlife Refuge.

Steve's knowledge extends beyond being able to find his way through the innermost reaches of the swamp; beyond the ability to name trees, animals and birds along the way; beyond being able to go into the swamp anytime he chose and come out with a mess of trophy-sized fish. He has, most of all, that ineffable love for the swamp, the feeling for what the swamp is all about, that distinguishes the true swamper from those who think they know the swamp.

"Some people come to the swamp to look. But Steve lives there. He cares for the swamp. That in itself is unique," John Eadie said.

During the summer and on weekends throughout the year, Steve is a guide at the Suwannee Canal Recreation Area near Folkston. "Steve is the youngest guide we ever hired. But none are so qualified as he. He is a dependable young man," Eadie said.

He got the job by riding with friends who were guides and learning the spiel they give tourists. Nobody had to teach him the swamp. He taught them. Steve has been to places in the swamp no federal man ever has seen. He can lose any one of the federal men in an hours.

Refuge Manager John Eadie knows the swamp as well as any other federal man. He is an ardent fisherman who turned green everytime he saw Steve poling out of the swamp with warmouth perch weighing upwards of 1½ pounds. Like everybody else, Eadie could catch warmouth weighing maybe a pound—not bad for a warmouth. But here comes Steve Davis, just as regular as the sun coming up, with warmouth half again as big as anything he could find.

Now, the location of a "hole" where the fish hang out is a secret as closely guarded around Folkston as is the combination to the vault at Ft. Knox. But Eadie prevailed on Steve to show him the hole where the big warmouth lived.

Eadie came out of the swamp with a string of 1½-pound warmouth as long as your arm and a grin almost that long. Everybody at the landing wanted to know where he'd been fishing. "Funny thing," he said, "Steve put a sack over my head soon as we got in the swamp and I don't remember where we went."

Many tourists, especially from the North, go into the Okefenokee in fear and trembling. They have seen the host of bad movies about the swamp and expect a place where alligators attack boats, where snakes drop out of trees on people passing below, where quicksand will snarf up the unwary, where poisonous plants abound—a place, in short, of terror and evil.

"There's nothing in there that will bother you," Steve says. "Bears won't bother you if you don't bother them. Stay in the boat and gators won't bother you."

Then there's the hyped tourist coming back north after a few days in Disney World. He has a few dollars left and wants to get in a little of the wilderness bit before returning to Pittsburgh or wherever. So he stops at the Suwannee Canal Recreation Area and sees, lolling on the bank, a couple of 10-foot alligators. Signs all around read, "Don't Feed the Alligators." But the tourist thinks that's for show.

"Hey, fellow. That a real alligator or do you wind him up?" asks the Disney-sedated visitor.

Steve assures him it is real.

"Then why doesn't it move around a little?"

"Because he's sunning," Steve says.

"Aw, you're putting me on. Go over there and poke at him. Make him move," says the tourist.

"No sir, I can't do that. I don't want to poke an alligator. And if we leave him there, other visitors can see him," Steve says.

But, sure as grits is groceries, as soon as Steve and the other guides look the other way, the tourist heads for the gator. He walks up. Stops. Walks closer. Leans over. Then suddenly the gator raises his head, opens that mouth full of pearly whites and emits a loud warning hiss. And the tourist sets a new record for the 100-yard dash as he comes around the boat basin.

Steve gives the tourists more than their money's worth. He knows things about the swamp that make his tour special. Things such as the gator nest a couple of miles down the canal where three cypress trees grow together. He and the other guides didn't tell the federal people about the nest because they would send down a bunch of bright-eyed academic types digging and poking around. But the guides share it with the tourists. Steve drives his aluminum boat near the nest, points out how the gator built it, and picks out the tiny, just-hatched, lizard-like baby gators. The tourists lean over the side of the boat taking in all that wilderness stuff, just dying to get back home and tell people about this absolutely exotic place down in Georgia. Then out comes Mama Gator, hissing like a steam engine. And the tourists all leap to the other side of the boat, forgetting the people back home and just wondering if they will get out alive.

The sight of 10 tourists on tiptoe on the same side of the boat makes one appreciate the wisdom of the concessionaire in buying beamy flat-bottomed boats.

Steve is considered a good guy but something of a strange duck by many of the students at Charlton County High School. They're always going out to dances, riding around, cutting up—just having a good time doing all the things high school students do. But that Steve Davis spends all his time being a guide or else out in the swamp with his dad fishing. They get hungry, they go deer hunting.

Steve is one of those kids who could be the model for what parents hope and pray their sons will become. He doesn't smoke or drink. He doesn't know what marijuana smells like. He says "sir" or "ma'am to anybody three days older than he, does his chores around the house and never, but never, gives his parents any trouble.

Recently, with the help of his aunt, Elmina Crews, he bought a pickup truck. The ashtray was broken and he refused to repair it. "But what if you have a little girl in there who wants to smoke, son?" asked his mother, Mrs. Betty Davis.

"If she smokes, she won't get in my truck," Steve said. He refuses to allow his friends or even his parents to smoke or drink beer in his pickup truck.

If Steve Davis ever leaves Folkston, the swamp will be the poorer. He is the last of a virtually extinct breed—those men who are proud to be called swamp stompers. The love and knowledge he has regarding the swamp are unequaled. And now, with the government controlling almost the entire swamp, it is impossible for anyone ever again to duplicate what Steve has done by growing up in the swamp as the child of a swamper.

"There's nobody left like Steve," Eadie said.

His family lives on the very edge of the swamp. The dark waters of the Okefenokee begin a few yards from their back door. It is land the government long has wanted. And someday they will get it. Ralph Davis knows it. The government knows it. After all, the government has gotten everything else down there it wanted. It's just a matter of time until Ralph Davis, the last of the holdouts, is forced to sell. But the feds will know they didn't just walk in and take it. Ralph Davis is cut from cloth the looms no longer spin. His father was born and lived in the swamp. He has lived off the swamp all his life. In fact, he survived the depression because of the swamp's bounty.

Steve is part of that heritage. A heritage that spreads a chasm between swampers and "the government people." But old idols tumble and old ways die. Even now "the government people" want Steve to go off to college and become a federal ranger.

The irony of the last of the swamp stompers becoming a federal man is not lost on Steve. In fact, he likes the idea of becoming a ranger if he could be assigned to the Okefenokee. But the idea of being sent to some other part of the country doesn't do much for him. It's not lack of ambition. It is instead a firm sense of place. "My daddy and my granddaddy grew up and lived here. It's what I know. It's what I love. I want to stay here in the swamp," he said.

TRIP REPORT

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SHUSTER. Mr. Speaker, pursuant to my assignment to represent the House Public Works Committee at the International Highway Safety meetings, I departed from Dulles Airport at 9 p.m. on Wednesday, January 22, 1975, and arrived in London at 9 a.m. the following morning.

Upon arrival I was met by the State Department, and after checking into my hotel, proceeded to a road safety press conference and luncheon with the London press corps. At 3 p.m., I visited the House of Commons and met with the All Party Road Safety Committee of that body. At 5 p.m. I met with representatives of the Ministry on Environment and was briefed on the water pollution program which achieved great success in cleaning up the Thames River.

At 7 p.m. I delivered the International Road Safety Cup on behalf of Congressman WILLIAM HARSHA of Ohio to the House of Lords along with suitable remarks for the occasion. After dinner in the House of Lords, hosted by the Lord Champion, the cup was presented to M.

Gerondeau, French Minister of Road Safety for his notable contributions to the cause of highway safety.

On Friday, January 24, I traveled to the British Transport and Road Research Laboratory where I toured their facilities and was briefed on their many research programs and latest developments. I have secured several safety studies which I shall turn over to our U.S. Department of Transportation for their evaluation and use.

Friday evening I met with Superintendent Walker of Scotland Yard and received a briefing and tour of their central traffic control center. Saturday, January 25, I departed from London at 8:30 a.m., arriving back at Dulles airport at 3 p.m. Washington time. The State Department provided me with a standard travel allowance of 93 pounds 84 pence for the trip. I expended 89 pounds 14 pence and have returned 4 pounds 70 pence in unexpended funds to the State Department.

Although hurried, I believe the trip was worthwhile both in terms of representing our Government at the formal highway safety proceedings in the House of the Lords as well as through the exchange of information with the British Transport and Road Safety Laboratory, Scotland Yard, and the Environmental Ministry.

The Right Honorable Fred Mulley, M.P., Minister of Transport and Chairman of the British Labor Party asked that I extend his best wishes to you, Chairman JONES and Congressman HARSHA. I personally thank the three of you for providing me with the opportunity to represent our country at these meetings.

MALPRACTICE INSURANCE SKYROCKETING

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SYMMS. Mr. Speaker, the skyrocketing cost of malpractice insurance for physicians is of concern to both the medical community and to consumers of medical care to whom the costs are passed on.

In New York, it was recently announced that the costs for coverage of high-risk specialists would zoom from $14,000 per year to $42,000 annually. A court injunction was necessary to halt such a drastic increase.

In Maryland, doctors and State officials are struggling to find workable arrangements for malpractice coverage since the largest insurer of doctors in the State announced that it would no longer provide coverage. Not only are doctors hurt by this and similar actions in other States—but the people who stand to lose the most are those in need of good quality medical care.

During the last Congress, only two items of legislation were introduced which addressed this problem. Hopefully, the 94th Congress will take the time to study the situation and act to alleviate it. For the readership of the RECORD, I am submitting the following article which appeared in U.S. News and World Report:

LAWSUITS: A GROWING NIGHTMARE FOR DOCTORS AND PATIENTS

Malpractice suits against doctors and hospitals are multiplying so rapidly and growing so costly that they are significantly altering the practice of medicine in the U.S.

Rising medical costs are already attributed in some measure to the surge in malpractice suits. From all evidence, even higher bills are in the offing.

In the past five years, malpractice claims have more than doubled in frequency. Size of claims is skyrocketing. A $100,000 suit is not unusual. In California last year there were about 30 awards of more than $300,000 each—and half of those were for more than 1 million dollars.

One consequence: The cost of malpractice insurance for doctors and hospitals has risen astronomically—by almost tenfold in many places since 1969.

Such insurance is even becoming unobtainable at any price in more and more places. In Texas, New York, Maryland, North Carolina and Michigan, for example, many insurance firms are going out of the malpractice business or limiting coverage to "low risk" groups.

Alarm is widespread—at top Government levels and throughout the medical profession—over a situation that is creating a nightmare for doctors and patients alike. Besides cost problems, the spread of malpractice suits poses other dangers—

Doctors increasingly are reluctant to try any procedure which, while it might provide a cure, could be risky. This may stultify medical progress, scientists warn.

More and more doctors say they are practicing "defensive medicine"—keeping patients in hospitals longer, insisting on more lab tests. This development may drive up medical bills far faster than the rise in malpractice insurance premiums.

The doctor shortage may increase. Many physicians, particularly aging ones, are talking of quitting practice rather than risk suits that could hurt them financially and ruin hard-won reputations. Others are refusing to take on new patients.

Caspar Weinberger, Secretary of Health, Education, and Welfare, voices Government concern in these words:

"The increasing difficulty physicians have in obtaining malpractice insurance—at any price—has reached crisis proportions in the United States. . . . The loss of insurance coverage for physicians would have an immediate impact on the public's access to quality health care. It would most certainly drive up the cost of medical care even further and it would increase the number of tests and procedures ordered by physicians solely to protect themselves."

All told, Secretary Weinberger estimates that "high malpractice insurance premiums and the defensive medicine that results cost the public between 3 billion and 7 billion dollars a year."

THE DOCTORS' DILEMMA

Across the country, physicians and surgeons agree with Dr. Russell B. Roth, former head of the American Medical Association, who says of the increased malpractice premiums: "There's only one place a doctor can get this kind of money, and it's from his patients."

Dr. Roth suggests the premiums run from $1.50 to $2 for each office visit.

In Florida, where malpractice premiums are high, Dr. Pedro J. Greer, an internist who heads the Dade County Medical Association in Miami, asserts:

"If the increase is 5 to 10 per cent of the doctor's gross income in premiums—that is probably the cost increase that should go to the patient."

Dr. Irwin J. Cohen, of the New York County Medical Society, feels it would be "unrealistic" to expect doctors not to pass on their premium costs.

Dr. Kenneth Lehman, of Topeka, Ind., is solving the malpractice dilemma by quitting. After 27 years of practice, he says:

"I am getting out because I do not want to be in the untenable situation where a jury rules on my medical competency. A malpractice decision should be made by individuals who know medicine, and there should be some limits as to what damages belong with a certain kind of case."

POUNDS OF PREVENTION

Can malpractice suits be avoided? Dr. Cohen believes that many suits result from bad communication between doctor and patient. As he sums it up:

"If a patient feels you have his best interest at heart and that you are genuinely concerned, that you'll do everything possible to treat the complications that have occurred, and you answer all his questions—then he'll be more likely to face a bad result with his physician rather than against him in court."

Still, many doctors prefer not to take high risks. According to Dr. William R. Cast, chairman of the committee on malpractice of the Indiana State Medical Association:

"Physicians are practicing defensive medicine in case they have to justify themselves to a jury. They hospitalize patients who could be home. They keep patients in hospitals longer than is necessary. They order tests and X rays that are not needed, and they order second tests and X rays when the first ones have already shown adequate results.

UP, UP GOES THE COST OF MALPRACTICE INSURANCE

Annual premiums for malpractice insurance, coverage of $100,000 per claim and up to $300,000 per year for all claims—

	5 years ago	Now
Portland, Oreg.:		
General practitioner, no surgery	$181	$484
Thoracic surgeon	684	2,420
Neurosurgeon	847	3,023
Houston:		
General practitioner, minor surgery	216	1,895
Ophthalmologist	371	4,063
Orthopedic surgeon	711	6,772
Minneapolis-St. Paul:		
General practitioner, minor surgery	89	611
Cardiac surgeon	198	1,756
Anesthesiologist	231	2,196
Atlanta:		
General practitioner, major surgery	185	1,080
Ear-nose-throat doctor	206	1,348
Gynecologist	206	1,530
Boston:		
General practitioner, no surgery	119	469
Proctologist	357	1,760
Plastic surgeon	622	3,060

Source: St. Paul Fire & Mutual Insurance Co.

"These costs are a thousand times greater for patients than what is added to their bills because of premium increases for malpractice insurance."

A San Francisco internist says he might merely bandage a friend's son who was hurt in a football game.

"But if he were a stranger, I'd have him get every kind of X ray, might hospitalize him for observation. In questionable cases I'd call in a consultant. It's the only way a doctor could have a reasonable chance to defend himself against charges of inadequate treatment and negligence."

As the chief surgeon of a large New York City hospital sees it:

"It's sad to state that a careful, clinical evaluation is no longer acceptable today. You have to reinforce it with a lot of lab tests and X rays. And these cost money—a lot of money."

In Savannah, Ga., Dr. William H. Lippitt, past president of the Georgia chapter of the American College of Surgeons, comments:

"I have had a number of doctors tell me they look on every patient as a potential suit, and that's so sad."

PROBLEM FOR HOSPITALS

Until about five years ago, hospitals by law were usually exempt from malpractice suits. That has been changing, and today most hospitals carry malpractice liability insurance and pass a portion of the cost along to patients.

In addition, hospital staffs are under orders to be generous with lab tests and X rays—to protect the hospital from suits based on negligence.

Some good side effects are reported. An internist in Marin County, California, echoes the feelings of some doctors about the specter of lawsuits:

"It's probably helpful in that it forces doctors to be more careful, and many doctors need to be more careful."

The American Hospital Association has issued a "Patient's Bill of Rights," which spells out the duty of doctors to be completely frank and explicit in outlining to a patient all possible risks. Next to negligence, the most common basis for a malpractice suit is lack of "informed consent" on the patient's part to treatment that might be risky.

WHO GETS SUED FOR MALPRACTICE?

Of all malpractice suits—

	Percent
Surgery	
Orthopedic	19.0
Gastrointestinal	11.5
Gynecological	10.3
Obstetrical	5.1
Cardiovascular	1.8
Other surgery	9.5
Total	57.2
Medical treatment	
Psychiatric	1.5
Cardiovascular	1.4
Other medical	17.6
Total	20.5
Radiology	
Diagnostic	5.2
Other radiology	0.9
Total	6.1
Pathology	
Anatomic	1.1
Other pathology	0.5
Total	1.6
All other treatment	
Emergency	5.8
Vaccinations	1.2
Other treatment	7.6
Total	14.6

Source: U.S. Dept. of Health, Education, and Welfare.

"Hospitals and doctors are far more efficient and careful now because fear of lawsuits has forced them to avoid negligence," says Denver attorney Jim R. Carrigan, who handles a lot of malpractice litigation.

Some doctors blame lawyers for part of their problems. A San Francisco physician comments:

"The people who bring malpractice suits are either broke and need money or hate their doctor. In either case, they find a sympathetic helper in some lawyer anxious for a big fee."

In Atlanta, neurosurgeon Dr. William W. Moore, Jr., fears medical malpractice "is becoming a source of legal practice that's maybe looked on as a new-found oil field."

SOLUTIONS AHEAD?

Federal authorities and some States are now considering actions aimed at a solution of the malpractice problem. California's legislature, for example, has come up with these recommendations:

Empower hospitals to require doctors to carry adequate malpractice insurance—so that those with bad practice records can be screened out.

Develop screening procedures to eliminate "nuisance suits."

Appoint ombudsmen to investigate claims and make informal adjustments.

At the federal level, there are plans to consider Government-backed malpractice insurance and to set guidelines for new laws on malpractice.

But time is short, warns Dr. Jordan S. Brown of New York University Medical Center. He says:

"The malpractice situation is in the process of destroying medicine. The people who are ultimately going to lose are the patients themselves."

ROBERT A. UIHLEIN, JR.—CIVIL LEADER

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. REUSS. Mr. Speaker, the Wall Street Journal recently ran an excellent article about one of Milwaukee's outstanding citizens, Robert A. Uihlein, Jr., president of the Joseph Schlitz Brewing Co. I am pleased to share with my colleagues this article by Harlan S. Byrne, entitled "Uihlein Puts the Gusto Into Schlitz's Operations." The article, from the Milwaukee Journal, follows:

UIHLEIN PUTS THE GUSTO INTO SCHLITZ'S OPERATIONS

(By Harlan S. Byrne)

Robert A. Uihlein, Jr. could easily take the part of one of those gusto types in the Schlitz beer commercials.

He's tall, well built and ruddy faced, and away from his job as president of Jos. Schlitz Brewing Co., he spends a lot of time at active sports.

He plays polo on summer weekends, goes skiing in winter, plays tennis year round, and now and then takes off for big game hunting in Africa or Alaska. Uihlein even has been known to top off one of his sporting endeavors with a glass of Schlitz—just like the rugged guys do in the commercials.

His many relatives, though, are more apt to toast him for the winning points he has scored on their behalf at Schlitz. Uihlein came riding to the rescue of the company 13 years ago when he was named president. He halted a long slide in sales of "the beer that made Milwaukee famous" and turned the company into a top money making brewer as well as a blue chip investment. His efforts helped make the Uihleins one of the wealthiest families in the U.S.

FOURTH TO HEAD FIRM

To simply class the Uihleins among the super rich, however, is to obscure a significant difference. The Uihleins have continued to run the family enterprise for a much longer period of time than most wealthy families do.

Uihlein, 58, is the fourth Uihlein to head the company, which goes back 125 years. Few companies the size of Schlitz, with close to $1 billion in sales annually, are controlled and run by one family.

The latest tally showed 460 Uihleins (including spouses) owning nearly 80% of Schlitz stock—22.7 million shares having a current market value of close to $350 million and yielding $15.4 million a year in dividends.

While few Uihleins are still employed at the company, the family has 14 of the 17 seats on the board. Most are descendants of four Uihlein brothers who inherited the company from an uncle, Joseph Schlitz.

NOT USUAL CASE

While many large companies stem from a single family, the control often is broken by the time the second or third generation comes along. Families lock up fortunes by selling their companies, or by reducing their ownership, and giving up management.

Motives often go beyond an understandable preference for the life of the idle rich. Not infrequently, a founder may have no offspring to take over his company. Tax laws encourage funneling of large blocks of stock into foundations.

Sometimes, succeeding generations simply have no interest in the business. Or they get to squabbling among themselves and want out.

The long term reign of the Uihleins at Schlitz perhaps isn't so surprising considering that dynasties seem to go with beer companies. Many breweries were set up in this country by German families and are still run by them—the Strohs, the Coors and the Busches, to name a few others. Uihlein thinks his heritage indeed influenced him.

"My father was a strong willed Germanic type who insisted at an early age that I go with Schlitz, so I always assumed I would," he recalls.

A longtime friend of the Uihleins also suggests the work ethic has been strong in the family. It's a fact that most of the Uihleins occupy themselves at one job or another. Some of them have made second fortunes in their own manufacturing businesses, or as bankers, brokers, ranchers and oilmen.

NINETEEN YEARS OF PREPARING

While Uihlein's success at Schlitz has cast him as the family leader, there was nothing foreordained about his role. He labored at various assignments for 19 years before he got his big chance as president.

After graduating from Harvard and the University of Wisconsin Law School, he joined Schlitz in the sales department in 1942. It seemed a propitious time, as Schlitz then was the leading brewer.

During an interview in his high ceilinged office next door to the Milwaukee brewery, Uihlein remembers it was far from a happy time for him.

"Those early years were an ordeal for me. I was on the road the first 18 months visiting wholesalers and wasn't home more than a few days at a time," he says. His early training also included sweating out a year in a brewers' school in New York, which certified him as a brewmaster, the beermakers' equivalent of a Ph.D.

In time, he began to chafe at the antiquated and autocratic ways of Schlitz management. It had become a two man company, headed as president by his uncle, Erwin E. Uihlein, and a general manager, Sol Abrams, who worked for Schlitz for 70 years until he was 87 years old.

STALE FOR DECADE

When Uihlein asked a question or made a suggestion, it all too often took weeks to get a response from his uncle or Abrams that should have taken no more than a day, he says. Initiative among subordinates was all but stifled, and management methods generally were archaic.

Flaws could be overlooked as long as the company was on top. After hitting a production peak of 6.4 million barrels in 1952, the company went stale for a decade.

In 1953, a 76 day strike cost the company more than one million barrels of production. But even before then, a more serious threat was developing. The bulk of beer purchases was switching from bars and restaurants to stores, and drinkers were becoming more price conscious.

Long before Schlitz got around to it, many brewers brought out lower priced beers. Anheuser-Busch Co. brought out Busch Bavarian as a successful complement to Budweiser, and it took over first place in the industry from Schlitz in 1957. By then, Bob Uihlein was a vice president and an unhappy man.

He isn't eager to recount that period, but his wife, Lorraine, who is a more effervescent type, remembers well. "There were nights when he would come home discouraged and talk about quitting, though I'm sure he didn't mean it," she recalls.

OLD MILWAUKEE REVIVED

In 1959, over Abrams' objections, Erwin Uihlein finally was prodded into reviving Old Milwaukee, a brand that Schlitz once had, as a popular priced beer. But the debut was handled ineptly, and Schlitz sales and profits kept slipping. By late 1961, after much wrangling, the board decided that Bob Uihlein should replace his uncle as president and chief executive. Abrams retired.

Uihlein had some firm ideas about what needed to be done at Schlitz, and he indicated to directors that he wouldn't tolerate too much family interference. To his dismay, he ran into a family problem at the first board meeting after he became president. A cousin, David V. Uihlein, who had earlier acquired a small brewery, wanted to sell it to Schlitz.

"I let the others know in no uncertain terms that I didn't want that tea kettle rammed down my throat the first day on the job," he recollects. "We didn't buy it but I had to spend an entire Saturday afternoon at my house convincing David that his brewery would never make it." (Which it didn't.)

Uihlein has had other differences with directors from time to time, but he generally has had his way with the board because most of his ideas have clicked.

RECOVERY STARTS

Within a year, he had Schlitz on the way to recovery. In 1962, his first full year, Schlitz sales rose 19% to a new high of $255 million, and profits jumped 41% to $9.8 million.

One of his first moves was to replace the J. Walter Thompson ad agency with Leo Burnett Co. Burnett came up with catchy new slogans—"real gusto in a great light beer"; "when you're out of Schlitz you're out of beer"; "you only go around once in life." He also reorganized and expanded the marketing department, began building up the wholesaler network and ordered a new campaign to spur sales of Old Milwaukee.

He decided that Schlitz would be first in the industry with pull-tab aluminum cans. The company brought out still another brand, Schlitz Malt Liquor, which scored in the youth market because of its higher alcoholic content. He launched Schlitz into a major expansion of capacity and began diversifying into wine, animal feeds and duck farming.

OFFICERS GROW

Another big concern at first was Schlitz's thin management. So he raised capable people within Schlitz to the status and pay that he felt was overdue, and he recruited many outsiders. When he became president, he was one of six officers; today, Schlitz has nearly 30.

He likes to think that his biggest contribution was giving subordinates a chance to make mistakes—something that subordinates didn't dare do before. He made some mistakes of his own in choosing executives, having to fire several vice presidents who didn't live up to his original appraisal of them.

Mistakes haven't done much to mar the recent record of Schlitz, however. From 6% of the beer market in 1961, Schlitz today has more than 15% (which is still less than Anheuser-Busch, which has 24%). On some counts, Schlitz has topped Anheuser-Busch in recent years: Schlitz sales and profits have grown at a faster rate, and Schlitz is expanding faster and moving more rapidly into profitable self-manufacture of cans.

Uihlein questions whether Schlitz will regain the sales lead, but he figures it is less important than profits continuing to climb. He's confident of continued sharp earnings growth in the next few years despite a leveling off of profits in 1974; Schlitz, along with other brewers, had to absorb sharp increases in grain and other raw materials costs.

For 1974, Schlitz will do well to equal 1973's record net of $55 million, or $1.90 a share.

STOCK DOWN

Schlitz stock, after several years of sharply ascending prices, in keeping with earnings growth, also has plunged in recent months below $20 a share from a 1974 high of $57 and the peak of $68 in 1973.

At that peak, the Uihleins' Schlitz holdings had a market value of $1.56 billion. Even at today's depressed prices, Schlitz stock is selling at about three times (adjusted for two splits) the original public offering price in 1961. Uihlein did a lot to spur interest in Schlitz stock in recent years by personally dealing with security analysts—as many as 80 a year.

In looking ahead, it's questionable how long the Uihleins will continue to manage Schlitz, although the family probably will hold on to a majority of the stock and thus retain the final say in important moves for many years.

Two of Uihlein's relatives are still officers—Fred W. Uihlein, a cousin, and Robert B. Trainer, a brother-in-law. Both joined the company before Uihlein became president, and they are considered competent in their jobs as vice presidents, but doubtful candidates to succeed Uihlein.

RESUMES PRESIDENCY

Schlitz directors apparently were preparing for an outsider to take over by promoting 44 year old Roy C. Satchell to president in February, 1973, with Uihlein continuing as chairman and chief executive. But barely six weeks later, Uihlein had to resume the presidency when Satchell resigned.

Satchell insisted at the time that he had no differences with the Uihleins but decided that he didn't really want the job—an explanation that doesn't fully satisfy people at Schlitz.

The Uihleins may have paved the way for another president last September when Eugene B. Peters, 45, was promoted to executive vice president and general manager from senior vice president for finance. The promotion elevated Peters to the No. 2 spot at the company.

Whether Peters will become president or chief executive is far from a certainty. Uihlein also has nurtured the hope that some day one of his sons, Robert III, who is 24, and James, 22, would get interested in the business and ultimately work to the top. But so far Robert and James are leaning toward ranching.

"It's a different generation and a far different company than when I joined Schlitz, so I'm not going to tell them what to do," he says.

IMAGE ENHANCED

Whatever is ahead, the Uihleins can feel comfortable that Schlitz, which is still the core of their fortunes, is a far stronger company than when Uihlein stepped up to the helm. Thanks to him, the family also enjoys perhaps the best image it ever has had in Milwaukee.

It wasn't so long ago that the Uihleins were held in much lower esteem. For one thing, brewers had gotten a generally bad name prior to Prohibition. Also the Uihleins until recent years had the reputation, deserved or not, for being stingy in their philanthrophy. And the long strike at Schlitz in 1953 proved to be a bitter one that soured the company's community relations.

With a canny public relation man, Ben Barkin, providing some guidance from outside the company, the rise of Uihlein to the top of Schlitz was soon followed by one good civic work after another. Among them were free symphony concerts, recitals, jazz festivals and art festivals.

In New York, the company has been acclaimed for sponsoring free concerts of the Philharmonic Orchestra in Central Park the past 10 years and for part sponsorship of the Newport Jazz Festival. Today, the company is considered one of the leading corporate patrons of the arts.

SPONSORED PARADES

Perhaps the company's biggest public relations coup was the Fourth of July parade that it began sponsoring in Milwaukee in 1963. (The 1974 parade was canceled because of the energy crisis, and Schlitz later ended its backing of the parade program because of "economic uncertainties"). It was the biggest parade of its kind in this country, usually drawing a half million spectators, and it cost Schlitz several hundred thousand dollars a year.

After Schlitz announced the cancellation of the 1974 parade, the company was peppered by protests. "The general tone of the letters was, 'How dare you cancel our parade.'" Uihlein says.

In Milwaukee, the Uihleins are pervasive in many other ways. Among their more recent gifts was $1 million for Uihlein Hall, a wing of the city's Performing Arts Center. Some of the Uihleins have taken an interest in environmental movements, including the recent gift of a large tract of land near Milwaukee for a wildlife refuge.

Schlitz also is on an ecology kick, albeit partly in self-interest. At several of its breweries, the company has taken steps to protect waterways against pollution by plant wastes. And Schlitz is supporting national efforts to improve municipal solid waste systems, partly as a way of fighting antilitter moves in some states to ban throwaway bottles and cans.

FAMILY ORIENTED

In their private lives, the Uihleins seem strongly family oriented. Much of the partying they do is within the many family circles. Several of the Uihleins live within a short hike from each other in the suburb of River Hills north of Milwaukee.

Uihlein shares many of his own sporting interests with his wife and two sons. Lorraine is a regular tennis and hunting partner,

and she's an avid fan of polo, which he calls his one extravagance. He sponsors and finances not one polo team but two—the Milwaukee Polo Club and Good Hope Farms Club. Bob Uihlein is captain of the Milwaukee Club team, and he and his sons account for three of the four starting players.

He provides most of the ponies for the two teams, and to have a suitable place to play, he built his own polo field and a grandstand that seats several thousand people. The field is considered one of the best, and the Milwaukee teams are among the best in the nation. Lorraine attends most of the games and occasionally referees some of the practice games.

"I die on Sunday afternoons watching a husband and two sons playing out there," Lorraine says. She hasn't forgotten one Sunday three years ago when her husband was thrown from his pony and suffered a broken collarbone.

STARTED IN 1849

The sporting life of the Uihleins today may seem a far cry from the early days of the family in Milwaukee. The brewery where the family saga began was started in a restaurant in 1849 by August Krug, a German immigrant.

A year later, his father, Georg, decided to come from Germany for a visit. Georg also had a daughter named Katherine who was married to a Wertheim (Germany) innkeeper named Benedikt Uihlein. At the last minute, Georg decided to bring along a young son of the Uihleins, also named August.

On the way, their ship was wrecked, and after hours of clinging to a wooden box they were rescued and went on to Milwaukee. August Uihlein went to work for his uncle, August Krug in the brewery, and his brothers followed him in years to come.

After August Krug died, his widow married the brewery's bookkeeper, Joseph Schlitz, who took charge of the brewery and named it after himself. August Krug and Joseph Schlitz had no children.

SCHLITZ LOST

By 1875, the company had become a thriving brewery, partly thanks to the great Chicago fire in 1871 that wiped out some breweries. By then, August Uihlein and a brother, Henry Uihlein, were officers.

Also, it was in 1875 that Joseph Schlitz decided to return home and visit some relatives. Again a shipwreck was to play a big role in Uihlein family fortunes; Joseph Schlitz died in a wreck off the coast of England. The Uihlein brothers inherited the company, and there is no record of any other Schlitz having owned stock or worked for the company.

That's why some Milwaukeeans look upon the Uihleins as the famliy that made Schlitz famous.

SYLVIA PORTER CITES FOOD STAMP CUTBACK AS "MADNESS"

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, the January 25 edition of the Washington Star-News contained an article by Sylvia Porter which classified the administration's proposal to increase the cost of food stamps as "madness."

Miss Porter's succinct analysis of this shortsighted and heartless proposal deserves the attention of my congressional colleagues.

As I have noted in previous statements on this issue, this proposal represents an unconscionable assault upon those Americans least able to cope with the cruel ravages of inflation, recession, and unemployment. This Congress has a special obligation to the poor and the elderly of this Nation in these troubled times. We must not abdicate our responsibilities to the less fortunate. Compassion must temper the administration's zeal for budget cuts, and a sense of social responsibility should guide the hand of policymakers.

There is no finer enterprise in which a civilized nation can engage than in caring for its aged, infirm, and poor. I hope this is an enterprise to which this Congress shall devote itself in the months ahead. Our first step must be to prevent the administration's cruel food stamp proposals from coming into effect on March 1. I hope all my colleagues will join in this worthy effort.

Miss Porter's article follows:

FOOD STAMP CUTBACK VIEWED AS MADNESS

(By Sylvia Porter)

We are in deep danger of being caught between budget deficits soaring out of control and drowning our economy in red ink and administration moves to cut the budget in ways utterly repugnant to our fundamental commitment to help those who can't help themselves. The dilemma is excruciating.

As just one illustration, consider the Department of Agriculture's explosive proposal for drastic price boosts in food stamps beginning March 1 and the response by leaders of both parties in Congress that the action is "incredible" and must be reversed.

The administration's justification is clear: Budget expenses must be held down, food stamps are a major drain and the proposed new regulation—requiring all food stamp recipients to pay a flat 30 percent of their net income toward their food-stamp allotment, the maximum permissible under the 1964 Food Stamp Act—would result in net "savings" to the government of $650 million a year.

On the surface, the boost does not appear to matter much to the middle-income family, and USDA officials have publicly stated, in fact, that 25 percent of food stamp recipients would not be affected at all by the increases.

But other facts on what the increases would do to whom uncover a quite different appallingly cold-blooded tale.

The raises would affect fully 95 percent of those now on the program—or nearly 14 million Americans out of the 14.7 million now receiving food stamps.

Hardest hit would be one-and two-person households (20 percent, or nearly 3 million food stamp recipients, live in such households and more than half of these are elderly).

For most single persons, the boost in cost of food stamps would be between 35 and 100 percent from the amounts they are now paying. For some, the increase would be 800 percent. The boost would force an estimated 10 percent of those now getting food stamps—nearly 1.5 million—to drop out of the program altogether.

As an example of who would surely drop out, a person living alone, with a new income of $154 a month—who now pays $33 for $46 worth of stamps—would have to pay $45 for just $46 worth. Thus, every one-person household with a monthly income of $154 or more would be dropped from the program.

As another example, an elderly, blind or disabled person who is now getting a monthly income of $146 through the Supplemental Security Income (SSI) program, and who now pays $30 a month for $46 of stamps, would have to pay $43 as of March 1 for $46 of stamps.

Thus, this person's food stamp bonus would be reduced to a mere $3, and the financial incentive would be reduced almost certainly to zero—considering all the red tape a person must untangle to apply, reapply and actually get the stamps.

For an elderly individual with an income as little as $108 a month, the cost of $46 of stamps would rise from $18 to $32, leaving just $76 to cover all other items.

Still another hidden effect of the new food stamp price increases would involve an estimated 5 percent of today's recipients who would not be able to find the cash to pay for a full month's food stamp allotment—and would be forced to buy only part of a month's supply of stamps.

One tiny group who would not be affected would be those who now pay nothing for stamps—only about 4 percent of those in the program. Another miniscule group not affected would be those households now paying precisely 30 percent of the food stamp values.

For instance, an eight-person household, with a monthly income of exactly $250 now pays 30 percent of the cost of food stamps—but such families account for less than 1 percent of all those receiving food stamps.

Should the proposal be permitted to become effective, it would represent one of the biggest cutbacks in public assistance benefits in our history. Even persons living below the poverty line (currently an income of $194 a month) would have no incentive to try to get food stamps.

As one Agriculture official said, after his department's announcement, "This is madness."

To ask the poor to take on so heavy and lopsided a burden of curtailing our federal budget—while stories of embarrassing extravagance in virtually every area of spending multiply by the hour?

Yes, this is madness.

SOVEREIGN IMMUNITY

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GUDE. Mr. Speaker, one of the important legal problems facing the Congress is the question of sovereign immunity. One of my constituents, Thomas B. Cooke, of Rockville, Md., has done considerable research into this question, and I would like to bring to my colleagues' attention Mr. Cooke's speech delivered during a seminar on international judicial cooperation at the Georgetown Law Center last November.

The speech follows:

JUDICIAL DEFERENCE TO THE STATE DEPARTMENT ON ISSUES OF SOVEREIGN IMMUNITY—REFORM ON THE WAY?

(By Thomas Barry Cooke)

I would like to ask at the outset that you keep in mind the case of *Renchard* v. *Humphrey*[1] wherein the District Court decided to leave open the question of whether it would uphold a claim of sovereign immunity on behalf of the Government of Brazil. By the end

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Footnotes at end of article.

of this overview, I will review the facts of that case and offer to you what I believe would be a proper result as regards the determination of that issue.

Please consider the following facts: In July 1966, a shipowner entered into a charter party contract with the Government of India. The shipowner brought suit to obtain damages for the improper and unreasonable detention of his vessels, preventing discharge of the cargo and thereby causing substantial loss of time and money. Paragraph 34 of the contract provided that "any and all differences and disputes arising under this charter party are to be determined by the United States Courts for the Southern District of New York. . . ."

Now, despite the fact that the contract language appeared to constitute a waiver of immunity, the Government of India requested that our State Department recognize her actions as sovereign and grant the Government the protection that immunity can offer. The State Department consented to the request and forwarded an advisory letter to the Attorney General. Although the Court of Appeals for the Second Circuit expressed sympathy for the plaintiff, it declined to consider a challenge to immunity and held that ". . . once the State Department has ruled in a matter of this nature, the judiciary will not interfere."[2]

I offer to you for consideration that the result arrived at by the Second Circuit in the *Isbrandtsen Tankers* case is improper but nonetheless consistent with how other courts have dealt with the issue. The decision points out the inadequacies of the American system and clearly indicates that Americans who elect to conduct business with foreign powers or their agencies may find themselves unable to properly litigate their civil affairs before American tribunals.

The Second Circuit is not alone in its refusal to consider the merits of a claim of sovereign immunity. In 1974, the First Circuit accepted the Second Circuit's approach without comment[3] and the Fifth Circuit has likewise denied an American plaintiff the opportunity to litigate the issue of a claim advanced on behalf of Cuba by the Czechoslovak Ambassador.[4] The Fifth Circuit did however consider the merits of the plaintiff's contention that the Administrative Procedure Act[5] provided for judicial review of "final agency review for which there is no other adequate remedy in a court."[6]

The Fifth Circuit's refusal to recognize the validity of the APA argument rested in large measure on what it viewed as a need for secrecy as regards State Department decisions.[7] The decision constituted a further victory for those who would argue that it is a legitimate role of secrecy in foreign relations which, more than any other factor, distinguishes executive decisions directly concerning foreign policy from other agency action.

Now that I believe we have an appreciation of where the issue rests, our attention should be directed at how the dilemma was created. At the end of this presentation, I will spend a few minutes looking at modern day developments which aim at drastically affecting the system as it exists today. Included within this area will be the statutory reform measures reintroduced during the 93d Congress.[5]

Historically, the rule of immunity from suit may be traced to a time when most states were ruled by a personal sovereign who, in a very real sense, personified the State. For more than 160 years, American courts have consistently applied the doctrine of sovereign immunity when requested to do so by the executive branch. From Marshall's classic statement of the "absolute" theory in the *Schooner Exchange*[9] case to the cases which come before the District Courts today, the doctrine has remained largely unchanged. But, no longer will our system recognize an absolute barrier to attacking government action. Today, the courts and State Department alike are left to create a line between so-called public acts (jure imperii) which merit immunity and private-commercial acts (jure gestionis) which fall outside the grant of immunity category.

I offer to you that the impedus for this "restrictive" approach was first developed by Judge Julian Mack in *the Pesaro*.[10] Mack's conclusion was that since "the Pesaro was employed as an ordinary merchant vessel for commercial purposes at a time when no emergency existed or was declared, she should not be immune from arrest in admiralty . . ."[11] Judge Mack's opinion was as unique an approach as it was short lived.

The reach of the *Schooner Exchange* doctrine was further extended by the Supreme Court in *Berizzi Bros. & Co.* v. *S.S. Pesaro*[12] to situations involving merchant ships owned and operated by a foreign government. The Court in reversing Judge Mack observed that Marshall's failure to include merchant ships within the scope of his "absolute" theory was of no significance since in 1812 merchant ships were operated only by private persons.[13] The decision of the Court in *Berizzi* takes on added significance today in view of the Court's refusal to follow the opinion advanced by the State Department that immunity would not exist where the sovereign's act was one related to commerce.

During 1938–1945, Chief Justice Stone delivered his famous "trilogy" of opinions which in a very real sense created the procedural dilemma the American system contains today.[14] It was within the *Navemar* decision that the Supreme Court gave guidance as to the manner in which the State Department could act to bind the courts. Justice Stone reasoned that "if the claim is recognized and allowed by the executive branch of the government, it is then the duty of the courts to release the vessel upon appropriate suggestion. . . ."[15] This guidance was further developed by the Court in *Ex Parte Peru* where the Court was provided with a State Department "suggestion." Passing over the merits of a possible constitutional challenge to such practice, the Court reasoned that the judicial branch should not act to embarrass the executive arm in conducting foreign affairs.[16]

In 1952, the State Department acted to put to rest the conflicting theories concerning the nature of its approach when confronted with claims of sovereign immunity. In a widely published letter (Tate Letter) from the Acting Legal Adviser Jack B. Tate, the Department announced that it would generally adhere to the "restrictive" theory of sovereign immunity.[17] The pronouncement circumvented the *Berizzi* decision. In the only Supreme Court decision dealing with sovereign immunity since the issuance of the Tate Letter, the Court used language indicating at least acquiescence in the adoption of the "restrictive" theory.[18]

State Department procedures for deciding issues of sovereign immunity can be described as "informal." The procedures provide for acceptance of memoranda from both parties and, at the request of either party, an informal hearing is held. Representatives of both parties may attend the hearing to present their views to a panel of members of the Office of the Legal Adviser. No transcript is made of the proceedings and the Department's practice does not provide for an appeal. Generally, the Department does not explicate the reasons behind its decisions.[19]

Up until this point we have reviewed situations in which the State Department issued a directive. What if the Department refuses to find sovereign immunity or remains silent? In *Victory Transport*,[20] the Second Circuit was confronted with a situation in which the State Department offered no guidance as to whether sovereign immunity could be validly claimed by a branch of the Spanish Ministry of Commerce. Commenting on the fact that neither the State Department, courts nor commentators had offered a satisfactory test, Judge Joseph Smith developed five categories in which he felt that it would be appropriate to allow immunity for a sovereign's acts.[21] The categories included:

1. internal administrative acts;
2. legislative acts;
3. acts concerning the armed forces;
4. acts concerning diplomatic activity; and
5. public loans.

Applying the facts in *Victory* to this new standard, the Court's analysis centered on the fact that the act of purchasing wheat is a commercial or private activity and therefore not deserving of immunity status.[22]

For the present time, the *Victory* test must be limited to situations in which the State Department either fails to act or denies the claim of immunity. This limitation becomes apparent when considering the same Circuit's holding in the *Isbrandtsen Tankers* case.[23] Acknowledging the existence of *Victory*, the Court reasoned that were it bound to apply the standard, the action of the Government of India in purchasing grain might be viewed as a purely commercial decision.[24] However obvious such a result might appear, Judge Smith was left to conclude that where the State Department has given a formal recommendation, the courts need not reach this question and would continue to pay homage to State Department "suggestions."[25]

Measures introduced in the 93d Congress define in part the circumstances in which foreign states are to be considered immune from the jurisdiction of U.S. courts.[26] It is anticipated that similar proposals will be introduced during the 94th session. If enacted into law, the bills would incorporate and codify the "restrictive" theory of immunity by amending Title 28 of the U.S. Code. The central principle of the draft bills is to make the question of a foreign state's entitlement to immunity an issue justicable by the courts, without State Department participation. If enaced into law, such reform proposals would likely produce legal outcomes far different from what has occurred to date.

Reviewing the facts in the *Isbrandtsen Tankers*[27] case it would appear that the act of purchasing grain is a private act and under a "nature of the transaction" test immunity would not be available. In *Renchard* v. *Humphreys and Harding Inc.*,[28] the American plaintiff brought suit to recover damages for the destruction of his house alleged to have occurred during the construction of the Brazilian Chancery in Washington, D.C. Applying the standards stated in the draft bills, the analysis would center on the application of the "nature of the transaction" test to the construction of a building. The "nature" of the action or conduct being the construction of the Chancery, the action is clearly private or commercial and immunity would not be available.

In the United States, the State Department has failed to live up to the basic policy considerations which were formulated in the Tate Letter. The results obtained in the *Isbrandtsen Tankers*[29] case cannot be justified under the "restrictive" theory but on the contrary they are indicative of the rejected "absolute" immunity approach. Our law has advanced to a state of confusion. In the process, the relationship between the Executive Branch and the Judiciary has become strained.[30] A congressional enactment is needed to delineate the precise scope of the doctrine before American tribunals. Such an achievement will serve to restore

Footnotes at end of article.

the courts to their proper role as arbitrators of legal disputes.

FOOTNOTES

[1] 59 F.R.D. 530 (1973).

[2] Isbrandtsen Tankers v. President of India, 446 F. 2d 1198, 1201 (2d Cir. 1971).

[3] Southeastern Leasing Corp. v. Stern, 493 F. 2d 1223 (1st Cir. 1974).

[4] Spacil v. Crowe, 489 F. 2d 614 (5th Cir. 1974).

[5] 5 U.S.C. Sections 551–559, 701–706.

[6] *Id.* Section 704.

[7] *See* note 4 *supra* at 618.

[8] H.R. 3493 and S. 566, 93d Cong. 1st Sess. (1973). An earlier draft of these bills is discussed in 63 Proc. Am. Soc'y Int'l L. 182–199 (1969).

[9] Schooner Exchange v. McFaddon, 11 U.S. (7 Cranch) 116 (1812).

[10] 277 F. 473 (S.D.N.Y. 1921).

[11] *Id.* at 482.

[12] 271 U.S. 562, 46 S.Ct. 611, 70 L.Ed 1088 (1926).

[13] *Id.* at 573.

[14] Compania Espanola De Navegacion v. The Navemar, 303 U.S. 68, 58 S.Ct. 432 (1938); Ex Parte Peru, 318 U.S. 578, 63 S.Ct. 530, 89 L.Ed 729 (1945); Republic of Mexico v. Hoffman, 324 U.S. 30, 65 S.Ct. 530, 89 L.Ed 729 (1945).

[15] 303 U.S. 68, 74.

[16] 318 U.S. 578, 588.

[17] 26 Dep't State Bull. 984, 985 (May 19, 1952); *See* Bishop, *New United States Policy Limiting Sovereign Immunity*, 47 Am.J. Int'l L. 93 (1953).

[18] National City Bank v. Rep. of China, 348 U.S. 356 (1955).

[19] *See, Hearing on H.R. 3493 Before the Subcomm. on Claims and Governmental Relations of the House Comm. on the Judiciary*, 93d Cong., 1st Sess. 14, 27 (1973).

[20] Victory Transport Inc. v. Comisaria General de Abasticimientos y Transportes, 336 F. 2d 354 (2d Cir. 1964), *cert. denied*, 381 U.S. 934, 85 S.Ct. 1763, 14 L. Ed 2d 698 (1965),

[21] *Id.* at 360.

[22] *Id.* at 361.

[23] *See* note 2 *supra*.

[24] *Id.* at 1200.

[25] *Id.* at 1201.

[26] H.R. 3493 and S. 566. *See* comment, *The Impact of S. 566 on the Law of Sovereign Immunity*, 6 Law&Pol. Int'l Bus. 179 (1974).

[27] *See* note 2 *supra*.

[28] *See* note 1 *supra*.

[29] *See* note 2 *supra*.

[30] Lowenfeld, *Claims Against Foreign States—A Proposal for Reform of United States Law*, 44 N.Y.U.L. Rev. 901, 902 (1969).

GILMAN CONSTITUENTS WRITE ABOUT THE "SPIRIT OF '76"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GILMAN. Mr. Speaker, in the aftermath of our Nation's recent crises, too many of our citizens have fallen victim to a national malaise, a widespread feeling of pessimism about our Nation's future.

It has become fashionable these days to speak of America's problems as being insoluble, and America's future bleak.

It was against this background that I solicited entries for my annual high school essay contest. This contest helped me select a deserving high school senior from my congressional district to work as a volunteer in my district offices. This year, the subject chosen for the essays was the "Spirit of '76."

The winning essay was submitted by Finley Harckham, of the class of 1975, Clarkstown Senior High School North in New City, N.Y. Contest judge Amy Bull Crist, retired school superintendent who reviewed all the essays, also chose two runners-up, David Berg of the Newburgh Free Academy, and Gregory Kimiecik of the S. S. Seward Institute, of Florida, N.Y.

Mr. Speaker, these essays reveal not a prevailing attitude of pessimism, but a deep pride and enthusiasm for America and for her future. Since I believe they deserve to be widely read, I would like to offer the following winning essays at this time for review by my colleagues. At another time, I will present the essays which were awarded honorable mention in our competition.

"SPIRIT OF '76"

(By Finley Harckham)

We live in an age when the American people are disillusioned by their government and burdened by a faltering economy. It is a time of domestic and international problems. Our Nation's Bicentennial can serve to reinstate a sense of national pride, unity, and faith in government, which is essential if America is to resolve her major problems.

Looking back to 1776, we seen an epoch of politica' disunity and economic strife, out of which grew a great nation. A nation forged out of the strength, courage, and wisdom of a determined people. It is these qualities exhibited by our forefathers that comprise the "Spirit of '76." This spirit has been passed on from one generation of Americans to the next as part of our cultural heritage. The magnitude of recent problems has tended to sublimate thi' spirit in the American people. The Bicentennial can help revive the "Spirit of '76." With this spirit to guide us, the American people will realize that there is no problem confronting our nation that is insurmountable.

Our forefathers created a government that has provided its people with a free and secure life. This government has withstood war, economic disaster, and corruption for nearly 200 years. As we look closely at our government from its beginning to the present, we should be filled with a sense of security and pride in our system.

I believe that the observance of our Nation's Bicentennial comes at a time when we need to reaffirm our national heritage. Revitalized in us, the "Spirit of '76" will guide us in our quest for a better America.

"SPIRIT OF 76"

(By David Berg)

Have you ever really thought of what the "Spirit of 76" means? To me, it is deep intense feeling of pride that every American should feel for our United States. As our bicentennial approaches we are preparing to celebrate our 200 year independence from Britain. But really our history goes back more than 200 years. Everything that happened in the past is history. We should not only celebrate our 200 year Independence, but everything we have accomplished in that 200 year span. The big date is July 4, 1976, but for how many of us would that day be just another holiday from work. What happens the day after? Is everything we have to be proud of just set aside for another 100 years for our tricentennial? General George Washington would draw up the entire Army, in double ranks on the parade grounds to celebrate the 4th. The festivities would begin with a salute to the states by 13 cannons followed by the soldiers firing "feude joye" 3 separate times. I will live long enough for the one bi-centennial and I hope to contribute to it as much as I can. I am also very proud to live in New Windsor, New York at the time of the bicentennial because it was here at Temple Hill that Washington made his famous reply to the "Newburgh Letters" quelling a mutiny between his officers and men thus preserving all the rights we fought for.

I am proud to be an American and I hope that our country will continue to grow in the "Spirit of 76" under the guidance of the "Spirit of the Lord."

"SPIRIT OF '76"

(By Gregory Kimiecik)

During the past few years, many people in America have developed a cynical attitude and have criticized the United States of America as a country economically and morally declining as never before. Surely Watergate and our present economic woes are setbacks to Americans everywhere. Now is the time, however, for Americans to stand firm on our democratic ideals as set forth in the Constitution.

Through the foresight of such men as James Madison, George Washington, Alexander Hamilton, and Benjamin Franklin, America has been provided with a living document to help guide us through our crises. Our Constitution provides us with a well-balanced separation of powers, unique in the world, yet applicable to our present times.

Certainly Watergate showed that no man is above the fundamental law of the Constitution. Both the legislative and the judicial branches carried out their functions of checking on the Chief Executive. The most obvious, but least publicized lesson we learned from this unfortunate incident, in fact, was that the National Constitution is alive and well, fulfilling its functions as set forth by our forefathers.

Our elected representatives are the living soul of the Constitution. In our Congressman we, the people, have a direct outlet for our problems and frustrations. Pity the man who says, "Our Government is doing nothing!" We, the people are government!

Participation is the key to a healthy and responsive government. As long as we cherish and use our privilege to vote, we shall overcome any problem and justify the faith of our forefathers.

CHANGES NEEDED IN PRESIDENT FORD'S ENERGY PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GRADISON. Mr. Speaker, I think it is important at this time to understand the President's recent state of the Union message and look ahead to the direction we wish our country to take in the next few years.

At the outset, I would like to say that the President's program for energy is the first comprehensive, long-range plan that has been formulated to deal with our future energy needs. I agree that many of his points should be implemented immediately. Specifically, let me mention eight points:

First. Development of the Elk Hills, Calif., Naval Reserve.

Second. Conversion of as many powerplants to coal as possible.

Third. Development of the Outer Continental Shelf and Alaskan Oil Field No. 4.

Fourth. Accelerate nuclear leasing and site development.

Fifth. Reform of utility regulations.

Sixth. Extension of investment tax credits for 2 years to plants not using natural gas or oil.

Seventh. Storage program to accumulate oil reserves.

These proposals will allow us to increase our domestic production of energy and to move toward real independence.

However, I believe that President Ford's proposed excise taxes on domestic oil and natural gas should be postponed for at least 6 months because they would result in an increase in the cost-of-living by at least 2 percent which means to the average family an increase of $250/year in energy costs and virtually negates the positive effects of the tax rebate.

Let me explain this further. I firmly believe that the economy should be our first priority at this time—to spur production and to assist the working men and women of this country who have felt the effects of the recession the hardest. The increase in investment tax credit is a positive step in promoting production.

The tax rebate must be joined to a policy of holding down Federal spending on new programs or a new surge of inflation will surely result.

Therefore, the Congress should move ahead quickly to implement the tax rebate—the quicker the better—to get the money back to the people and also act on specific points I mentioned in the energy program which would not increase the cost of living. It is vitally important that the tax rebate be signed into law before the recess scheduled on February 6. It would be inexcusable for Congress to recess until this is accomplished. With Congress scheduling a 11-day February recess, it seems that everyone knows there is a crisis but the Congress. After a suitable period of time, I am suggesting 6 months, a reassessment is in order to reexamine the economic situation before taking steps which would raise the cost of gasoline sharply.

We owe it to the working people of this country who first had to fight the inflation of rising prices and are now suffering from cutbacks in employment, to make sure their jobs are secure and prices are reasonably stable. I plan to fight for those parts of the President's program which will help them regain their standard of living.

THE BIG BUGABOO IN HIGHER FUEL COSTS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. NICHOLS. Mr. Speaker, less than 2 weeks ago, President Ford presented to the Congress and the American people his plan to boost the economy and encourage all Americans to conserve energy. I have commended the President on his efforts but I do not believe the means will produce the results which we desire.

While reading the Cleburne News, one of Alabama's finest weekly newspapers, I noticed the excellent editorial which expresses the views of this Alabama editor. Mr. Browny Stephens, who just 2 months past became the new owner-editor of the News, is to be commended on his views and I would like them entered into the RECORD of this Congress so that all Members may share his remarks:

THE BIG BUGABOO IN HIGHER FUEL COSTS

(By Browny Stephens)

The newest round of economic measures put forth by the President's roundtable of experts make it appear that the people putting these ideas out might fall somewhat shy of being able to manage their own family budgets.

The big debate in Washington has seemed to be whether we should inflate the depression or depress the inflation. The measures proposed by President Ford last week seem to me to be aimed at doing neither of the above, or else both at the same time. They appear more probably to result in inflating the inflation further and depressing the depression even lower, if that's possible.

And after the things that have happened in this country in the past two or three years, anything is undoubtedly possible. Except, perhaps, sanity.

To give President Ford his due, he did originally push for one idea that seemed sound at the time, but the politicians screamed that one to death. His idea of a surcharge tax on higher incomes last fall to help cool off inflation and come closer to balancing the federal budget apparently made too much sense for most politicians to swallow.

Screams from some of them about such a surcharge hurting the middle class wage earners were pretty phony in my book. I had thought I was in the middle class yet this surcharge plan would have made me pay only about $2 a year more in taxes. And a family earning $20,000 a year would pay only about $12. The burden would have been where it ought to have been on those making more than $20,000.

And after the things that have happened in this country in the past two or three years, anything is undoubtedly possible. Except, perhaps, sanity.

The idea expressed by administration sources said the income tax refund, ranging from about $100 for lots of folks up to a high of $1,000 would make it possible for folks to go out and buy things like automobiles.

But the other measure would make it so expensive for average folks to drive a car that they wouldn't need a new one, except to park in the driveway.

The idea of cutting back fuel consumption so we won't have to depend on Arab oil is an admirable one worthy of support. But is this any way to do it? If you make fuel more expensive, the wealthy folks won't be bothered at all. They will just go on using as much fuel as they want, while the middle income folks, especially, will be in an even worse financial pinch. These are the folks who drive their cars from the suburbs and rural areas to work in the city, and take their families on budget vacations in automobiles. Their tax refund would quickly be eaten up by higher fuel prices.

The really unreasonable aspect of pushing up fuel prices again would be its effect on all prices. During the oil crisis last year, it became clear to all of us that when fuel costs go up, so does the cost of everything else.

An increase in fuel costs would raise the price of practically everything we buy, because everything is shipped by truck or rail, and diesel fuel is one of the major expenses in this shipping. The cost of things like electricity would go up, too, because of fuel being used in generating plants. And those which use coal would have to pay more for the shipment of that coal.

The stimulant to further inflation that would result from another fuel cost price rise would strike hard at all middle and lower income folks, especially, and generate another round of price increases that would leave persons on fixed incomes, social security and retirement funds in an even more pitiful state. The price increases would generate another round of demands for pay hikes by the unions. It's a never ending cycle that we don't need any more of.

If a cutback in fuel is necessary, anything would be preferrable to higher fuel prices—even rationing. Let the government put the burden of cutting back on fuel on the backs of those who are wasting it by driving vehicles that get only 10 miles a gallon. Put an excise tax on horsepower, or better yet, accelerate the goal of having all our automobiles get at least 20 miles a gallon. If our automobiles on the highway today averaged that much, experts tell us we wouldn't have any need to import Arab oil.

CONDOMINIUM AND TENANTS PROTECTION BILL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ROSENTHAL. Mr. Speaker, condominium sales and conversions are among the most pressing consumer problems facing the Nation today. In an effort to remedy these ills, I am today introducing, along with 31 House colleagues, the National Condominium and Tenants Rights Act.

This legislation establishes mandatory Federal guidelines for the protection of condominium purchasers and for tenants displaced by condominium conversions and it prohibits discrimination in mortgage loans based on age, sex, or marital status. The bill covers condominiums financed by any lending institution which is insured or aided in any way by the Federal Government. A newly created Assistant Secretary of Housing and Urban Development for Condominiums would administer provisions of the act.

While there is an irreversible condominium boom—HUD estimates that within 20 years, half the population will be living in condominiums—fewer than 10 States have meaningful laws protecting purchasers and not more than one or two States have laws protecting those displaced by conversions. The trend toward condominium construction and conversion may be the leading cause of the rapid decline in the availability of decent rental housing.

Loss of buyers' deposits, fraud, and sharp practices are rampant in the condominium sales area. But, it is in the area of condominium conversions and the dislocation of renters, many of them elderly and poor, where the greatest and most personally tragic abuses take place.

The psychological stress caused by a forced move is enormous, and the financial burden is staggering. Relocation expenses can wipe out the savings of a low- or moderate-income family.

That is why the Federal Government must take speedy action to protect condominium purchasers and those tenants who might be forced out by a conversion. A HUD study of condominium problems, required by my amendment to the Housing Act last year, should bolster the case for remedial legislation.

The list of cosponsors and a brief summary of the bill's major provisions follow:

COSPONSORS

Bella S. Abzug, Democrat of New York.
Joseph P. Addabbo, Democrat of New York.
Herman Badillo, Democrat of New York.
John Conyers, Jr., Democrat of Michigan.
Charles C. Diggs, Jr., Democrat of Michigan.
Christopher J. Dodd, Democrat of Connecticut.
James J. Florio, Democrat of New Jersey.
Harold E. Ford, Democrat of Tennessee.
Mark W. Hannaford, Democrat of California.
Michael Harrington, Democrat of Massachusetts.
Ken Hechler, Democrat of West Virginia.
Henry Helstoski, Democrat of New Jersey.
Elizabeth Holtzman, Democrat of New York.
Ralph H. Metcalfe, Democrat of Illinois.
Helen S. Meyner, Democrat of New Jersey.
Norman Y. Mineta, Democrat of California.
Parren J. Mitchell, Democrat of Maryland.
John M. Murphy, Democrat of New York.
Robert N. C. Nix, Democrat of Pennsylvania.
Charles B. Rangel, Democrat of New York.
Thomas M. Rees, Democrat of California.
Frederick W. Richmond, Democrat of New York.
Peter W. Rodino, Jr., Democrat of New Jersey.
Stephen J. Solarz, Democrat of New York.
Gladys Noon Spellman, Democrat of Maryland.
Fortney H. (Pete) Stark, Democrat of California.
Gerry E. Studds, Democrat of Massachusetts.
Henry A. Waxman, Democrat of California.
Gus Yatron, Democrat of Pennsylvania.
Leo C. Zeferetti, Democrat of New York.

SUMMARY OF NATIONAL CONDOMINIUM AND TENANTS RIGHTS ACT

ADMINISTRATION OF ACT

By newly created Assistant Secretary for Condominium Housing in DHUD.

REQUIREMENTS FOR CONDOMINIUM SALE

No condominium housing loan shall be made to any condominium developer unless HUD has approved a written property report and that report has been submitted to the prospective purchaser 21 days prior to purchase, containing:

1. The name, address, ownership position and extent of holdings of each person having a financial interest in the project, each professional firm involved in the construction, conversion, rehabilitation, sale, or financing of the project.
2. A complete legal description of the condominium project.
3. A statement of the extent of a purchaser's legal ownership of a unit, the common areas, recreational facilities, etc.
4. A listing of facilities whose use is subject to separate fees or other conditions imposed by developer.
5. A statement of the total operating and maintenance costs of the entire project and the purchaser's unit for the preceding two years.
6. An independent engineering report showing condition of building.
7. Appropriate warranty protections.
8. Safeguards against loss of deposits.
9. Such other information as the Secretary may require.

TENANT PROTECTION FOR CONDOMINIUM CONVERSIONS

No condominium housing loan shall be made unless and until existing tenants have been granted first priority to purchase a unit, 50% of the tenants have agreed to purchase a unit prior to the conversion, and tenants are given a minimum of 120 days from notification to decide whether to purchase a unit and an additional 150 days to remain as renters.

DISCRIMINATION IN MORTGAGE LOANS PROHIBITED

No creditor shall discriminate against any person desiring to purchase condominium units on the basis of age, sex, marital status, religion, race or national origin.

PENALTIES

Any developer or creditor violating these provisions shall be fined not more than $15,000 for each violation, and any director, officer, or employee who willfully violates the provisions shall be fined not more than $5,000 or imprisoned not more than 6 months, or both, for each violation.

GRANTS TO STATE AND LOCAL GOVERNMENTS

The Secretary is authorized to make grants to State and local governments and agencies for the purpose of encouraging equal or superior State and local condominium standards.

AUTHORIZATION

There are authorized to be appropriated such sums as may be necessary to enable the Secretary to carry out this Act.

VIETNAM REMEMBERED

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. KASTENMEIER. Mr. Speaker, on this second anniversary of the signing of the Paris Peace Accords, we must look back on the last 2 years with considerable dismay.

Two years ago we were told that "peace with honor" had been brought to Vietnam. Yet, we know now that there is no peace in Vietnam and, without that peace, the honor heralded 2 years ago must be considered nothing but more rhetoric.

There is no honor in the fact that the fighting continues and we are still engaged in this war by proxy. Our assistance is the only thing propping up the Thieu regime. Our guns and dollars permit the death and destruction that still reigns in Vietnam. And, now, the President tells us that he will request additional military aid for South Vietnam—more money to continue the war.

Thousands of people are gathered in Washington this week to urge this government to encourage the negotiations provided for in the Paris Peace Accords. They know that we have lived a lie for 2 years. It has been easy to shove Vietnam to the back burner because American lives are not being lost. But, any life is sacred and Vietnamese are still dying on a large scale. As long as this country is willing to support the war, it will continue and people will continue to die.

Mr. Speaker, Garry Wills, in a column which appeared in the Washington Star-News last Friday, January 24, has told the story of our Vietnam tragedy better than most. I commend his column to all those who share my desire that we cease our hypocritic policy with regard to Vietnam and finally seek that negotiated settlement which will end this war:

SOME REMEMBER THE WAR

(By Garry Wills)

One of my own most vivid memories is of a March of Death conducted just over five years ago, in the fall of 1969. In a drizzling rain, all through the night, thousands of young people filed slowly from the Lincoln Memorial on to the Capitol, pausing only at the White House to shout a name: the name of an American soldier who had died in Vietnam.

It was a dramatic moment, and Nixon's White House responded in character, cutting the lights that outlined the whited sepulchre of our war; instead, turning search lights out toward the marchers, to blind them when they looked through the mansion's iron fence.

These demonstrations were called a fad at the time; and for some that may have been true. Or they were called a simple reaction to the draft—and that criticism is uncomfortably near the truth.

But for some it was no fad. Day and night, without headlines, they have continued to work for peace. To an unresponding country they have preached the message of the first war protestors back in the early teach-in days: That silent murders are being committed in our name on a huge scale, while we go about our business and ignore what our guns and dollars do. Right now our planes are flying in 500 tons of ammunition every day in Cambodia.

Protesting the war is not glamorous work, not now. It is hard, unrewarded. One is ignored. Or, if one does something to catch people's attention, one is imprisoned.

As if in pledge of their sincerity, many of those who keep up this cry of alarm in the night are expressly motivated by religion—Quakers, mainly, and Catholics. They are not following a fashionable mood but pointing at something as blatant as blood: blood.

This month, groups have been entering the White House tours every day to read in accusation the Paris Peace Accords, which we have violated. Secretary of Defense James Schlesinger openly says it is all right, now, for us to violate the accords. Back in 1969, war veterans decorated for heroism filed by the White House and threw their medals over the iron fence, protesting the mockery of it all. Will Secretary Kissinger stroll by now and toss his Nobel Peace Prize over the fence as we prosecute that war?

Those who read the accords in the White House are ignored as long as they can be; then, at closing time, they are arrested—a score or so, so far. And this weekend they are calling their friends into town for a new March of the Dead—this time, for the Vietnamese dead, not Americans; so perhaps no one will care. But I hope they do.

Those who have been reading and praying in the White House will be there, no matter what. They are the heroes of the Vietnam war—the only ones who care to remember that war, because they alone can be lastingly proud of what they did about it. They mean to keep joining the White House tours until the end of the month, when they plan a

prayer march to match the President's annual prayer breakfast, to be held on the 30th.

The rallying point for the weekend protest in favor of Vietnamese life will be the New York Avenue Presbyterian Church here. Vietnamese ex-prisoners will attend, and the Sunday night candlelight march for all the dead of that tortured country will go from the church to the White House. It is rude of these people to remind us what we have done and what we are still doing. We do not want to know. That shows how little moral confidence we can muster under their accusation.

A CONGRESSMAN'S RESOLUTION FOR 1975

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SYMMS. Mr. Speaker, with the arrival of a new year and a new Congress, it would be appropriate for Members of the House of Representatives—both new and returning—to set forth some personal resolutions for the first session of the 94th Congress which will guide their actions as national legislators. These resolves should be based on what each of us perceives as the most pressing problems facing our districts and the Nation today and the most effective ways in which Congress can, in our opinions, alleviate or lessen them. Moreover, they should also be based on an honest appraisal of how Congress cannot solve these ills and the ways in which Congress in the past has fostered these problems or obstructed the Nation's ability to deal with them through unwise legislative intervention.

Undoubtedly an overwhelming consensus of my colleagues believe that the Nation's No. 1 problem is inflation and a rapidly declining economy. One need not earn a Ph. D. in economics to appreciate the effects of our two-digit inflation nor work on the New York Stock Exchange to perceive the downward trend of our national economy. In a larger sense, though, the question we must ask is whether or not our basic lifestyle and the standard of living to which we as Americans are accustomed can be preserved. Will the next 5 or 10 years be a period of continued technological and material advancement for the American people or will it be marked by a steady regression of the quality of life in this Nation?

Mr. Speaker, these are questions which lay heavy on my mind as a U.S. Congressman. I see a nation rich in natural resources, overflowing in human talents, and steeped in the traditions of personal freedom, individual achievement, and hard work. Yet here is a nation where the tide of unemployment is throwing thousands more out of work each month, where business establishments are folding at an alarming rate, where inflation continues to undercut our living standards and where energy shortages threaten our entire way of life. Meanwhile, the only solutions which Congress has been able to offer are more inflationary spending and more stifling regulations to discourage productivity and personal initiative. More money and more coercion have become the pat solutions to every problem.

As a result, Mr. Speaker, Congress has been creating most of the economic problems which it is endeavoring to solve. That is the real problem our country faces in the coming year. And so, I am setting forth the following resolutions for 1975 in an effort to do my part in reversing our current recessional trend:

First. I will oppose any attempt to reinstate wage and price controls on the American people, knowing full well that controls do nothing to solve inflation and only compound inflation's ravaging effects by hampering productivity and creating shortages and black markets.

Second. I will do all that is in my capacity to attack the real cause of inflation—Federal deficit spending—by working to cut back Government expenditures to a budget balancing level and by attempting to bring about the passage of a constitutional amendment requiring a balanced budget and gradual elimination of the national debt.

Third. I will work toward the repeal of all counterproductive Federal regulations and controls and will steadfastly oppose the establishment of any new regulatory structures which restrict competition, hamper production and encourage people not to work.

Mr. Speaker, perhaps with a little soul searching and a short course in free market economics, a majority of my colleagues might adopt similar resolutions for this next session of Congress. Were that to happen, such terms as "double-digit inflation," "energy crisis," and "recession" would quickly slip from common usage in the American vernacular.

GILMAN: MIA FAMILIES ARE STILL WAITING FOR ACTION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GILMAN. Mr. Speaker, today I am introducing a resolution expressing the sense of Congress that a Presidential task force be established to investigate all information and means of obtaining a full and thorough accounting for our missing servicemen in Southeast Asia.

It is distressing and deeply saddens me that this legislation is necessary, just as it angers and disturbs me that those of us who have not forgotten our missing men must rise again and again in this Chamber, and in the forums of public opinion, to cajole, to chastise, and to plead this cause with those who apparently have forgotten.

This past weekend, Washington was host to a large delegation of family members of missing servicemen, who held a vigil at the White House and visited with many of us here on the Hill. Their demonstration and meeting was scheduled for the second anniversary of the signing of the Paris Peace Accord—that much-heralded agreement that was intended to end the war in Vietnam and to bring all of our boys home once and for all.

The Paris agreement was the result of long, painstaking negotiations and based upon the assumption that all the parties were bargaining in good faith and would abide by the agreement once it was signed.

Regrettably this has not been the case. Mr. Speaker, our Nation should candidly submit the facts to the entire world, letting the light shine intensely on those who are abiding by this agreement—and those who are not.

Article 8, section B of the Paris peace agreement states that—

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

Has this been the case? I submit that the facts are a far cry from the agreement. Permit me to remind my colleagues that the last American death in Vietnam from hostile causes was an unarmed, clearly identified leader of a search team, Captain Reese, who was gunned down in cold blood while conducting a peaceful and previously announced search of a crash site.

Our Nation knows the location of more than 1,000 crash sites and some grave locations. We also know the locations of capture sites and other locations where men were seen alive.

We also have the word and photographs of the North Vietnamese themselves, depicting several of our men alive in captivity, in the propagandistic boasts made at the time of their capture.

The photographs of these captured men were released to the world media, they were paraded in public, and their captivity was made widely known. Yet they were not returned with the rest of our prisoners and no further information has been made known about them. Did they die in prison? Did they escape? Do they remain in prison? Only one party has the answers to these questions, Mr. Speaker.

The North Vietnamese apparently believe they can use the MIA issue to wring from us further political concessions. This is the saddest of delusions.

Our great Nation will not be blackmailed. We did not knuckle under to Communist blackmail to abandon the free Government of South Vietnam, and through our perseverance we brought our prisoners of war back home safe, unharmed, and proud. We resisted the efforts of the Arab oil blackmailers to abandon our commitments to the survival of the State of Israel. We do not formulate national policy according to the will of other nations.

Mr. Speaker, there are still missing journalists, missionaries, and 1,100 missing servicemen unaccounted for—brave young men who answered their country's call, fulfilling an unpleasant,

costly responsibility for all of us—and for the way of life they loved and cherished. We cannot and must not let them down.

The legislation I am introducing today seeks the creation of a high-level panel to look into the issue of the MIA's, to gather all existing information, to become a clearinghouse for the facts, and to investigate all possible avenues by which we can compel the Communists to live up to their word of honor.

It is a sad thing, Mr. Speaker, that we must appeal again and again to the world and to the North Vietnamese in particular to honor a commitment they made freely and without coercion—a humanitarian obligation to society.

We must act decisively and promptly to give them a clear and indisputable message that we are not going to forget the MIA's—that we are not going to be dissuaded from our efforts to account for our brave men. We can do no less for those who gave so much.

I am inserting the resolution in the RECORD at this point:

RESOLUTION

Resolved by the House of Representatives concurring:

Whereas, January 27, 1975 marks the second anniversary of the signing of the Paris Agreement, and

Whereas, the Communist bloc countries in Southeast Asia are not abiding by Articles 8a and 8b of the Paris Agreements or the Laotian protocol in accounting for our MIA's and

Whereas, there is a lack of effective action being taken or proposed to achieve a full accounting of MIA's.

Therefore, be it resolved that it is the sense of the United States House of Representatives that the President establish a Presidential Task Force on MIA's to study the cases of MIA's and their families, to propose courses of action to achieve a full accounting, and to make recommendations concerning Federal policies relating to MIA's.

ENERGY AND THE ECONOMY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SARASIN. Mr. Speaker, few people can refute the severity of our economic condition or the problem created by our dependence upon foreign petroleum sources. Few would deny the need to take definitive steps to resolve these problems. However, agreement on the solutions is not quite so universal and there is a disturbing tendency to avoid the tough and politically unpopular decisions necessary. Too many of our leaders are "playing to the gallery" with self-serving rhetoric while avoiding the hard choices on meaningful programs.

Inflation has seriously eroded the purchasing power of the American public, a recession is eliminating jobs and threatening business and industry and our dependence on high priced and unreliable foreign oil adds to both problems and presents a potential threat to our national security in the bargain. Never has our Nation been threatened with such a complex and interrelated set of problems, and anyone who says there is an easy or painless solution is either naive or not very honest.

Yet when President Ford offered a program which comprehensively attacked the whole spectrum of problems, admittedly at some cost and inconvenience, there was a rush to disavow the program, delay any action and lessen the chances for a real solution. Instead of the reaction we should have seen, an eagerness to get to work on improving the program or provide meaningful substitutes, we have seen an abdication of leadership responsibility in favor of political safety.

More than a year has passed since the Arab oil boycott and Congress still has no comprehensive energy plan and shows no signs of being able to arrive at one: yet they reject the only comprehensive plan available out of hand, not even taking the time to fully explore and comprehend what is in the plan. More inaccurate and misleading statements have been uttered and written about the administration program than about any subject in my memory.

Any energy program which we undertake must accomplish several objectives. First, it must reduce our consumption of foreign oil imports. Second, it must generate revenues and incentives for the development of domestic energy sources of all kinds. Third, it should equalize the energy burden geographically, so the Northeast and New England in particular are not at an energy disadvantage. Fourth, it should disrupt our normal commerce and industry as little as possible so as not to worsen our economic state. And last, but certainly not least, it should be as fair and socially responsible to all levels of society as it is possible to make it.

This is certainly a difficult mix to achieve, but all energy proposals must be examined in relation to these objectives.

The proposal to simply reduce imports by the desired goal of 1 million barrels per day would meet the first goal, but provides little economic incentive and no additional revenue for domestic development. It would initially fall most harshly on New England, just as the Arab oil boycott did, and would have a seriously depressing effect on business, industry, and jobs.

The gasoline tax of anywhere from 10 to 40 cents per gallon which has been proposed also has serious shortcomings. It undoubtedly would reduce the use of gasoline to some extent, but the financial burden would fall most heavily on the middle class. It provides no incentive in itself for conservation in other promising areas and provides no equalization of total energy burden across the country and little encouragement for energy source development.

Gasoline rationing, the currently most popular alternative, has major disadvantages which if not recognized now will become all too evident shortly after any such program was enacted. Rationing does have a superficial fairness, but that fairness would quickly evaporate in a morass of exceptions, bureaucratic snarls, black-market operations, and economic disruption. It provides little or no incentive for solving the root energy problem, provides no revenues, no geographical equalization of burden and would be extremely costly to administer and police.

The administration's comprehensive energy and economic program, while far from perfect and still incomplete in its details, is the only plan before us which recognizes all three requirements and attempts to deal with them. It provides a total framework, structured to achieve a long-term solution to the root causes of our energy problems in tandem with an attack on our economic ills.

It also very clearly provides both immediate and long-term benefits for the Northeast, the traditional energy stepchild of the United States. It is indeed curious that some leaders most critical of the administration program apparently did not bother to look at it closely enough to even be aware of this "New England break," in the President's initial state of the Union message, and hailed it as a "step forward" 2 weeks after it was proposed as part of the original program.

Reduced to its simplest terms, the President proposes to reduce petroleum consumption by raising the price through a combination of taxation and allowing the domestic crude oil price to rise to equal foreign oil. The money raised by the Government through the tax program will be used for income tax reductions and Federal grants for low-income persons to compensate them for higher prices. The additional revenue to the oil companies from the higher prices will be put back into development of additional domestic sources. Imposition of stiff excess and windfall profits taxes would pressure the firms to actually use this money for that purpose or to lose it. Other economic measures in the program would equalize the cost of energy across the country, including presently subsidized sources like natural gas, which have contributed to putting New England at an energy disadvantage.

Undeniably, energy prices would increase under this program. There is no way we can break the Arab oil dependency tie without some cost to us. We are going to have to pay for our self-sufficiency. But if we do it now with a comprehensive and well thought-out program, we can do it at the least cost to New England and avert long term disaster.

Actually, New England will be faced with a smaller increase in energy costs than much of the country, as revealed in the chart below. It must be kept in mind that New England winters will always impose an energy burden not carried by the South and Pacific coast areas.

Estimated increase per household annually

States:	
Mountain	$191
West/North Central	187
West South Central	185
New England	180
East North Central	174
Middle Atlantic	170
South Atlantic	154
Pacific	151
East/South Central	142

Additionally, Federal Energy Administrator Frank Zarb has given us assurances that the added petroleum cost will be added more heavily to the cost of gasoline than heating oil or other necessities, a step which not only makes the overall plan more desirable, but is helpful to New England, which uses less gasoline per capita than most of the Nation.

A properly pegged tax rebate and tax rate reduction can more than compensate for these added costs. There is valid debate about the exact figures involved, and in supporting the administration's general program, I do not necessarily accept the figures provided. It is the mechanism, not the numbers, that is important at this point. I am very pleased with the general approach in the program of giving a break to the broad middle class, the working wage earner who is usually called upon to bear the greatest burden of any government program.

Essentially, what we have here is a conflict between a tough, but workable, program and no program at all. The program does take into accounnt the unique problems of New England and offers both short term and permanent advantages. It has problems, but it provides a basic framework upon which we can build a flexible and effective remedy to what I consider an urgent problem.

At this particular time, it is politically highly unpopular to support the plan. I have already come under fire for my position. But I have spent many hours studying this proposal, studying the suggested alternatives and considering the effects of further delay. I have concluded that the program is sound and offers the best approach for the country, for the Northeast and for my constituents. Therefore, I urge that Congress get to work on improving and polishing this plan, rather than playing politics in the face of impending disaster.

APPRECIATION OF WALTER LIPPMANN AS MAINE RESIDENT

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, Walter Lippmann spent a good part of his life as a summer and fall resident in my congressional district. At the time of his recent death, the Ellsworth American, published by J. Russell Wiggins, one of our most distinguished Maine editors and formerly editor of the Washington Post, asked Frederick Sontag, of Seal Harbor, a public affairs and research consultant, to research and write a report on Mr. Lippmann's relations to Maine, Hancock County, Mount Desert Island, and Seal Harbor. Mr. Lippmann wrote many of his columns, magazine articles, and books amidst the beauty of Maine and he recorded part of his famous CBS-TV interviews while walking on our beautiful Maine beaches.

Mr. Sontag's appreciation was originally prepared 2 years ago for the Maine Public Broadcasting Network. It was updated last year and aired recently in abbreviated form.

Because Walter Lippmann's books will be used for many years to come and his articles will continue to be quoted, I thought it would be useful to share with the Members of Congress and the readers of the CONGRESSIONAL RECORD the rather unique analysis of Mr. Lippmann's relations with Maine as published in the December 29, 1974, issue of the Ellsworth American and aired over the statewide facilities of the Maine Public Broadcasting Network.

The full text of the Lippmann appreciation follows:

AN APPRECIATION: NEIGHBOR RELATES SOME VIEWS OF WALTER LIPPMANN

(By Frederick H. Sontag)

(EDITOR'S NOTE.—The writer had a long interview with Walter Lippmann, his Seal Harbor neighbor, while co-authoring with John S. Saloma III their book Parties: The Real Opportunity for Effective Citizen Politics, published in 1972. The interview was embargoed until after Mr. Lippmann's death. Its publication schedule is "open", as it describes Lippmann's view of Mr. Nixon and some of the points made later which became part of Watergate. Mr. Sontag went through his notes for impressions of the well-known journalist, especially as they apply to Hancock County, MDI, and Seal Harbor. Parts of this article will be broadcast over the Maine Public Broadcasting Network.)

Walter Lippmann, a longtime summer and fall resident of MDI, died at 7:25 a.m., Saturday, December 14, in his New York City hotel apartment at the age of 85. He had been in failing health since a heart attack some time ago. In recent years his body was usually weak but his brain was active and alert for part of the day, while at other times he seemed far away. Until close to his death, Mr. Lippmann kept himself informed on major events in the world around him.

Some years ago CBS Television did a remarkable series of interviews with Walter Lippmann by then CBS correspondent Howard K. Smith, which were filmed on MDI and showed Lippmann walking along the shore at his MDI home.

Walter Lippmann's death came just a few days before the expected confirmation as Vice President of his longtime friend and Seal Harbor neighbor, Nelson Rockefeller. Lippmann had told me years ago that "Governor Rockefeller would be ideally equipped to be President." Looking out toward Rockefeller's Seal Harbor home, Lippmann said that he felt "the country would have been entirely different if Rockefeller had been elected. if only he had been able to be nominated," a failure that continued to fascinate Lippmann and one that he continued to ask about. "Why don't the Republicans realize he would win, and would govern well?"

No comment on the Lippmann death could be obtained from former President Nixon at San Clemente, but his spokesmen make little effort, as in the case of Congressman Wilbur Mills' recent misfortune, to hide their feelings that little love had been lost between the principals involved.

Mr. Lippmann's death also came at a time when the role of Jewish people was a subject of considerable national discussion, based on a speech given by Joint Chief of Staff General George S. Brown, who had stated that "the press was under considerable Jewish influence." The examples given by others were the New York Times and the Washington Post media empires, as well as prominent writers like Walter Lippmann and David Broder. As Lippmann said some years ago, "People attack the press when they have troubles and need someone to blame." In contrast to previous Presidents who had tangled with Lippmann, President Ford issued a warm statement of praise for the veteran journalist and author at his passing.

The Lippmann passing, a bright Maine woman said, "came just days after Winston Churchill's 100th birthday anniversary. They just don't come that big any more."

Mr. Lippman used a cane while walking around MDI during his last years and he was hard of hearing. He visited Maine quietly during his last summer and was honored on his 85th birthday. Those birthday parties were something to behold as famous journalists and government leaders flew into Bangor and Bar Harbor airports to honor their old friend, or visited him in New York where he lived after leaving Washington for good.

Although his funeral was private, a memorial service at Washington's Episcopal National Cathedral is presently scheduled for January.

The Lippmanns lived for many years "on the other side of the Island." They purchased a house in Seal Harbor in recent years and sold it only a couple of years ago because of their failing health and disappointments in their plans to make it their permanent home. (They stayed at Northeast Harbor when they could not use their own house in Seal Harbor.)

The wordly wise author had his problems with Maine people at times. He wanted his house winterized, with year-round water and sewer facilities. It was not until after he bought it that he learned that large rocks would preclude winterization. "He never asked us, so we din't tell him. After all, he's supposed to know about everything," a tough Downeasterner said after Lippmann expressed indignation at this unpleasant surprise.

Lippmann said that he found Maine people "under deep morale stress. They want to be paid in cash, never by check, so that there is no record of the payments. It all reminds me of France and some parts of Europe," he commented. "The influence of the summer people here has not been a totally good one and there are deep resentments and rip-offs and a 'take them for all you can get attitude,'" he said.

The short summer tourist season made no sense to him and he joined a Seal Harbor woman in saying he couldn't understand "how anyone could manage to pay taxes for 12 months a year plus constant upkeep with only one or two months' summer tourist earnings." He said he wished he were younger so that he could explore more fully the deep underlying tensions between year-round people and summer people. "I love Maine and Mount Desert Island," he declared. "This hurts us all."

During their stays at Seal Harbor, Mr. Lippmann or his late wife Helen, who died last February, would come to the post office with a wicker basket to pick up their mail. This always included The Washington Post, his anchor paper. He got only the early mail edition and looked with interest and some envy at our late city final. He enjoyed his newspapers, opening them with gusto in his car. Those were the days of overnight mail delivery, long past since the arrival of the new U.S. Postal Service management.

Mr. Lippmann did not like heights and preferred to walk on solid soil and rocks. This was vividly illustrated when he visited the modern new house of Dr. and Mrs. Ernest Klema on Cooksey Drive in Seal Harbor. He stood against the sturdy granite chimney and said he would prefer not to climb the outside ladders (as his lively wife enjoyed doing) to the upper "decks", or go out on the lower deck overlooking the swirling sea below. His hosts, Dean Klema and wife Virginia joined their children Cathy and Donald

in offering him a stiff drink and nuts, which he promptly said he enjoyed much more.

He felt Maine public utilities were often puzzling. He said it was his experience that he could get whatever he really needed during the long telephone strike, for example, when a management representative reconnected three lines at Seal Harbor—the Lippmanns', a Rockefeller's, and a Congressional line for this author.

His favorite walk nearby was around Long Pond at Seal Harbor. He used to have his red car parked there and would sometimes just sit and look at the sunsets or at the fog rolling in. In his younger days he walked on the flat carriage roads around the quiet body of water. A few months before her death his wife had walked alone around that same pond. Always considered the healthier of the two, it was a shock when Mrs. Lippmann passed away before her aged husband. The red car was a familiar sight to the "locals" and he said that "people did not ever bother me by asking for my autograph or otherwise disturbing my walks and my thoughts. They really do respect our privacy here." he added gratefully.

Before his serious illness, he worked with Ronald Steel of England in Seal Harbor on his papers and a possible biography. Previous authors had claimed that they had had their problems with handling the Lippmann papers. James Reston said in the *New York Times* that Richard Rovere of the *New Yorker* found Lippmann chose conveniently to forget some of his previously taken stands. A Prospect Harbor lobster expert and successful businessman said some years ago, before his own death, that Mr. Lippmann had been impressed early with Germany's Adolf Hitler and the Nazi movement and that Maine people who saw spies land on Hancock County beaches did not forget that. Mr. Lippmann listened carefully to this comment when it was related to him and quickly changed the subject. The Prospect Harbor historical expert had had his information correct, however.

Walter Lippmann wondered who the leaders of the future would be. He also pondered the lack of a real successor to himself as a top national columnist. His questions about Joseph Kraft and others who had been billed as possible "mantle holders" indicated his curiosity as to who was read and respected.

Lippmann singled out the Jordan Pond House and its tea and popovers as examples of "what really makes most of us enjoy Seal Harbor and each others' company here." After discussing Jordan Pond House and how it had survived "the barbaric takeover of Bar Harbor," he looked out over the ocean and wondered "who will look out on all of this after me—maybe Admiral Morison?" How right he was on that.

Until recent years the Lippmanns walked much faster than most people much younger than they. I recall during my own days at the Seaside Inn at Seal Harbor meeting them at various locations around the Island and watching them pass many other walkers. Helen Lippmann, who devoted her life to her husband, was a dramatic example of what "modern women's libbers are *NOT* today." Mr. Lippmann did not seem to approve of Maine's women libbers.

He agreed that his "appeal" for many younger people was that he "got around the world more" and "could see things and people for myself." "Too many famous people depend on others for their view and impressions," he stated, "and that is why they don't understand Europe, for example." He made the point that he used his Maine visits for many purposes—work, recreation, reading, rest, and thinking."

For many years he was interested in the activities of the famous people on Mount Desert Island and in Hancock County. "I found my talks with them in relaxed and quiet circumstances most helpful," he used to say. "It's better than in New York or Washington. I think I know who is bright on MDI and who really counts, not just the title or the name," he said with a chuckle. "It makes me curious to see what has changed with them," he commented.

When a French man o'war came into Northeast Harbor to honor Admiral Morison some years ago, Mr. Lippmann asked what the reactions of the Maine people to the visit was. When he was told that the local maidens had taken off fast with the French sailors for the three hours of recreation, he commented that "MDI people for centuries have been related to the French in heart, you know."

Affairs of state would be the subject of his columns but his questions on MDI were often about who was building a new house, or changing one, who had arrived and who was soon to leave so he could see them beforehand. His neighbors were more on his mind than his often shy exterior revealed. He knew when the Sunday New York Times was supposed to arrive at Christy's in Seal Harbor and when it was late, and like some other VIPs, he wanted to know why it was late and when it would arrive.

Long before the current serious inflation and depression, Walter Lippmann commented on Europe and America in the 1920s and '30s and wondered whether the American people, especially those who had never known these conditions, could or would take it. His questions about local economic conditions, one felt, were really intended as a check compared to the big national reports he was getting. He felt that severe economic conditions could widen the split between summer and winter people all the more. He openly wondered what it would do to law enforcement and whether Maine could cope with this better than Washington or New York, and seemed to believe Maine could.

He knew more about Hancock County and MDI's beauty and people than most suspected. With his wife at the wheel, he was driven all around MDI and there were few other places he had not seen during his lifetime. He had "mentally charted the Island," as he once put it. Climbing a mountain on MDI one day long ago. Helen admonished her husband, "Look, Walter. Don't think." He took her advice and fully relished the beauties of the area ever afterward. His appreciation of the place was so deep that he planned to live out the remainder of his life on Mount Desert Island, as did his wife.

MDI's influence on Walter Lippmann ran deep and was a part of his being. His influence on his friends and neighbors here, like a promising young native whom he had wanted to put through medical school but who subsequently decided on another career, will be cherished for many years to come.

INCREASE THE CORPORATE SURTAX EXEMPTION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ARCHER. Mr. Speaker, I have again introduced a bill which would increase the corporate surtax exemption immediately to $50,000 for 1975 and gradually to $100,000 over the next 5 years.

There are over 1.7 million active corporations in the United States today. More than 80 percent of these companies are small businesses which operate on gross receipts of less than $500,000 annually. Over 90 percent of them have assets valued at less than $2 million.

Amidst the many problems of inflation and recession in the mid-1970's, small businesses continue to provide excellent economic opportunities for the young, the adventurous and the innovative among our citizens. The risks and challenges of owning and operating a small company are great, particularly in these troubled economic times. Yet, a healthy small business sector is an essential ingredient in our economic system, and we should do nothing to inhibit or impede its continued good health.

Of necessity, most new businesses begin as small companies. Often, their greatest need is to raise and expand their working capital both to finance their day-to-day operations and the necessary modernization and expansion and to survive. Unfortunately, economic conditions during the last decade, and particularly the last several months, have had a devastating impact on the ability of small companies to raise needed capital. Even in the best of times, they must rely almost exclusively on internally generated earnings and on bank loans. In recent months, interest rates have soared to levels which virtually prohibit small businesses from borrowing. This interest rate instability leaves only retained earnings as a dependable capital source.

Federal tax policy obviously plays a key role in determining how substantial any company's retained earnings will be. The President's Task Force on Improving the Prospects of Small Business reported:

> The inhibiting effect of high income tax rates on small business has long been recognized. New and growing small businesses often cannot meet their initial and early costs and, at the same time, pay out a high proportion of earnings in income taxes. A high income tax depletes the internal funds for additional investment on which the small business must mainly rely. Measures that permit increased retention of earnings, on the other hand, help to finance growth, ease the climate of borrowing, and foster the establishment and healthy expansion of small concerns.

The principal form of tax relief for small businesses is the corporate surtax exemption. The existing corporate tax is composed of a 22 percent normal tax on all taxable income and an additional 26 percent surtax on all taxable income in excess of $25,000. The current level of this exemption was established in 1950 with the thought that any corporation which had taxable income in excess of $25,000 was sufficiently well off to bear the full 48 percent tax rate. While the tax rates themselves have varied somewhat since 1950, the surtax exemption level has not.

While a $25,000 exemption may have provided adequate tax relief in 1950, the effect of inflation over the last 25 years on the surtax exemption has been devastating. It is no longer reasonable to assume that a company with a taxable income in excess of $25,000 is necessarily a

healthy and wealthy corporation which can pay the high tax rate without concern. In fact, the sudden jump from the 22-percent tax rate to a 48-percent tax rate on each additional dollar of taxable income above $25,000 is a very sobering experience for the small businessman who has seen his profits bloated by inflation. The inadequacy of the exemption has been further aggravated by repeal of the availability of multiple surtax exemptions for affiliated corporations. Where once a group of small businessmen owning two or three corporations engaged in different businesses were allowed the use of an equal number of exemptions, the Tax Reform Act of 1969 has phased out this benefit. Now, affiliated groups are allowed only one $25,000 exemption regardless of the diversities of their businesses or the absence of a tax avoidance motive.

As economic conditions and Federal tax policy continue to work to the disadvantage of small companies, we must take action to overcome two decades of Federal neglect of their tax problems. The current calls for tax reductions for individuals and a higher investment tax credit should be expanded to include relief for hard-pressed small businesses. We cannot afford to allow the small business sector to wither under the weight of tax burdens which deplete its internal capital resources.

The most appropriate form of relief for small businesses—and one which is many years overdue—is an immediate increase in the surtax exemption level. Such an increase would have a number of effects.

First, it would not require any exhaustive study by congressional staffs, complicated technical drafting, or time-consuming implementation.

Second, it would not require new regulations or rulings for its interpretations.

Third, it would not become as controversial or as litigation prone as a new form of tax credit or a new set of deductions or an overhaul of the corporate tax provisions for the purpose of providing small business relief.

Fourth, it would provide simple, efficient, and equitable tax relief to small businesses.

This bill would increase the surtax exemption to $50,000 for taxable years starting after December 31, 1974, and scale it up to $100,000 over a 5-year period. This would have a very minimal effect on the fiscal 1975 budget and only an approximate $1 billion impact during its first full year of implementation, with no allowance for the feedback effect from higher employment and better utilization of resources in the small business sector.

The Committee on Ways and Means reviewed my bill during the tax reform sessions in the 93d Congress. I hope it can be included in the tax reform bill to be developed in 1975 after the committee completes work on an emergency tax bill. There can be no more important reform than providing relief for the Nation's small businesses.

THE RATIONING PSYCHOLOGY AND CONGRESSIONAL LEADERSHIP

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. MICHEL. Mr. Speaker, there are so many logical and sensible arguments against a program of national gasoline rationing that it is difficult to summarize the whole case in any single speech or article.

I was struck, however, by the cogency of the arguments used in a recent editorial in the Wall Street Journal, and I include that editorial to be printed in the RECORD at the conclusion of my remarks.

A very short companion editorial appeared with the one I have already mentioned. In this piece, the editors chide this Congress for its inaction on energy matters. The criticism is deserved, I think, and so I include that short editorial, too, to be printed at this point in the RECORD:

[From the Wall Street Journal, Jan. 23, 1975]

THE RATIONING PSYCHOLOGY

Just as we feared, Congressmen are beginning to join the gasoline rationing bandwagon, despite—or maybe because of—President Ford's assurance that he would most likely veto any such plan. First it was Senator Jackson. Yesterday Senators Mansfield and Weicker signed up.

So it seems to become necessary to discuss gasoline rationing as if it were a proposal the nation should take seriously. It is a depressing chore. Perhaps we can make matters easier by putting aside for the moment the fact that keeping prices low does not encourage domestic production, in itself a fact important enough to sink any idea that rationing is a long-run path to energy self-sufficiency. Rather, we will set aside problems of supply, and look only at the problems of consumption.

As we understand the argument for gasoline rationing, it's based on the notion that energy conservation and a further income transfer from the rich to the poor can both be accomplished by the same measure. Or at the very least, there can be energy conservation without it imposing any burden on low-income motorists, which is almost the same thing. The burdens of conservation would be born only by the rich, people who need extra gasoline to drive to their polo match, for example.

Now, in any rationing schemes the ration tickets must be either transferable or non-transferable. Either everyone is stuck with his allotment, which President Ford estimates at nine gallons a week, or those who most need gasoline are allowed to buy coupons from those who need it less. How the price of rationed gasoline plus ration coupons would compare with the price of unrationed gasoline is an interesting economic problem; but the mere thought of the problem warns against the assumption that rationing will truly keep prices down and reduce the drains on the economy.

So let us lay aside not only the problem of supply effects but also the problem of the price of coupons. What about rationing as a method of income transfer? Well, it ignores a salient feature of American society.

To wit, the poor or relatively poor often are much more car-centered than the wealthy. Some Tennessee mountaineers drive 50 miles a day to and from jobs but many Wall Street bankers use public transportation. In most cities and towns around the country many of the gas-guzzling hot rods will be owned by auto mechanics, truck drivers and factory workers; many Volkswagens will be owned by college graduates who prefer to spend their money on a $70,000 house.

To create "equity" in this maze, or to parcel out the coupons if they were non-transferable, the rationers would need to decree that ration stamps would not be passed out in equal portions to every licensed driver but would be apportioned according to necessity—as in World War II, when there were A stamps for frivolous drivers, B stamps, C stamps and T stamps for trucks, etc. To make these determinations, they would set up rationing boards in all the nation's county seats. So instead of the nation cutting its fuel costs in an economic sense, it would raise them through the necessity to hire a vast bureaucracy of rationers. The real income transfer would be from motorists to a new army of bureaucrats.

There is another problem as well. The history of efforts to control consumption through enforcement is a depressing one. You need think only of prohibition, or marijuana or even heroin. And at the moment, there is no shortage of gasoline at current prices, the shortage would have to be created by blockading the borders. And of course, even in World War II, when rationing was supported by a national desire to help the war effort, those T stamps eventually became very plentiful on the black market.

Congress is apparently willing to lay aside all of these problems, permanently rather than merely for the sake of argument. Or perhaps instead some members are exercising their machismo, behind the safety of President Ford's promise to veto the measure and save Congress from bearing any responsibility for its results. For if the voters ever do experience rationing for a while they are going to like it even less than the President does, and two years isn't too long a time to remember who first brought it up.

CONGRESSIONAL LEADERSHIP

If President Ford's energy proposals accomplish nothing else, they have at least united Senators Henry Jackson and Edward Kennedy. President Ford currently has authority to go ahead with one part of his energy program, the tax on imported oil. But the two Senators have agreed to sponsor legislation that would delay the tax by 90 days.

It's not that the Democrats are ready with a substitute for the Ford program. Indeed, over in the House, the Democratic leaders recently outlined seven approaches to the energy problem, but were unable to agree on which to take. A 90-day delay is needed, the announcement by Senators Jackson and Kennedy explained, to give Congress a chance to "develop fair and equitable alternatives."

It is now 461 days since Saudi Arabia embargoed oil shipments to the United States. Congress hasn't figured out what to do about it, but if it can delay things for another 90 days, maybe it will think of something.

CALL FOR A NATIONAL REFERENDUM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BROOMFIELD. Mr. Speaker, South Korean President Park Chung

Hee's call last week for a national referendum on his leadership should be a source of encouragement to every responsible American concerned with preserving our national security and furthering democratic rule in the world.

His action demonstrates the Republic of Korea's determination to give its people a voice in their government despite the constant threat from a militant, totalitarian government on its northern border.

While no Member of Congress wants to involve himself in the internal problems of another nation, the fact is that our fate has been linked closely with South Korea's since the Korean war in the 1950's.

Our own national security and world stability continue to be affected by the governments which rule the Korean peninsula.

In a world where our influence seems to be shrinking and one-time allies have been neutralized or have become our active adversaries, South Korea has remained a cooperative partner. That fact was demonstrated tangibly in Vietnam where South Korea came to our aid with more than 50,000 combat troops—the largest contribution of any nation other than the United States and South Vietnam itself. South Korea has remained a willing ally despite mounting criticism of her internal policies.

President Park has responded by providing his critics with a democratic means of expressing their misgivings and has promised to abide by the will of the electorate.

Whatever the outcome of the referendum, a program has been set in motion for the continuation of an orderly and stable government in South Korea—one in which the Korean people will have a representative voice.

We in this country can only hope that this process will be allowed to go forward smoothly and with moderation practiced on both sides so that the democratic traditions on which the referendum is based may be fully realized.

Mr. Speaker, I commend to my colleagues the following text of President Park's speech announcing his decision to the Korean people last week:

PRESIDENT PARK PROPOSES REFERENDUM ON YUSHIN CONSTITUTION

(The following is a translation of the text of a special statement issued at 10 a.m., on January 22, 1975 (Korean Standard Time), by President Park Chung Hee on the proposed national referendum:)

Today I want to ask you who are the sovereign people for the further exercise of your wise judgment on an important resolution.

Our people of the Republic of Korea confirmed the present constitution, embodying the nation's ardent aspiration for stability and prosperity as well as pursuit of peaceful unification of the fatherland in an exercise of the people's sovereignty displayed in the national referendum of November 21, 1972, thereby setting forth in this land a new constitutional order designed to facilitate great revitalizing reforms in all sectors of national policy.

Generally speaking, a constitution is the basic law of a country, the existence of which is based upon the sovereign decision of the people, and the value of which is found in its fostering of a nation's public interests. A constitution is the tangible manifestation of a national will to pursue the historical mission and ideals of the time and the society.

The existing constitution and the Yushin (revitalizing reforms) system based thereupon embody the following:

A government system aimed at coping effectively with turbulent situations at home and abroad, and organizing and accelerating buildup of national strength by eliminating all wastes and inefficiency, as well as a constitutional order facilitating the development of the kind of stable democracy best suited to our historical reality; and

Also an aspiration for national renewal designed to lay the foundations for peaceful unification of the fatherland by forestalling any invasion attempt by the north Korean Communists, such as the Korean War; and by bringing about lasting peace on the Korean peninsula.

In the past two years, we have reaped remarkable achievements in the buildup of national strength, while maintaining this constitutional order.

However, as I explained several times at the turn of the year, we now face grave difficulties no less serious than those of last year.

The worldwide economic recession prompted by the oil crisis is worsening as time passes, and the resource shortage coupled therewith is creating new tensions between countries producing and consuming these resources.

As for international politics, the possibility of the outbreak of local wars has been increasing, despite the efforts for detente among world powers.

Under these circumstances, the North Korean Communists are frantically attempting to obliterate our freedom and even our existence.

They have constantly sought an opportunity to communize the entire Korean peninsula; they have unilaterally suspended the South-North Dialogue, born of the aspirations of the 50 million people, trampling down the South-North Joint communique of July 4, 1972, and have been denouncing or rejecting all the just, practicable and realistic suggestions we have proposed.

We find ourselves in a position from which we must safeguard the lives and freedom of the people and seek peaceful unification of the divided fatherland in the face of incessant threats of communization by these bellicose and dogmatic ultra-leftist adventurers; and we must, at the same time, pursue stability of the people's lives as well as development of the national economy in the midst of the worldwide economic recession.

If there is a way to ensure our freedom and existence as well as our peace and prosperity with our own hands in such a difficult situation, it would be simple for each of our people to be faithful to his occupational role, to work hard with sweat, and explore the great potential of our nation; and to integrate and sublimate that potential into national solidarity.

Due to the present universal economic recession and resource scarcity, many countries are being menaced by threats of unemployment and starvation. Even some advanced nations are undergoing great confusion, economic, political and social, unable to overcome such difficulties effectively.

But it is entirely the result of the hard work we mustered in concerted endeavors between the government and people, under the orderly and efficient governmental system created by the October Revitalization, that we have been able to cope with threats from Communist North Korea while maintaining the basis of stability for the people's lives even at this perilous juncture.

We have never heard of a single case in the history of the world in which national difficulties were surmounted by means of self-indulgence and factionalism, without any self-restraint or concerted efforts on the part of the people.

Today, some articulate people in western society talk of a so-called "crisis of western democracy," realizing that there are many insufficiencies in the contemporary political order of western countries hampering the effective solution to complex contemporary crisis. They emphasize that the only way to surmount grave obstacles lies in restraint and unity on the part of the people, as well as in leaders' effecting action.

Even in this context, we cannot help but reaffirm the historical necessity and virtual inevitability of the Yushin system.

If we are to pursue the path toward peaceful unification of the fatherland, forcing Communist north Korea to abandon its schemes for achieving unification under communism; if we are to regain national conscience, and pursue the South-North Dialogue with sincerity, it will be possible only if we ourselves, first of all, rally firmly behind the cause of the Yushin system, building up national strength without the slightest gap or waste, thereby pressing our supremacy of power over our adversaries.

The stability of the people's lives and development of the national economy, too, can be realized only when we maintain stability in all sectors, including politics, economy, society and culture, with emphasis on public interest and order upholding efficiency and practicality with the government and people cooperating in the buildup of national strength by concerted efforts.

If we clamor for freedom and democracy only with words, and neglect the ensuring of national strength which constitutes their basis, encourage self-indulgence instead of freedom, and confusion instead of democracy, the north Korean Communists, far from agreeing to dialogue, will only intensify their various schemes and provocations for communization of the whole country, taking advantage of our disunity and confusion.

The basis of stability for the people's lives would thus be destroyed, and development of stable democracy can hardly be expected.

Therefore, the existing constitution and the Yushin system based thereupon are the only path for our state and nation to survive these difficulties.

Nonetheless, there are some persons, a segment of our society, trying to paralyze the function of constitutional rule in disregard of the constitutional process, agitating for repeal of the Yushin system and the present constitution. These people undermine national unity by splitting national opinion, creating social confusion by making even the issue of the security of the nation a pawn of politics. They issue irresponsible utterances, such as, "There can be no threat of aggression from the north", despite their witnessing the atrocity on last August 15, and the discovery of an invasion tunnel in the demilitarized zone.

If these utterances and this conduct were left unchecked, it would lead to destruction of national unity, dispersion and weakening of national strength, and undermining of the basis for stability of the people's lives, as well as the crushing of economic development and entanglement of social order.

Our internal splits and confusion would result in assisting the so-called "People's Democratic Revolution" of the north Korean Communists, and would incur a grave situation, endangering the security of the state itself by granting an opportunity for armed aggression to Communist North Korea.

In view of these circumstances, it is my conviction that the existing construction can by no means be repealed until the north Korean Communists abandon their violent revolutionary policy aimed at communizing

the whole Korean peninsula, and threats from the north are removed completely.

I rather firmly believe that this constitution should be safeguarded continuously and the revitalizing system should be further developed. This is the basis of national administration on which I, in my capacity of President, preside, prepare and execute major national policies.

Therefore, I am resolved to ask you the sovereign people directly by conducting a national referendum, pursuant to the decision of the Cabinet and in accordance with the provisions of Article 49 of the constitution, whether or not you approve this important state policy, that the existing constitution should continue to be safeguarded.

I have renewed my determination to carry out with even greater sincerity the responsibility of the president for defending the state and promoting the interests of the state and the well-being of the people by a coalition of national opinion and reaffirming the historic appropriateness and national suitability of the Yushin system in that manner.

Therefore, you the people, who are the national sovereign should decide in the proposed national referendum whether you wish to continue to maintain the present constitution for the sake of our security, freedom, peace and prosperity, and develop further the Yushin system based thereon, or whether you would return again to the old system of confusion and retrogression.

The October Revitalization was a reform intended to eradicate that confusion and license that irresponsibility and inefficiency, which had been rampant in the name of freedom and democracy and to accelerate the strengthening of national power, thereby developing a genuine democracy compatible with our historical realities.

It is for this reason that our people established the government by due democratic procedures, with the current constitution as its basic law, and are enjoying their due share of freedom, doing their best in their respective roles and occupations.

There is no other "freedom" or "democracy" which should be recovered at the cost of social stability.

Some are mistaken enough to consider that criminal acts such as undermining social order or overthrowing the state and government conducive to restoring democracy and freedom, but this misconception can never be condoned.

Nevertheless, some persons who are slandering the constitution seek to delude the people into believing that constitutional revision would solve all economic and security problems, making the nation better off overnight, they chant such attractive slogans as "restoration of democracy" or "freedom," but they are bent on disturbing the society and instigating destruction of constitutional order.

However, all our countrymen are well aware of the enormity of the wrongs that have been done to our nation and society by such abusive behavior, weakening national power, encouraging waste, disorder and inefficiency.

Some have repeatedly gone to the extreme of opposing everything the government does just for the sake of opposition, without bothering to reflect upon whether it is right or wrong.

They termed diplomatic normalization with Japan a "sellout," they accused the dispatch of our troops to Vietnam as "blood politicking"; they criticized the activation of the homeland reserve forces as a political maneuver.

In the legislative chamber, they often stormed the rostrum and engaged in violent obstruction simply because their minority opinion was not adopted.

Every election has been marred by extreme waste of national wealth, confusion, and even demoralization of the people in the flurry of excessive politicking accompanied by disorder and corruption.

Fellow Countrymen.

I have described the "freedom" and "democracy" which opponents of the current constitution like to be restored.

We can never say there are genuine freedom or genuine democracy.

They are freedom and democracy in name only, for they are license, confusion and irresponsibility indeed.

Freedom and democracy are not a possession or a special skill possessed exclusively by those people opposing the present constitution now.

They rather represent universal standards of behavior which are enjoyed by each and every citizen now, and which will be further cultivated.

Under democracy, minority opinion is respected, but the decision is taken by majority rule; competition takes place in good faith, and the outcome is readily accepted; individual freedom and rights are enjoyed, but within limits that would not harm the freedom and safety of the citizens, particularly the freedom of the entire people and the security of the nation.

Therefore, it would be a gross mistake impeding the development of the nation and the people, and thus a blot on the history of our nation for us to relapse now into the same old license, confusion, irresponsibility and inefficiency.

In such a political climate it would be impossible for anyone who might assume the helm of the ship of state to put his patriotic statecraft into practice with confidence.

In view of the internal and external realities this nation is facing, I would like to reiterate my conviction that the present constitution should be protected, and major policies should be formulated and executed with the aim of developing the Yushin system based on the constitution for the purposes of:

Resolutely countering the threat of war and military provocations from Communist north Korea;

Preserving the life, property and freedom of the people by firmly establishing peace on the Korean peninsula;

Promoting national interests by flexibly adapting to fast-changing international situations;

Assuring the people secure living through the cultivation of national power despite the world economic recession; and

Laying a solid groundwork for the peaceful unification of the fatherland.

In my judgement, this is the way to discharge the responsibilities of the President with sincerity.

Therefore, I would consider the proposed referendum an occasion for not only voicing approval or rejection of the constitution, but also a vote of confidence in the president.

Personally, I have dedicated myself wholly to the historic mission of reviving the nation.

If you, my fellow countrymen, do not recognize the historical relevance of the Yushin systems and desire to abolish the existing constitution, I would take it to be a note of nonconfidence in me and would step down from the presidency immediately.

If you, my fellow countrymen, agree to my major policies designed to continue defending the current constitution, I pledge anew to devote myself to the cause of the nation and people in the strength of your confidence and support.

The forthcoming national referendum will prove an important crossroads that will steer the course of the nation in one of two ways.

It is my hope that you, in full realization of the difficulties confronting us, will make an earnest, wise and patriotic decision.

VOTING IS THE REAL BICENTENNIAL CELEBRATION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HYDE. Mr. Speaker, in the December 30 issue of the Chicago Tribune, Mr. Joseph T. Meek, founder of the Illinois Retail Merchants Association, suggested in a guest column that this Nation, in connection with its Bicentennial activities, launch a "strong, nonpartisan, nationwide effort" to attain a minimum of 100 million registered voters by July 4, 1976, and to insure that at least three-fourths of those registered actually cast ballots in the 1976 general election.

Mr. Speaker, I agree with Mr. Meek that active voter participation would be a most fitting observance of our Bicentennial. Public participation in the governmental process has enabled our form of government to survive for 200 years. Only through continued and vigorous public participation can we expect it to last another 200 years.

This Nation has more than 140 million persons of voting age. Certainly more than 100 million should be registered voters. Yet, in the last Presidential election less than 78 million votes were cast; and in the election last November a woefully small number of persons exercised their right, and responsibility, to vote. I am convinced that dishonest government is encouraged by honest men and women creating a political vacuum through their failure to participate in governmental processes.

Mr. Meek's goal is worthy of attention and I include his article to be printed in the RECORD at this point:

VOTING IS THE REAL BICENTENNIAL CELEBRATION

(By Joseph T. Meek)

The Bicentennial observance in 1976 must, to carry any significance and have any effect on a new and mistrusting generation, recreate in the citizens a deep sense of responsibility for and participation in the governing of their country.

We hope a strong, nonpartisan, nationwide effort will be made to have 100 million registered voters by the Fourth of July, 1976—a pointed way to the peak of patriotism, earned participation.

By November, 1976, we would like to see three-fourths of those voters at the polls to insure at least, that the majority has spoken.

Already a vigorous but small group of senior citizens is supporting a "Bicentennial Committee of 100 Million Americans," working hard toward this goal. These worried patriots deserve the united strength of the nation.

Dr. Mark Krug of the University of Chicago and others, including this writer, have been working with high school and college students and their teachers to develop conscientious, dedicated citizens. Modern America is seemingly as unacquainted with the meaningfulness of its vote as is the citizen who, for the first time, becomes old enough to vote.

To the new generation, Dr. Krug wrote: "Americans will love America the more, not less, when they gain an insight into the fact that generations past have built America soundly and well. These past generations

have left for new generations the task of improving and refining our way of life and the government which permits it to develop as free citizens want it and not as dictators desire it . . .

"The young in particular, must be deeply imbued with and committed to the American creed. . . ."

Part of the lesson we must learn from the coming Bicentennial is that we must intelligently defend the advantages of our way of life, our system of government.

The Bicentennial ought not only entertain but inform millions of Americans that political competence is essential to the protection and advancement of what every profession the new voter selects or the adult tries to follow.

Most of us, in school and out, have been taught only the advantages of governmental processes, but have never been taught the essential steps of selection, nomination, and election, which is the "Fancy Dan" stuff gone to work—politics!

Many men and women in government are cynical, frustrated, and disillusioned. Those conditions have been brought about not by the processes but tragically marked by the apathy, carelessness, and criticism of those who take our nation for granted.

We have told students to never become cynical about politics, that, in a real sense, it is the only game in town.

Politics is the life blood of a democracy, of a republic. It is the fuel that propels the engine of a free society. To profess love for the democratic form of government but ridicule and disclaim its politics is to pretend to honor a product while despising the process that creates it.

It is exactly in this area of history book hypocrisy that the young generation finds the "double-talk" which it has come to despise and shun.

The extent to which the political life of our country becomes corrupted is the result—almost entirely—of the tendency of sincere, decent, and unselfish people to wash their hands of their responsibilities and abdicate the field to the special interests, the selfish, and the cynical.

The 1976 Bicentennial will be the greatest of costly failures in our history if it glosses over what we are trying to celebrate, what we must do to have an even more glorious celebration in 2076.

Without a representative vote in 1976 our Bicentennial may well be a wake in advance of our death as a competitive two-party system. Our songs may well be dirges for a citizenry which failed to believe in and support its own existence.

LEGISLATION TO CURB EXCESSIVE FDA REGULATION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. ARMSTRONG. Mr. Speaker, today I am reintroducing legislation to restrict the further assumption of regulatory authority by the Food and Drug Administration. This bill is identical to H.R. 643, introduced by my friend and former colleague, Craig Hosmer, in the 93d Congress.

The FDA feels present regulations do not protect the public and that megadose vitamin therapy may be harmful unless supervised by a physician. The FDA has recommended that large doses of vitamins be available only by prescription—although the scientific evidence to support such a course of regulation is mixed—at best.

This bill will prevent any regulation of vitamins and food supplements unless the FDA can prove the dosage will be harmful.

Since 1962, the FDA has been trying to force vitamins and other food supplements into stiff, prescription-like regulations. In the face of congressional action, those early attempts at regulation were withdrawn. Then the FDA began a more studied and deliberate campaign, culminating in a proposed series of regulations published in mid-1973. In August 1974, a U.S. Second Court of Appeals prohibited the FDA from immediate implementation of its regulations. But the proposed FDA standards will still go into effect in June 1975 unless Congress acts.

We have seen a tendency toward greater and greater regulation, toward greater and greater power, in the Federal Government. So the FDA's actions come as no surprise.

Regulation for the sake of regulation is wrong, however, and that is just what the FDA's actions smack of. At a time when noted scientists disagree over the questions of vitamin dosages, at a time when there have been few, if any, documented cases of health hazards due to vitamin overdoses, at a time when a medium-sized carrot contains more vitamin A than the amount the FDA would like to have dispensed by prescription only, I can see little or no justification in allowing the Food and Drug Administration to assume greater and greater authority.

The greatest dangers we face today are not from unregulated business or industry, but from unregulated government. While business must abide by the law, it is even more important that Government be held in check.

CEREMONIES MARK OPENING OF NEW SOUTH POLE STATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. TEAGUE. Mr. Speaker, on January 9, 1975 a new facility at the South Pole, called the Amundsen-Scott South Pole Station, was formally dedicated. The construction of this new U.S. facility took 4 years and replaces a station built 19 years ago.

Dr. Guyford Stever, Director of the National Science Foundation, led a party of 24 officials to the South Pole for the dedication ceremonies. My distinguished colleague from Texas, the Honorable J. J. PICKLE, also attended the dedication. Dr. Norman Hackerman, Chairman of the National Science Board and president of Rice University addressed the group and I submit his remarks to you, my fellow members of Congress and the general public. I would also like to submit the press release from the National Science Foundation, that describes this most important scientific facility.

Dr. Hackerman's remarks and the release follow:

REMARKS BY DR. NORMAN HACKERMAN

I appreciate the opportunity of being present, with the other Members of the National Science Board and our friends and colleagues, at the dedication of the new South Pole Station.

There is a feeling of special achievement on seeing this modern research facility at the bottom of the world. With only a short exposure to the temperature today, I can appreciate the efforts that must have gone into moving the cargo, assembling the materials, and building this Station.

In recognition of the efforts and dollars invested and the continuing needs of mankind, the next step is to ensure that future planning, funding, and the talents of our best scientists are directed toward taking maximum advantage of this investment. By this, I mean scientists from many nations, those people whose understanding and insight can use these facilities to best advantage to learn more about the world in which we live and the forces that affect it. It seems particularly appropriate that a station located at the southern axis of the world, where the meridians radiate northward and touch all lands, all oceans, and all peoples, should be international in character and scope.

It is impressive also to be here on the Antarctic Continent in the middle of an ice age, on top of a two-mile-thick ice sheet, surrounded by thousands of square miles of ice in all directions. Sophisticated electronics and geodetic satellites passing overhead tell us our exact geographic position on this mass of ice. Measurements over the past two years reveal that the ice on which we stand is moving northward in the general direction of Rio de Janeiro at the rate of nine to ten meters per year. In addition, this new Station undergoes a phenomenon known as "pole wobble" in which the axis of the earth moves erratically over an area about the size of a baseball field. It has been suggested that this wobble represents the shift of material within the earth and that further research might provide the means of forecasting earthquakes. As yet, we neither know the explanation of this phenomenon nor understand many other things about this area. But this we do know: here is a facility which makes it possible for men and women to exercise their ingenuity and talents to make observations and carry out experiments to learn more about the world, environmental interactions, and the history of this Continent. We have every expectation that research in glaciology, meteorology, biology, and geophysics carried on here will better prepare mankind to meet the problems of the future.

I close with the expectation that this South Pole Station and the research carried on here will serve as a catalyst to extend further the spirit of international cooperation among all nations and to improve the quality of life everywhere.

CEREMONIES MARK OPENING OF NEW SOUTH POLE STATION

A large aluminum dome near a long, horizontal half-cylinder of corrugated steel rises from a flat, white, featureless snow plain that extends for hundreds of miles in every direction—all north.

It's the United States' new Amundsen-Scott South Pole Station, activated January 9 following four years of construction under often extremely difficult conditions. The new station, which this coming Antarctic winter will be home for 18 scientists and support personnel, replaces a station built in 1956 and now being crushed under 40 feet of ice and snow.

The new buildings, already showing a dusting of white from drifting snow, are built "upstream" from the south geographic pole, one end of the axis about which the Earth

rotates. Because the station is built on slowly moving ice, more than 9,999 feet thick, the flow of the ice will carry the station over the location of the pole in several years.

Studies conducted by scientists at Pole Station include: several projects aimed at obtaining information related to worldwide pollution, weather and climatological studies, upper atmosphere research, investigation of immunologic changes that take place in people in isolation, and monitoring of earthquake events as part of a worldwide network and for use in geophysical studies of the earth.

In ceremonies marking the formal opening of the station, Dr. H. Guyford Stever, Director of the National Science Foundation, read a letter from President Ford in which the President said, "The dedication of the new Amundsen-Scott South Pole Station is a rededication by the United States to the ideals of the Antarctic Treaty. By making the results of our South Pole research freely available, we reiterate our commitment to the objectives of the Treaty. By making our South Pole facility accessible to scientists of all nations, we reaffirm our devotion to the ideals of cooperation that are characteristic of Antarctica and that have extensively benefited mankind."

Dr. Stever gave special recognition to Mrs. Ruth Siple, widow of antarctic explorer Dr. Paul Siple, who was at the South Pole for the dedication. Dr. Siple, widely known for his antarctic studies, was the first scientific leader at Pole Station in 1956–57. Dr. Stever also paid tribute to the Navy's VXE-6 Squadron for its part in flying construction materials to the station, and to the Seabees of Naval Mobile Construction Battalion 71 for "their efforts and accomplishments under what may be the world's worst construction conditions."

The station construction was completed by Holmes and Narver, Inc., (H&N) Anaheim, California.

The new station was funded by the National Science Foundation and the U.S. Navy as part of the United States Antarctic Research Program. NSF funds, manages and coordinates the United States program in Antarctica. Under contract to NSF, H&N will maintain and operate Pole Station with a civilian crew.

Though Pole Station personnel who work outside are not normally subjected to very high winds, they do work in just about the world's coldest temperatures with a yearly average of 46 degrees below zero. Summertime temperatures never top zero degrees and wintertime temperatures have been measured as low as minus 122 degrees. The lowest temperature ever recorded on earth, minus 127 degrees, was measured at Vostok, a Soviet antarctic station.

The large geodesic dome at South Pole station is 164 feet in diameter and 52 feet high. Within its protective cover are three two-story buildings that form the center of activity of the station. The three are: scientific spaces and living quarters; communications, library, and store; and combination dining hall and club facility, post office, photographic laboratory, and meeting space. Austral summer capacity of the station will be about 35 persons.

Other South Pole Station facilities are housed under sections of the 46-foot diameter corrugated steel arch that extends, with its connecting links, more than 800 feet. These include garage, shop, and recreation area; power plant and electrical shop; medical and biomedical facilities which also serve as dispensary and as a research laboratory; and fuel storage area. A 52-foot tower near the geodesic dome will be used for auroral studies.

DENNIS BANKS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. BYRON. Mr. Speaker, the recent tragedy of a bus passenger here in Washington being killed while attempting to aid the bus driver represents a tale of heroism and, on a broader scale, a lesson for all of us.

Dennis Banks was shot while attempting to assist a bus driver in collecting a fare. His action in this situation showed that not all citizens are indifferent to the rule of law and a society based on mutual respect for the law.

I would like to share with my colleagues Lance Gay's article from the Washington Star-News on this tragedy and the great outpouring of appreciation from the District of Columbia Metrobus drivers:

DENNIS BANKS

(By Lance Gay)

After reading of the slaying of Dennis Banks, the 22-year-old passenger on a Metrobus who was shot after he tried to help a bus driver collect a fare, Walter F. Jones, another driver, said he felt impelled to do something in return.

"He was one person out of thousands—he did something," said Jones, a 46-year-old Metrobus driver. "We've got to get together and do something about this."

So last night, Jones traveled from depot to depot throughout the Metrobus system, putting up signs urging fellow bus drivers to turn out tonight in uniform at the Jarvis Funeral Home for Banks' wake.

"Most people on a bus these days just don't want to get involved—you can't blame them—but here's a man who tried to do something and he was killed for it, and we have to show our appreciation for that in some way, somehow," Jones said.

Banks was shot to death Friday night after he went to the aid of a woman Metrobus driver who was trying to get a group of about six unruly youths to pay their fares. Police said the youths got on the bus at 7th and U Streets NW and refused to put money in the cash box. The driver stopped the bus near the intersection, and demanded that they pay their fares before the bus proceeded.

Banks and other passengers told the youths to pay their fares so the bus could get underway and a fight broke out that spilled out of the bus and onto the street, where Banks was fatally wounded.

Several callers who read about the incident in the Star-News, called the newspaper last night offering help to the family. One unidentified young woman urged stepped-up efforts to get handguns off the streets.

"How many fine young people like Mr. Banks must die before the politicians do something," she said, asking what she could do to stop similar incidents from happening in the future. "I feel so helpless," she said.

Jones, who said he has been beaten up and robbed during the 10 years he had been driving a bus in the Washington area, said he felt the same helplessness.

"As a driver, you sit there and you ignore things like people not paying fares. You decide to leave things alone," he said. "I've had people refuse to put anything in the box and I've had people put toilet paper and ticket stubs in and there's nothing you can do.

"You know that the passengers won't back you up if you protest. Most people on a bus just don't want to get involved. But then there's someone like this—he did something and the bus drivers have to get together to do something for him."

George Davis, president of the Amalgamated Transit Union, Local 689, said the shooting incident was brought up at a regular meeting of the bus drivers' union last night. Union leaders voted to send flowers to the funeral home and also promised to send a delegation of drivers to the 7:30 p.m. wake.

"We felt that we have to recognize, in some manner, that the drivers appreciate people's help and a man's effort like in this unfortunate situation," Davis said.

PROTECTING THE CIVIL AND CONSTITUTIONAL RIGHTS OF PROFESSIONAL ATHLETES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. SEIBERLING. Mr. Speaker, 13 other Members are joining me today in introducing H.R. 2355 to protect the civil and constitutional rights of professional athletes. This legislation would prohibit a web of invidious practices which team owners and league officials in various sports have instituted to prevent athletes from contracting freely for their skills and services.

At the center of this web is the notorious reserve system, which reserves to a player's team the rights to his services until the team trades him or gives him an unconditional release. Owners are able to keep athletes from negotiating with other teams by group enforcement of league antitampering rules and of the well-known reserve clause, which owners insist be included without modification or exception in every player's contract. Leagues prohibit participation by players who have not signed a standard player contract which binds the player to league rules written by the owners.

Owners also engage in concerted group boycotts when they blacklist or refuse to deal with players who want to switch teams or otherwise challenge the owners' established order. In addition, many sports have a ransom rule or Rozelle rule whereby a team must be adequately compensated by a second team whenever an athlete plays out his option with the first team and signs with the second. This type of regulation deters free negotiation and penalizes any team which dares to acquire the property of another team.

In the 1972 case involving Curt Flood, the Supreme Court recognized the serious antitrust implications of baseball's reserve system, but the Court held that only Congress could overturn the antitrust exemption which the courts had created for baseball but for no other professional sport. This past December, in the private lawsuit brought by Joe Kapp, a Federal district court held that professional football's reserve system, along with other practices enforced by

team owners and league officials, constitute illegal restraints of trade in violation of the Nation's antitrust laws. H.R. 2355 would prohibit these practices in baseball, football, and other professional team sports.

Below are portions of the Kapp decision, necessarily excerpted because of space limitations:

PORTIONS OF THE "KAPP DECISION"

Kapp v. *National Football League*, — F. Supp. — (No. C-72-537) (N.D. Cal. Dec. 20, 1974) (Sweigert, J.).

Plaintiff Joe Kapp brings this suit against the defendants National Football League (NFL), its Commissioner Pete Rozelle and its 26 member professional football clubs and other related defendants, alleging antitrust conspiracy and monopoly among defendants, whereunder defendants in July, 1971, caused his discharge by the New England Patriots with which he claims to have had an October 6, 1970 contract to play for the 1970, 1971 and 1972 seasons for a stated compensation of $600,000, alleging, further, that defendants, in effect, drove plaintiff out of professional football in the United States . . .

While Kapp was with the University of California and a prospective professional player, the Washington Redskins "drafted" him pursuant to a so-called "selection" or "draft" rule, embodied in the NFL Constitution and By-Laws, Section 14.3(A) and 14.5, providing that at a Selection Meeting of the NFL Clubs, held annually in January or February, each club participating therein can select prospective players of its own choice; the selecting club will have the exclusive right to negotiate for the services of each player selected by it and placed on its Reserve List—even if the selecting club's offer to the prospective player might be unacceptable and even if the selecting club makes no offer at all, no other league club may negotiate with him without the consent of the selecting club.

The NFL Constitution and By-Laws, Section 9.2 also contains a so-called "tampering" rule which provides that if a member club shall tamper, negotiate with or make an offer to a player on the active, reserve or selection list of another club, then the offending club, in addition to being subject to all other penalties provided in the NFL Constitution and By-Laws, shall lose its selection chance in the next succeeding selection meeting, in the same round in which the affected player was originally chosen and, if such offense was intentional the Commissioner shall have power to fine the offending club and may award the offended club 50% of the amount of the fine imposed by the Commissioner.

When the Wasington Redskins made no satisfactory offer to Kapp, he went to the Canadian Football League and played there for seven years (1959-1966) during which period the Redskins kept him on their reserve list until April, 1966 and thus barred other NFL Clubs from negotiating with him . . .

In January, 1971, the Patriots, acting pursuant to the NFL Constitution and By-Laws and at the direction of the Commissioner, sent Kapp a form of Standard Player Contract but Kapp refused to sign it. This Standard Player Contract is required by the NFL Constitution and By-Laws, Sections 15.1 and 15.4, to the effect that all contracts between the clubs and players shall be in the form adopted by the member clubs of the league, each club to have the right to modify such standard contract but subject to the right of the Commissioner to disapprove any such modification which is in violation of the Constitution and By-Laws or if either contracting party is guilty of conduct detrimental to the league or to professional football.

The Standard Player Contract (Pars. 4, 6 and 11), so required, provides that the player becomes bound by the Constitution, By-Laws, Rules and Regulations of the league and of his club, including future amendments thereto and to the discipline of the club—subject only to the right to a hearing by the Commissioner whose decisions shall be final and unappealable.

The Standard Player Contract, Par. 10 also contains the so-called "option" rule which gives the employing club a unilateral option to renew the contract for a further term of one year at a reduced rate of compensation, i.e., 90% of the amount paid by the player in the previous year—the purpose of this rule being, according to plaintiff, to coerce the player to sign a new contract on the owner's terms under peril of having to serve another year at the reduced compensation . . .

PLAINTIFF'S CONTENTIONS

Plaintiff contends that the foregoing rules contained in the NFL Constitution and By-Laws, i.e., the so-called "Draft" rule, the so-called "Tampering" rule, the so-called "Option" Rule, the so-called "Rozelle" or "Ransom" Rule, the "Standard Player Contract" Rule, and the rules vesting the power to make final interpretations and decisions in the Commissioner constitute a combination among defendants to refuse to deal with players except under the above stated conditions—in effect a boycott or blacklist—and as such a per se violation of the Sherman Act.

Plaintiffs further contend that, apart from the per se rule, the combination is illegal even under the "rule of reason" because the restraint obviously goes far beyond what would be reasonably necessary to achieve the business goals involved . . .

THE ANTITRUST ISSUE—CONCLUSIONS

[W]e are of the opinion that for reasons to be hereinafter set forth it is not necessary to rest our decision in this pending case on an application of the per se rule . . .

In our pending case and in similar cases the only alleged anti-competitive practice is joint club enforcement, through the league, of player-employee contracts whereunder the player agrees to accept and the clubs agree among themselves to enforce certain restrictions on the player's right to freely pursue his trade with other club-employers and the clubs yield to that extent their free choice to employ.

There is a well-settled rule of contract law that employer-employee contracts, restricting an employee's right to freely pursue his trade, may be illegal as against public policy *if, but only if,* the restraint is *unreasonable,* taking into consideration the nature of the business, the duration of the restraint, the area in which it operates, the situation of the parties and all circumstances bearing on whether the restriction in such only as to afford fair protection to the interests of the employer without imposing such an undue hardship on the employee as to interfere with the *public interest.*

We have in mind, of course, that when two or more club employers agree through league rules that individual player-employees, who violate such individual club-employee contracts will be in effect boycotted by *all* member club-employers, the situation goes beyond mere employer-employee contracting and falls within the antitrust law *per se* prohibition of *combinations* not to deal—even though the reasonableness test would have been applicable to the individual player contract . . .

[W]e conclude that in this particular field of sports league activities the purposes of the antitrust laws can be just as well served (if not better served) by the basic antitrust reasonableness test as by the absolute *per se* test sometimes applied by the courts in other fields.

In applying the reasonableness test we have in mind that the issue of reasonableness is ordinarily in such genuine dispute that a case cannot be resolved on a motion for summary judgment and must go to full trial of that issue.

However, in the present case, league enforcement of most of the challenged rules is so patently unreasonable that there is no genuine issue for trial.

The "Ransom" or "Rozelle" rule, provides in effect that a player, even after he has played out his contract under the option rule and has thereby become a free agent, is still restrained from pursuing his business to the extent that all league members with whom he might otherwise negotiate for new employment are prohibited from employing him unless upon consent of his former employer or, absent such consent, subject to the power of the NFL Commissioner to name and award one or more players to the former employer from the active reserve or selection list of the acquiring club—as the NFL Commissioner in his sole discretion deems fair and reasonable.

A conceivable effect of this rule would be to perpetually restrain a player from pursuing his occupation among the clubs of a league that holds a virtual monopoly of professional football employment in the United States.

We conclude that such a rule imposing restraint virtually unlimited in time and extent, goes far beyond any possible need for fair protection of the interests of the club-employers or the purposes of the NFL and that it imposes upon the player-employees such undue hardship as to be an unreasonable restraint and such a rule is not susceptible of different inferences concerning its reasonableness; it is unreasonable under any legal test and there is no genuine issue about it to require or justify trial.

Similarly, the draft rule is also patently unreasonable insofar as it permits virtually perpetual boycott of a draft prospect even when the drafting club refuses or fails within a reasonable time to reach a contract with the player.

Similarly, the so-called "one-man rule," vesting final decision in the NFL Commissioner, is also patently unreasonable (particularly where considered in the light of principles of *impartial* arbitration embodied in the Federal Arbitration Act, 9 U.S.C. § 1-14, and underlying the decision of the Supreme Court in *Commonwealth Corp* v. *Casualty Co.*, 494 U.S. 145 (1968)), insofar as that unilateral kind of arbitration is used to interpret or enforce other NFL rules involving restrictions on the rights of players or clubs to free employment choice.

Similarly, the tampering rule and the Standard Player Contract rule are also patently unreasonable insofar as they are used to enforce other NFL rules in that area.

The Option Rule, which appears only in the Standard Contract (Par. 10), gives the club an option for one additional year of service at 90% of the contract salary unless otherwise agreed. Since NFL rules leave the matters of duration and salary to free negotiation between players and clubs, this lone prescribed option provision cannot be said to so extend the original term and salary as to render it patently unreasonable; its legality cannot, therefore, be determined on summary judgment.

However, it is not necessary to hold that NFL league enforcement is illegal as to *all* restrictive employment or tenure rules; it is

sufficient if we can determine on summary judgment the illegality of league enforcement of one or more such rules to the detriment of plaintiff.

It remains, therefore, only to determine whether NFL enforcement of the rules which we have held to be patently unreasonable and illegal can be deemed to have been the cause or at least one of the causes of injury to plaintiff.

We have in mind that the record here shows that the immediate cause of plaintiff's discharge by the New England Patriots was his refusal to comply with demands that he sign the Standard Player Contract.

However, as already explained, signing of the Standard Player Contract (including its paragraphs 4, 5 and 6) would bind a player to the whole NFL Constitution and By-Laws which, in turn, include the rules herein held to be illegal.

As already indicated, we are mindful that it may be held on review that application of the *per se* test renders NFL enforcement illegal as to *all* restrictive employment or tenure rules—regardless of reasonableness for sports league purposes. If so, such holding could be made on the present record without trial or further proceedings.

HOW TO AVOID ANTITRUST

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. HEINZ. Mr. Speaker, last year the President signed into law a bill to increase the criminal penalties for violations of the antitrust laws. Violations of those laws could always cause serious injury to the public by limiting competition and raising prices and now there are serious penalties for those who disregard the antitrust laws. I supported the increased criminal penalties and I expressed my hope that they would deter violations and never need to be imposed. It is not enough to just hope, however. I am concerned that some businessmen may not be able to afford expensive legal counsel and may violate the antitrust laws without even knowing they have done anything illegal.

Although I am sure the prosecutors and the courts will use some common sense and not deal with the unwitting violator in the same way as they would with the violator who knows the law, I think it is our duty in Congress to help explain the law to businessmen so that they do not inadvertently violate it. For this reason I am inserting in the CONGRESSIONAL RECORD an article from the January 27, 1975 issue of Business Week which tells what counsel for major corporations are now telling their clients about the antitrust laws.

This article should provide some help for businessmen. I am also asking the Justice Department to prepare a booklet to explain the antitrust laws to the small businessman, in addition to completing the consumer explanation promised by the Attorney General last year.

HOW TO AVOID ANTITRUST

As the federal government gets tougher on corporations and corporate executives caught up in antitrust cases, more and more companies are mounting elaborate campaigns to teach their employees precisely what the Sherman and Clayton Acts outlaw—and to get across the message that the management suite really wants those laws obeyed.

What corporate lawyers and top managers fear is having their company dragged into an antitrust suit by the actions of a subordinate. The costs of violating the law can run high. The Justice Dept. now routinely seeks jail terms in price-fixing cases, and just last month Congress made such convictions felonies rather than misdemeanors. Fines, moreover, can now run to $1-million per violation.

"We rattle the jail door a bit," admits one corporate counsel in describing how he wins support at the top for new anti-antitrust programs. The danger to managers is real enough. Executives of International Paper Co. and Diamond International Corp., for example, were recently handed jail terms in a paper-label price-fixing case in California, although the sentences were suspended in return for their lecturing on antitrust to business and civic groups. Criminal penalties were also imposed in antitrust cases last year against individual executives of H. K. Porter Co., an Illinois beer distributor, against several Arizona bakers, and against such corporations as Du Pont, Ciba-Geigy, American Cyanamid, and Armco Steel.

A BIG ISSUE

"Antitrust compliance is just about the most important responsibility that a corporate law department has to discharge," says George A. Birrell, general counsel of Mobil Oil Corp. And Du Pont lawyer Charles Welch says that he sees signs of "a new antitrust emphasis."

TRW, Inc., last year issued a 22-page antitrust guide, its first, and company lawyers began delivering lectures on the subject specifically tailored to the company's various operations. And one big West Coast manufacturer will hold antitrust seminars this year for the first time in each of its 20 divisions. The seminars will follow up a 20-page summary of do's and don'ts of antitrust distributed four months ago to 500 employees. "I wanted to make sure that anybody who has any decision role whatsoever understood the basics of antitrust policy," explains the company's corporate counsel. "Even an engineer who might approve a vendor needs to know the pitfalls." Every recipient was required to sign a letter saying that he had read and understood the policy.

"If you don't comply with this policy, you will be fired," says the house lawyer. "Thats all there is to it."

Some companies are going beyond booklets in an attempt to bring home to employees the subtleties of the anti-trust laws. International Business Machines Corp. and 3M Co. have each made films about antitrust. Hercules, Inc., brought in Columbia Law School Professor Milton Handler, a crowd-drawing speaker at bar meetings, to explain how words can mean one thing to a layman but something else to antitrusters. One New York-headquartered basic goods manufacturer has even worked out a programmed instruction course that asks salesmen questions about antitrust and tells them why wrong answers are wrong. And the Pratt & Whitney Aircraft division of United Aircraft Corp. recently brought 350 field service representatives to its headquarters for a series of lectures on antitrust given by both staff lawyers and experts from the big New York City firm of Shearman & Stirling.

GIVING ANSWERS

It is common in many companies for staff lawyers to show up at virtually every sales meeting, both to make formal antitrust presentations and to handle questions privately at the bar or on the golf links. One company learned that many of its salesmen were finding mysterious little slips of paper in their pockets after industry meetings, telling what a competitor was charging a particular customer for a particular item. The advice from the lawyers: If you want to use the information to underbid, go right ahead, but be sure you did nothing to solicit it.

At Celanese Corp., which is currently updating the bulletins that spell out its antitrust rules, general counsel Robert A. Longman says he fields many questions about whether a distributor can be dropped because he pushes a product outside his assigned geographic area. The answer: No, if that is the only reason you want to shed him, but yes if his efforts outside his territory mean he is not meeting sales goals in the market for which he is primarily responsible. Forbidding him to sell in certain areas is an antitrust violation.

Salesmen are the employees most likely to slip inadvertently into antitrust hot water, but company education programs are being expanded to cover personnel in almost every aspect of corporate life. An Eaton Corp. booklet, for instance, warns all corporate insiders that "disparagement of a competitor's product" could be taken as evidence of a plan to monopolize.

Purchasing agents come in for special antitrust scrutiny. They can break the law by demanding a lower price than competitors are offered, by obtaining a scarce commodity through threats of not selling an equally short item to the vendor, or by buying a company's entire output.

JUST ENOUGH

Companies do not aim to make their people experts in antitrust laws. As Exxon Corp. associate general counsel Kenneth Roberts puts it, "The primary purpose of the indoctrination is to get enough awareness of the antitrust laws so the employees will know when to go and get legal advice."

Company lawyers gauge the success of the education programs at least in part by the quantity and quality of the questions that come in. "There isn't a day that passes without us getting some calls and questions," says Luther C. McKinney, Quaker Oats Co. vice-president. "And they're good calls, about questionable areas and new trends and how these will impact on their decisions." A recent hot topic, relating to illegal rebates, he says, concerned whether a company like Quaker Oats that uses a price including delivery cost should discount that price for customers picking up the product themselves.

It is not just a case of waiting for questions, of course. "When we find problems in a contract, we go over it together," McKinney explains. "At that point we accomplish part of our educational program as well as prevent a specific violation." Last month, a Celanese lawyer who handles the fibers division read a trade press news story about overcapacity in the industry and fired off a memo to executives reminding them that it would be clearly illegal to attempt to cure the overcapacity problem by getting all producers to agree to limit production.

SUPERCAREFUL

Many companies try to spotlight the areas of obvious violation—practices that cannot in any way be justified by circumstances. General Mills, Inc., launched a campaign involving manuals and seminars when the lawyers began worrying that the company's defense of acquisitions and marketing policies under attack by the Federal Trade Commission might be interpreted by some employees as condoning other practices that clearly were violations.

"We didn't want our employees to get the idea that because of uncertainties in some areas of antitrust there was uncertainty in all areas," explains Vice-President John F. Finn. "We want to give them the conviction that in some areas, like price-fixing, there isn't any doubt that it is illegal."

Many of the corporate programs are intended not only to instruct but also to scare

and cajole employees into strict adherence to the law, even when the pressure is on. "The natural tendency of two people who get together is to set prices," the top lawyer for one manufacturer says. "One of the greatest pressures on an employee is to be a nice guy. You've just got to keep the chastity belt on."

Many companies warn employees to leave fast if industry meetings turn to discussions of pricing. "If prices ever do come up, get out of the room," Hercules general counsel Charles S. Maddock advises executives.

Some companies go even further, telling the employees to deliberately create an incident or disturbance, like knocking over a chair or a glass of water so that everyone there is aware he is leaving the room. "We simply say never be in a position where you can't honestly testify that you have never discussed prices with competitors," says Maddock.

Often chief executives step in to reinforce the policy. "At staff meetings," says Finn of General Mills, "our chief executive reiterates the theme that needs constant pounding—that price-fixing is a poor excuse for lack of management imagination and that anyone doing it will be booted out."

BOARD INTEREST

Surveillance of the compliance program is sometimes carried out at an even higher level. Celanese's Longman must report to an audit committee of the board of directors before its April meeting each year on how many of the company's 5,000 or so key employees have signed certificates stating they have read and understand the antitrust policy. In 1974 all the key employees complied.

And at Exxon, the policy statement itself comes from the board, with an unequivocal clause stating that the policy cannot be overridden by supervisors or managers. The legal department gives the board a direct report on the compliance effort.

PPG Industries, Inc., is one company that can point to solid results from its extensive program of documenting every price change. The program was started after PPG, like other flat glass producers, settled an antitrust case with a 1948 consent decree. PPG went into court in 1973 with the detailed compliance program and was able to get the consent decree loosened.

"But for our compliance program," says a PPG executive, "it would have been most unlikely we would ever have gotten the modifications."

TEN DON'TS OF ANTITRUST

Warnings that companies most frequently issue to employees to keep them in compliance with antitrust laws:

1. Don't discuss with customers the price your company will charge others.

2. Don't attend meetings with competitors (including trade association gatherings) at which pricing is discussed. If you find yourself in such a session, walk out.

3. Don't give favored treatment to your own subsidiaries and affiliates.

4. Don't enter into agreements or gentlemen's understandings on discounts, terms or conditions of sale, profits or profit margins, shares of the market, bids or the intent to bid, rejection or termination of customers, sales territories or markets.

5. Don't use one product as bait for selling another.

6. Don't require a customer to buy a product only from you.

7. Don't forget to consider state antitrust laws as well as the federal statutes.

8. Don't disparage a competitor's product unless you have specific proof that your statements are true. This is an unfair method of competition.

9. Don't make either sales or purchases conditional on the other party making reciprocal purchases from or sales to your company.

10. Don't hesitate to consult with a company lawyer if you have any doubt about the legality of a practice. Antitrust laws are wide-ranging, complex, and subject to changing interpretations.

PUBLIC SERVICE EMPLOYMENT FUNDS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I have today received notification from the Department of Labor of the final allocation of $787.5 million in public service employment funds to State and local governments who are prime sponsors under title I of the Comprehensive Employment and Training Act.

Allocation of these funds is an important and sorely needed step in putting many of the unemployed into jobs—taking people out of the lines of the unemployed and giving them work and pay checks.

However, this is only one step. More action is urgently needed. Unemployment rates are climbing at alarming rates. There are predictions that the national rate may climb to 8 percent or higher within the next few months.

Hardest hit are the Nation's highly industrialized centers with soaring unemployment figures, long lines of the jobless waiting for compensation and thousands of others vying for far too few public service employment slots.

Statistics are only one side of the story—the impersonal facts. Beneath these numbers is the real tragedy facing millions of Americans trying to cope—and in all too many cases being unable to cope—without their accustomed income.

Promises, I stress, are not pay checks. Hollow rhetoric will not put dollars into the pocketbooks of the unemployed. I intend to move quickly with new legislation to create more public service jobs and provide more Federal moneys to assist States and localities in their efforts to provide work for America's unemployed.

The list of allocations for New Jersey, New York, Connecticut, Maine, Massachusetts, Rhode Island, Vermont, and New Hampshire with the covering announcement from the Labor Department follows. Reports on the other States will follow in the next few days.

CETA TITLE VI FINAL ALLOCATION

Attached is the final allocation of $787.5 million in public service employment funds to state and local governments who are prime sponsors under title I of the Comprehensive Employment and Training Act. These funds are the part required by the statute to be allocated to prime sponsors out of an $875 million appropriation passed by the Congress last December.

This allocation updates an interim distribution made in early January which provided start-up funding of $250 million and planning estimates for the balance to all prime sponsors. The start-up funding was designed to provide all sponsors with resources for immediate hiring. The planning estimates were intended to provide guidance to the prime sponsors in the development of their complete public service employment programs under title VI, and did not represent a commitment by the Department to provide funding at the level specified. The final allocation is based on unemployment data for the period from September to November, 1974. The earlier allocation contained data only through October. You may note that the final allocation differs from the planning estimate, and that, in a few cases, the difference is significant. This change is the normal and expected result of the impact of November unemployment data, and of the redefinition of areas of substantial unemployment required by the Congress and used in one part of the allocation formula affecting 25% of the funds.

The balance of the appropriation ($87.5 million) will be used by the Secretary to provide funding to areas which experience significant increases in unemployment subsequent to November and which have demonstrated the capability to utilize the funds effectively and quickly. The allocation of these funds will be made when data become available for the later periods.

Final title VI allocation

Region I	$66,570,141
Connecticut	14,182,592
Bridgeport Consrt	2,534,980
Bridgeport	1,325,768
City of Milford	403,455
Fairfield Cty	271,617
Hartford Consrt	2,396,157
Hartford	1,356,528
City of East Hartf	88,671
City of West Hartf	84,130
New Haven Consrt	1,917,796
New Haven	1,084,943
West Haven Cty	293,202
Stamford Consrt	566,642
Stamford	410,338
Greenwich Cty	156,304
Waterbury Cty	892,783
Balance of Conn	5,874,234
Bristol Cty	405,522
Danbury Cty	137,297
Meriden Cty	422,723
New Britain Cty	543,897
Norwalk Cty	361,712
Maine	3,867,261
Balance of Maine	3,867,261
Portland Cty	277,535
Massachusetts	40,440,855
Boston	5,464,379
Emhrda Consrt	2,246,040
Cambridge	857,732
Arlington	234,652
Somerville	773,241
New Bedford Constr	1,719,750
New Bedford	1,000,620
Springfield Constr	2,924,095
Springfield	1,192,417
Chicopee Cty	413,908
Holyoke Cty	411,106
Worcester Constr	1,340,611
Worcester	1,076,187
Lowell Constr	2,067,805
Lowell	1,045,882
Balance of Mass	24,678,175
Brookline	258,470
Brockton Cty	765,531
Fall River	679,604
Framingham	228,389
Lawrence Cty	536,483
Lynn	716,934
Malden	360,500
Medford	342,581
Newton	410,590
Pittsfield Cty	445,905
Quincy	598,651
Waltham	322,694
Weymouth	234,712
New Hampshire	1,427,606
Granite State Constr	1,427,606
Rockingham	205,745

Strafford Cnty	$223,310
Hillsborough Cty	113,411
Manchester Cty	141,726
Nashua Cty	77,531
Cheshire Cnty	82,800
Grafton Cnty	161,272
Merrimack Cnty	109,145
Bal New Hamp	312,667
Rhode Island	5,240,179
Providence	1,331,621
Balance of R.I	3,908,558
Cranston Cty	238,103
Warwick Cty	433,189
Pawtucket	550,522
Vermont	1,411,648
Balance of Vermont	1,411,648
Region II	145,716,176
New Jersey	36,618,848
Atlantic County	1,421,470
Hudson County	2,805,136
Bayonne Cty	248,965
Union Cty	647,448
Jersey City	1,570,588
Monmouth County	2,352,572
Middletown Twp	150,346
Essex County	1,697,673
Bloomfield	190,244
East Orange Cty	429,418
Irvington	274,513
Newark City	3,629,925
Morris County	554,403
Parsippany-Troy Hi	69,527
Union County	913,577
Union Township	99,105
Elizabeth City	617,673
Middlesex County	3,294,055
Edison Township	297,385
Woodbridge Township	530,942
Bergen County	2,375,439
Passaic County	1,778,521
Clifton City	329,936
Passaic City	656,093
Paterson City	1,560,113
Mercer County	330,723
Hamilton Township	134,161
Trenton City	823,332
Cumberland County	1,206,847
Burlington County	1,898,140
Camden County	1,733,887
Cherry Hill Township	157,750
Camden City	1,185,624
Gloucester County	1,109,699
Ocean County	1,593,182
Somerset County	234,750
Balance of New Jersey	1,931,519
Cape May County	784,505
Hunterdon County	237,332
Salem County	250,397
Sussex County	363,639
Warren County	296,407
New York	81,498,107
Albany Csrt	482,541
Balance of Albany	129,293
Colonie Town	71,158
Albany City	282,089
Rensselaer Cnty	240,796
Troy City	110,900
Saratoga County	296,414
Schenectady Cnty	318,228
Schenectady Cty	218,943
Erie Csrt	2,449,440
Bal of Erie Cnty	1,649,806
Amherst Town	191,132
Cheektowaga	327,429
Tonowanda	281,073
Buffalo City	3,940,051
Niagara County	1,749,917
Niagara Falls City	822,585
Broome County	399,019
Binghamton Cty	244,411
Union Town	72,011
Chemung County	393,752
New York City	45,385,948
Rockland County	642,507
Clarkstown Town	97,077
Orange Town	78,208
Ramapo Town	210,537
Westchester Constr	1,256,166
Greenburgh Town	112,608
Mount Vernon Cty	286,074
New Rochelle Cty	145,262
White Plains Cty	$70,806
Putnam Cnty	84,832
Yonkers City	597,031
Nassau County Csrt	2,491,566
Town of Hempstead	1,284,043
North Hempstead	334,035
Oyster Bay	462,626
Suffolk Cnty Csrt	3,869,187
Twn of Babylon	508,901
Twn of Brookhaven	840,394
Twn of Huntington	232,467
Twn of Islip	531,034
Twn of Smithtown	134,211
Dutchess County	280,341
Monroe/Rochester	904,922
Balance of Monroe	205,971
Greece Town	53,343
Irondequoit Town	52,289
Rochester City	593,319
Oswego Cnty	620,161
Onondaga County	333,734
Syracuse City	500,988
Oneida County	894,001
Rome Cty	181,251
Utica Cty	440,887
Chautauqua Csrt	545,663
Chautauqua Cnty	242,586
Cattaraugus Cnty	222,012
Orange County	834,761
St. Lawrence	375,257
Ulster County	544,037
Bal of New York	11,151,680
Cayuga Cnty	314,118
Clinton Cnty	415,557
Columbia Cnty	182,510
Fulton Cnty	313,921
Genessee Cnty	187,742
Herkimer Cnty	225,626
Jefferson Cnty	451,517
Livingston County	121,502
Madison Cnty	262,630
Montgomery Cnty	345,384
Ontario Cnty	198,631
Oswego Cnty	185,529
Steuben Cnty	337,548
Sullivan Cnty	415,560
Tompkins Cnty	165,923
Washington Cnty	202,791
Wayne Cnty	235,261

"SHINE ON"

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, over the past few years, many of us in Congress have been actively involved in promoting the development of alternative energy sources, and in my judgment, we made real progress in the 93d Congress, particularly in the field of solar energy.

While last year's energy "crunch" was a major factor in spurring energy research and development efforts, there is no doubt in my mind that without the editorial support of the media, these efforts would not have gained the widespread public acceptance and support they did.

With this in mind, I am submitting the text of a recent editorial supporting our efforts to promote the development of solar energy, which was delivered by Alfred Racco, vice president and general manager of KGO Radio in San Francisco, Calif.

The editorial follows:

"SHINE ON"

Florida might argue with this, but we Californians like to think of our state as the "sun state". We do, regrettably, have zones within our borders that are smog-ridden. But, in the main, we do live under the sun.

Therefore it's most appropriate that a Northern California Congressman, Don Clausen by name, is launching legislation in Washington to put solar energy to work as never before.

Clausen wants to see a national program to harness the sun's energy for conversion to electricity.

Whatever we may hope, KGO is convinced that California, along with the rest of the country, does face a long-term and critical energy crunch. And solar resources are smog-free and potentially unlimited.

So, as citizens blessed with more than our share of the sun's radiance, we Californians should send to Congressman Don Clausen a flood of supportive mail, to the House Office Building, Washington, D.C. to advance his worthy project.

If any state can benefit from the savings of solar energy, certainly that state is California.

WALTER HEBER WHEELER, JR.—MR. STAMFORD

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. McKINNEY. Mr. Speaker, late last year a gentleman the Stamford Advocate appropriately characterized as "Mr. Stamford" passed from this life.

In Walter Heber Wheeler, Jr., the Stamford community was blessed with having one of those extraordinary people of whom we see too few in a generation. A humanitarian, a businessman, a yachtsman, a social activist, a pioneer; he was all of these and more, but above all, he was a friend to his fellow man.

In effect, Mr. Speaker, Walt Wheeler was a family man but his perception of that term is what set him apart from others, for while his beloved wife and children were at the center of his life, by his deeds he considered all of whom came in contact with him to be part of his family as well.

I think, Mr. Speaker, to more clearly identify Walt Wheeler for my colleagues, I should say the words "Pitney Bowes." He started with Pitney Bowes in 1919 as a sales representative and at the time of his death, he was honorary chairman and director emeritus after having served as president, chairman of the board, and chief executive officer, but those are mere titles for in truth, he was the firm's heart and soul for many, many years.

At the time of Mr. Wheeler's death, the current Pitney Bowes chairman of the board and president, Fred T. Allen, commented:

We can never forget Walter Wheeler at Pitney Bowes, for what we are is inseparable from what he was. Beyond his energy, acumen and leadership, he brought to his company and to everything he did the force of his conviction that mankind's obligation is, first and foremost, to mankind. No decision he made as head of Pitney Bowes was outside that context; no project of his public life was pursued in any other spirit. He was our friend, and he lives on in what we have learned from him.

And I would add, Mr. Speaker, that one could learn a great deal from him

for he was so willing to give. His professional charity associations are legion but that is not the total measure of this man for as his personal secretary, Ruth Meyer, recalled:

He took a personal interest in people's lives. When an ice storm cut off my heat, he brought me a heater and installed it himself . . . He was always there when you needed him.

Paul Brady, a Pitney Bowes employee, added:

I remember the Christmas my family had just moved and he came to our door in his raccoon coat with a Christmas wreath for us . . . A lot of things I taught my children I picked up from him. I never loved a man more.

In a recent edition of "PB News," Edith Daniell wrote a remembrance of Walt Wheeler. It speaks well of this great man and I include it in the RECORD at this point:

IN REMEMBRANCE: WALTER HEBER WHEELER, JR.

(By Edith Daniell)

The 55-year association of Walter Wheeler and Pitney Bowes ended with his death on December 11 at age 77. He had planned well, and the management of the company he built and loved had shifted to others some time ago. The transition was complete, and the separation peaceful.

He had begun, in the '20s, with a fight for the life of a new idea and a fledgling company, and had led the company to worldwide prominence on the strength of his own faith and dynamism. He had lived to know that his company was strong enough to solve its own problems and, independent of him, move on to new levels of growth and promise.

The Wheeler story had a happy ending. But he had not quite prepared us for a Pitney Bowes without his presence somewhere down the hall.

He was the symbol of a unique corporate character, forged out of his own convictions and energy in the early years of hardship and uncertainty. He believed:

That there is more to a business and a life than making a profit;

That integrity and courage are better than expediency and second-best;

That business policies must serve the rights and needs of people;

That corporate good citizenship is not incompatible with good business management, and that when it seems to be, there is something wrong with the management.

He was a civic leader, a philanthropist, an outspoken proponent of ideas of social justice that critics called "radical" and friends said were "ahead of their time." In the field of employee relations he was a true pioneer, earning national attention with:

An equal opportunity program that antedated fair employment legislation in Connecticut;

The establishment of profit sharing, stock purchase, and non-contributory retirement plans that were among the first offered industrial employees;

The creation of employee-management communication pipelines (the CPR, jobholders' meetings) that are still rare in industry.

He encouraged managers and other employees to work for and give to their communities as individuals. He believed that people should have faith in themselves and each other, and that the satisfaction and meaning of life lie in struggle and accomplishment. In the later years of his life, he repeatedly expressed his conviction that there was an inborn spiritual force in every person, and that mankind should not be cynical but instead take heart and fulfill its own divine potential.

He lived his ideals, working with sometimes incredible intensity for a staggering number of national and local organizations serving public needs or seeking solutions to socio-economic problems. He was proud of his recognized success as a fundraiser, and as recently as 1969 served as national president of the United Community Funds and Councils of America.

He could not, perhaps, have been a successful politician. He would not compromise or "settle" when he believed he was right. He was never self-serving, and might have died richer if he had been.

Aside from his family, his great love was sailing, and this, too, he shared. Over the years, hundreds of PBers at every level of the organization were guests aboard the Wheeler racing yachts, the *Cotton Blossoms/ through IV*, or followed his exploits in the Bermuda races.

He was not an easy man to know. A dominant figure in any group, he was paradoxically shy with individuals, and people were often awed by his size and powerful presence. But to those who grew close to him, he was a warm friend whose kindness and concern had no limits. He loved trees and gardens, and kept a vigilant eye on the well-landscaped PB properties. He loved the celebrations and sentiment of Christmas, and for years supervised the selection and trimming of the PB holiday trees. He loved the comfort of a wood fire, and the beautiful working fireplaces he installed at headquarters 15 years ago were his pride and joy.

He was a complex man with extraordinary qualities of leadership; a great man who may have been greater than we deserved. But if few could give all that he gave, he nevertheless called forth from most of us more than we could have given without him. We have profited greatly from his vision and humanity, and it is hard to believe he is gone.

Mr. Speaker, further, I also include the Stamford Advocate editorial, "Mr. Stamford," in the RECORD:

MR. STAMFORD

Walter H. Wheeler Jr. was a man who had the sort of qualities people hope their children will have as they get older. He also was a businessman who brought credit to his profession.

His success story—he built Pitney Bowes into Stamford's largest industry—outweighs anything likely to be written about other corporate giants who were that but nothing more. Walter Wheeler was so much more than just a man good at his job.

True, he was an outstanding businessman. But unlike others, he was not uncomfortable with such phrases as "corporate morality." In fact, he helped coin them.

It was he who brought Pitney Bowes, his company for 55 years, into the limelight by putting into effect a social welfare program years before the enactment of legislation guaranteeing fair employment practices.

Walter Wheeler cared for his community, too. An expert fundraiser, he gathered about $8 million for Stamford Hospital, not to mention other worthy projects.

Stamford was home to Walter Wheeler and he loved this City dearly. But perhaps his greatest love, and one that he always seemed to have too little time to indulge in, was competitive sailing. We think of him fondly, sailing in his Cotton Blossom IV, seeking to add another trophy to his collection.

For half a century, Walter Wheeler has deserved the title of Mr. Stamford.

Lastly, Mr. Speaker, I would ask that you share with me the thoughts of some of his friends:

Walter Wheeler was a big man with an outsize frame and a zest for living to match it. He had brains, energy, ideas, enthusiasm, drive, courage, integrity, high ideals and, above all, compassion for his fellow man and a great heart. . . . His concept of life was one of total immersion in everything he did, from the building of Pitney Bowes to the raising of funds to help make the Stamford Hospital one of the finest community hospitals in the nation. . . . In this total immersion process, he sometimes knocked a few heads together and bent a few noses, but he got the job done. The fact that not everyone loved him as we do never deterred him if he felt his course was correct and the goal worthwhile.—John O. Nicklis, PB director and former chairman.

I believe this man has done more for working people than anyone in management in the country. Other companies are just beginning to catch up with his idea. He always thought about how things would affect other people. . . . On the boat trips, he would sit down and talk to every one of us as if we were company officers. He listened, and everything was out in the open.—Jack Betts, Main Council CPR co-chairman, Stamford.

He was fantastic . . . the most astute businessman I ever met; the complete salesman. After all, he sold the metered mail system to Washington. . . . He was all man, and righter than anybody else.—Gus Creter, New York (Uptown) branch manager.

I remember when he said, years ago, that people who give their lives to a company as employees have a stake in the business just like shareholders. It was the first time I had ever heard anything like that. . . . You begin to look at your people in a different light.—Harry Holmes, Atlanta branch manager.

He put his whole heart into whatever he did. He realized he had some advantages others didn't have, and felt it was his obligation to put those advantages to work helping people. . . . He took a personal interest in people's lives. When an ice storm cut off my heat, he brought me a heater and installed it himself. . . . He was always there when you needed him.—Ruth Meyer, Assistant to the retired directors and Walter Wheeler's secretary for 30 years.

As skipper of the Cotton Blossom, he was demanding but fair. Whatever he expected of the crew, he would do more himself. . . . I remember the Christmas my family had just moved, and he came to our door in his raccoon coat with a Christmas wreath for us. . . . A lot of things I taught my children I picked up from him, I never loved a man more.—Paul Brady, Steward aboard the Cotton Blossom; now PB dining room staff.

Once he took on a responsibility, nothing kept him from it. When a leg injury hospitalized him in the middle of a fund-raising drive for Stamford Hospital, he ran the campaign from his bed and went to the final report dinner in an ambulance. He told me he had learned in the first world war that courage didn't mean you weren't scared . . . and that when you take on leadership, courage is part of the responsibility. He inspired me more than any man I have ever known.—Jim Turrentine, Vice President-employee relations.

THE FUTURE HOMEMAKERS OF AMERICA—A 30TH ANNIVERSARY

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. NATCHER. Mr. Speaker, some years ago I was made an honorary member of the Future Homemakers of America.

I considered it then, as I do now, one of the nicest honors ever given me. So it

is as a member in good standing that I speak to you today of the Future Homemakers; it is with an unabashed pride that I acclaim an organization which has done so much to prepare our Nation's young people for the demanding role of adulthood; and it is, I hope, with a becoming modesty that I tell you of the program's success.

FHA membership now stands at an impressive one-half million. The success of any organization, however, cannot be measured by numbers alone. It is better judged by the type of person its program attracts. The Future Homemakers are our young women and men who determined early that theirs should be a full life and a useful one.

There is of course no typical Future Homemaker. Members come from divergent backgrounds—the farm, the town, the urban area. They bring with them varied concerns. Each is an individual. There is among the members, however, a common interest in home economics and the jobs and careers related to this profession. Young people are drawn to the FHA program because it provides not only the opportunity but the encouragement to explore such areas as personal growth, family life, vocational preparation, and community involvement.

Though closely correlated with the home economics program in our secondary school the FHA program is not limited to purely educational goals; it is not confined to the classroom setting. It reaches beyond classroom instruction into the home and the community.

The Future Homemakers of America has had since its founding one prime objective—to help youth become successful adults. Recognizing that conditions and circumstances do change, leaders and cooperative groups welcome suggestions that would accomplish this goal. They are receptive to new approaches, new methods, and new ideas.

FHA members themselves decide upon their projects and activities. One result is that there are now two types of chapters. FHA chapters focus their attention on homemaking, family life and consumer education. This focus is combined with job and career exploration. HERO chapters, on the other hand, place major emphasis on job and career preparation. Members of both FHA and HERO chapters are taught to understand and effectively handle the multiple duties required of today's adult.

In chapters throughout our 50 States, the Future Homemakers of America are making plans to celebrate a rather special anniversary—their 30th. These young people are as concerned with the present as they are the future. They know that their country needs their strength and vitality now. They know that their efforts to improve the quality of our national life is appreciated. They know that by giving their best today, their own and America's future is assured.

Mr. Speaker, I am honored to be a part of the Future Homemakers of America and on this anniversary occasion I offer all my good wishes and my greatest respect.

MAINE EYES WOOD ALCOHOL AS FUEL

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. COHEN. Mr. Speaker, yesterday, the Washington Post reported on the innovative efforts of the Maine Office of Energy Resources to utilize 5 million acres of diseased timberland to produce wood alcohol, or methanol. As the article points out, methanol can be used as both a source of fuel for automobiles and for heating buildings.

In view of our critical need to develop alternative sources of energy, thus reducing our heavy reliance on imported oil, I am pleased to call to the attention of my colleagues this most interesting article.

[From the Washington Post, Jan. 27, 1975]

MAINE EYES WOOD ALCOHOL AS FUEL

(By William Claiborne)

AUGUSTA, MAINE.—Borrowing a fuel conservation device last used extensively by the Germans and Japanese during World War II, Maine energy officials are turning to wood alcohol as a future substitute fuel for automobiles, home furnaces and industrial power.

The source of the wood alcohol, or methanol, would be 5 million acres of diseased timberland in the northeast part of the state if a proposal sent to the state legislature last week is adopted.

Leaders of Maine's Senate and House said in interviews here that they leaned favorably toward including research funds for the methanol project in a spruce budworm disease control bill, provided there is some federal and private support.

Robert A. G. Monks, the millionaire director of the state's Office of Energy Resources, said he feels he has commitments from two Maine timberland firms to take part in the project, and that he will approach the Federal Energy Administration about supporting a pilot methanol plant.

A $10 million pilot plant can be built in 18 months, at which time wood alcohol would be used in state-owned vehicles and for heating state buildings, Monks said.

Later, Monks said, methanol produced at a cost of 14 cents a gallon would be marketed commercially for use by Maine's 1 million residents who, according to studies, spend 20 per cent of their income on gasoline and home heating fuel.

A 15 per cent blend of methanol with gasoline can be used in unmodified automobiles, and the result is increased octane, more mileage and lower emissions, according to studies by the energy laboratory of the Massachusets Institute of Technology.

Similar studies are under way at the Scripps Institute of Oceanography in San Diego, and six automobiles owned by the University of Santa Clara have been running on methanol and gasoline for several months with reported improved efficiency.

Thomas B. Reed, of MIT's energy laboratory said he has driven 22,000 miles in his 1969 Toyota and 13,000 miles in a Ford subcompact using a 10 per cent methanol blend.

When more than 30 per cent methanol is used, the two fuels tend to separate, studies have shown. Pure methanol can be used with fuel system modifications.

Oil industry officials have claimed in the past that methanol is inefficient and corrosive to automobile engines, a contention denied by Monks, who points out that oil firms have an interest in maintaining use of petroleum.

Maine's proponents of methanol point out that in 1935 11 European countries consumed 180 million gallons of wood alcohol in 4 million vehicles, and that the Axis nations turned to it later in order to divert petroleum for use as aviation fuel in the war effort.

In Maine it is an act of desperation that stems from a compendium of unhappy circumstances—the geography of the state, its uncommon dependency on foreign petroleum, and recent national economic policy decisions.

Other factors that weigh heavily in Maine's concern over gasoline and heating fuel include the weather, a near absence of natural gas availability, domination of the automobile for want of mass transportation systems and an increasingly depressing economic outlook.

"You can't find a state with more dependency on oil than us," said Monks, 40, a lawyer and former oil distribution company president who was one of the applicants to build a refinery at the ill-fated Atlantic World Port in Machiasport five years ago.

Monks, a Republican who made an unsuccessful primary challenge against Sen. Margaret Chase Smith three years ago and hasn't talked much about a political career since, took the job as Maine's energy boss last summer. He set his salary at $1 a year so he could hire as his technical expert Dr. Charles Berg, former chief engineer of the Federal Power Commission and a nationally recognized energy consultant.

"If we don't find an alternative fuel, we face the relentless prospect of being utterly without the capacity of helping ourselves—here the necessity of life in the coldest damn place imaginable is controlled by foreigners," Monks said in an interview.

"If we don't do something, we face two choices: don't take the fuel, or pay the price anybody wants to set," he said, noting that 86 per cent of Maine's energy resources is imported.

Buying foreign oil is nothing new to Maine, but what is different now is the cost to a state already skating on thin ice economically: between 1945 and 1972, a barrel of crude actually dropped from $1.80 to $1.69; now it is up to $10.50 a barrel, and with the tariff imposed by President Ford it will go to $13.50.

"The $3 tariff is almost twice as much as we were paying for oil two years ago. Maybe some other parts of the country can absorb that, but New England can't, and Maine certainly can't," Monks said.

The average weekly wage in Maine is $103 a week.

In its desperation, the state has considered other—more exotic—energy ideas, including chicken manure ingestors that create methane gas and the use of seaweed to develop methane.

As a measure of their concern, Maine officials even listened half seriously to proposals for windmills and odd perpetual-motion machines.

"We'll consider anything, because the prospects are so bleak. People may think we're smoking dope down here when we talk about some alternatives to petroleum, but we're serious," Monks said.

Monks and his small staff are particularly serious about methanol.

"One thing we have in Maine is trees," said Monks.

Ideally suited, he said, are the 5 million acres inflicted with the spruce budworm, a disease which, if not treated by annual spraying, leaves the trees useless for pulp manufacturing. The state spends $6 million a year on spraying.

Under the energy proposal, a public firm called the Maine Woods Fuel Corp. would

establish methanol plants throughout the state. Chipping machinery would be set up in the forest, and the chips trucked out to the methanol plants for biological digestion into methanol. A large methanol plant can produce 2,000 tons a day.

Monks estimated that methanol, if used in a 15 per cent proportion nationally, would save a billion barrels of crude oil a day.

ONE FRIEND OF THE PRESIDENT

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mr. GINN. Mr. Speaker, a constituent of mine, Mr. George N. duMas, played a very active role in support of former President Nixon during last year's tragic events. An excellent article about Mr. duMas' efforts appeared recently in the Sunday magazine of the Atlanta Journal-Constitution and at the request of Mr. duMas and the organization he headed, I ask that it be included in the RECORD at this point.

ONE FRIEND OF THE PRESIDENT

(By Keith Coulbourn)

If President Richard M. Nixon survives his critics, he'll have George N. duMas of Savannah to thank.

Mr. duMas (pronounced DUE-mas) is leading a national write-in campaign for the beleaguered President.

It's a grass-roots revival, Mr. duMas says, made up not of organizations, not of big names, bigwigs nor celebrities particularly, but just plain people, ten million people, Mr. duMas says, who're fed up with the overblown charges against President Nixon and all the biased reporting.

In support of his cause, Mr. duMas has been on national television. A crew from CBS arrived in Savannah in two big Cadillacs and a huge van, talked to him a long time and then, apparently satisfied about his sincerity, trained three big cameras on him and got him sitting on a bench, walking through one of Savannah's lovely city parks and explaining his position. It ran six minutes, which is practically a "special." And more is planned, Mr. duMas said.

But if there's any hanky-panky, the CBS people told him, that would be the end of it. Bernard Goldberg of CBS told him that money was bound to be coming in through the mail and that a special bank account should be set up for it. This Mr. duMas has done under the name The President's Friends.

"Bernard Goldberg told me, 'I'm plugging for you'," said Mr. duMas. " 'I'm making you a No. 1 national figure. We got word to do it. We don't know who's behind it, but we're doing it on you. But I can tear it down just as quick as we build it up if we find anything crooked'."

Tear down George duMas? It's only an expression, of course, a figure of speech, but still it makes Mr. duMas smile. Bernard Goldberg was saying only that Mr. duMas was being made into a national figure and that he could be unmade the same way. But it's still a little funny because nothing probably could tear down Mr. duMas. He's impressed by big bankrolls, Cadillacs and the first-class treatment, sure. It's great. But when you've been tempered in the fires of cancer as Mr. duMas has, when you've lived so close to blinking out, you can't help but smile at the figurative use of such language.

And surely what added just a crinkle of merriment to Mr. duMas' smile was the irony of it. Mr. duMas happens to be an undercover agent—indeed a spy—in an organization engaged in the investigation of alleged dishonesty in CBS news reporting. He's helping gather evidence to try to show that CBS is—or was during 1972—flagrantly biased in its newscasts and documentaries.

How much did Bernard Goldberg know about this? Perhaps nothing. Neither he nor Mr. duMas mentioned it. "Oh, I wanted to say something," Mr. duMas said. "Bernie was such a great guy, and really I wanted to tell him. But I looked over at my wife and she shook her head no, reminding me that I was still an undercover agent for those people and that I'd better keep it that way. So I didn't say anything about it."

Mr. duMas and his wife, Dorothy, live in a rooming house off one of Savannah's downtown parks. Mr. duMas in fact can open one of the windows of the room, lean out slightly and see the back of Gen. Oglethorpe's statue, that and the pigeons and the old folks hobbling around. But who cares about statues, pigeons and old folks when one can study the duMas room?

It's a good-sized room with a high ceiling and a fireplace, a room on the second floor of what once must have been a large, comfortable town house. Today, rented out room by room and despite the considerable effort to make it seem part of a glamorous yesteryear, it's depressing. It's not just the gloom and shadows or the dull-spirited wallpaper and the dreary bathroom down the hall, it's the feel of life running out in the grubbiest of ways.

The only really lively thing about the duMas room was the wonderful mess. It looked as if a zephyr had just gone whirling through. Papers were everywhere. On the floor, on the bed and spread out on the mantelpiece, on the dresser and chairs, all kinds of papers: letters, photoprints, newspaper ads and clippings and manila envelopes chock-full of other papers. No books, though. Whoever made this mess had gone quite beyond the conventional struggle for approval and respectability.

Normally rooms like this are respectably grubby. Nobody can change that part of it. Gradually over the year they slip through one degree of dinginess to the next, and usually, as if to compensate, everything is meticulously maintained.

Not so the duMas room. It was of course dominated by the double bed standing proudly catercornered there by the window, soft-springy and puffed up, jiggling tensely at the slightest touch, the bed now nearly covered with letters, several rows of them lined up from headboard to foot. Hundreds of them. From everywhere. And each of them a cry of rejoicing for the opportunity to express their support for President Nixon.

"Here, look at this," said Mr. duMas, grabbing up a handful of them and showing them off. "Where's this one from?"

Without his glasses, apparently he couldn't read the address.

"Cincinnati, Ohio."

"Wow," he said. "What about this one?"

"Ridgeway, Va."

"And this one? Is it Alabama?"

"Bradenton, Fla."

"And where's this one from? Alabama?"

"Dothan, Ala."

"Chee!" he said. "See what I mean? They're from all over the place."

And it's true, including several letters from the President himself. Mr. duMas has never met or talked personally to President Nixon, but they've written back and forth several times, one of President Nixon's letters beginning chattily enough:

"While it's not possible for me to reply personally to all who have been so thoughtful . . ." and so on. Another of President Nixon's letters had the phrase "staunch support" and later, after Mr. duMas' campaign began to pick up steam, ". . . you have stepped forward vigorously in my behalf. . . ."

A small gas space heater burned fiercely in front of the old fireplace, and atop a shelf off to one side of the room blared a portable TV set, the picture showing a bright young woman jabbering away like a magpie. Facing the TV set was a wicker rocking chair, and to one side of it was a small stand or an end table. It was covered with little objects and trinkets, a clutter of bottles and tubes, cold capsules, a glass jar of coffee and a loaf of bread.

If Mr. duMas were an ordinary man, you might look at his way of life and conclude that he was a bit down on his luck. But Mr. duMas is not an ordinary man. He'd enjoyed an ordinary and very successful life until Nov. 5, 1954, but then, when he was 37, his whole life changed. He had cancer.

He and his two brothers were orphans. Reared with all the conventional drives toward success at any cost, his brothers acquired doctorate degrees and achieved distinction in academic fields; George made money.

He's a promoter basically and smart as a whip His organization, The President's Friends, is patterned after a similar group that grew out of the grass roots to defend J. Edgar Hoover and the FBI. That one was called Friends of the FBI, which collected tons of money and finally last November issued a 350-page report that cost $75,000 to refute charges against Hoover. Mr. duMas, who seeks an opportunity and leaps in with both feet, says you don't need a doctorate for this sort of thing. If you've got good brains, you'll do okay with or without a doctorate.

Especially Mr. duMas. He's one of those all-out people; all heart, his friends say, with a tremendous insight.

"In show business we call it the grick sense," he said. Or it sounded like "grick."

"Did you say 'grick' or 'Greek'?" he asked.

"Greet!" he said, louder this time but less distinct if possible than before.

"I'm sorry, but your mouth is faster than my ears. Did you say . . ."

"Crete!" he seemed to say.

"Crate? How do you spell it?"

"Spell it? I don't know how you spell it," he said. "It's like this: I could stand right there at the carnival and see 10 people come in and I'd know the third one coming in was the mark, you know? He's the one with $100 in his poke. Put him on the side, I'd say, and maybe we can get it. So we'd put him on the side and keep talking to get the tater bag, you know, and—*grit!* It's a sense of direction with a person." He was slapping his hands together now like a carnival barker. "That's show business: the grit sense."

Grit sense! Of course. Shrewd native intelligence, an insight into people and knowing what makes them tick. That's what Mr. duMas has.

"Now I ain't s'posed to tell you this," he said, grinning and slipping into a countryfied role, "but that's show business and I been in it all my life."

He made much of his money during World War II and the Korean War. Mr. duMas was 4-F, and when all the cream of the nation's manhood was shipped overseas, as he describes it, he made money hand over fist. He organized Hollywood Studios of Washington, D.C., for instance. When hardly anyone could get film, Mr. duMas outfitted 18 girls with special cameras to walk down the street taking pictures of people. They snapped the pictures, then handed the subject a card that said:

"Your picture has just been taken by a professional Hollywood studio cameraman. See yourself with the art of Hollywood and the action of life."

Then it had an address for you to send your money in to.

It was almost irresistible in those days, and

Mr. duMas made so much money he could hardly count it. He enjoyed it, too. He drove Cadillacs and lived in a big house. The money came in by the tubful, he says. And during the Korean War, he and his crew of girls would walk on an Army base and within two hours they'd walk out with $10,000. "I know you won't believe this," he said, "but we had people lined up for us—60,000 troops lined up in one day. We took so many pictures, the cameras broke down. The GIs were just throwing the money to us.

"'A dollar?' they'd say. We'd give 'em six pictures for a dollar. 'Here,' they'd say, and toss us the money. 'Take it. I know I'm not coming back. I know I'm gonna get killed over there, so take it. But be sure my mama gets the picture.'

"Oh, it was heartbreaking," Mr. duMas said. "Heartbreaking."

And very profitable, of course. He got big rolls of film, 1,000 shots each, for $3, he says, and soon, like many of the "world's greats" that he's corresponded with, he was quite rich. "I could walk into a nightclub at Virginia Beach and all over," he said, "and they'd say, 'Here comes the Greek! Here comes the Greek!' And then they'd show me to my table, a table they kept only for me."

Ah, what a life until the cancer. He'd been having a couple of bothersome little problems for a while, he said. He saw things double for a while and couldn't keep track of conversations. "I thought I had water on the brain or something," he said.

He went to the doctor and got the word: cancer in the third stage.

Mr. duMas was sitting on the bed amid the hundreds of letters. He shook his head, recalling that fateful day. "Cancer," he said. "But it couldn't happen to me. Never happen. Not to George N. duMas. You could get it. But me? No. Never. When the doctor told me that, I felt like I'd been hit with a shotgun blast."

Everything changed, of course. His whole life went out the window. He got rid of the Cadillacs and everything else that used to mean something to him. They couldn't help him now, he says. Doctors said they would operate on him but they had little hope. The priests came. "All the money in the world can't save you now," they told him. "Only a miracle in God can save you."

The doctors operated on Mr. duMas and five other cancer patients that day; only Mr. duMas survived. But it was to be a brief survival, for two weeks later he was given up for dead. The priest was called, a young man fresh out of Harvard, who performed the last rites as his first official act in Richmond.

But Mr. duMas of course lived on, and a couple of months later when he visited the young priest to talk about it, Mr. duMas told him what he'd been thinking, that life was not just for the collection of money and Cadillacs, it's for service to one's fellow man. Mr. duMas says he broke down then and started crying. He said through his sobs, "Let's get down here and pray for me. Don't let me get cancer again, father. I'm shook up."

"I know you are, George," the young priest said. Then he told Mr. duMas something that shaped his life from then on, that God had "something definite" for him to do.

"What is it?" Mr. duMas asked.

"I don't know what it is," the priest said, "but God has something big for you in life. You were as good as dead, no question about it, and you were saved because you have a mission to perform."

"Well, how will I know how he wants me to serve him?" Mr. duMas asked.

"He'll give you a sign," the young priest said. "You'll know. In the meantime, every good cause that comes down the pike, you do it because, my friend, you are living on borrowed time."

Everybody lives on borrowed time, of course, but the man who virtually returns from the dead knows it. Wordly values are nothing anymore. Mr. duMas returned to his earliest values and has seemingly discovered the full meaning of certain old-fashioned words. The word "persistence" is one of them.

"That means not giving up," he said. "Back in Richmond, they call me the walking dead man. I was dead. But persistence paid off. Not giving up. Try and try again. The determination to win. How did I get to be the No. 2 man in the Loyal Order of Moose? Me No. 2 when there are so many college professors and educated men? Persistence! Persistence is the most dynamic ingredient of success.

"But you've got to believe in your cause," he said. "You've got to *believe*. You've *got* to believe."

Mr. duMas believes that he is the man who will save the President. "I feel in my heart," he said, "that I'm the man who's going to save the President of the United States. I will be the man to save him. I know I'm the man to save him. I know it. I've had dreams about it for a long time. What kind of dreams? Just dreams that I will save him. I'm the man to save Nixon."

That might sound odd to some of Mr. duMas' old friends because he was a Democrat until the last election. He was a Kennedy man, supporting Kennedy against Nixon when they squared off so many hundreds of years ago. Mr. duMas was also a liberal.

"But after I saw the '60's, I said, 'Wait a minute! Wait a minute! Spittin' on the flag?' That's what they were doing, you know. 'But I can't go that far.' Then they said, 'Damn the American soldier!' And they told the American soldier to turn against his own country. And I said, 'Wait a minute! Something's wrong here!'

"Then I saw them take control of that party, the McGovern people did, and there was nothing we could do. We'd fire and fall back, fire and fall back, fire and fall back, but then they had it. When they came into power and slammed the door in my face and the face of the ex-governor of Virginia, then I decided to vote for Nixon.

"They slammed the door right in our face," Mr. duMas said. "They called us the Old Guard and threw us out. They didn't know that we're the ones who built up the damn party.

"In the '60s," he said, "it made us sick the way they carried on. Who was made sick? Seventy percent of the American people. They're the ones who supported Nixon. And mainly the Democrats. Listen! The Republicans did not put Nixon in. It was we Democrats who put him in. We put him in for patriotism. We would have voted for any man as long as he respected the flag, but the guys who surrounded McGovern—" He shook his head at the thought, as if to say "a fate so narrowly averted." "If McGovern had got elected, they'd have eaten him up."

Then Mr. duMas laughed and added: "And the very thing happened to poor Nixon, didn't it? Yeah!

"So I'm neither Democrat nor Republican," Mr. duMas said. "I think it's too late in the game for that. I think it's time for all of us to call ourselves Americans. These labels confuse the issue, I think it's time for patriotism. If the constitution and the Bill of Rights are our birth certificates, then sure as hell we patriots are the insurance policy that guarantees that liberty.

"But what happened to that truth during the 10 years from 1960? All I saw," he said, "was negative, negative, negative. Programs (on television) where nothing was balanced with a little positive. It's not right to show only one side of it, but for 10 years all I saw was 'burn up the damn flag, burn up the damn flag, burn up the damn flag.' I wasn't brought up in that environment. I was brought up to respect the flag. Anybody hurt the flag, it brings tears to my eyes. I love the flag. And I'll be frank with you: I'll get down on the floor now and kiss the flag. I love the flag."

And so do thousands of others, apparently. Those who respond to the small newspaper ads and Mr. duMas' television special seem to fall into an ever-widening group. Not just the blindest of right-wingers, the jingoists who say Nixon, right or wrong, as if he had a divine right and were above the law. Some are of that type, of course, probably the same number who make up the fanatical left.

More and more, though, as the nation's great propaganda machine grinds out less and less of substance, the right wing is being joined by those of the middle group, the letters seem to say, the so-called "silent majority," that sleeping giant of a middle America that normally has much better things to do than to bother with the folderol of politics. Not now, though. It's been stirring lately. Grumbling. Beginning to move. Under the incessant moralistic barrage of television newscasters, so full of ominous innuendoes and omniscient forecasts, more and more average people, it seems, have begun to wonder when they're going to put up or shut up. It's unfair, they say, to preach that way night after night as if it were news.

It's also unsportsmanlike, they say, kicking a man when he's down.

And stupid. Haven't they heard about the boy who cried wolf?

That's what the letters to Mr. duMas say. That and this: "Thank God for someone with your courage to lead us."

"You're terrific! Yes, I support Nixon, although, of course, he made terrible bloopers."

"We are so happy to learn about you and your work."

"Learning through TV of your splendid work for Mr. Nixon, I am enclosing $15 to help you personally."

For some time now Mr. duMas has been a spy or undercover agent for a couple of conservative organizations that have been taking aim at television news—especially that of CBS. He collects evidence of bias and sends it to John F. Fisher, president of the American Security Council and Institute for American Strategy of Boston, Va., part of a study covering CBS' news and documentaries for 1972.

A research team of 11 professors and research scholars from around the country is expected to spend more than 6,000 hours analyzing the programs, according to John Fisher. After six months' study, they see one of the patterns, he says: On questions of national defense, three-fourths of the material shows views favoring that the U.S. do less; 20 percent say that it's "about right" and only 4 percent favor doing more.

When the study is finished, John Fisher says he expects to file suit with the Federal Communications Commission under the "fairness doctrine," requiring more "balance" on CBS.

Mr. duMas was asked if he thought his own promotion to a No. 1 national figure was part of CBS' attempt to balance the news.

"I don't know," he said with a big smile. "It sort of makes you wonder, though, doesn't it?"

PART-TIME CAREER OPPORTUNITY ACT

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 29, 1975

Mrs. BURKE of California. Mr. Speaker, today I am reintroducing legislation which will provide significant increase in the number of employment opportunities

by executive agencies of the U.S. Government for persons unable to work standard working hours—such as women with young children, students, the handicapped, and retired persons.

The Part-time Career Opportunity Act will upgrade the efficiency of current Federal employees who might wish part-time employment while pursuing other career objectives, attract talented women with family responsibilities who for some other reason cannot work a 40-hour week and others similarly situated.

Part-time workers make up an increasing proportion of the Nations work force. The Federal Government lags far behind private industry in reorganizing the valuable contribution which part-time employees can make in fulfilling manpower requirements.

The text of this legislation follows for your consideration:

H.R. 2305

A bill to provide increased employment opportunity by executive agencies of the United States Government for persons unable to work standard working hours, and for other purposes

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 "Part-Time Career Opportunity Act".

SEC. 2. (a) Title 5, United States Code, is amended by inserting between chapters 31 and 33 the following new chapter:

"Chapter 32—PART-TIME CAREER EMPLOYMENT

"Sec.
"3201. Definitions.
"3202. Policy.
"3203. Part-time career employment percentage minimums; waiver.
"3204. Implementation.
"3205. Limitations.
"3206. Personnel ceilings.
'3207. Nonapplicability.

"§ 3201. Definitions

"For the purpose of this chapter—

"(1) 'agency' means an executive agency other than the Federal Bureau of Investigation and any agency referred to in section 5102(a)(1)(i)-(viii) of this title;

"(2) 'part-time career employment' means part-time employment of at least sixteen hours but not more than thirty hours a week, including, as for example, four hours each workday, five hours each workday, a different number of hours each workday, or two, three, or four days a week, job-sharing arrangements, or such other arrangements as the Civil Service Commission establishes as consistent with the policy prescribed by section 3202 of this title, but does not include an employee who is employed on a temporary or intermittent basis; and

"(3) 'grade' means any grade referred to in chapter 51 (other than grades GS-16, GS-17, and GS-18).

"§ 3202. Policy

"It is the policy of the Government of the United States that at least a certain percentage of all positions in each grade in each agency shall be available on a part-time career employment basis to individuals who are unable, or do not desire, to work on a full-time basis.

"§ 3203. Part-time career employment percentage minimums; waiver

"(a) Not later than one year after the date of enactment of this chapter, at least 2 per centum of all positions in each grade of each agency shall be available to individuals on a part-time career employment basis. Not later than two years after the date of enactment of this chapter, 4 per centum of such positions shall be available on such a basis. Not later than three years after the enactment of this chapter, 6 per centum of such positions shall be available on such a basis. Not later than four years after the date of enactment of this chapter, 8 per centum of such positions shall be available on such a basis. Not later than five years after the date of enactment of this chapter, and thereafter, 10 per centum of such positions shall be available on such a basis.

"(b) Upon the request of an agency, the Civil Service Commission may waive or reduce the percentage minimum applicable to any year referred to in subsection (a) for positions in a grade of an agency for a period of not to exceed one year if—

"(1) the Commission finds that compliance with the percentage minimum for those positions in that grade for that period by such agency would be substantially disruptive of the ability of the agency to perform its mission. The Commission may find compliance substantially disruptive of the ability of the agency to perform its mission when compliance would cause the agency's efficiency to be severely impaired and/or when the agency is undergoing a substantial reduction in force, a freeze on new hiring or other major personnel action which so adversely affects the status of agency employees as to make it impossible to comply with the percentage minimums without seriously jeopardizing the employment or employment rights or benefits of agency employees; and

"(2) notice of the request for a waiver or reduction and the reasons and justification for that request have been published in the Federal Register and interested parties have been afforded not less than sixty days to submit comments to the Commission.

"(c) A decision of the Commission to waive or reduce any such percentage minimum shall include the reasons and justification therefor. Copies of each such decision shall be available to the public during normal business hours at each location at which the Commission has offices. Upon request, a copy of a decision shall be furnished without charge.

"(d) Notwithstanding any other provision of law, any such decision of the Commission is a final agency action within the meaning of chapter 7 of this title.

"§ 3204. Implementation

"(a) Each agency shall adopt and maintain procedures, continuously conduct activities and projects, and undertake such other efforts as may be appropriate, to carry out sections 3202 and 3203(a) of this title. The Civil Service Commission shall promptly formulate and implement, and thereafter supervise, a program to assist agencies in carrying out those sections. Not later than six months after the date of enactment of this chapter, the Commission shall report to Congress on actions taken to formulate and implement a program to assist agencies in carrying out those sections.

"(b) Not later than January 20, April 20, July 20, and October 20 of each year, each agency shall report to the Commission with respect to the three calendar months preceding the month in which that particular report is due, on the procedures, activities, projects, and other efforts undertaken to carry out sections 3202 and 3203(a) of this title. Each report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(c) The Commission shall report annually to the Congress on the procedures, activities, projects, and other efforts undertaken to carry out sections 3202 and 3203(a) of this title. Each annual report shall contain documentation concerning the extent to which the percentage minimums of section 3203(a) of this title have been met and an explanation of any impediments to their fulfillment and of measures undertaken to remove these impediments.

"(d) The Commission shall conduct research and experimentation projects and any other activities designed to promote, in public employment, the advancement of opportunities for individuals who are unable, or who do not desire, to work on a full-time basis.

"§ 3205. Limitations

"(a) An agency shall not abolish a full-time position in a grade subject to this chapter, and occupied by employee, in order to establish two or more positions to be made available to individuals on a flexible hours employment basis.

"(b) Nothing in this chapter shall impair the employment or employment rights or benefits of any employee.

"(c) No agency shall enter into any contract or other agreement with any person as a result of the enactment of this chapter, except with respect to any agreement to furnish advice and assistance to that agency to meet the percentage minimums of section 3203(a) of this title.

"(d) No person employed as an expert or consultant under section 3109 of this title, and no person who is employed by any employer other than an agency, may be counted for the purpose of determining whether that agency has met the percentage minimums of section 3203(a) of this title.

"(e) Not to exceed 10 per centum of the full-time positions of an agency may be converted to positions to be made available to individuals on a part-time career employment basis.

"§ 3206. Personnel ceilings

"In counting the number of employees an agency employs for purposes of any personnel ceiling, an employee employed on a part-time career employment basis shall be counted as a fraction which is determined by dividing forty hours into the average number of hours that employee works each week.

"§ 3207. Nonapplicability

"If, on the date of enactment of this chapter, a collective-bargaining agreement is in effect with respect to positions occupied by employees which establishes the number of hours of employment in a week, then this chapter shall not apply to those positions.".

(b) Subpart B of the table of chapters of part III of title 5, United States Code, is amended by inserting between items 31 and 33 the following:

"32. Part-Time Career Employment.. 3301".

SEC. 3. (a) Section 3302 of title 5, United States Code, is amended—

(1) by inserting the subsection designation "(a)" at the beginning of the text thereof; and

(2) by adding at the end thereof the following:

"(b) The rules prescribed in accordance with subsection (a) shall also provide that any employee employed on a part-time career employment basis shall not compete, as the result of being so employed, with any employee in the competitive service employed on a full-time basis."

(b)(1) Section 8332 of such title is amended by adding at the end thereof the following:

"(1) Notwithstanding any other provision of law, an employee occupying a posi-

tion on a part-time career employment basis shall be allowed credit of one month for each one hundred and seventy-three hours of work performed for which deductions are made under this subchapter or deposits may be made.".

(2) The amendment made by paragraph (1) of this section shall apply to an employee referred to in such amendment commencing on the first day of the first pay period of that employee which begins on or after the date of enactment of this Act.

(c) Section 8347(g) of title 5, United States Code, is amended by adding at the end thereof the following: "However, the Commission may not exclude any employee who occupies a position on a part-time career employment basis (as defined in section 3201(2) of this title).".

(d) Section 8716(b) of such title 5 is amended—

(1) by striking out of the second sentence "or part-time";

(2) by striking out "or" at the end of clause (1);

(3) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(4) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3201(2) of this title).".

(e) Section 8913(b) of such title 5 is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3201(2) of this title).

"§ 3208. Employee organization representation

"If an employee organization has been accorded exclusive recognition with respect to a unit within an agency, then the employee shall be entitled to represent all employees within that unit employed on a part-time career employment basis.".

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the amendments made by this Act.

SENATE—*Thursday, January 30, 1975*

The Senate met at 11 a.m. and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

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

O Thou who has taught us that "they that wait upon the Lord shall renew their strength," renew us with Thy grace and wisdom. On this day when the leaders of the Nation pause to pray together, teach us to pray every day—to pray at work as at worship—to pray in this Chamber as we pray in Thy house—to pray alone and with others—to pray at all times and in all places—to live in the spirit of prayer and ever to be in accord with Thy will. O God, be with this Nation and its leaders.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 30, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, January 29, 1975, be dispensed with.

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

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, of not to exceed 45 minutes, with statements therein limited to 5 minutes each.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. 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.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, after the distinguished Republican leader speaks, under the order, or yields back the time, and if no other Senator wishes to speak, it will be my intention to move to recess for 30 minutes.

Mr. HUGH SCOTT. Mr. President, I am not sure that anything I say will contribute to the preservation of the Union. Out of sympathy for our general condition and out of mercy for the people, I yield back my time.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

RESCISSIONS AND DEFERRALS OF APPROPRIATIONS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate a message from the President of the United States proposing 35 new rescissions and 14 new deferrals which, with the accompanying papers, was ordered to be held at the desk. The message is as follows:

To the Congress of the United States:

I herewith report on additional rescissions and deferrals for fiscal year 1975, as required by the Congressional Budget and Impoundment Control Act of 1974.

Thirty-five new rescissions and 14 new deferrals are proposed in the amounts of $1,097 million and $769 million, respectively. In addition, five revised rescission reports reduce by $178 million the amounts proposed for rescission in earlier reports, and 12 revised deferral reports increase the amounts reported as deferred in earlier reports by $111 million.

In the main, the rescissions and deferrals transmitted herein seek to reduce the increased Federal spending that would otherwise result from four recently-enacted 1975 appropriation bills—Labor-Health, Education, and Welfare; Agriculture-Environmental and Consumer Protection; the First Supplemental; and the Urgent Supplemental. The 93rd Congress, in the conference report on the Labor-HEW bill, indicated its willingness ". . . to give full consideration to such rescissions and deferrals . . . " as might be required to keep 1975 spending within the total estimate for the bill.

If the Congress does not agree to the rescissions and deferrals accompanying this message, the 1975 deficit will grow by $357 million and the 1976 deficit by $675 million. I ask the 94th Congress to give full consideration to the question of whether increased Federal spending—with its associated inflationary effects and implied longer-term commitments—is warranted for these programs at this time.

GERALD R. FORD.

THE WHITE HOUSE, *January 30, 1975.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF from the Committee on Government Operations:

S. Res. 49. An original resolution authorizing additional expenditures by the Committee on Government Operations for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. MUSKIE, from the Committee on the Budget:

S. Res. 50. An original resolution authorizing additional expenditures by the Committee on the Budget for inquiries and in-