Among Penn Central executives, Jervis Langdon, Jr., who moved from being one of the three trustees to president early last year, was awarded a $5,000 increase to $100,000.

The largest increase, $20,000, went to A. M. Schofield, who was promoted from vice-president reorganization planning at $55,000 a year to senior vice president for operations at $75,000.

Another $20,000 went to Robert W. Blanchette, who was appointed a trustee of the railroad at $95,000. He had been counsel to the trustees at $75,000.

Other substantial increases included $16,000 to B. J. Gordon, who won $8,000 in January on his promotion from chief engineer for maintenance of way to chief engineering officer, and a second $8,000 in November, bringing him to $54,000.

C. W. Owens, who was promoted from assistant general manager of the eastern region to general manager of the central region in March 1974, was given $10,000 and then another $4,000 in November to $46,000.

R. B. Hasselman was given a $13,000 raise to $68,000, when he was advanced from assistant vice president for transportation to vice president for transportation. D. K. McConnell moved up $10,000 in two steps to $52,000. His title was changed from administrative officer to the trustees to administrative officer and counsel to the trustees.

One top executive took a pay cut when his job changed. William R. Divine gave up the vice presidency for finance and accounting at $89,000 a year and became financial adviser at $85,000.

A LEGAL COUNSEL FOR THE CONGRESS OF THE UNITED STATES

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today to establish a legal counsel for the Congress to assist the legislative branch in the performance of its duties.

In the past Congress has always depended upon the courts and litigation to serve as a check upon the Executive, and upon the Justice Department, which is merely another arm of the Executive, to represent the view of the Congress before the courts. However, in view of the extensive changes which have taken place in recent years the time has now come to equip Congress with the tools needed to challenge the growing supremacy of the Executive in this area.

There have been cases in which there has been a sufficient conflict of interest between Congress and the Executive, or sufficient special interest by Congress to make it desirable for special counsel for the Congress to be appointed to appear before the courts as amicus curiae.

In an era where Executive powers have become so extensive, the courts should be eager to seek the point of view of Congress on its laws in order to offset the growing power of the Executive, and it should be the practice of Congress to present its views before the courts if it so desires.

Congress needs such a voice after legislation has been passed. That voice is one of a lawyer who will go before the courts and represent the Congress just as a private lawyer does, but he will not, except in unusual cases such as contempt of Congress, actually intervene or initiate a case. Like a private lawyer, he will have functions as an advisor to Congress and in the presentation of legal opinions to committees or Members of Congress he will indicate whether the laws which Congress has adopted are being respected by the executive branch of Government.

Specifically, under my bill the counsel for Congress will perform functions at several stages of the legal process subject to "such rules as the Committees on the Judiciary of the Senate and the House of Representatives may prescribe jointly from time to time."

First of all, the Congressional Counsel General would "perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules." Congress often fails to take into account all the factors which later arise in the administration of legislation. In order to encourage the administrative agencies and departments to respect congressional legislation, Congress must do a far better job of oversight. Thus, the counsel of Congress could assist Congress in the initiation of new and corrective legislation. By reviewing the actions of courts and administrative agencies, he will uncover areas of policy where there is no existing legislation, where the existing legislation is unclear, or where legislation is in effect being made by the executive. Each year the counsel could present to the Congress an agenda of law revisions with recommendations and alternatives to be considered.

Second, the counsel of Congress would "render to committees and Members of Congress advice with respect to the purpose and effect of provisions contained in acts of the Congress or to be inserted in proposed legislative measures." Thus, the counsel would provide upon request confidential advisories on the effects and constitutionality of proposed legislation during the legislative process so that legislation will have more likelihood of having effect and being enforced.

Third, the counsel of Congress would "render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States."

Fourth, the counsel would "appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any act of Congress, or the validity of any official proceedings of or actions taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress." The courts will still have the right to determine who may appear as amicus curiae, but this section will make it possible for the courts to accept the Congressional Counsel General in the capacity of lawyer for Congress.

Fifth, the counsel would "represent upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House, committee, Member, office or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, officer, office or agency." The Congressional Counsel General would be authorized to replace the Attorney General in this capacity.

In summary, the proposal to create a Congressional Counsel General is not a new one, but one which is necessary by the growth of administrative bureaucracy. It is a means to assist Congress internally by assisting it in performing its oversight functions, by review of executive and judicial acts as well as by assisting in improving its legislation. It is also a means to assist Congress externally by keeping the administrative departments and agencies responsive to Congress from which their authority is derived. In both his internal and external functions the Congressional Counsel General will assist in making Congress a more effective branch of Government and strengthen the concept of separation of powers.

Senator VANCE HARTKE of Indiana has introduced identical legislation in this area in the Senate.

SENATE—*Wednesday, April 23, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Vice President.

PRAYER

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

Our Father-God, we would live this day under Thy grace and in the fullness of Thy spirit. Remove from us all that obscures Thy presence. Grant us clean hands, pure hearts, and worthy motives. In the spirit of the Servant-Lord, help us to go about our tasks doing good, healing our broken humanity, binding up the wounds of those who suffer, restoring right relations with our fellow man, and doing all in our wisdom and power to bring the day of Thy kingdom.

We pray in His name who was servant of all. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 22, 1975, be approved.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

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

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE ACTION ON THE VIETNAM CONTINGENCY ACT OF 1975

Mr. HUGH SCOTT. Mr. President, ever since the President's state of the world message, in which he urged action by Congress by April 19, proceedings have dragged on through the Committee on Foreign Relations, which worked very ardently and arduously on this matter. But, even so, in the committee and after the bill has been reported to the floor, there seems to be a singular lack of sense of urgency.

I had hoped that the Senate would act on this bill yesterday. I certainly hope it will act today. Every day that goes by imperils the safety of those Americans and their dependents who remain in Saigon.

I hope that we will be able to say, paraphrasing the words of a dying king, that nothing so becomes our situation in Vietnam as our manner of departing from it. I think we should do this with grace and dignity and, above all, with compassion and concern for those whose security is at stake and on the line in South Vietnam.

I do not see why we should not act on this bill today. I understand that some people do not want to act on it. I think that the greater good and the greater need is to accept the sense of urgency, to vote on this bill, and to send it to conference with the other body, which is likely to vote on a somewhat similar bill today.

I am bound to say—although I had hoped to restrain myself from saying it—that I do not see this sense of urgency being exhibited by the Senate. I regret very much the risk which is needlessly being taken by not clarifying the extent of the willingness of Congress to extend humanitarian aid and to extend authority to the President to bring about the earliest possible withdrawal of the remaining Americans and their dependents and such South Vietnamese nationals as may be able to withdraw. I wish we could convey the urgency which is felt among the people and in the press and which, Lord knows, must be felt on the part of our Americans overseas. I hear it everywhere I go.

When we had the Bangladesh situation, we did not hesitate to extend humanitarian aid. We had problems in Africa. We hurried to extend humanitarian aid with the droughts and famines in India and elsewhere. We hurried to extend humanitarian aid. We brought 650,000 people out of Cuba.

Can the reason be that these are people who have lived under a regime or in an area of a certain sort, to be differentiated from those who lived under a regime or in an area of a different sort?

I think it is highly graceless for us not to act within this sense of urgency. I am going to plead again with my colleagues that we try to get rid of this bill today. There really is no reason for delaying it of which I am aware. The distinguished majority leader made the same plea yesterday, that he hoped we could vote on the bill today.

I believe that we are endangering the safety of Americans in Vietnam by the slow pace of the Senate of the United States. I have such pride in this body that I never like to be critical, but I think now is the time.

Mr. GRIFFIN. Mr. President, will the minority leader yield, to allow me to add a thought?

Mr. HUGH SCOTT. I yield.

Mr. GRIFFIN. As a practical matter, it should be observed that if we could pass the bill today and if the House should pass its version today, as expected, there is at least a hope and a possibility that a conference agreement might be completed this week and that we could have final action. But if it goes over until tomorrow in the Senate, then the prospects of a final vote on a conference report fades into sometime next week, which certainly is no evidence of a sense of urgency.

Mr. HUGH SCOTT. Some of the Senators who have been critical of the use of the filibuster should avoid the kind of foot dragging which I think I have observed in committee and since the bill has been reported to the floor, which in a sense amounts to a minifilibuster against mercy, whether so intended or not.

I hope that Senators will take this with the utmost seriousness, because our American people in Saigon must be wondering whether the Senate of the United States has the message of their dire peril and of the risky situation with which they are confronted.

I want to stay within the limits of restraint, because this is in no sense political. Some of this unwillingness to move may exist on my side of the aisle, for all I know; but wherever it exists, my point is that it should not exist.

Mr. MANSFIELD. Mr. President, first may I say that, in my opinion, a minifilibuster is not being conducted on the floor of the Senate against the unfinished business, nor was a filibuster taking place in the Committee on Foreign Relations during the consideration of this measure last week. Frankly, if it had not been for the delay in the Foreign Relations Committee, the evacuations which already have taken place would be behind the schedule which has been maintained since the active interest of the committee was displayed.

Also, I think we should not compare this legislation to assistance in Bangladesh, in Africa, in India, and elsewhere, because in those places we were not involved militarily or semimilitarily.

Members feel that we should be most careful in facing up to the situation in South Vietnam, to the end that there will be no way for a possible military reinvolvement by this country. Therefore, they have a responsibility and a right to study legislation of this nature, covering evacuation and humanitarian assistance, with the utmost care.

May I say, Mr. President, that in my opinion, the President has the authority under the Constitution to use the military for the evacuation of Americans, period. Furthermore, I think, as far as the Department of Defense is concerned, that it has plenty of funds to use for evacuation purposes extending far beyond the $100 million in this bill, and it is my understanding, from reading the public print, that they have in the South China Sea, off the coast of South Vietnam, at least a dozen warships of various categories, and additional ships, as well.

It is my understanding, again from reading the public print—I have not seen the report of the State Department as yet as to the status of the evacuation process—that on yesterday, Saigon time, we did reach the level of 1,500 essential personnel who are supposed to remain there—in that vicinity. Frankly, I find it difficult to understand why there should be 1,500 essential Americans in an area of increasing danger, and I hope that that number will be decreased considerably.

I do not know just how effective the evacuation is, because it seems that we have people landing in every part of the United States and in friendly countries, as well. Clark Air Force Base is overloaded at the present time. They are talking of tens of thousands being sent to Guam, and at least 100,000, I assume, maybe much more, eventually being sent to this country.

So, while I should like to get to a vote on this measure as soon as possible, and I say this as one who voted against it in committee and intend to vote against it on final passage, I should have liked to see it voted on Monday or Tuesday. But I think that the Senate has a right to study this most carefully.

It is possible that this bill will be finished today. If not, I hope that it will be possible to reach an agreement to vote at a time certain sometime tomorrow morning. But I think every Senator is entitled to be given the consideration from the leadership which the leadership would expect from every Senator.

Mr. HUGH SCOTT. Mr. President, I wish to have the record show that the figure of Americans alone is rather close to what the distinguished majority leader said. The figure of Americans plus dependents still there is somewhat higher, because at least 300 additional dependents, I am informed, were discovered yesterday coming in from various sources to ask for an opportunity to withdraw from the country.

I have to stand by what I said. The President does not have the authority to evacuate those South Vietnamese nationals, without our action in Congress, some of whom have extraordinarily secret intelligence information, some of whom are Communist defectors who would undoubtedly be slaughtered if they do not get out, some of whom have committed themselves and their lives and their future careers to the assistance of the Americans when our military presence was there. We should, I think, assist

all those to get out that we can, just as we have shown mercy and consideration with regard to people who are in flight from oppression and aggression in other parts of the world.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that I may discuss a few matters with the distinguished Republican leader.

There being no objection, the Senate, at 10:15 a.m., recessed until 10:18 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. FORD.)

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Murray Flander of my staff may have the floor during consideration of the Vietnam bill.

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

Mr. HASKELL. Mr. President, I ask unanimous consent that Betsy Moeller and Dayton Olson of my staff may have the privilege of the floor during the consideration of S. 1484.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

NOMINATION OF STANLEY K. HATHAWAY

Mr. HASKELL. Mr. President, I ask that the record show that I would like to be consulted on any potential unanimous-consent requests involving the nominaiton of Stanley K. Hathaway to be Secretary of the Interior.

MESSAGE FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 percent of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 percent of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL APPROPRIATION TO PAY CLAIMS AND JUDGMENTS—(S. DOC. 94-40)

A communication from the President of the United States transmitting a proposed supplemental appropriation request of $34,338,038 to pay claims and judgments rendered against the United States; to the Committee on Appropriations, and ordered to be printed.

PROPOSED APPROPRIATION LANGUAGE CHANGE—(S. DOC. 94-38)

A communication from the President of the United States transmitting a proposed appropriation language change for the fiscal year 1975 for the National Commission on Supplies and Shortages; to the Committee on Appropriations, and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF STATE AND THE USIA—(S. DOC. 94-39)

A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1975 in the amount of $11,056,000 for the Department of State and the U.S. Information Agency; to the Committee on Appropriations and ordered to be printed.

REPORT OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

A letter from the Acting Chairman, Equal Employment Opportunity Commission, reporting on further violations under section 3679 of the Revised Statutes; to the Committee on Appropriations.

APPROVAL OF LOAN TO CORN BELT POWER COOPERATIVE

A letter from the Administrator, U.S. Department of Agriculture, reporting, pursuant to law, approval of a loan to Corn Belt Power Cooperative of Humboldt, Iowa, in the amount of $3,296,000 for the financing of certain generation facilities (with accompanying papers); to the Committee on Appropriations.

ESTIMATE OF SUPPLEMENTAL APPROPRIATION

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on the need for a supplemental appropriation for the Department of Health, Education, and Welfare for "Special Benefits for Disabled Coal Miners"; to the Committee on Appropriations.

STATISTICAL SUPPLEMENT, STOCKPILE REPORT

A letter from the Acting Assistant Administrator, General Services Administration, transmitting, pursuant to law, the Statistical Supplement, Stockpile Report, for the period ending December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS OF EMERGENCY SUPPLIES AND EQUIPMENT

A letter from the Acting Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, a report on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EXIMBANK LOAN, GUARANTEE AND INSURANCE TRANSACTIONS

A letter from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank from November 1, 1974, through January 28, 1975, to Communist countries (as defined in sec. 620(f) of the Foreign Assistance Act of 1961, as amended) (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Vice President, Government and Public Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers per day on board each train, and the on-time performance at the final destination of each train operated, by route and by railroad, for the month of February 1975 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, a report of the Council covering the period July 1, 1973, through June 30, 1974 (with an accompanying report); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office released in March 1975 (with an accompanying document); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing the ineffectiveness of Federal attempts to coordinate juvenile delinquency programs (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improving federally assisted family planning programs, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on controls on use of psychotherapeutic drugs and improved psychiatrist staffing needed in Veterans' Administration hospitals (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on questionable effectiveness of the 8(a) procurement program, Small Business Administration (with an accompanying report); to the Committee on Government Operations.

PROPOSED REGULATIONS AMENDING PART B OF THE EDUCATION OF THE HANDICAPPED ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, proposed regulations amending part B of the Education of the Handicapped Act (with ac-

companying papers); to the Committee on Labor and Public Welfare.

REGULATIONS GOVERNING THE COMMUNITY SCHOOLS ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, regulations governing the Community Schools Act—notice of proposed rulemaking (with accompanying papers); to the Committee on Labor and Public Welfare.

FINAL REGULATIONS FOR THE FOLLOW THROUGH PROGRAM

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Follow Through Program under title V of the Economic Opportunity Act of 1964, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

FINAL REGULATIONS FOR STATE-ADMINISTERED ADULT EDUCATION PROGRAMS

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for State-administered adult education programs under the Adult Education Act, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

PRESENTATION OF A PETITION

Mr. PASTORE. Mr. President, I send to the desk for myself and my colleague, Senator PELL, a resolution adopted by the General Assembly of Rhode Island memorializing Congress to subsidize the Rhode Island utility companies if their continued existence is jeopardized by the reduction of rates for the elderly and ask that it be printed in the CONGRESSIONAL RECORD and referred to the proper committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolution, which was referred to the Committee on Commerce, is as follows:

RESOLUTION

Resolved, That the members of Congress of the United States be and they are hereby respectfully requested to study the possibility of subsidizing the Rhode Island utility companies if their continued existence is jeopardized by the reduction of rates for the elderly; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the senators and representatives from Rhode Island in the Congress of the United States.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—REPORT OF A COMMITTEE (REPT. NO. 94–77)

Mr. BUCKLEY, from the Committee on the Budget, submitted part 2 of Report No. 94–77, which was entitled "Errata of Additional Views," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. EASTLAND, from the Committee on the Judiciary:

Ramon M. Child, of Utah, to be U.S. attorney for the district of Utah.

(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.)

HOUSE BILL REFERRED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 2808, to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, which is at the desk, be considered to have been read twice by its title and referred to the appropriate committee.

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

The bill (H.R. 2808) was referred to the Committee on Interior and Insular Affairs.

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. METCALF:

S. 1506. A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 1507. A bill to amend Title 38, United States Code, to establish the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. McINTYRE (for himself, Mr. KENNEDY, Mr. HUMPHREY, Mr. MONDALE, and Mr. BAYH):

S. 1508. A bill to require that certain information about gasoline be disclosed to consumers. Referred to the Committee on Commerce.

By Mr. MONDALE (for himself, Mr. MAGNUSON, and Mr. MOSS):

S. 1509. A bill to prohibit pyramid sales transactions, and for other purposes. Referred to the Committee on Commerce.

By Mr. BROCK:

S. 1510. A bill to increase the appropriation authorization relating to the Andrew Johnson National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 1511. A bill to amend the Internal Revenue Code of 1954 to insure the confidentiality of individual income tax returns and to provide procedural safeguards governing access to such returns by government agencies. Referred to the Committee on Finance.

By Mr. SPARKMAN (by request):

S. 1512. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

By Mr. RANDOLPH (for himself and Mr. BAKER):

S. 1513. A bill to extend the Appalachian Regional Development Act of 1965. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METCALF:

S. 1506. A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials, and Fuels of the Senate Committee on Interior and Insular Affairs has scheduled a meeting on June 4.

We plan to hear Ambassador John R. Stevenson, Special Representative of the President for the Law of the Sea Conference. He will have recently returned from the current session of the United Nations Law of the Sea Conference in Geneva.

Members of the subcommittee, and of other committees invited to attend, will be interested in his report on specific progress toward international agreement; the probability by the end of this year of an agreement with which the United States can live, and recommendations for domestic legislation either to implement a treaty or to permit the United States to exercise at least some measure of control over our nationals as they head seaward for resources vital to our economy pending international agreement in this complex area.

I have called this hearing to the attention of the chairmen of the Senate Committees on Armed Services, Commerce, and Foreign Relations. We will welcome their participation and that of their staffs.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

Mr. President, I am today introducing legislation which would honor the Nation's Bicentennial celebration by preserving the only remaining unspoiled portion of the mighty Missouri River. I refer to the 175-mile segment downstream from the city of Fort Benton, Mont., otherwise known as the "Missouri Breaks."

Equally as important as its unspoiled character, the segment also includes intact the original route traversed by Merriweather Lewis and William Clark when they explored the upper reaches of the river over 170 years ago. It contains 14 original campsites used by the famous trailblazers, plus the magnificent panorama which they described in their journal of travels.

The bill which I introduce today has benefits for all Americans, including Montanans generally and those farmers and ranchers who pursue their livelihood along the banks of the Missouri. The legislation insures for recreationalists a glimpse of unrivaled beauty and history revisited. It also protects the pastoral way of life for inhabitants of the affected zone by banning indiscriminate commercial development which would intrude upon that life.

There is no question about the untrammeled beauty and physical variety of this historic segment of the Missouri. Here the river forces its way through a

rugged and relatively wild area, passing down through a succession of rapids and through a valley which is in places rocky, compressed and barren and in others broad, alluvial and pleasantly timbered with willows and cottonwoods. This essentially step-like nature of the river has caused it to be known as "the breaks of the Missouri."

This section of the Missouri also provides one with views of a variety of wildlife, including antelope, mule and white-tail deer, bighorn sheep, beaver, and muskrat. One can also see eagles circling high over the river and observe blue herons and numerous species of waterfowl. And, of course, the fishing is excellent.

Mr. President, I have modified this legislation since its initial submission in 1971 so as to afford to the area's farmers and ranchers the greatest possible protection of their agricultural interests. The bill specifically provides that the area in question shall be administered in accordance with the provisions of the Taylor Grazing Act. It provides for continued withdrawal of water from the river for agricultural purposes.

It makes provision for the construction of a much-needed bridge to service agricultural communities in central Montana. It specifically forbids the Secretary of the Interior from condemning lands except in limited access situations. I believe these changes are constructive and strengthen the legislation. I have received expressions from individual members of the farming and ranching community and look forward to additional suggestions and comments when hearings are held on the measure later this summer in Billings.

Getting into the specifics of the legislation, Mr. President, the bill provides for the acquisition of not more than 180,000 acres of land and interests therein along the Missouri. Of the total acreage, 7.6 is State property, 36.4 is privately owned, and 56 percent is Federal land currently administered by the Bureau of Land Management. It may not be necessary to use the entire 180,000 acres, but a generous figure is supplied in order to insure rim-to-rim protection of the river. Normally, components of the National Wild and Scenic Rivers System are fast-moving streams which flow through forested areas and hence need only narrow corridors for protection. The Missouri, however, meanders through different types of terrain; its corridor will vary considerably in width.

The bill encourages State and local zoning consistent with the purposes of the National Wild and Scenic Rivers Act and it provides for hunting and fishing within the boundaries of the project.

The Missouri Breaks have been the subject of numerous studies by various Federal agencies since 1960. It is my understanding that the Bureau of Outdoor Recreation of the Interior Department has completed a staff study recommending preservation of a significant portion of the Breaks area. Any administration proposal which might flow from the Bureau of Outdoor Recreation study would not be expected to contain the concessions to the agricultural community contained in my bill.

Since I introduced my original proposal in 1971, it has received strong endorsements from an impressive number of local, State and national organizations, as well as from a great many private citizens in Montana and elsewhere.

I emphasize again, Mr. President, my conviction that there can be no more worthwhile and fitting way for us to celebrate our Bicentennial year than by placing this historic and beautiful section of the Missouri River in Montana under permanent protection.

I introduce the bill at this time and ask unanimous consent that its text be printed at this point in the RECORD.

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

S. 1506

A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907), as amended (16 USC 1274(a) et seq.), is further amended by adding at the end thereof the following new paragraph:

"(11) MISSOURI, MONTANA.—The segment from Fort Benton one hundred and seventy-five miles downstream to Robinson Bridge, as generally depicted on the boundary map entitled "Missouri Breaks Scenic Recreation River", dated February, 1975: *Provided,* That such river segment shall be administered by the Secretary of the Interior in accordance with the provisions of this Act, and in accordance with the provisions of the Taylor Grazing Act (48 Stat. 1269), as amended (43 USC 315), with any other authorities available to him for the management and conservation of natural resources and the protection and enhancement of the environment, and under principles of multiple use and sustained yield, where such Act, authorities, and principles are consistent with the purposes and provisions of this Act: *Provided further,* That there are authorized to be appropriated such sums as are necessary for the purpose of this river segment."

SEC. 2. After consultation with the State and local governments and the interested public, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall, pursuant to section 3(b) of the Wild and Scenic Rivers Act and within one year of enactment of this Act, established detailed boundaries of the river segment designated as a component of the National Wild and Scenic Rivers System pursuant to section (1) of this Act (hereinafter referred to as the "river") determine, in accordance with the guidelines set forth in section 2(b) of the Wild and Scenic Rivers Act, which of the three classes—wild river, scenic river, or recreation river—best fit portions of the river and so designate such portions; and prepare a management plan for the river area in accordance with such designations.

SEC. 3. (a) The Secretary may acquire lands and interests in land within the river area: *Provided,* That he shall not acquire fee title to more than 180,000 acres, providing rim-to-rim protection, on both sides of the river: *Provided further,* That, in recognition of the public ownership of more than 50 per centum of the entire acreage within the river area, in accordance with section 6(b) of the Wild and Scenic Rivers Act, the Secretary shall not acquire fee title to any lands by condemnation under the authority of this Act or the Wild and Scenic Rivers Act, except that the Secretary may use condemnation when necessary to clear title or to acquire scenic easements or such other easements as are reasonably necessary to give the public access to the river and to permit its members to traverse the length of the area or of selected segments thereof: *Provided further,* That all other restrictions on the acquisition authority of the Secretary provided in section 6 of the Wild and Scenic Rivers Act shall be fully applicable to this Act.

(b) To the extent feasible acquisition and development of campsites and historical sites shall be given priority in expenditure of funds pursuant to this Act.

SEC. 4. (a) Consistent with the provisions of this Act and the Wild and Scenic Rivers Act, the Secretary may issue easements, licenses, or permits for rights-of-way through, over or under the lands in Federal ownership within the river, or for the use of such lands on such terms and conditions as he deems necessary.

(b) The Secretary shall permit the construction of a bridge across the river in the general vicinity of the community of Winifred, Montana, in order to accommodate the flow of north-south traffic. Such construction shall be in accordance with a plan which is mutually acceptable to the Secretary and State and local highway officials, and which is consistent with the purposes of this Act and the Wild and Scenic Rivers Act. The Secretary is further authorized to permit for agricultural purposes only pumping facilities and associated pipelines within the river area as may be necessary in order to assure the continuation of an adequate supply of water from the Missouri River to the owners of lands adjacent to the river.

SEC. 5. The Secretary shall permit hunting and fishing in the river area in accordance with applicable Federal and State laws, except that he may designate zones where, and periods when, no hunting or fishing shall be permitted for reasons of public safety or administration.

SEC. 6. Nothing in this Act shall affect the applicability of the United States mining and mineral leasing laws within river area except that—

(i) all prospecting, mining operations, and other activities on mining claims in the river area which have not heretofore been perfected and all mining operations and other activities under a mineral lease, license, or permit issued or renewed after enactment of this Act shall be subject to such regulations as the Secretary of the Interior may prescribe to effectuate the purposes of this Act and the Wild and Scenic Rivers Act;

(ii) subject to valid existing rights, the perfection of, or issuance of a patent to, any mining claim affecting lands within the river area shall confer or convey a right or title only to the mineral deposits and such rights only to the use of the surface and the surface resources as are reasonably required to carrying on prospecting or mining operations and are consistent with such regulations as may be prescribed by the Secretary; and

(iii) subject to valid existing rights, the minerals in Federal lands which are part of the river area or are situated within one-quarter mile of the bank of any river portion designated a wild river are hereby withdrawn from all forms of appropriation under the mining laws and from operation of the mineral leasing laws including, in both cases, amendments thereto.

Regulations issued pursuant to paragraphs (i) and (ii) of this subsection shall, among other things, provide safeguards against pollution of, and unnecessary impairment of the scenery within, the river.

By Mr. BENTSEN:

S. 1507. A bill to amend title 38, United States Code, to establish the per annum

full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes. Referred to the Committee on Veterans' Affairs.

Mr. BENTSEN. Mr. President, I am introducing today a measure which addresses a problem of growing concern within our Veterans' Administration hospital system.

Since January 1971, medical personnel in the VA have been subject to a salary freeze of $36,000 per annum. As of last October, some 1,850 VA physicians and dentists were locked in at that maximum. Many had been held at the $36,000 level throughout the entire 4-year period, a time in which the cost of living increased 31 percent. Moreover, with last year's 5.52 comparability pay increase, an additional 835 medical personnel were brought up to the maximum level. Thus, no less than 40 percent of the VA's full-time physicians and doctors are now subject to the freeze.

The salary freeze has resulted in severe professional personnel problems within the VA. Many highly skilled, experienced doctors have left, or will soon leave, the VA to take comparable, but better paying, positions elsewhere. In many instances, these dedicated individuals choose positions with the armed services, the Public Health Service, or university hospitals to continue their life's work, and I would emphasize that none of those institutions impose similar salary restrictions.

Not only have well qualified, broadly experienced medical personnel thus been lost, but during the past 5 years the VA has also experienced growing difficulty in recruiting young medical graduates to serve in its hospitals. Administrators throughout the system report reluctance on the part of nearly all potential applicants to accept positions with the VA. Those administrators also report particular difficulty in attempting to recruit medical specialists. At many facilities, radiologist, psychologist, neurologist, pathologist, and other specialized services are now available on a part-time basis only because the inability to attract full-time specialists has led to wholesale use of sharing arrangements with nearby non-VA institutions. Such sharing arrangements should never be more than a temporary solution to a crisis situation, and yet if present trends continue, I fear that nearly all of our VA facilities will have to rely on medical specialists who can provide only a fraction of their work day.

Increasingly, the VA has had to turn to foreign-trained medical personnel. No less than 31 percent of the total full-time physician force in the VA are foreign graduates. Foreign graduates now comprise one-third of the VA's full-time psychiatrists and nearly one-half of its pathologists and physical medicine specialists. According to data gathered by the House Veterans' Affairs Committee, foreign medical graduates already constitute from 50 to 60 percent of the full-time staff in many VA facilities, and in some, the number has reached 90 percent.

Many of the foreign-trained doctors in the VA are providing skilled, dedicated service, but the record indicates that many are apparently less than fully qualified. Of all the foreign graduates hired as full-time VA physicians last year, only 9.2 percent were board certified. Moreover, in many instances, language barriers now exist between veteran patients and some of these foreign physicians. Patient-doctor communication is absolutely essential to guarantee adequate care, and yet too frequently, foreign-trained doctors not fluent in English fail to understand the veteran's medical complaints or the veteran patient fails to understand the doctor's explanation of his illness.

The growing attrition of experienced doctors, the difficulty in recruiting and retaining skilled specialists, and the growing reliance upon foreign-trained medical personnel can translate, I fear, into a serious decline in the quality of medical care provided by the VA. Local administrators across the country are making valiant efforts to overcome these obstacles, and dedicated medical personnel are foresaking more rewarding positions to provide a continuity of quality service. But their efforts may soon no longer suffice.

Last autumn, the Veterans' Administration submitted a report on the quality of patient care in VA hospitals and clinics across the country. The report noted—

> The most critical problem confronting the Department of Medicine and Surgery is the recruitment and retention of an adequate staff of well qualified personnel essential to providing high quality health care . . . health care personnel are all affected adversely by the current pay schedules and for physicians and dentists the problem is accentuated by the limitation of salary levels to $36,000 per annum. The situation is now becoming critical because the country is experiencing its worst period of inflation in two decades and opportunities for better renumeration are readily available elsewhere.

It urged the Congress to lift the $36,000 ceiling and provide new incentives for attracting and retaining top-flight personnel.

Last month, the Veterans' Affairs Committees received testimony from a number of veterans' organizations. Several of these also commented on the serious consequences of maintaining the current salary freeze. Harold B. Say, of the Veterans of World War I of the USA, Inc., stated the case most forcefully—

> It is essential to up inducements to hold competent doctors and technicians, and we feel the Congress should take steps to accomplish this end.

I am, therefore, today introducing a measure which addresses this serious problem. My bill, introduced by Congressman DAVID SATTERFIELD in the House as H.R. 1545, provides for an incentive system granting an increase of up to 25 percent for those physicians and dentists currently at the maximum allowable salary. That would permit an increase in maximum salary to $45,000 a year, a level approaching the top-grade levels in the Armed Forces and the Public Health Service.

The measure also provides for a paid sabbatical of up to 6 months for a physician, dentist, or nurse who has served full time for 7 years with the VA. A similar 3-month period is authorized following completion of each additional 5 years of service. That is an important incentive for the recruitment and retention of quality personnel, and it will also enhance the quality of care provided by encouraging mid-career personnel to expand their research and to take additional professional courses.

By Mr. McINTYRE (for himself, Mr. KENNEDY, Mr. HUMPHREY, Mr. MONDALE, and Mr. BAYH):

S. 1508. A bill to require that certain information about gasoline be disclosed to consumers. Referred to the Committee on Commerce.

CONSUMER FUEL DISCLOSURE ACT OF 1975

Mr. McINTYRE. Mr. President, today I am introducing a bill that will do a number of positive things. First, it will end the confusion that exists in the purchase of gasoline by requiring that octane numbers for gasoline be posted on gasoline pumps and in new car manuals. Second, it will save consumers money. Third, it will cut down on the amount of lead in the air, and last, it will save energy.

This bill, the Consumer Fuel Disclosure Act of 1975, is something that will cost us very little.

First, this bill will have a strong pro-consumer effect. It will end what has come to be known as "overbuying."

In the past, buyers of gasoline have tended to buy gasoline with a higher octane than needed for proper operation of their cars. For instance, a buyer with a car that runs on regular grade gasoline, 94 research octane number, has been taught that his car will run better if he buys a higher octane, premium grade, 100 research number, gasoline.

This is untrue. Not only is the consumer buying gasoline with an octane higher than the car can effectively use, but he is paying an extra 4 or more cents for the privilege. He is overbuying.

Second, to this end, I would require that gasoline octane numbers be explicitly stated, both on the gasoline pump and in a new car auto manual.

I estimate that this alone could save the consumer who is overbuying gasoline an average of $24 a year.

Third, according to information from the Public Interest Campaign, my bill will have a strong, positive environmental effect.

Today, most cars use leaded gasoline. To increase the octane number of gasoline, it has generally been necessary to increase the amount of lead in gasoline. Reduction in overbuying of gasoline could conceivably cut lead emissions from automobiles by as much as 35 percent, according to the PIC. Clearly, this is an

environmental boon with no cost to the consumer. And it would help to meet a 65 percent reduction in lead levels as required by the Environmental Protection Agency in 1980—and we could do it now.

Lastly, we should achieve a savings of energy with this bill. According to information put together by the Public Interest Campaign, we use an extra 63,500 barrels of oil every day because of overbuying. It also takes another 7,900 barrels of oil per day to produce that unneeded high octane gasoline. That, I am told, means that we are wasting enough oil to produce 1.24 million gallons of gasoline every day.

HISTORY OF OCTANE POSTINGS

The need for octane posting has been seen for a long time. As early as 1937, Consumers Union recommended octane posting on gasoline pumps. But it was July 30, 1969, before the Federal Trade Commission published a notice of proposed rulemaking to require octane posting on pumps. Then in December 1970, almost 18 months later, the FTC published a rule that research octane numbers must be posted on gasoline pumps by June 28, 1971. But on April 13, 1971, the FTC postponed octane posting because of questions raised by Texaco about the reliability of research octane numbers alone as the measure of gasoline octane. Then in August, the FTC postponed octane posting indefinitely. On December 16, 1971, almost 2½ years after the original proposal, the FTC promulgated that octane posting according to the Texaco system become the law on March 15, 1972. Four days after that, on December 20, 34 oil companies asked for injunctive relief from the FTC regulation. On February 9, the courts stayed the FTC rule, and in April ruled that the FTC had exceeded its authority. So octane posting was postponed.

But all was not lost. On June 27, 1973, the court of appeals ruled that the FTC had not exceeded its authority, but the oil industry appealed that decision on July 13, 1973, to the Supreme Court. Last year the Supreme Court refused to hear the case.

But in the meantime, the Cost of Living Council promulgated a rule requiring octane posting. I prodded the Council with a letter, and I ask unanimous consent to have my letter inserted in the RECORD at this point.

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

SUBCOMMITTEE ON
FINANCIAL INSTITUTIONS,
June 28, 1973.

Dr. JOHN T. DUNLOP,
Director, Cost of Living Council,
Washington, D.C.

DEAR DR. DUNLOP: It is my understanding that in an effort to increase domestic gasoline supplies a number of oil companies are cutting the octane levels in their products.

A recent article in a petroleum trade publication, THE OIL DAILY, indicated that a number of companies have, in fact, decreased the octane content of gasoline and, in so doing, have increased gasoline production. THE OIL DAILY reports that the estimates of increases in gasoline production through cutting octane levels may be as much as 3% to 5%. The article goes on further to state that "An old rule of thumb at the wholesale level was one-eighth cent a gallon per number." The relationship between the octane level in gasoline, the quality of the product, and the corresponding profit on production of lower grade gasoline is obvious. My information indicates that several oil companies, including B.P., Mobil, Gulf, Citgo, Union "76", Ashland, and Tenneco, have begun reducing octane levels.

While it is clearly necessary to resolve our present supply situation regarding gasoline and other petroleum products, it seems unfair to the consuming public to be called upon to pay the present high price for a "watered down" product. What apparently is happening is that the refiners are cutting octane in order to increase production while, at the same time, selling this lower grade product at the price normally charged for higher grade gasoline.

In view of the fact that there is presently a Federal price freeze in effect, it would appear that by lowering the octane rating of gasoline, the net effect is that the company so doing is obtaining a direct price increase. If this practice is allowed, the companies engaged in this activity will be charging the American consuming public a price based on one quality of product when, in effect, a lower grade is being sold.

I urge that the Cost of Living Council immediately investigate this situation to determine whether the lowering of octane levels in gasoline products is not, in fact, a price increase.

Sincerely,

THOMAS J. MCINTYRE,
Chairman.

Mr. McINTYRE. After that, in August 1973, the Cost of Living Council instituted its regulation. But rather than use straight research octane number postings, the COLC required the use of the Texaco formula, which is an average of research octane number and motor octane number. This resulted in octane postings that were about four numbers below the research octane number that we had all used for years.

Then the COLC regulation expired with the COLC in 1974.

Now, the Federal Energy Administration has required posting of octanes under its authority, using the same formula, on February 11. While I have not seen many of the octane postings that the FEA is requiring, I have questions about the FEA system—the same questions I had about the COLC system.

IMPROVING THE FEA SYSTEM

The FEA system, like the COLC system, uses an average of research octane number and motor octane number—the same system proposed by Texaco in 1971. This means that the numbers that should be posted on gas pumps are these: premium—about 96; regular—about 90, and economy—about 86 to 88. Unleaded regular is about 87.

While this system has technical merit, I am told, because it maintains a balance between research octane number and motor octane number, it gives the consumer information that could mislead him. It gives him an octane number that is about four below the research octane number that everyone is used to.

Research octane numbers have traditionally meant that premium equals 100, regular 94, and economy 91. Many owners' manuals specifically state that a new car engine requires at least 91 octane, meaning research octane. But if the FEA system is used, many owners will feel that they must use high-octane gasoline because that is the only gasoline under the FEA system that would have an octane number over 91.

To solve this problem, I propose that we require by law, rather than regulation, that the FEA require gasoline octane posting and that the power pass to its successors if the FEA ceases to exist. In that way we do not see a replay of the end of the Cost of Living Council.

Second, I require, by formula in this bill, that the number four be added to the total now posted on pumps. This will mean that motor octane number and research octane number are balanced in the gasoline, but the consumer will see a number that he has known for years when he buys his gasoline.

Clearly, one system is better than the several systems we have today. New car manuals, for instance, sometimes recommend the FEA system, others recommend an American Petroleum Institute number, still others recommend the use of research octane number, and so on.

Mr. President, the time has come to clear this up with law. We cannot depend on regulation.

I ask unanimous consent that the full text of the Consumer Fuel Disclosure Act of 1975 together with a table be printed in the RECORD at this point.

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

S. 1508

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 "Consumer Fuel Disclosure Act of 1975".

SEC. 2. The purposes of this Act are——

(1) to assist consumers in avoiding the purchase of automotive gasoline with octane ratings unnecessarily high for the proper operation of their automobiles; and

(2) to enhance competition in the sale to consumers of automotive gasoline.

SEC. 3. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Federal Energy Administration or any successor agency;

(2) "automobile" means any vehicle driven or drawn by mechanical power manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails;

(3) "consumer" means any person who purchases gaoline for an automobile for purposes other than resale;

(4) "gasoline" means gasoline used in automobile engines, but does not include fuel dispensed for use in airplane engines, boat engines, or other engines used in non-automotive forms of transportations; and

(5) "interstate commerce" means commerce between any place in a State and any place in another State, or between places in the same State through another State;

(6) "octane rating" means the measurement of the anti-knock characteristics of gasoline for use as an automotive fuel, measured as one-half the sum of research octane number plus the motor octane number plus four;

(7) "retail distributor of gasoline" means a persons who sells gasoline to a consumer; and

(8) "State" means each of the several

States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

PROVISION OF FUEL INFORMATION

SEC. 4. (a) (1) After the effective date of this section, the shipment, transportation, or sale of gasoline in interstate commerce, or the shipment, transportation, or sale of gasoline which has been shipped in interstate commerce, is prohibited unless the person offering such gasoline for shipment, transportation, or sale to one other than a consumer has certified in writing at or prior to the time of delivery of such gasoline to the person receiving such gasoline for resale or distribution the octane rating.

(2) After the effective date of this section, the sale to a consumer of gasoline which has been shipped, transported or sold, or is offered for sale, in interstate commerce, is prohibited unless the person offering such gasoline for sale to consumers has affixed to the unit from which gasoline is dispensed to the consumer a label clearly stating the octane rating.

(3) After the effective date of this section, no gasoline which has been shipped or transported in interstate commerce shall be sold or offered for sale to any consumer unless all advertising and other promotional information about such gasoline clearly discloses the octane rating and such other information about such gasoline as the Administrator shall by regulation prescribe.

(b) No automobile manufactured after the effective date of this section which has been manufactured, shipped, or transported in interstate commerce shall be sold or offered for sale to a consumer unless the manufacturer of such automobile provides written information to the buyer of such automobile stating the octane or octanes of gasoline appropriate for use in the engine of such automobile.

(c) The information required to be disclosed under subsection (a) shall meet such requirements as to form and content, and any label required to be displayed shall be affixed in such location on the unit from which gasoline is dispensed, as the Administration shall by regulation prescribe. The information required to be disclosed under subsection (b) shall be posted in or on the automobile or included in literature furnished by the manufacturer to the buyer of the automobile, or both, as the Administrator shall by regulation prescribe.

PENALTIES

SEC. 5. (a) (1) Violation of the provisions of section 4(a) (1) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $5,000 for each day in which any delivery of such gasoline is made.

(2) Violations of the provisions of section 4(a) (2) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $100 for each day on which any sale of such gasoline is made.

(3) Violation of the provisions of section 4(a) (3) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $5,000 for each publication of an advertisement.

(4) Violation of the provisions of section 4(b) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $300 for the sale of an automobile by a manufacturer, and not in excess of $100 for the sale of an automobile by a person other than the manufacturer.

(b) Violation of any provision of this Act or any regulation promulgated under this Act is an unfair or deceptive act or practice in commerce under section 5(a) (1) of the Federal Trade Commission Act.

STANDARDS, STUDIES, AND ENFORCEMENT

SEC. 6. The Administrator shall—

(1) establish standard methods to measure octane and to establish other methodologies and testing procedures to insure the purity and content of gasoline;

(2) conduct a full and complete study of gasoline of which substantial sales in interstate commerce are made, the impact of such gasoline on automobile deterioration, and the feasibility of standardizing gasoline formulas, and report the findings of such study to the Congress; and

(3) perform spot tests of the quality of various brands of gasoline which have been moved in interstate commerce or in commerce affecting interstate commerce, and provide semiannual reports on such testing procedure and the results disclosed by such tests.

TIME FOR ISSUANCE OF REGULATIONS

SEC. 7. The Administration shall issue regulations prescribing the form, content, and location of the information required under section 4 not later than six months after the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. Sections 4 and 5 of this Act shall take effect one year after the date of enactment of this Act.

TABLE I.—ESTIMATED GASOLINE OVERBUYING BY OCTANE GRADE AND CONSUMER NEED, BY YEAR

	1970	1971	1972	1973	1974 (as of Jan. 1)
Premium (100 RON):					
Percentage of cars needing premium	32.3	30.2	27.1	24.0	22.3
Percentage of gas needing to be premium	32.3	27.0	20.1	14.6	12.3
Percentage of gas sold as premium	42.6	41.1	38.1	35.1	33.6
Premium overbuying (percent)	10.3	14.1	18.0	20.5	21.3
Regular (94 RON):					
Percentage of gas needing to be regular	67.7	61.75	52.8	44.4	40.8
Percentage of gas sold as regular	57.4	53.9	56.9	59.9	61.4
Regular overbuying (percent)			4.1	15.5	20.6
Economy (91 RON):					
Percentage of gas needing to be economy	0	11.25	27.1	41	46.9
Percentage of gas sold as economy	0	5	5	5	5
Economy underbuying (percent)		6.25	22.1	36	41.9

By Mr. MONDALE (for himself, Mr. MAGNUSON, and Mr. MOSS):

S. 1509. A bill to prohibit pyramid sales transactions and for other purposes. Referred to the Committee on Commerce.

Mr. MONDALE. Mr. President, I am today introducing a revised and improved version of a bill which received the overwhelming support of the Members of the Senate during the 93d Congress. The bill, which was S. 1939 during the 93d Congress, prohibits the so-called pyramid sales scheme, which has rightly been called America's No. 1 consumer fraud problem.

Although it is impossible to accurately estimate the number of victims of this fraud or the amount of money lost to the pyramiders, we must regard the estimate of the former Chairman of the Securities and Exchange Commission—that these enterprises have taken over $300 million in investment money from the American public—as conservative when we see the SEC recently charging a single company with bilking 80,000 people of more than $250 million.

Suffice it to say that, as the vice chairman of the consumer protection committee of the National Association of Attorneys General has stated to me, these operations are "perhaps the most serious pending consumer fraud problem." In the words of business writer Sylvia Porter, pyramid sales schemes are—

> Among the most vicious and pervasive of all "business-opportunities" swindles flourishing in the United States today.

Although the basic scheme has as many variations as there are companies, the pattern is essentially the same. The pyramid sales organization is composed of a number of different marketing levels. Consumers are encouraged to make an initial investment in a lower level of the organization. This investment yields an inventory of the product which the organization is ostensibly selling—an inventory with an actual value usually considerably below the investment.

The initial investment is usually sought at a high-pressure sales meeting, featuring such tactics as intense peer pressure, the use of shills, inflated promises, and fast-talking speakers.

Once the initial investment is made, the consumer is encouraged to move up along the various marketing levels of the company—by, of course, investing more and more money—on the promise that he will be able to share in the promised, lucrative profits to be earned through the recruitment of still others to join the scheme.

It is consistently made clear that the real "riches" come to those who recruit others to join, not to those who sell the product. Pyramiding is not concerned primarily with retailing a product, but instead with the right to sell the right to sell. Although the pyramiders may push products that range from soaps, cosmetics, cleaning agents, and clothing to gasoline additives, food supplements, burglar alarms, and personality improvement courses and may entice victims through advertisements, mail solicitations, buttonholing on the street, or invitations, their primary concern is with selling the right to recruit.

The pyramid sales scheme presents the innocent consumer with several problems.

First. These operations almost universally use the high-pressure sales tactics of the rally or meeting. The fast-talking, enormous-promising salesman spellbinds

the audience with visions of wealth and rhetorical doubletalk. One pyramid sales organization advised their recruiters to "buy a Cadillac, assure everybody you are making a fortune, hand out big checks at opportunity meetings, advise people they better get in fast because only a few slots are left." Prospective investors bombarded with carefully staged selling talks are misled through the use of shills, making a rational choice impossible.

Second. As readily becomes obvious, there are simply not enough bodies around to keep the promised chain in motion. Assume one consumer is successful in recruiting six "friends" into his scheme, and these friends recruit six more friends. The repetition of this process only nine times would result in a chain of 10,077,696 persons. Obviously, this is a process which cannot be sustained. Simple mathematics makes the pyramid scheme self-defeating. An investigator in New York found that, if all of the people in a single pyramid organization operating in that State were able to make the promised profits, there would be 150 million distributorships in New York alone at the end of the second year.

Finally, although some early investors do occasionally make a profit, the pyramid sales schemes invariably result in large losses for the consumer. In the case of a single company which told its investors to expect $45,600 per year for part-time work and $108,000 per year for full-time work, the SEC found that "90 percent of all investors are currently inactive, while the remainder average a total return of less than $1,000." An investigation of a single company operating in Pennsylvania revealed that only about 26 percent of the money invested in the company was ever recouped by investors. Millions and millions of dollars are lost to pyramid promoters every year.

There are, of course, many ways to deal with a problem like this. Unfortunately, the remedies currently available are woefully inadequate. While the Federal Trade Commission and Securities and Exchange Commission have taken important steps to deal with the pyramid problem, their procedures are time-consuming, their statutes are not specifically tailored to deal with this scheme, and their personnel are limited.

Many States have good laws already on the books to use in their fight against pyramiders. Many States, including my own State of Minnesota, where Attorney General Warren Spannaus has been a leader in vigorously pursuing pyramid sales companies which have taken millions of dollars from Minnesota citizens, have made a sincere and successful effort to eliminate pyramiders. However, their efforts have frequently been frustrated by neighboring States with no law covering these organizations or no enforcement efforts. Pyramiders simply flee to States with weak or nonexistent legislation.

It is because there is now no specific, effective way to promptly deal with pyramiders that I introduce this bill today. I am proud to say that this legislation is cosponsored by the distinguished chairman of the Commerce Committee (Mr. MAGNUSON) and the distinguished chairman of the Consumer Subcommittee (Mr. MOSS).

In brief, the bill imposes criminal and civil penalties on those fraudulent pyramid sales operators who prey on the public with unfounded presentations of future earnings through endless chain promotions.

Specifically, the bill provides for a fine of up to $10,000 or imprisonment for up to 1 year, or both, for those selling or attempting to sell a participation in a pyramid sales scheme.

In addition, any person who induces another person to participate in such a scheme is made liable to that person for three times the amount of the consideration paid, as well as court costs and reasonable attorneys' fees.

Pyramid sales schemes are specifically defined by the bill. I sincerely believe that the definitional language isolates out the fraudulent pyramid sales operation without affecting the hundreds of legitimate companies which do business using commission arrangements or franchise organizations, in which the primary aim is sales to the consuming public rather than recruitment of additional persons into an endless chain.

The bill also provides that either the Department of Justice or the chief law enforcement officer or attorney general of any State in which an illegal pyramid sales practice has occurred may seek injunctive relief in the U.S. district court.

The combination of remedies—prosecution by the Department of Justice for criminal violations, action by an aggrieved person to recover treble damages plus costs and legal fees, and suits brought by either Federal or State authorities to gain injunctive relief—affords the variety and flexibility of procedures necessary to protect the consuming public.

This piece of legislation has been developed in consultation with Federal authorities, State authorities, trade associations, and individual companies. During hearings during the 93d Congress, it received the endorsement of the National Association of Attorneys General, the Securities and Exchange Commission, and the relevant trade associations—the Direct Selling Association and the International Franchise Association.

The legislation also received the approval of the Consumer Subcommittee of the Senate Commerce Committee, the full Commerce Committee, and passed the full Senate during the 93d Congress. I am confident that it offers real promise of ending this enormous consumer fraud.

By Mr. MONTOYA:

S. 1511. A bill to amend the Internal Revenue Code of 1954 to insure the confidentiality of individual income tax returns and to provide procedural safeguards governing access to such returns by Government agencies. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, during the past 2 years it has become increasingly evident that the return filed by every American taxpayer has not been afforded the confidentiality and privacy such an individual and personal document deserves. This was borne out in the hearings of the Senate Watergate Committee, the House Judiciary Committee in its investigations into impeachment of former President Nixon, and the IRS oversight hearings of the Senate Appropriations Committee held only a year ago. All three of these investigations disclosed random and sometimes politically motivated disclosures of the tax returns of many individual taxpayers. Clearly, the tax return is not a confidential document.

Our tax laws, in fact, do not even pretend that tax returns are confidential. Instead, the Internal Revenue Code states that "returns constitute public records." This condition of publicity and disclosure of the most private of our financial lives as represented in our income tax returns is something the Congress may not permit to continue.

Therefore, I am now reintroducing a bill to prevent unauthorized intrusions into the the private lives of the American taxpayer. On August 21 of last year, I introduced S. 3935, my tax return access bill of 1974. The measure I offer today is essentially the same bill, with certain improvements. Under my bill, the IRS and other Federal and State bodies will be prevented from making unnecessary and unwarranted exchanges and disclosure of tax returns and information from tax returns without the knowledge and consent of the taxpayer concerned. Clearly, there are those situations where Government agencies or even individuals must have tax returns or information for purely legitimate purposes. My proposal provides returns for these legitimate purposes, but denies unconsented to examination of tax returns for other than legitimate purposes.

The first part of my bill provides that tax returns are no longer to be considered public records. Hereafter, the income tax return each of us files will be considered confidential. Furthermore, under present law, the President or Secretary of the Treasury can allow any agency or persons to receive and inspect any tax return, or any group of tax returns. Under my bill, such authority would be denied them. The bill would take away this power and leave tax returns open to inspection only in those situations Congress determined were just. The privacy of tax returns requires statutory solidarity, not the flexibility or easily changed structure of the current law.

The first part of my bill also provides that the Commissioner of Internal Revenue may release all the statistical data he desires from tax returns, without disclosing the identity of taxpayers considered. This will be for those agencies who argue that they need tax returns for statistical purposes, including the Bureau of the Census and the Department of Commerce. Their functions will not be impaired, but the sanctity of the indi-

vidual taxpayer's return will be preserved.

The second part of my bill provides that no tax return may be given by the IRS to an individual or agency without written notice and consent of the taxpayer being investigated. This provision, however, does not apply to all agencies. As I stated earlier, some agencies would seem to have legitimate interests in tax return information, interests which weigh equally with the taxpayer's right of privacy. For this reason, excepted from this provision of the bill are the IRS, the Department of the Treasury, which implements so much of our tax policy, and the Department of Justice, when it is dealing with tax matters. Other agencies may get tax returns or tax return information where required for investigations of criminal activities under Federal law. These agencies will be able to get tax returns without notifying the taxpayer simply by proving to the satisfaction of a judge of any U.S. district court that such information is necessary and that there is probable cause to suspect a crime has been committed. If they have no such probable cause or do not really need the tax returns, then they may not get them without the taxpayer's consent. But if they do not really need returns or if there is no probable cause, do we want 15 or more Government agencies looking at our tax returns?

The same provision of my bill also statutorily adopts the broad definition of "return" adopted in the regulations under the Internal Revenue Code. This statutory codification will cement the broad scope of the protections afforded tax returns under this new bill, and lend further assurances to the taxpayers that their returns are, indeed, confidential.

I am sure that certain agencies will protest that this provision is too severe. But, the private facts and confidential information each of us is required by law to divulge to the Government in our tax returns should and must be protected from disclosure in all cases except those where revelation of some of it is absolutely imperative. As Commissioner of Internal Revenue Donald C. Alexander stated, tax return confidentiality is a "balancing of two competing interests." The balance struck by this bill favors neither interest at the expense of the other. The Government will be able to function just as well when tax information is only available in instances of true necessity, and taxpayers will finally be secure in the privacy of their tax return.

Furthermore, agencies requiring only statistical data will be able to get it freely from the Commission. Those requiring tax information for criminal investigations will be able to get it via a summary proceeding in any Federal district court by a mere showing of need and probable cause. Other agencies can get the returns with the consent of the taxpayers, or by going to court. If this is inconvenient to the agencies, then the inconvenience would appear small compared to the necessity of insuring the confidentiality of income tax returns.

The third portion of my bill increases the penalties for violations of these guarantees of confidentiality. Under current law it is only a misdemeanor to knowingly disclose tax returns or return information in violation of the guarantees of confidentiality of the Internal Revenue Code. My bill would make the crime a felony, with the attendant potential for loss of civil rights under some State laws. Furthermore, my bill would increase the penalties to a fine of up to $10,000 or imprisonment of up to 5 years, or both. Furthermore, while the current law punishes the discloser of tax information, though only mildly, it does not punish the person who knowingly receives tax information given him in violation of the law. My bill would add a new crime of unauthorized receipt of tax returns or return information, with penalties equal to those of the unauthorized disclosure crime.

The provision of my bill would bring a new sense of confidentiality and security to all Americans in connection with the tax returns we are required to file each year. It would permit disclosure of such returns to agencies and individuals, only with the knowledge and consent of the taxpayer, except for the cases where some other legal means is required by the operations of the criminal justice system or where only statistical data is needed. This bill strikes that "balance" Commissioner Alexander referred to, and provides both a workable means for agencies requiring tax information to obtain it and the privacy and confidentiality currently unavailable to the American taxpayer.

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

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

S. 1511

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 "Tax Return Privacy Act".

SEC. 2. AMENDMENT OF SECTION 6103.

(a) RETURNS AS CONFIDENTAL.—Section 6103 (a) of the Internal Revenue Code of 1954 (related to public records and inspection) is amended—

(1) by striking out the caption of subsection (a) and inserting in lieu thereof the following: "Confidential Nature of Returns.—", and

(2) by striking out "public records" each place it appears in paragraph (1) and (2) and inserting in lieu thereof "confidential records".

(b) INSPECTION OF RETURNS BY GOVERNMENT AGENCIES.—Section 6103 of such Code (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended by adding at the end thereof the following new subsection:

"(g) TAXPAYER CONSENT.—

"(1) GENERAL RULE.—In addition to the requirements imposed under any other provision of this section and except as provided in paragraph (2), (3) or (4), no person and no agency of the Government of the United States, or of any State or political subdivision of a State, shall be permitted to inspect a return of tax filed with the Internal Revenue Service by a taxpayer unless—

"(A) the Secretary or his delegate notifies the taxpayer in writing of the request to inspect such return, and

"(B) the Internal Revenue Service receives written consent from such taxpayer to such inspection.

The notice required under subparagraph (A) shall specify the name of the person or agency requesting permission to inspect the return, the address of such person or agency, and the reason set forth by that person or agency for such request.

"(2) TAX ADMINISTRATION AND OVERSIGHT EXCEPTIONS.—

Paragraph (1) does not apply—

"(A) to the inspection of a return under subsection (b)(2) by a State body or commission solely for the purpose of administering State income tax laws,

"(B) to the inspection of a corporate tax return by a shareholder in that corporation under subsection (c),

"(C) to the inspection of a return by the House Ways and Means Committee, the Senate Finance Committee, the Joint Committee on Internal Revenue or a select committee of the House or Senate under subsection (d), or

"(D) to the inspection of a return by an employee of the Department of the Treasury or Department of Justice in connection with the administration or enforcement of this title.

"(3) CRIMINAL INVESTIGATION EXCEPTION.—

"(A) Any Federal officer or employee charged with the enforcement of any Federal law for the violation of which criminal penalties are provided may apply to the appropriate district court of the United States for an order granting him access to the return specified in the order.

"(B) The district courts of the United States have jurisdiction to hear, determine, and issue orders directing the Secretary or his delegate to permit the inspection and copying of return for the inspection of which application is made under subparagraph (A). A district court shall issue such an order, setting forth the return or other information associated therewith, only if it is satisfied that there is probable cause to believe that the information contained in the return, or such associated information, is necessary for the investigation or prosecution of a violation of Federal law punishable by criminal penalty and that no alternative source for such information is reasonably available to the officer or employee seeking the order.

"(C) The Secretary or his delegate shall make such returns and other information held by him and described in the order available to such officer and employees upon the issuance of such an order.

"(4) PROSPECTIVE APPOINTEES BACKGROUND CHECK.—Whenever the President, in a written request personally signed by him which sets forth the name of an individual and the office for which he is being considered, asks the Secretary or his delegate to furnish such information, the Secretary or his delegate may transmit to the President or to any employee of the executive office of the President information concerning an individual who is under consideration for appointment by the President to Federal office as to—

"(A) whether that individual has filed a return of income tax for each of the preceding 3 taxable years of that individual,

"(B) whether that individual has incurred any penalty or has been the subject of a deficiency proceeding at any time within the preceding 3 taxable years of that individual, and

"(C) whether that individual has been the subject of an investigation for failure to comply with any provision of this title dur-

ing the last 3 taxable years of that individual.".

(c) DEFINITIONS.—Section 6103(e) of such Code (relating to declarations of estimated tax) is amended to read as follows:

"(e) DEFINITIONS.—For purposes of this section—

"(1) RETURN.—The term 'return' includes declarations of estimated tax, information returns, schedules and lists accompanying or supplemental to such declarations and returns, and information obtained by the Secretary or his delegates in the administration of this title (other than information which indicates that a taxpayer may be in violation of any provision of title 18).

"(2) TO INSPECT.—The term 'to inspect' includes a request for information contained in a return (other than information which does not relate to a particular taxpayer, or from which a taxpayer cannot be identified).".

(d) STATISTICAL AND OTHER INFORMATION.—Such section 6103 is amended by adding at the end thereof the following new subsection:

"(h) DISCLOSURE OF CERTAIN INFORMATION.—

"(1) SOCIAL SECURITY AND RAILROAD RETIREMENT TAXES.—The Secretary or his delegate shall furnish to the Social Security Administration and the Railroad Retirement Board information derived from returns of the taxes imposed by chapters 2, 21, and 22.

"(2) FEDERAL AGENCIES AND STATE TAX AUTHORITIES.—Upon the request of the head of any department or agency of the Federal Government or of the principal tax official of a State, the Secretary or his delegate is authorized to furnish statistical information derived from returns to such department or agency or such State. Any information so furnished shall be compiled by employees of the Internal Revenue Service. A reasonable fee for compiling and furnishing such information may be charged.".

SEC. 3. PENALTIES.

Section 7213 of the Internal Revenue Code of 1954 (relating to penalties for unauthorized disclosure of information) is amended—

(1) by striking out the matter in subsection (a)(1) beginning with "; and any person committing an offense" through the period and inserting in lieu thereof a period and the following: "Violation of the provisions of this paragraph is a felony punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both. In addition, if the offender is an officer or employee of the United States, he shall be dismissed from office or discharged from employment.";

(2) by striking out "misdemeanor" each place it appears in paragraphs (2) and (3) of subsection (a) and inserting in lieu thereof "felony";

(3) by striking out "$1,000" and "1 year" each place they appear in such paragraphs (2) and (3) and inserting in lieu thereof "$10,000" and "5 years", respectively; and

(4) by redesignating subsection (e) as (f) and inserting after subsection (d) the following new subsection:

"(e) UNAUTHORIZED RECEIPT.—No person may knowingly accept receipt of any material which is disclosed in violation of the provisions of this section. Violation of the provisions of this subsection is a felony punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.".

SEC. 4. AUDIT OF AGENCIES USING TAX RETURNS.

The Comptroller General is authorized to investigate the use of Federal tax returns by any agency of the Federal Government or of any State or local government in order to ascertain whether appropriate procedures are used to insure that such returns are treated as confidential records.

By Mr. SPARKMAN (by request):

S. 1512. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for the participation of the United States in the African Development Fund.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated April 17, 1975.

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

S. 1512

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

SECTION 1. This Act may be cited as the "African Development Fund Act".

SEC. 2. The President is hereby authorized to accept participation for the United States in the African Development Fund (hereinafter referred to as the "Fund") provided for by the agreement establishing the Fund (hereinafter referred to as the "agreement") deposited in the Archives of the United Nations.

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund.

(b) The Governor, or in his absence the Alternate Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the fund. The Director representing the United States and his Alternate, if they are citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits not exceeding those authorized for a Chief of Mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended.

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Fund to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Fund under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the United States accepts participation in the Fund.

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States:

(a) agree to an increase in the subscription of the United States to the Fund;

(b) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which would change the purpose or functions of the Fund; or

(c) make a loan or provide other financing to the Fund, except that funds for technical assistance may be provided to the Fund by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

SEC. 6. (a) There is hereby authorized to be appropriated without fiscal year limitation, as the United States subscription, $15,000,000 to be paid by the Secretary of the Treasury to the Fund in three annual installments of $5,000,000 each.

(b) Any repayment or distribution of moneys from the Fund to the United States shall be covered into the Treasury as a miscellaneous receipt.

SEC. 7. Any Federal Reserve bank which is requested to do so by the President shall act as a depository for the Fund, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SEC. 8. For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico by or against the Fund in accordance with the agreement, the Fund shall be deemed to be an inhabitant of the Federal judicial district in which its principal office or agency appointed for the purpose of accepting service or notice of service is located, and any such action to which the Fund shall be party shall be deemed to arise under the laws of the United States, and the district courts of the United States (including the courts enumerated in title 28, section 460, United States Code) shall have original jurisdiction of any such action. When the Fund is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

SEC. 9. The agreement, including without limitation articles 41 through 50, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the acceptance of participation by the United States in, and the entry into force of, the Fund. The President, at the time of deposit of the instrument of acceptance of participation of the United States in the Fund, shall also deposit a declaration that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Fund to its citizens or nationals and may deposit a declaration providing for reservations on other matters set forth in article 58.

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 17, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To provide for the participation of the United States in the African Development Fund."

The African Development Fund (AFDF) was established in June 1973, after several years of discussion and negotiation, with pledges of about $80 million from other industrialized nations. The purpose of the AFDF is to complement the activities of the African Development Bank (AFDB) by providing concessional financing for high priority development projects in Africa.

The African Development Bank was created in the early 1960's to assist in the economic and social development of Africa's newly in-

dependent nations and to promote economic cooperation on the continent. Membership—now 40 countries—is open to African nations. The AFDB represents a significant self-help effort to build a strong, on-going institution.

In 1966, the Bank undertook discussions with the United States and other developed countries concerning the establishment of a concessional loan facility to be funded in substantial part by wealthier nations. The U.S. played an active role in the drafting of the Agreement establishing the African Development Fund, which started operations June 30, 1973. The participants in the Fund are various donor nations and the AFDB. Half of the members of the Board of Directors of the Fund are chosen by the Bank and half by the donor countries, six for each group.

Since the Fund's establishment, donor nations have pledged contributions of about $102 million in concessional loan resources. The AFDB has contributed another $5.5 million. Our proposed contribution of $15 million, which represents less than 14% of the contributions thus far pledged, would bring the level of total contributions to about $123 million. We would be only the fourth highest contributor, after Canada, Japan and Germany, each of which has pledged over $16 million.

Since its inception in mid-1973, the Fund has been very active in providing assistance to the drought affected countries of the Sahel, making 9 of its 17 loans to date for long term development projects in this hard hit area of Africa. Twenty five million dollars of loans have been made to Mali, Mauritania, Chad, the Gambia, Senegal and Upper Volta for projects such as village wells, roads, earthen dams, and rice development.

The attached bill authorizes the President to accept participation for the United States in the African Development Fund and further authorizes the appropriation without fiscal year limitation of $15 million to be paid to the Fund in three equal annual installments as the U.S. subscription. The bill provides that the President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund, and that the Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the Fund.

The President has, on several occasions, expressed his support for U.S. participation. Our relations with Africa have assumed greater significance as U.S. investors and traders have been drawn increasingly to the region. Participation in and support of the Fund is consistent with our concerns for African development and would be perceived by the African nations as an indication of our interest in their growth and prosperity.

Furthermore, under the Articles of the Fund, procurement of goods and services for fund projects may only be made from member nations. Thus, until the United States joins the Fund, we will be precluded from this potentially substantial source of export earnings.

The present impact on the U.S. budget of the proposed $15 million contribution to the Fund will be quite small. Initially, we would contribute in the form of non-interest bearing letters of credit, which would become budget outlays only when cashed as needed. Outlays would be spread over a number of years, and probably total only about $2 million in the first two fiscal years of our participation, and about $4 million in the next two.

It will be appreciated if you will lay the enclosed draft bill before the Senate. An identical draft bill has been transmitted to the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely yours,

STEPHEN S. GARDNER,
Acting Secretary.

By Mr. RANDOLPH (for himself and Mr. BAKER):

S. 1513. A bill to extend the Appalachian Regional Development Act of 1965. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, I introduce, for myself and the Senator from Tennessee (Mr. BAKER), a bill to extend the Appalachian Regional Development Act of 1965.

This is the draft legislation recommended by the administration. I present this measure with Senator BAKER to encourage debate for I have serious reservations about many of the proposed amendments. In particular, I have grave doubts concerning the highway proposal contained in this legislation. This bill will serve as a basis for further testimony as the Committee on Public Works continues its consideration of the future of the Appalachian program. I ask unanimous consent that the bill and the executive communication accompanying the proposal be printed in the RECORD at the conclusion of my remarks.

Mr. President, 10 years ago last month, President Lyndon B. Johnson signed into law legislation creating the unique Federal-State partnership we know as the Appalachian regional development program.

For the past decade the Appalachian program has been a major force in the 13 States that comprise the region. Its mission was, simply stated, to transform Appalachia from a "pocket of poverty" into a full participant in the general prosperity of America.

On March 10, 1975, the Committee on Public Works began hearings to determine the extent to which this effort has succeeded. The past 10 years have produced their share of frustrations for those of us who are concerned with life in Appalachia. Because we knew the magnitude of the problems and their impact on the people, the fact that they have not been overcome as quickly as we might have wished is not necessarily a sign of failure for the program. Solid advances have been made in improving the quality of life, diversifying the economy and providing the basic facilities for future improvements. In the process we have seen the establishment of intergovernmental relationships more innovative than any developed in this country for many years.

My concern with the Appalachian regional development program is twofold. As chairman of the committee with legislative responsibility for this activity, I must make certain that its pursuit is in the national interest as well as for the benefit of the region.

Second, as a Senator from the only State wholly in the designated Appalachian region, my concern is intensely personal. I know Appalachia; I know its people and their problems. I know—as I did 10 years ago—that a major commitment of time and resources is imperative if our goal is to be achieved.

Mr. President, I am—quite frankly—pleased that this administration has finally given support to this program, recommending that it be extended. In this context, as we consider various proposals to extend this legislation, or modify its direction, it is more critical than ever before that the involvement of the region's Governors be personal and direct. The active involvement of the 13-State governments from the very beginning has been considered essential to the success of the Applachian experiment.

While I am a believer in the concept and goals of the Appalachian program, I also recognize that there may well be deficiencies in its organization and administration which must be remedied if the Appalachian regional program is to continue.

A principal predicate for its extension is the willingness of the State partner to demonstrate to the Congress its commitment to policies and programs—and their responsible execution—which are compatible with the national interest in a time of severe economic instability, and a preeminent concern for respecting and fostering that special spirit of the Appalachian people who have made such a tremendous contribution to the quality of American life.

In early June, the Committee on Public Works, Subcommittee on Economic Development, will resume its inquiry into the details of the legislative proposals now before us. We will examine as well the commitment of the State partners to demonstrate their responsibility and accountability in this Federal-State partnership.

In connection with these hearings, Mr. President, I ask unanimous consent that committee questions submitted on April 7, 1975, to the ARC Federal Cochairman Donald W. Whitehead; the State cochairman, Kentucky Gov. Julian M. Carroll; and Executive Director Harry Teter, Jr., be included in the RECORD at the conclusion of my remarks since the response to these questions will form the basis for our hearings in June.

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

QUESTIONS CONCERNING THE APPALACHIAN REGIONAL COMMISSION ADDRESSED TO THE COCHAIRMAN

1. With the decisions of the Commission to adopt a "single allocation" approach, what function does the Commission retain?

2. How are regional priorities set by the thirteen Governors at their monthly meetings?

3. How does the project approval process work at the Commission's Table? The project review process?

4. What is ARC's development plan?

5. How are the factors used in determining allocation formulas for Commission funds established?

6. The Committee did not receive much

testimony during the hearings about the States as partners and their progress in developing the capability to manage their own growth and development. How should the Commission assist in strengthening and modernizing State management?

7. What have state and local governments done with revenue sharing funds to improve public services in Appalachia?

8. How have you involved local community groups in the process of setting priorities for the region? What are their proposals for the work of the Commission?

9. In the document submitted at the hearing to support and explain your legislative proposals, section 3 refers to the "growth center investment strategy" of the Commission and the Commission's intention to relate this strategy to an areawide development approach.

In the statement submitted for the record by Governor Arch Moore, Gov. Moore said the growth center concept is outmoded—that "they do not fit West Virginia or any part of Appalachia."

Does this mean the growth center strategy is being abandoned—as Gov. Moore suggests—or expanded as the legislative program document indicates?

10. In your opinion, what is the single greatest unmet need in Appalachia today?

11. How critical is the completion of the Appalachian Highway System to the implementation of the Appalachian Development Program?

12. Does the Commission assign construction priorities to the design highway corridor schedule? Does the Commission recommend that one corridor or segment have priority over another?

13. In 1971, John M. Munro reported to the ARC on the region's proposed highway program criticizing both the quality of ARC's highway planning efforts, and the lack of a reasonable analytical foundation for their highway placement plans. He said, "the need for, and probable effects of, the development of a regional highway system have never been set forth." He concluded that it has "not been demonstrated how the highway system would stimulate economic growth and development, or how the alleged lack of highways hindered it." How do you relate those criticisms to the recommendations of the Commission that funds be authorized for the completion of the highway system?

14. How does the Commission allocate access road appropriations among the 13 states? How does this process differ from the allocation of funds from the Highway Trust Fund among the 13 States?

15. To what extent have the Commission health programs remedied the previous deficiency of health care facilities? Are these facilities sufficiently staffed with competently trained personnel? With the increase in facilities availability, what has been the improvement in the delivery of health services?

16. Although time did not permit to hear your statement in regard to the Commission's budget proposals, your written testimony has been reviewed. The Committee is particularly interested in your request for $10 million to finance a housing renovation program. Could you give us some details?

17. Implementation of the 1973 National Flood Insurance Program is moving forward and proposed regulations were published in the Federal Register on March 26, 1975. Has the Commission had an opportunity to evaluate the impact of the flood insurance program on the development of the Appalachian region?

18. The allegations in the Louisville *Courier-Journal* articles of March 17 and 25, 1975, are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

19. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so instructed and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

QUESTIONS CONCERNING THE APPALACHIAN REGIONAL COMMISSION ADDRESSED TO THE STATE COCHAIRMAN

1. With the decision of the Commission to adopt a "single allocation" approach, what function does the Commission retain?

2. How many meetings of the Appalachian Regional Commission have you attended each year? Who has represented your State at each meeting in your absence, and to whom in your State government does that person report?

3. What does the Appalachian Regional Development program provide in the governmental processes in federal/state relations that was lacking prior to its existence?

4. How are regional priorities set by the thirteen Governors at their monthly meetings?

5. How does the project approval work at the Commission's Table. The project review process?

6. What is ARC's development plan?

7. How are the factors used in determining allocation formulas for Commission funds established?

8. The Committee did not receive much testimony during the hearings about the States as partners and their progress in developing the capability to manage their own growth and development. How should the Commission assist in strengthening and modernizing State management?

9. What have state and local governments done with revenue sharing funds to improve public services in Appalachia?

10. Have you involved local community groups in the process of setting priorities for the region? What are their proposals for the work of the Commission?

11. Describe the relationships—the lines of communication—between state government, the local development districts, and local units of government.

12. What does an LDD (local development district) provide in the governmental process that prior to its existence was lacking?

13. Would you advocate a more important role for the LDDs? If so, what would you like for them to do that they are not now doing?

14. The Committee heard some criticism of the "areawide action planning" proposal on the grounds that it enhances the power of local development districts at the expense of state government power. How do the States view this potential shift in power?

15. How does the planning process function in your State?

16. In the document submitted at the hearing to support and explain your legislative proposals, section 3 refers to the "growth center investment strategy" of the Commission and the Commission's intention to relate this strategy to an areawide development approach.

In the statement submitted for the record by Governor Arch Moore, Gov. Moore said the growth center concept is outmoded—that "they do not fit West Virginia or any part of Appalachia."

Does this mean the growth center strategy is being abandoned—as Gov. Moore suggests—or expanded as the legislative program document indicates?

17. There is a suggestion before this Committee to increase the Commission's role in the field of timber development. What would be the most meaningful contribution the Commission could provide to enhance the economic potential of the timber resources of your State?

18. Have local units of government made the maximum effort to raise revenues to meet the needs of the area?

18(A) In your opinion, what is the single greatest unmet need in Appalachia today?

19. Does the Appalachian Highway System in your State reflect a route selection which, given a longer time frame, would have been constructed with Federal-aid or State highway system funds, anyway?

20. How critical is the completion of the Appalachian Highway System to the implementation of the balance of your State's Appalachian Development Program?

21. Does the Commission assign construction priorities to the design highway corridor schedule? Does the Commission recommend that one corridor or segment have priority over another?

22. How does the Commission allocate access road appropriations among the 13 states? How does this process differ from the allocation of funds from the Highway Trust Fund among the 13 States?

23. In 1971, John M. Munro reported to the ARC on the region's proposed highway program criticizing both the quality of ARC's highway planning efforts, and the lack of a reasonable analytical foundation for their highway placement plans. He said, "the need for, and probable effects of, the development of a regional highway system have never been set forth." He concluded that it has "not been demonstrated how the highway system would stimulate economic growth and development, or how the alleged lack of highways hindered it." How do you relate those criticisms to the recommendations of the Commission that funds be authorized for the completion of the highway system?

24. To what extent have the Commission health programs remedied the previous deficiency of health care facilities? Are these facilities sufficiently staffed with competently trained personnel? With the increase in facilities availability, what has been the improvement in the delivery of health services?

25. What are the still unmet needs for medical services in your part of the Appalachian region?

26. How does a section 202 Health Council in your State relate to the developmental planning process?

27. Are the medical and nutritional deficiencies disclosed through the child development screening process remedied completely or partially through the ARC health programs in your State?

QUESTIONS CONCERNING THE OFFICE OF THE STATE'S REGIONAL REPRESENTATIVE

1. The expenditure of the States' money to staff the States' office of ARC is a matter for the States to regulate, monitor and direct in a manner similar to the standard prescribed for the expenditure of State funds in each of the member States.

However, when the expenditures of such State funds in connection with the operation of ARC reflect poorly on the institution itself, then the Congress is obligated to be real or alleged (as reported in the Louisville *Courier-Journal* of March 17 and March 25,

1975), be investigated and dealt with in a manner which satisfies all concerned, especially the public, that any abuses have been corrected and, most importantly, that safeguards have been instituted to prevent possible abuse.

What have the States done in response to the allegations outlined in the *Courier-Journal* of March 17 and March 25?

2. The allegations in the article are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

3. Your representative, Dean Charles Haywood, is quoted as saying, "He (Whisman) as an individual should be protected if charges are not found to have merit, or if they are not brought in a proper way."

Is your representative suggesting that if these serious charges were not brought in a manner deemed appropriate by Mr. Haywood, the charges should not be investigated?

Since this is allegedly a matter involving State funds, how should such a problem be brought to the attention of the States? What is the procedure for dealing with such a charge?

(NOTE.—In evaluating this matter, it would be helpful for the Committee to have copies of the Haskins and Sells "general review" of the State's accounts, as well as the report prepared by Lynn Currey, Commission Representative of the Commonwealth of Virginia, upon which many have apparently relied for on account of the States' investigation of these charges.)

4. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so restricted and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

QUESTIONS ADDRESSED TO THE EXECUTIVE DIRECTOR

1. What, in your opinion, is the single greatest unmet need in Appalachia today?

2. Would you advocate a more important role for Local Development Districts? If so, what would you like for them to do that they are not now doing?

3. How does the project approval process work at the Commission's Table? The project review process?

4. What is the Commission's Development Plan? Please provide the Committee with a copy of the ARC Development Plan.

5. What has the Commission done to encourage reforms among the member states with respect to local and state corporate tax policies?

6. What are the proposals of citizen groups throughout the Appalachian region for their communities and the region? How have they been involved in the decision-making process of delineating priorities and approving projects for the ARC?

7. How frequent are the Commission's contacts with other basic Federal agencies to coordinate funding and planning?

8. Do you provide other agencies with copies of the Appalachian Development Plan for their guidance in planning?

9. What do you view as the role of the Washington-based Commission staff in the administration of Program. How is that relationship reflected in organizational staffing patterns?

10. Where should line administration of Appalachian programs be accomplished? Please describe the function of each level of bureaucracy—local, LDD, state, commission and Federal agency staff in this administrative scheme.

11. Under what arrangements are Washington-based staff made available to local units of government?

12. Who in the Commission staff has ultimate responsibility for the assimilation of the Appalachian Development Plan?

13. The following questions arise from the March 21, 1975, Memorandum by Kenneth L. Shepard, Director, Finance and Administration, submitted in response to the Committee's request for information on the Commission's allocation of personnel and administrative resources:

(a) "Steno reporting for Commission Meeting—$7,000." Recent news reports indicate a "minutes recorder ($17,000)" is also on the staff of the Information and Publications division. How do the functions of these positions differ? (Attachment I, page 4)

(b) (Attachment I, page 4): "Staff training—$5,000." Please describe this function.

(c) (Attachment II, page 1): Please explain the duties of "State Liaison Specialist".

(d) (Attachment II, page 3): Please describe the role of the Planning and Evaluation Division?

(e) Five Divisions of the Program Operations Groups are headed by "Acting Directors". Why?

(f) (Attachment II, page 4): What is the function of the Community Development Division?

(g) (Attachment II, page 4): Why is the Acting Director, Division of Natural Resources under contract rather than on the staff?

14. The allegations in the Louisville *Courier-Journal* articles of March 17 and 25, 1975, are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

15. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so instructed and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

Mr. BAKER. Mr. President, I am very glad that President Ford has recommended extension of the Appalachian regional program.

As the ranking Republican member of the Committee on Public Works, I am pleased to join with Senator JENNINGS RANDOLPH, chairman of the committee, in introducing the administration bill to extend for 4 years the Appalachian regional program. Senator RANDOLPH was an original sponsor of the Appalachian Regional Development Act of 1965, and his continued strong support and leadership over the years has been invaluable.

As I stated in the Senate on March 7, I strongly support and will work for extension of the Appalachian program. In fact, the Senate Public Works Committee has already held 3 days of hearings in March, receiving testimony from the Federal cochairman, Governors and their representatives, and local groups and citizens—all of whom are familiar with the problems and promise of the region and of the Appalachian program as it has performed over the last decade. The committee will, of course, be considering this bill along with other recommendations and the testimony already received by the committee, as the chairman has pointed out.

Mr. President, the Appalachian program—begun 10 years ago—was innovative from the beginning. While it has experienced some setbacks and had its share of criticism, the Appalachian program has worked and worked well. Now it is time to complete the unfinished task so well begun.

While improving the quality of sadly inadequate human services remains a first priority, it is also time to approach the new challenges and problems faced by Appalachia in a changing world. For example, energy supply has most recently become a high national priority. Appalachian coal is now widely recognized as a major national asset. As the most important producer of our largest domestic source of energy, Appalachia now confronts the future in the extent of this new relationship to the Nation.

It is vitally important that we develop our energy resources. It is equally important that they be developed in an orderly fashion, conscious of the critical factors of regional growth and in a way that protects the economic, environmental, and social fabric of life in the several Appalachian States. It is my belief that the Appalachian Regional Commission is uniquely situated to make a contribution during the formulation and implementation of national energy policies and programs. It could coordinate and represent the interests of the States and people of the region before the Federal agencies and councils involved in energy resources decisions; and in turn, it could make known to the region the consequences and opportunities of alternative applications of national energy decisions.

While the crucial energy needs of our country present Appalachia with a new opportunity to assist the Nation, there may also be a new responsibility to assist the region so as to assure that accelerated coal production will lead to sound development, conservation, and self-sustaining economic growth. The twin goals of national self-sufficiency in energy, and regional self-sufficiency in economic well-being, can be better and more quickly approached through recognition of their correlation, and through the kind of Federal-State-local cooperation which

the Appalachian Regional Commission exemplifies.

We have the opportunity now to provide a diversified and more flexible economic future for the Appalachian region while helping to fulfill the Nation's energy needs. The Commission could help guide the growth generated through the "coal boom" to achieve a better quality of life and economic viability.

If, on the other hand, we fail to grasp the opportunity before us—to plan carefully through a Federal-State partnership—the risks are very high. The wealth extracted from the region could again flow out; the land, waters, air, and heritage of the region could be degraded; the significant progress of recent years could be set back. If ever there were a time to guide changes in long-term growth and development, it is now and here. If ever there were a time to protect against short-term dislocations of current economic patterns, it is here and now.

Mr. President, I see hopeful new patterns of economic performance emerging in Appalachia—providing we keep sight of the objectives established at the beginning of the Appalachian program in 1965, and if we continue to build upon the significant accomplisments to date while meeting the future challenge brought on by the changing world, I am very hopeful that, with foresight, we may exploit the promising potential for the betterment of Appalachia, rather than its energy wealth at the expense of Appalachia. Otherwise, in hindsight, we may pay dearly and regret the opportunities lost.

I am sure these hopes and aspirations are shared by my colleague, the distinguished chairman of the committee, Senator RANDOLPH, and I look forward to working closely with him in extending and improving the Appalachian regional program.

Mr. President, I ask unanimous consent that the letter of transmittal from Donald W. Whitehead to Vice President ROCKEFELLER, together with the bill and a section-by-section analysis be included in the RECORD at the conclusion of my remarks.

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

THE APPALACHIAN REGIONAL COMMISSION,
Washington, D.C., April 17, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There are enclosed four copies of a draft bill, "To extend the Appalachian Regional Development Act of 1965."

The Appalachian Regional Development Act of 1965 authorizes a program to assist the Appalachian Region to meet its special problems, promote its economic development, and to establish a framework of joint Federal and State efforts to provide the basic facilities essential to economic growth in Appalachia. A Congressional objective of the original Act was the generation of a diversified industry which will enable the Region to support itself through the workings of a strengthened free enterprise economy.

The existing law authorizes the Appalachian Development Highway Program through Fiscal 1978. The Commission's other, non-highway, programs are authorized through June 30, 1975. The present Act authorizes expenses for administration of the Commission and the Federal Cochairman and his Federal staff through June 30, 1975.

While the bill proposes no extension or increase in authorizations for the highway program, it does propose a new, more flexible funding provision to stimulate the construction of Appalachian projects. Section 104(2) would amend subsection (f) of Section 201 of the Act by adding a new provision. The new provision would raise the percentage limit on the total Federal share of any construction project's costs from 70 percent to 90 percent where a State uses title 23 U.S.C. Federal-aid highway funds in combination with Appalachian highway funds in any one of a specified range of ratios. Under this new provision, assuming the State provides only its minimum 10 percent matching share, the combined Federal funding could range from a combination of a maximum of 60 percent of project costs in Appalachian highway funds with a minimum of 30 percent title 23 funds to a minimum of 45 percent in Appalachian funds with a maximum of 45 percent in title 23 U.S.C. funds. The State would remain free to elect to provide a larger State contribution.

The proposed bill would extend the non-highway programs authorized by the Act through September 30, 1979, and authorize $267 million for FY 1976–77 and $267 million for FY 1978–79 for such programs. The proposed bill also would authorize such sums as may be necessary for the administrative expenses of the Commission over the same period.

In the main, these other programs would be extended with some refinements in the existing statutory language to make the Commission's programs more flexible and responsive to the Region's needs. Most of the changes are amendments to existing sections of the Appalachian Act; however, several new sections would be added by this bill.

Section 113 of the proposed bill would add a new Section 225 which would incorporate into the existing Act the Appalachian State development planning process, the role of the Local Development Districts, and provisions for the coordination of local and State planning. This section would formally recognize in the Act the planning process and working relationships between local and State governments which the Commission has developed and fostered under the Appalachian Program.

Section 104(4) would add two new subsections. The first, 201(i) directs the Commission and the Secretary of Transportation to issue guidelines to emphasize the development purposes of the Appalachian Development Highway System and calls for special efforts during the design and construction of the highway system to identify, preserve and assist in establishment of development sites. The second, 201(j), would provide authority for grants for the planning, engineering and development of sites for such uses as housing and community development, industry, energy conservation and production, recreation, tourism, and environmental improvement.

The remaining changes in the Act are, as noted above, refinements of the existing program. Some of the more important of these are as follows:

Section 112 of the Act would amend Section 224 to eliminate prohibitions against financing industrial or commercial facilities or machinery, or facilities for the generation, transmission or distribution of electrical energy or gas. These changes are sought to eliminate any doubt as to the extent of the Commission's authority to provide assistance for the development of industrial parks, to provide technical assistance to business, and to permit assistance to industrial demonstrations designed to make better use of the Region's energy and other resources.

Section 106 amends Section 204 to add (to existing loan authority) grants for timber development organizations for planning, equipment, construction and operations, including individual forest management contracts. Section 107 broadens Section 205 by permitting strip mine reclamation on lands owned by non-profit entities and permitting waivers of required releases upon appropriate indemnification agreements. Section 108 amends Section 207 to expand the types of housing programs which can be assisted to include all Federal or State programs for low- or moderate-income housing and to authorize the Commission to provide funds to the States for making the same types of grants and loans as authorized for the Secretary. Section 109 would confirm and clarify the breadth of the scope of demonstration projects under Section 211(b). Section 110 would amend Section 214 to broaden the range of programs that can be supplemented. Section 114 would amend Section 302 to provide special grants for State management and technical assistance to strengthen the Appalachian Development Planning process; make land acquisition an eligible cost; and place emphasis on demonstrations for enterprise or service development activities, rural transportation, and the balanced use of natural resources of the Region.

Section 117 of the Act would repeal Section 104 of the Public Works and Economic Development Act which now prevents the coordination and cooperative funding of projects by ARC and EDA.

We have been advised by the Office of Management and Budget that the enactment of this legislation would be consistent with the Administration's objectives.

Sincerely,

DONALD W. WHITEHEAD,
Federal Cochairman.

S. 1513

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 "Appalachian Regional Development Act Amendments of 1975".

SEC. 102. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows:

"To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, such sums as may be necessary.".

SEC. 103. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1979".

SEC. 104. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The first sentence of subsection (c) is amended by inserting "under subsection (a) of this section" after the parenthesis following "acquisition".

(2) Subsection (f) of such section is amended by:

(i) inserting "subsection (a) of" after "under"; and

(ii) adding the following sentence: "Notwithstanding any provision of law, including the foregoing, limiting Federal assistance to any such construction project, where a State uses funds appropriated under subsection (g) of this section for at least 45 per centum and not more than 60 per centum of the costs of such project, the State is authorized to use funds available under title 23, United States Code for not more than 45 per centum

of such costs, but in no event shall the Federal assistance to any such project exceed 90 per centum of such costs.

(3) Subsection (g) of such section is amended as follows: by inserting, in the first sentence "excepting subsection (j)," after "section,".

(4) Such section is amended by adding at the end two new subsections, as follows:

"(i)(1). In order to obtain the maximum benefit from the public investment in the Appalachian development highway system and accelerate the potential for economic development afforded by such system, the Secretary and the Commission shall jointly develop and issue guidelines designed to assure that, in the location, design, and construction of any development highway, full account shall be taken of the development objectives of such system and the scarcity of sites suitable for development in many areas of the Appalachian region, and that special effort shall be made to identify and preserve any such sites, and assist in the establishment of additional sites.

(2) The Secretary may authorize any state highway department in the Appalachian region to transfer or convey any land in the region acquired by such department for the development highway system, when no longer needed for highway purposes, to any state or other public or private nonprofit entity for carrying out a development program approved by the Commission. Any transfer or conveyance or subsequent disposition of such lands shall be subject to such terms and conditions as the Secretary and the Commission shall prescribe, and may be without monetary consideration; *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

"(j)(1) The Commission is authorized to make grants to public bodies and non-profit entities for planning, engineering, and reasonable site acquisition or development costs, including necessary offsite improvements, whenever such a grant is required for specific projects, such as the expansion and stimulation of industry, energy conservation and energy production and resource development, recreation and tourism, community development and housing, or associated projects contributing to the protection or improvement of the environment, which are essential elements of a development program approved by the Commission.

(2) Such grants shall be paid solely out of funds appropriated to carry out this subsection and the Federal share shall not exceed 80 per centum of the total costs thereof.

(3) For the purposes of this subsection—

(A) "planning" may include site identification, evaluation, utilization or financial feasibility studies and technical assistance;

(B) "site acquisition" costs shall not exceed the reasonable value of the real property and expenses incidental to its acquisition or, in the case of publicly owned lands which cannot be made available without monetary consideration, the amount required to reimburse the costs of such land to its owner;

(C) "site development" costs may include clearing, moving utilities, grading and drainage, land stabilization, flood protection, storm sewers, sanitary sewage systems, water systems, access and internal distributor roads, rail spurs or other ancillary facilities."

(4) Whenever any state or other public body or private non-profit entity shall undertake to secure lands required for a development program approved by the Commission, and when it has been determined by the Secretary that such state or other entity is unable to acquire such lands, or is unable to acquire such lands with sufficient promptness—

(A) The Secretary, upon the request of such body or entity and the approval of the general purpose local government in which such lands are located, the Governor of the State, and the Commission, is authorized in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931 (46 Stat. 1421));

(B) Such body or entity shall pay the non-Federal share of all expenses of said acquisition and any award that may be made under a condemnation proceeding, including costs of examination and abstract of title, certificate of title, appraisal, advertising, and any fees incident to acquisition. Pending such payment, the Secretary may expend from any funds made available to him from appropriations to carry out this subsection such sums as may be necessary to carry out this subsection. To secure payment, the Secretary may require any such State or other entity to execute a proper bond in such amount as he may deem necessary before acquisition is commenced.

(C) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any lands or interests in land acquired in any State under the provisions of this subsection to such body or entity under such terms and conditions as the Commission shall prescribe; *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall acrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

SEC. 105. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

"(1) The second sentence of subsection (a) is amended by (a) inserting, "of land and" after "acquisition", and (b) by striking "made in accordance" and inserting in lieu thereof "compatible"

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B,".

SEC. 106. Section 204 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 204) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") is authorized to provide technical assistance and make grants to States, other public bodies, and timber development organizations, for the planning, equipment, operation, and the construction of necessary facilities, of non-profit timber development organizations established under state law for the purposes of carrying out long-range timber development programs on a self-supporting basis that will improve timber productivity and quality thereby increasing returns to landowners, by providing such services and activities as (A) good forest management, including continuity of management, good cutting practices, and marketing information and services, (B) consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, and (C) reforestation of cut-over lands and afforestation of strip mined lands."

(2) Such section is amended by redesignating subsection (b) as a subsection "(g)" and inserting after subsection (a) the following new subsections:

"(b) No grant under this section for planning necessary to the establishment of timber development organizations or for equipment, or construction shall exceed 80 per centum of the total costs thereof.

"(c)(1) Grants under this section for operation (including initial operating funds and operating deficits) of a timber development organization, may be made for up to 90 per centum of the costs thereof for not more than two years of operation. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No such grants shall be made for operations of a timber development organization after five years following the commencement of the initial grant for operation of the timber development organization.

(2) Such operation grants also may include costs of financial assistance by timber development organizations under agreements of not more than ten years with owners and occupiers of lands in the Appalachian region for carrying out programs approved by the Commission which will provide for the reforestation of cut-over lands or afforestation of strip mined lands and intensive multiple purpose management of forest resources; *Provided*, that such financial assistance shall not exceed 75 per centum of the costs (including labor) of carrying out a program on 500 acres of land of an owner or occupier unless the Commission determines, in consultation with the Secretary of Agriculture, that assistance on a greater acreage, or in excess of such percentage, is required in furtherance of this Act.

"(d) Any Federal grant contribution referred to in this section may be provided entirely from funds appropriated to carry out this section or in combination with funds provided under other Federal grant-in-aid programs for assistance related to the programs and activities of a timber development organization. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase such Federal grants to the maximum percentage cost authorized by the applicable provision of this section.

"(e) The Secretary is authorized to make loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et. seq.) for not more than half of the capital requirements of timber development organizations (including but not limited to costs of construction, equipment and operations).

"(f) No grant or loan under this section shall be used for the construction or acquisition of facilities for manufacturing of forest or wood products".

SEC. 107. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a)(1) is amended by striking "and to control and abate mine drainage pollution" and inserting in lieu thereof, "to control and abate mine drainage pollution; and for planning or engineering for any such activities".

(2) The first sentence of subsection (a)(2) is amended by inserting "planning, engineering, or" after "project for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to sand, clay, stone, culm, rock, spoil bank and noncombustible materials)" after "materials".

(4) Subsection (c) is amended to read as follows:

"(c) Whenever a State, local government or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement.".

(5) Subsection (d) is amended to read as follows:

"(d) (1) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law for public recreation, conservation, community development and housing, or industrial, commercial or other economic development purposes.

(2) The transfer or conveyance of lands reclaimed under this section shall be subject to such terms and conditions as the Commission shall prescribe. Such terms and conditions may permit a transfer or conveyance without monetary consideration or require that any proceeds be applied to purposes specified in paragraph (1): *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

SEC. 108. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended, as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian Region determined by the Commission.".

(2) Subsection (c) (2) is amended to read as follows:

"(c) (2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary off-site improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitated housing, as determined by the Secretary.".

(3) Subsection (e) is amended by inserting before the period at the end, the following: "and may provide funds to the States for making grants and loans to non-profit, limited dividend or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section".

(4) By adding the following new subsection (f):

"(f) Programs and projects assisted under this section shall be subject to the provisions cited in Section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.".

SEC. 109. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b) (1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate area-wide education planning, services and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling, and the involvement of all sectors of the community, including industry and labor.".

(2) Subsection (b) (2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3) (a) The first and third sentences of subsection (b) (3) are amended by striking out "vocational and technical"; and

(b) The fourth sentence of subsection (b) (3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b) (4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b) (5) is amended to read as follows:

"(5) No grant for planning, construction, equipment or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body.".

SEC. 110. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs'" as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; titles VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; and title I of the Housing and Community Development Act of 1974.".

SEC. 111. Paragraph (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows:

"(2) The Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling.".

SEC. 112. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended as follows:

(1) Subsection (b) of such section is amended to read as follows:

"(b) No financial assistance shall be authorized under this Act to be used to assist establishments relocating from one area to another or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors.".

(2) Such section is amended by adding at the end the following new subsection:

"(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the state within the region, will not be diminished in order to substitute funds authorized by this Act.".

SEC. 113. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

"APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

"SEC. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the state within the region. Such plan shall (1) describe the state organization and continuous process for Appalachian development planning, including the procedures established by the state for the participation of local development districts in such process, the means by which such process is related to overall state-wide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives and priorities of the state for the region, as determined by the Governor, and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

"(b) (1) Local development districts certified by the state under Section 301 of this Act provide the linkage between state and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, states shall consult with local development districts and take into consideration the goals, objectives, priorities, and recommendations of such

districts. The districts shall assist the states in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

(2) The Commission shall encourage and provide incentives for the preparation and execution of areawide action programs which specify inter-related projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.".

"(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the area-wide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.".

SEC. 114. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) The President is authorized to make grants to the Commission for—

(A) state management, technical assistance, and other activities to strengthen the state development planning process for the region and the coordination of planning under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State and local programs;

(B) administrative expenses, including the development of areawide plans or action programs and technical assistance activities, of local development districts certified under section 301 of this Act; and

(C) investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical or managerial assistance, training programs, enterprise or service development activities, demonstrations, and the acquisition or development of lands and the construction of necessary facilities incident to such activities, which will further the purposes of this Act.

"(2) The Federal share of grants under paragraphs 1(A) and (B) shall not exceed 80 per centum of such expenses and the non-Federal share may be in cash or in-kind, fairly evaluated, including but not limited to space, equipment, and services. Grant funds under this section may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage thereof authorized by this section.".

(2) Subsection (b) is amended to read as follows:

"(b) The Commission is directed to give special attention to demonstrations and other activities focused on the improvement of rural transportation in the region. In order to assist in meeting national priorities for increased food and energy production, the Commission shall conduct, in cooperation with other appropriate agencies and organizations, research and demonstrations designed to utilize in a balanced manner the water, land and mineral resources of the region.

SEC. 115. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $267,000,000 for the two-fiscal-year period ending September 30, 1977; and $267,000,000 for the two-fiscal-year period ending September 30, 1979.

SEC. 116. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "July 1, 1975" and inserting in lieu thereof, "October 1, 1979".

SEC. 117. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

SUMMARY—AMENDMENTS TO THE APPALACHIAN REGIONAL DEVELOPMENT ACT

BILL SECTION NUMBER AND AMENDMENTS

101—Short Title.

102—Amends Section 105, ARDA:

Authorizes such sums as may be necessary for administrative expenses of Commission and Office of Federal Cochairman.

103—Amends Section 106, ARDA:

Extends Commission authority to lease office space to September 30, 1979.

104—Amends Section 201, ARDA:

Raises the percentage limit on the total Federal share of any construction project's costs from 70 percent to 90 percent where a State uses title 23 U.S.C. Federal-aid highway funds in combination with Appalachian highway funds in any one of a specified range of ratios. Under this new provision, assuming the State provides only its minimum 10 percent matching share, the combined Federal funding could range from a combination of a maximum of 60 percent of project costs in Appalachian highway funds with a minimum of 30 percent title 23 funds to a minimum of 45 percent in Appalachian funds with a maximum of 45 percent in title 23 U.S.C. funds. The purpose of this provision is to stimulate construction of Appalachian highway projects by providing more flexibility in funding options and lessening the matching burden on the States to 10 percent.

Directs Secretary of Transportation and the Commission to jointly issue guidelines emphasizing development purpose of highway system and scarcity of developable sites in region and calling for special effort to identify, preserve, and assist in establishment of additional sites.

Provides that Secretary may approve the disposition of excess highway lands to carry out development programs approved by Commission, including conveyances without monetary consideration but precludes accrual of profits to profit-making entites.

Authorizes Commission to make grants under such terms and conditions as it shall prescribe to public bodies and non-profit entities for planning, engineering, and reasonable site acquisition or development costs, including necessary off site improvements, where required for specific projects to stimulate industry, energy conservation and energy and resource development, recreation and tourism, community development and housing, or associated projects contributing to the protection or improvement of the environment, which are elements of development programs approved by the Commission. Grants will be subject to general program authorizations in Section 401 (non-highway); and no grant may exceed 80 percent of cost. Federal acquisition of lands would be authorized upon request of applicant for assistance and approval of general purpose local government, the Governor, and the Commission, where necessary because of limitations in state law.

105—Amends Section 202, ARDA:

Confirms that acquisition authority includes authority to acquire land needed for health projects and, as provided in Section 223, that grants are to be compatible with applicable provisions of basic Acts.

Adds reference to Title XX of Social Security Act among programs which can be used in combination with Section 202(c).

106—Amends Section 204, ARDA:

Provides that Secretary of Agriculture (in addition to providing technical assistance) may make grants to states, other public bodies, and timber development organizations for planning, equipment, operation and the construction of necessary facilities, of non-profit timber development organizations established under state law for the purpose of carrying out long-range timber development programs that will improve timber productivity and quality, and increase returns to land owners.

Grants for initial planning, and for construction of necessary facilities, and equipment may not exceed 80 percent of cost. Operating grants may not exceed five years from start of initial operations and may be for up to 90 percent of costs for operations (including operating deficits) for the first two years but may not exceed 75 percent of such costs in last three years.

Operating grants may cover costs of financial assistance, by timber development organizations through contracts with individual land owners for improved forest resource management programs. Such contracts may not exceed ten years nor seventy-five per centum of costs of such programs on 500 acres of land, unless the Commission, in consultation with the Secretary of Agriculture, increases the percentage or the acreage.

Grants under this section may be used with other Federal funds up to the percentage cost allowable under this section.

Strikes language limiting authority for loan assistance to "initial" capital requirements, and defines capital requirements to include, but not be limited to, the costs of construction, equipment and operations.

Eliminates language prohibiting the use of funds for the construction or acquisition of facilities for processing or marketing forest products (but retains the prohibition against the construction or acquisition of facilities for manufacturing of forest products). Also eliminates language restricting use of funds for the physical consolidation of small timber holdings.

107—Amends Section 205, ARDA:

Makes clear that separate grants may be made for planning or engineering mining area restoration projects.

Makes clear that necessary costs for clay, sand, stone, non-combustible materials, clum, rock and spoil bank materials are eligible project costs.

Provides that Secretary may waive requirements for obtaining releases, consents, and waivers re lands if state or applicant agrees to indemnify Federal government from claims and secure performance as required by Secretary.

Permits strip-mine reclamation on lands owned by private, non-profit entities organized under state law for public recreation, conservation, industrial, commercial or other economic development purposes, community development and housing (in addition to lands owned by Federal, state or local bodies of government as now permitted); authorizes disposal of reclaimed lands on such terms as

ARC requires, which may include conveyances without monetary consideration, or require that proceeds, if any, be used for development purposes but provides that no part of difference between fair market value and actual lower consideration can accrue as profit to any entity operating for profit.

108—Amends Section 207, ARDA:

Expands types of housing programs which the Secretary of Housing and Urban Development may assist with "seed money" grants or loans and site development grants to include any Federal or State program of assistance for low- or moderate-income housing.

Makes HUD regulated limited divident or cooperative organizations eligible (in addition to public and nonprofit grantees now eligible) for site development grants.

Provides that off site improvements may not exceed 10 percent of the cost of any housing construction project, and in the case of housing rehabilitation projects, may not exceed 10 percent of the reasonable value of such rehabilitated housing, as determined by the Secretary.

Authorizes Commission to provide funds to the states for making the same kinds of grants and loans as the Secretary is authorized to make under this section.

Makes programs assisted under Section 207 subject to provision in Section 402 of Act to same extent as provided in housing laws.

109—Amends Section 211, ARDA:

Broadens scope of area-wide demonstration projects from strictly vocational and technical education to "educational projects, with special emphasis on vocational and technical education, career education, cooperative education, recurrent education, guidance and counseling, and community involvement, including industry and labor."

Makes clear that present requirement that facilities of a demonstration project be publicly owned, does not preclude training or on the job employment activities away from such facilities if the demonstration project is administered through a public body.

110—Amends Section 214, ARDA:

Program activities presently eligible for supplementation include only land acquisition and construction or equipment of facilities. Amendments broaden eligible activities to include land development, and community or economic development or economic adjustment activities, and make clear that eligible programs also include Titles I and IX of the Public Works and Economic Development Act of 1965, Title I of the Housing and Community Development Act of 1974, and the Consolidated Farm and Rural Development Act.

111—Amends Section 223, ARDA:

Makes clear that programs and projects to be assisted under this Act must meet the Appalachian development planning process requirements in Section 225 of the Act.

112—Amends Section 224, ARDA:

Strikes language prohibiting assistance to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities such as facilities for the generation, transmission or distribution of electrical energy, or facilities for the production, transmission or distribution of gas.

Provides that programs and projects may be assisted under the Act only if the Commission determines that the level of Federal and state financial assistance under other laws, for the same type of programs or projects in the portion of a state within the region, will not be diminished in order to substitute funds authorized by the Act. Similar provision presently appears in Section 214 of the Act with respect to assistance under that section.

113—Adds New Section 225, ARDA:

New section incorporates in the Act the Appalachian state development planning process; describes the role of local development districts; specifies that, in carrying out such process and selecting projects for assistance, states shall consult with and take into full consideration the objectives, priorities and recommendations of local development districts; and directs the Commission to encourage and provide incentives for the preparation and execution of areawide action programs which specify interrelated projects, schedules of actions and funding, and appropriate commitments.

Provides that, to the maximum extent practicable, Federal departments and agencies undertaking or providing financial assistance for programs or projects in the region shall (1) take into account goals and objectives established by the Commission and the states; (2) recognize Appalachian state development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district which the Governor may designate as the area-wide agency required under such programs or projects.

114—Amends Section 302, ARDA:

Establishes program of 80 percent grants for state management, technical assistance and other activities to strengthen the Appalachian state development planning process and the coordination of planning under the Act and other Federal, state and local programs.

Makes clear that grants for administrative expenses of local development districts may include costs for development of area-wide plans or action programs and technical assistance activities, and increases maximum Federal share from 75 percent to 80 percent.

Makes clear that demonstrations may include the acquisition or development of land incident to such activities (in addition to the construction of necessary facilities now eligible); also makes clear that demonstrations may include enterprise or service development activities.

Directs Commission to give special attention to demonstrations and other activities for the improvement of rural transportation in the region and for balanced use of water, land and mineral resources of the region.

115—Amends Section 401, ARDA:

Authorizes appropriations to the President for Appalachian Act programs (but not including administrative expenses under Section 105 and highways under Section 201(g) for which separate authorizations are provided) of $267 million for each of the two fiscal-year periods FY 1976–77 and FY 1978–79.

116—Amends Section 405, ARDA:

Extends termination date of Act, except for highway program, to October 1, 1979 (presently July 1, 1975).

117—Amends Public Works and Economic Development Act of 1965:

Repeals Section 104 which now prevents cooperative funding of ARC and EDA projects.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 276

At the request of Mr. FANNIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 276, a bill to repeal the Davis-Bacon Act and related provisions of law.

S. 451

At the request of Mr. BAYH, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 451, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer.

S. 474

At the request of Mr. HOLLINGS, the Senator from Alabama (Mr. SPARKMAN) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 474, a bill relating to changes in status of members of the uniformed services who are in a missing-in-action status as a result of their service in Indochina.

S. 681

At the request of Mr. MOSS, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 681, a bill to allow the use of certain funds authorized to be appropriated for expenditure from the highway trust fund and apportioned to the States pursuant to title 23, United States Code, without matching State or local funds.

S. 1196

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1196, a bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical involvement with elected officials on local and State levels of government and with Members of Congress.

S. 1216

At the request of Mr. TALMADGE, the Senator from Tennessee (Mr. BROCK) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1216, a bill to amend the Federal Water Pollution Control Act.

S. 1293

At the request of Mr. METCALF, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range, the Charles Sheldon National Wildlife Range and the Kofa National Wildlife Range as part of the National Refuge System, and for other purposes.

S. 1309

At the request of Mr. CASE, the Senator from California (Mr. CRANSTON) and the Senator from Utah (Mr. MOSS) was added as a cosponsor of S. 1309, a bill to amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes.

S. 1336

At the request of Mr. CASE, the Senator from Oregon (Mr. HATFIELD) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1336, a bill to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1406

At the request of Mr. MONTOYA, the Senator from South Dakota (Mr. Mc-

GOVERN) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that compensation and pensions for veterans will not be reduced as a result of certain monthly increases in social security benefits.

S. 1454

At the request of Mr. JAVITS, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1454, the National Venereal Disease Prevention and Control Amendments of 1975.

SENATE RESOLUTION 135—SUBMISSION OF A RESOLUTION PROPOSING THE DESIGNATION OF NORWEGIAN-AMERICAN DAY

(Referred to the Committee on the Judiciary.)

Mr. MONDALE. Mr. President, on behalf of Senators HUMPHREY, JACKSON, NELSON, BENTSEN, and myself, I am today introducing a Senate resolution proposing the designation of October 9, 1975, as Norwegian-American Day.

From the earliest explorations of the North American continent nearly 1,000 years ago until the present day, the sons and daughters of Norway have made important contributions to our country and its culture. Nearly a century and a half ago on October 9, 1825, the sloop *Restaurationen* arrived in New York Harbor. This ship brought the first organized company of Norwegians to the United States. Today there are more than 3 million citizens of the United States who were either born in Norway or are of Norwegian descent.

Foremost among the ancient Norwegians whose names are well known in our history was Lief Ericson, who in 985 discovered Greenland and 15 years later landed on the North American coast, naming it Vinland. Later, in 1355 Paul Knutson set sail for Greenland. One scholar has argued that a part of Knutson's expedition may have continued on to America and been responsible for the Kensington Rune Stone (1362) in northern Minnesota.

The influence of other well-known Norwegians has spread to America, particularly of noted writers such as Ibsen, of musicians of the caliber of Edward Grieg and Ole Bull, and of diplomats such as Trygve Lie.

Americans of Norwegian origin have from the early 19th century played an important role in the development of our Nation, including its literature, politics, education, business, and science. Knute Nelson, Laur Larsen, Ole Rolvaag, Thorsten Veblen, and Victor Lawson are but a few of the distinguished Americans of Norwegian descent.

The Norwegian Parliament—Storting—has designated July 4, 1975, as a day for commemoration of the 150th anniversary of the sailing of the sloop *Restaurantionen* from Stavanger, Norway. To increase our own appreciation of the immense and important contributions of the Norwegians to American life, I am hopeful that the Senate will approve the resolution we submit today for the designation of Norwegian-American Day.

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

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

S. RES. 135

Whereas the first organized company of Norwegians arrived in New York on October 9, 1825 on the sloop *Restaurationen*; and

Whereas there are now more than three million people in the United States who were either born in Norway or are of Norwegian descent; and

Whereas the Norwegian-Americans have contributed significantly to the argricultural and industrial development of the North and West; and

Whereas the Norwegian-Americans have made equally significant contributions in the fields of arts and letters, religion, education, and politics; and

Whereas the Norwegian Parliament (Storting) has set aside July 4, 1975 to commemorate the 150th anniversary of the sailing of the sloop *Restaurationen* from Stavanger, Norway: 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 the immense and important contributions of the Norwegians to American life, the day of October 9, 1975 be designated Norwegian-American Day.

SENATE RESOLUTION 136—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. MONDALE. Mr. President, the months since the resignation of Richard Nixon as President of the United States have witnessed an improvement in executive-congressional relations of real importance.

Yet despite this improvement, substantial problems remain in assuring executive branch accountability to the Congress. Policymaking in some vital areas to the Nation remains chaotic, and too often the existing congressional committee structure is unable to pinpoint responsibility for these policy decisions. The problem of overlapping and inconsistent Cabinet department jurisdictions continues to hamper the effective operations of the executive branch. And the relationship of key employees within the White House and the Cabinet officers still poses problems in assuring accountability of the executive to the legislative branch.

The events surrounding the Watergate affair revealed the dangers inherent in the ability of a few men on the White House staff—responsible to no one, mostly without the sobering experience of electoral politics, and beyond the reach of Congress—to control policy. And these events have led to a rethinking of the respective roles of the legislative and the executive branches.

As part of this rethinking, we should attempt in as many ways as possible to increase Congress' ability to conduct meaningful dialog with those officials in the executive branch in whose offices responsibility for policymaking decisions should rest. This attempt should focus on keeping both Congress and the Cabinet officers and agency heads in better touch with each other.

By making those executive branch figures whose confirmation by the Senate is required by law more accountable to the people—through the Congress—we will encourage the shift away from a White House staff of a few unelected and unresponsive individuals and reassert the proper role of the Congress and the Cabinet officers.

As one step in this process, I am submitting today a Senate resolution to provide for the establishment of a question and report period, somewhat analogous to that in use in many parliamentary systems around the world. This resolution is similar to one which I submitted in June of 1973.

This is neither a new or a radical idea. It was given notice by the first Congress, which in creating the Office of Secretary of the Treasury, declared that "he shall make, report and give information to either branch of the legislature either in person or in writing" as either House might require. Indeed, during this first Congress, Cabinet officers appeared before the House 8 times, and before the Senate 14 times.

In 1864, a select committee of the House and in 1881, a select committee of the Senate recommended the right to the floor of both Houses for Cabinet officers both to answer questions and to participate in debate. In 1912, President Taft, in a message to Congress, made virtually the same recommendation. And throughout the 1940's and 1950's, Senator Estes Kefauver championed the idea of a "question hour" and first introduced legislation of the type I am introducing today.

Nor does this proposal affect the constitutional doctrine of separation of powers. The Constitution clearly gives the President the power to "require the opinion in writing of the principal officer in each of the executive departments upon any subject appertaining to the duties of their respective offices." This proposal would not diminish this right in the slightest. It merely would allow an additional dimension to the role of these executive officers—that of spirited and productive dialog with members of the legislative branch.

The proposal does not call for the subpenaing of executive officers to appear before the Senate. It is framed in terms of "requests" to appear, because the central thrust of this proposal is to increase—rather than decrease—the dialog between and mutual responsibilities of Cabinet-level officers and the Senate.

Under terms of this proposal, the heads of executive departments and agencies would be requested to answer orally, both written and oral questions propounded by Members of the Senate. Such a question period would occur at least once every week when the Senate is in session, and would last for no more

than 2 hours. Senators would submit written questions to the committee having jurisdiction over the subject matter of the question, and if the committee approves the question, it would be transmitted to the head of the department or agency involved, with an invitation to appear before the Senate.

The Committee on Rules and Administration would also receive a copy of the question, along with a request for allotment of time in a question period to provide for the answering of the question. The Rules Committee will determine the dates and length of time of each question period, and will allot the time in such period to the department or agency head who has indicated his readiness to answer. To conserve time and consolidate questioning in subject-matter areas, any one question period shall be taken up by questions approved by one committee.

In the latter half of each question period, oral questions may be asked, but they must be germane to the subject matter of the written questions. The time in this latter hour will be equally controlled by the chairman and ranking minority member of the committee which has approved the questions.

Senators will be given advance notice at least 2 days before the question period by printing of the time of each question period and the written questions to be answered in the RECORD, and the proceedings of the question period will be printed in the RECORD.

In addition, the resolution provides that question period proceedings may be televised and broadcast on radio live. In an era of mass communication, it is important to provide for both print and electronic media coverage to insure wide dissemination of the proceedings conducted under provisions of this resolution.

During the early 1940's, Walter Lippmann noted that—

> The two branches of Government (executive and legislative) will quarrel endlessly at the expense of the Nation, depriving it of the unity it needs and the collective wisdom it should have, as long as the responsible men at both ends of Pennsylvania Avenue deal with one another suspiciously and at arm's length.

That remark remains true today. Never has there been a greater need for a regularized procedure during which Congress can question the policies of the executive branch, and the executive branch's responsible officers can defend their proposals and actions. Essential to this process is its openness. In contrast to congressional investigative committees, the entire Senate—not just a few Senators—will be able to question and hear the executive branch's defense.

Hopefully, this system of close questioning of Cabinet-level officers will result in Cabinet posts being filled with men and women whose responsibility for defending articulately the proposals or actions of an administration will lead to a greater involvement for those individuals in formulating the policies and actions of their departments.

Most importantly, this resolution will enable Congress and the people to secure the Nation's right to have free and open debate on the central policies guiding us.

As Arthur Schlesinger, Jr., has observed, a question and report period of the type which I am introducing today could have "quite extensive consequences for the traditional system:

> As for the President, a question hour could subtly alter the balance of his personal power both as against his cabinet, whose members would have the chance to acquire new visibility and develop their own relationships with Congress and the electorate, and as against Congress, which would have the opportunity of playing off his own Cabinet against him.

This legislation is not without risks. It will mean a rearrangement of institutional relationships whose consequences we cannot totally foresee. But it is certainly worth these risks in order to enable the Congress to increase the respect of the President and his principal agents for the ability and willingness of the Congress to carefully scrutinize their actions.

My proposal will not—and was not designed to—replace or supplant any of the valuable committee procedures now available to this body. In fact, the proposal, as I have outlined it, specifically preserves for committees the right to approve questions before they are brought to the attention of the executive officer whose answer is requested by a Senator.

Rather, this proposal is designed to give the Congress—and the American people—the right to information concerning important policies and actions of the executive branch, in a forum carefully controlled by time and germaneness so as to insure that productive questioning results.

When Senator Kefauver proposed question-period legislation in the mid-1940's, the support of the American people for this idea was clearly evident. A Gallup poll conducted in the fall of 1943 showed 72 percent in favor of the proposal, and only 7 percent opposed.

Clearly, this idea has new and more crucial relevancy today. In recent years, the faith of the American people in their Government has fallen steadily.

We must stop this decline of trust in Government. We must, at this crucial juncture in relations between the executive and legislative branch, attempt to restore both Congress power to know and the power of Cabinet officers—rather than White House staff—to formulate policy and publicly defend that policy.

The resolution which I am introducing today is certainly not the entire solution to this monumental problem. But without it, the trust of the American people in their Government may continue to erode. And as the late Adlai Stevenson noted:

> Public confidence in the integrity of the government is indispensible to faith in democracy; and when we lose faith in the system we have lost faith in everything we fight for.

We must begin restoration of this public trust in Government. And, as a select committee of the Senate noted in 1881, the question period may enable us to begin this task:

> This system will require the selection of the strongest men to be heads of departments, and will require them to be well equipped with the knowledge of their offices. It will also require the strongest men to be the leaders of Congress and participate in debate. It will bring these strong men in contact, perhaps into conflict, to advance the public weal, and thus stimulate their abilities and their efforts and will thus assuredly result in the good of the country.

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

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

S. RES. 136

Resolved, That rule X of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. There shall be held in the Senate, on at least one day in any one calendar week in which the Senate is in session, a question and report period, which shall not consume more than two hours, during which heads of each department, agency or independent instrumentality within the Executive branch are requested to answer orally, written and oral questions propounded by Members of the Senate. Each written question shall be submitted in triplicate to the committee having jurisdiction of the subject matter of such question, and, if approved by such committee, one copy shall be transmitted to the head of the department or agency concerned, with an invitation to appear before the Senate, and one copy to the Committee on Rules and Administration with a request for allotment of time in a question period to answer such question. Subject to the limitations prescribed in this paragraph, the Committee on Rules and Administration shall determine the date for, and the length of time of, each question period and shall allot the time in each question period to the head of a department, agency or instrumentality who has indicated to the committee his readiness to deliver oral answers to the questions transmitted to him. All written questions propounded in any one question period shall be approved by one committee. The latter half of each question period shall be reserved for oral questions which shall be germane to the subject matter of the written questions by Members of the Senate, one-half of such time to be controlled by the chairman of the committee which has approved the written questions propounded in such question period and one-half by the ranking minority member of such committee. The time of each question period and the written questions to be answered in such period shall be printed in two daily editions of the Record appearing before the day on which such question period is to be held, and the proceedings during the question period shall be printed in the Record for such day. Live television and radio coverage of proceedings authorized under this paragraph shall be permitted. The Committee on Rules and Administration shall make all appropriate arrangements and establish appropriate procedures for providing such coverage."

SENATE RESOLUTION 137—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF THE COMPILATION "MAJORITY AND MINORITY LEADERS OF THE SENATE"

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD submitted the following resolution:

S. RES. 137

Resolved, That the compilation entitled "Majority and Minority Leaders of the Senate", prepared under the direction of the Secretary of the Senate, Francis R. Valeo, by the former Senate Parliamentarian, Floyd M. Riddick, shall be reprinted, with any revisions and certain tables, as a Senate document, and an additional two thousand copies shall be printed for distribution by the Secretary of the Senate.

SENATE RESOLUTION 138—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES FOR THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN submitted the following resolution:

S. RES. 138

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $200,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

SENATE RESOLUTION 139—SUBMISSION OF A RESOLUTION TO DESIGNATE APRIL 30, 1975, "ARMENIAN DAY"

(Referred to the Committee on the Judiciary.)

Mr. TUNNEY (for himself and Mr. GRIFFIN) submitted the following resolution:

S. RES. 139

Resolved, That it is the sense of the Senate that the President should issue a proclamation designating April 30, 1975 as "Armenian Day", and call upon the people of the United States and interested groups and organizations to observe such day as a day of remembrance for the outstanding contributions made by Armenian Americans to the social, intellectual, religious, and cultural life of the United States.

Mr. TUNNEY. Mr. President, I am introducing today a resolution urging the President of the United States to issue a proclamation declaring April 30, 1975, as "Armenian Day," a day of remembrance for the outstanding contributions made by Armenian Americans to the social, religious, intellectual, and cultural life of the United States.

It is particularly fitting that we choose this day as a day of remembrance, since it is one the Armenians themselves commemorate as the anniversary of the Armenian diaspora, a symbol at once of both past suffering and of future hope.

Through the years, hope and faith have marked the course of the Armenian nation. Despite great suffering arising largely out of ethnic prejudice and political repression, the Armenian people—exiles from their native land, citizens in an adopted homeland—have managed to preserve their rich heritage. It is the heritage of a proud, determined, resourceful people exemplified by the words of one of Armenia's great poets, Archag Tchobanian:

Thou shalt come forth triumphant from these shades;
Stars shall thine eyes become, and sparkle bright;
Thy wounds to radiant roses shall be changed,
And from thy whitened hair shall spring forth light.

Mr. President, the Armenian people have indeed emerged triumphant from the shadows. Today, in California as throughout the United States Armenian Americans are making outstanding contributions in all walks of life. They are among the most respected and concerned members of their communities. They have produced men of distinction in the arts, business, and government as well as many other fields of endeavor. I think it is incumbent upon us as representatives of the American people to pay tribute to the valuable contributions these people have made to the American way of life. They have unquestionably made California a richer State and America a richer Nation.

SENATE RESOLUTION 140—SUBMISSION OF A RESOLUTION RELATING TO EXPENSES OF THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN submitted the following resolution:

S. RES. 140

Resolved, That within the limit of funds appropriated for expenses of inquiries and investigations for the Committee on Appropriations, the committee may expend such sums as it deems appropriate and necessary for the procurement of the services of individual consultants or organizations. Such services in the case of individuals or organizations may be procured by contract as independent contractors, or in the case of individuals by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of compensation which may be paid to a regular employee of the committee. Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring advertising.

SENATE RESOLUTION 141—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Referred to the Committee on Rules and Administration.)

Mr. McGOVERN submitted the following resolution:

S. RES. 141

Resolved, That Section 3 of S. Res. 50, Ninety-third Congress, agreed to February 22, 1973, as amended, is further amended by striking out "$275,000" and inserting in lieu thereof "$276,100".

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY HOUSING ACT OF 1975—S. 1483

AMENDMENT NO. 368

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

Mr. MONTOYA (for himself, Mr. MANSFIELD, Mr. METCALF, and Mr. ABOUREZK) submitted an amendment intended to be proposed to the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 369 THROUGH 373

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

Mr. DOLE. Mr. President, today I am submitting amendments to S. 200, the Consumer Protection Act of 1975, two of which would alter provisions of the bill as reported by the Senate Government Operations Committee with regard to the term and removal of the Administrator, and with regard to the Agency's interrogatory power.

TERM AND REMOVAL

The limited removal power contained in S. 200 has in the past been restricted to regulatory agencies which are headed by commissions composed of multiple members. The Agency for Consumer Advocacy, however, is a nonregulatory Agency to be headed by one person and not by a commission. It is completely without precedent and very undesirable from the perspective of administrative law, to cloak the head of an administrative agency with the kind of tenure in office which has been previously reserved to members of commissions in which the commissioners serve staggered terms and in which agency judicial-type decisions are carried out by voting—not by the decision of one person.

It is vital that the ACA remain accountable and responsive to the needs and desires of all consumers and the potential for abuse by an ACA Administrator exists if the removal provisions of S. 200 are allowed to remain as presently written. In my opinion the best mechanism by which public accountability can be insured is to provide for the normal removal power of the Administrator at the discretion of the President. Therefore, I feel that it is imperative that the bill be amended to restore to the President the routine capacity to remove the head of an agency within the executive branch for reasons that may legitimately fall far short of the present S. 200 test.

DIRECT INTERROGATORIES

The second amendment I am submitting today changes the bill with regard to the Agency's interrogatory power. In proposing this amendment I am attempting to establish equality and parity between the Agency for Consumer Advocacy, private enterprise, and any other private interest. My amendment places them in the same position before Federal agencies and with the same powers. Under this proposal, the Agency has no direct interrogatory power. Rather it places the Agency in substantially the same position as any other party to a regulatory or administrative proceeding. This has the effect of putting consumer interests, voiced through the Agency for

Consumer Advocacy, on a level equal to, but not greater than, business interests.

This amendment follows the principle of parity used in drafting the substitute amendment to S. 707 I introduced last year that was nearly passed by the Senate then. Equality and fairness are traditions in our Government and I strongly believe this amendment would restore a large amount of those characteristics to this bill.

FCC EXEMPTION

The third amendment would exempt radio and television license renewal proceedings in the Federal Communications Commission from the provisions of S. 200. The increasing frequency of license challenges by citizens' group and others has greatly increased the cost of successfully getting a broadcasting license renewed. Some metropolitan stations are spending literally hundreds of thousands of dollars every 3 years just to maintain their licenses. This amendment would assure that a federally funded agency could not interject itself into these renewal proceedings, thus further confusing the already-confused license renewal process.

DISCLOSURE OF TRADE SECRETS

The fourth amendment would restore the language concerning the release of trade secrets to that of the substitute I introduced last year. The language of the present bill puts disclosure of trade secrets under the provisions of the Freedom of Information Act. The disclosure provisions of that act could cause a great deal of expense and large number of court cases for private enterprises. It would be inappropriate to put disclosure rules for ACA under the Freedom of Information Act in view of the extensive information gathering powers the bill would give to the agency.

DISCLOSURE OF DAMAGING INFORMATION

I am also submitting an amendment to require a determination of "imminent and substantial danger to the health or safety of consumers" prior to immediate release of information that would be damaging to any person. This amendment would not preclude the release of such information but simply strengthens the safeguards that the authority of ACA to release information immediately will not be abused. This amendment is consistent with another safeguard already in the bill relating to the small business exemption from the agency's interrogatory power.

These amendments would significantly improve the bill and help insure an effective and workable agency for consumer advocacy. I hope they can be adopted when S. 200 is called up for debate.

I may submit additional amendments to S. 200 at a later date, together with more detailed explanations for these provisions.

Mr. President, I ask unanimous consent that these amendments be printed in the RECORD at this point.

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

AMENDMENT No. 369

Beginning on page 4, line 25, strike the words "coterminous with the term of the President, not to exceed four years." and substitute therefor the words "of four years.".

On page 5, line 14, delete the sentence "The Administrator may be removed by the President for inefficiency, neglect of duty or malfeasance in office.".

AMENDMENT No. 370

Beginning on line 7 of page 22, delete all of Section 10(a) and add the following:

SEC. 10. (a)(1) The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to submit to any Federal agency written in interrogatories or requests for reports and other related information, within the scope of that agency's authority, for prompt transmittal under such agency's authority to specified persons engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities the Administrator has determined may substantially affect an interest of consumers. Such submission to the Federal agency shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought. The Federal agency shall promptly transmit, as submitted, such interrogatories and requests for reports and other related information to the specified person or persons unless the agency determines that the interrogatories and requests—

(A) seek information that does not substantially affect the health or safety of consumers, or are not directed to the discovery of consumer fraud or substantial economic injury to consumers;

(B) are not relevant to the purposes for which the information is sought; or

(C) would be unnecessarily burdensome to the Federal agency or any specified person.

If the Federal agency determines not to transmit the interrogatories or requests, such determination shall be accompanied by a statement of the reasons therefor. Upon receipt of any responses to the interrogatories or requests, the agency shall promptly transmit them to the Administrator. Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record; or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.

(3) In the event of noncompliance with any interrogatories or requests transmitted by a Federal agency pursuant to paragraph (1), enforcement proceedings may be instituted in the manner provided by law. If the Federal agency fails to promptly commence such enforcement proceeding, the Administrator may, upon ten day's written notice to such agency, commence such enforcement proceeding in the Agency's own name. In any judicial proceeding concerning any interrogatories, requests for reports or other related information, the Federal agency may move to substitute the Agency as party in interest and thereafter, at the discretion of the court, the Federal agency shall cease to be a party to the proceeding.

(4) The Administrator shall not have the power to require the production or disclosure of any data or other information under this subsection from small business. For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000, does not have net worth in excess of $2,500,000, and does not have an average annual net income after Federal income taxes, for the preceding two years in excess of $250,000 (average net income to be computed without benefit of any carryover loss). Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the effect of the limitation contained in this paragraph on the purposes of this Act, for such action as the Congress may deem appropriate.

AMENDMENT No. 371

On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

AMENDMENT No. 372

On page 28, beginning on line 14, strike out through line 2 on page 29 and insert in lieu thereof

"SEC. 11. (a) No officer or employee of the Agency shall disclose to the public or to any State or local agency—

(1) any information (other than complaints pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential unless the Administrator determines that the release of such information is necessary to protect health or safety; or"

On page 29, line 3, strike "(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency" and insert in lieu thereof "(2)".

On page 29, line 14, strike "(c)" and insert in lieu thereof "(b)".

On page 30, line 1, strike "11(b)" and insert in lieu thereof "11(a)(2)".

On page 31, line 1, strike "(d)" and insert in lieu thereof "(c)".

On page 31, line 6, strike "(b)" and insert in lieu thereof "(a)(2)".

AMENDMENT No. 373

On page 30, line 22, strike "protect the health or safety of the public" and insert in lieu thereof "prevent imminent and substantial danger to the health or safety of consumers".

DETERMINATION OF THE CONGRESSIONAL BUDGET—S. CON. RES. 32

AMENDMENT NO. 374

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

Mr. BUCKLEY (for himself, Mr. McCLURE, and Mr. BROCK) submitted an amendment in the nature of a substitute intended to be proposed by them jointly

to the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

EMERGENCY HOUSING ACT OF 1975—S. 1483

AMENDMENT NO. 375

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

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. JAVITS. Mr. President, the amendment I have introduced would give the States and local agencies more flexibility to administer their State housing programs. It would authorize the State or local agency to set the maximum income limits and the percentage of income paid by the tenant in those State-financed housing projects which are receiving section 236 housing assistance payments. It is important to recognize that these mortgages are not insured by FHA and the only HUD function is providing the interest reduction payment.

What is here proposed is consistent with the Housing and Community Development Act of 1974. It brings back to the local area the responsibility for determining those who are eligible for the subsidized rental accommodations and the percentage of income which the tenant must pay. It will make it possible for the State and local agencies to create rental structures which are consistent with the communities' housing needs and housing plans.

This will not result in any added expenditure by the Federal Government. The interest reduction contracts and subsidy payments are fixed amounts and would in no way be modified by this amendment. It would also mean that the tenant would have to pay at least the basic rental, unless rent supplement payments had also been authorized for the low income families, since the basic rentals are in no way affected. Furthermore, the tenant would not have to pay in excess of the fair market rental which gives no effect to the subsidy payment.

By giving the State and local agencies this added flexibility, it will be possible for them to approach the matter on a project by project basis and to adapt housing projects to meet community needs in a much more refined manner. In order to make certain that none of the present tenants are affected, the amendment would prohibit any increases as to them, except for a pass through of increased operating expenses. As an additional safeguard, the State or local agency will be required to certify to HUD that the income limits and rentals are the lowest which can be fixed for maintaining economic feasibility of the project.

The ability to match the availability of housing to the tenant demand in the particular community will also go a long way toward reestablishing the viability of State housing projects which are experiencing financial difficulties. This will allow the State or local agency an opportunity to eliminate vacancies due to lack of eligible tenants and bring the mortgages out of their financial straits. It will help reestablish the credibility of the State or local agency funding of housing projects on which our current housing programs for disadvantaged persons are so heavily dependent. And all of this would be done at no added cost to the Federal Government.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 17

At the request of Mr. ABOUREZK, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of amendment No. 17, intended to be proposed to the bill (S. 490) relating to the payment of travel expenses for persons traveling to and from the Veterans' Administration facilities.

AMENDMENT NO. 365

At the request of Mr. TUNNEY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of amendment No. 365, intended to be proposed to the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

NOTICE OF HEARINGS ON CONGRESSIONAL OVERSIGHT OF EXECUTIVE AGREEMENTS

Mr. ABOUREZK. Mr. President, as chairman of the Subcommittee on Separation of Powers of the Committee on the Judiciary, I am pleased to announce the scheduling of hearings before the subcommittee on the subject of congressional oversight of executive agreements and commitments. These hearings are the continuation and extension of hearings held by the Subcommittee on Separation of Powers in the 92d Congress under the direction of Senator Sam J. Ervin, Jr.

The hearings will be held May 13, 14, and 15, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m.

Before the subcommittee are two bills which will be the focus of the hearings, S. 632 introduced by Senator BENTSEN and S. 1251 introduced by Senator GLENN. I invite the participation of all interested Senators.

Those who wish to testify or submit a statement for inclusion in the record should contact Irene Margolis, Staff Director, telephone 224-4434, or write to the Subcommittee on Separation of Powers, 1418 Dirksen Senate Office Building.

NOTICE OF HEARINGS ON S. 1267, FINANCIAL INSTITUTIONS ACT OF 1975, AND S. 1475, TO AMEND THE FEDERAL CREDIT UNION ACT

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will hold hearings on S. 1267, the Financial Institutions Act of 1975, and S. 1475, to amend the Federal Credit Union Act, beginning at 10 a.m., May 14, 15, and 16, 1975, in room 5302, Dirksen Senate Office Building.

Anyone wishing information concerning these hearings should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, 224-7391.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, April 30, 1975, at 10:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Rex E. Lee, of Utah, to be an Assistant Attorney General, Civil Division, vice Carla A. Hills, resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The hearing will be before the full Judiciary Committee.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE INDIAN AFFAIRS SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ABOUREZK. Mr. President, I announce for the information of the Senate and the public, the change in scheduling of a public hearing before the Indian Affairs Subcommittee of the Senate Interior and Insular Committee.

The 2-day hearing which was scheduled for both Wednesday, April 30, and Thursday, May 1, in room 3110 of the Dirksen Senate Office Building, has been changed and combined into a 1-day hearing to be held only on Thursday, May 1, beginning at 10 a.m.

This is an informational hearing, the purpose of which is to carefully review the present Indian housing situation in the United States. The subcommittee will receive testimony from the various Federal agencies responsible for the delivery of Indian housing units on trust land, several tribal organizations, and other Washington based groups with considerable expertise in the area of Indian housing. We hope to conduct a series of field hearings this summer to receive more extensive public testimony.

If you wish to submit a written statement for the record or have any questions regarding these hearings, please contact Mr. Forrest Gerard of the subcommittee staff at 224-7143.

NOTICE OF HEARINGS ON HEARING AIDS

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Government Regulation of the Senate Small Business Committee has scheduled hearings on the economics of the hearing aid industry on May 20, 21 and 22 in room 1114 of the Dirksen Senate Office Building beginning each day at 10 a.m.

ADDITIONAL STATEMENTS

FOREIGN CURRENCIES AND U.S. DOLLARS UTILIZED BY U.S. SENATE PARTICIPATION IN PARLIAMENTARY MEETINGS

Mr. McCLELLAN. Mr. President, in accordance with the Legislative Branch Appropriation Act, 1961, section 105(b), Public Law 86-628, I ask unanimous consent to have printed in the RECORD the reports of U.S. Senate participation interparliamentary meetings concerning the foreign currencies and U.S. dollars utilized by them in calendar year 1973 in connection with foreign travel.

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

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS, MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Delegation expenses:											
Official meals and receptions	Dollar				6,372.47						6,372.47
Transportation	Dollar						3,268.78				3,268.78
Hotel offices	Dollar								102.03		102.03
Interpreter fees	Dollar								504.23		504.23
Reporter fees	Dollar								34.44		34.44
Postage	Dollar								14.29		14.29
Miscellaneous	Dollar								106.97		106.97
Total					6,372.47		3,268.78		761.96		10,403.21

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Public Law 86-420	$10,403.21

MIKE MANSFIELD, Chairman.

Mar. 10, 1975.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency
John Sparkman: United Kingdom	US$		1,104.33				54.02		1,158.35
Birch Bayh: United Kingdom	US$		880.09				87.09		967.18
Lloyd Bentsen:									
United Kingdom	US$		588.41		82.25		40.82		711.48
France	Franc	697.50	150.00	1,502.41	323.10			2,199.91	473.10
Germany	D. mark			3,196.18	1,294.00			3,196.18	1,294.00
Thomas Eagleton: United Kingdom	US$		870.51				47.21		917.72
Ernest F. Hollings: United Kingdom	US$		831.02				40.49		871.51
Henry M. Jackson: United Kingdom	US$		926.67				22.65		949.32
J. Bennett Johnston: United Kingdom	US$		896.18				46.07		942.25
Edward M. Kennedy: United Kingdom	US$		58.38						58.38
Mike Mansfield:									
United Kingdom	US$		718.37				26.46		744.83
France	Franc	703.50	151.28	191.80	41.24	34.70	7.48	930.00	200.00
Claiborne Pell:									
United Kingdom	US$		256.41				46.50		302.91
United Kingdom	Pound			123.53	294.00			123.53	294.00
Ted Stevens: United Kingdom	US$		811.98				38.12		850.10
John V. Tunney: United Kingdom	US$		730.63				48.04		778.67
Rachel Bostick: United Kingdom	US$		507.87				13.13		521.00
Robert Feyer: United Kingdom	US$		518.66		32.60		66.15		617.41
Donald Henderson: United Kingdom	US$		687.20		60.00		42.04		789.24
Robert E. Hunter: United Kingdom	US$		407.33		12.50		36.44		456.27
Arthur M. Kuhl: United Kingdom	US$		764.49				28.15		792.64
Mary McLaughlin: United Kingdom	US$		805.27		19.99		102.54		927.80
Joanne Novins: United Kingdom	US$		518.30		7.00		12.81		538.11
Octa Watson: United Kingdom	US$		688.79				5.30		694.09
Delegation expenses:									
Official meals			2,924.74						2,924.74
Transportation					14,315.03				14,315.03
Hotel offices			1,471.14						1,471.14
Stationery supplies							96.03		96.03
Miscellaneous							66.33		66.33
Total			18,268.05		16,481.71		973.87		35,723.63

[1] If foreign currency is used enter U.S. dollar equivalent; if U.S. currency is used enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$35,723.63

JOHN SPARKMAN, Chairman.

Mar. 14, 1975.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Carl T. Curtis:									
Greece	US$		163.30				16.50		179.80
Romania	US$		212.02						212.02
France	US$		124.51				.13		124.64
Hiram Fong:									
Japan	US$		100.79				.03		100.82
Japan	Yen			123,515.	411.85			123,515	411.85
Robert P. Griffin:									
Greece	US$		174.50				16.50		191.00
Romania	US$		239.25						239.25
France	US$		91.90						91.90
Vance Hartke:									
Japan	US$		188.34				.03		188.37
Hong Kong	US$		35.09						35.09
U.S. (Hawaii)	US$		92.87				1.03		93.90
Roman Hruska:									
Greece	US$		124.30				16.50		140.80
Romania	US$		124.89				5.51		130.40
Joseph M. Montoya:									
Greece	US$		175.10				19.20		194.30
Romania	US$		216.28				1.55		217.83
France	US$		71.38				.50		71.88
William Roth, Jr.:									
Greece	US$		147.83				16.50		164.33
Greece	Dr.	1552.	51.67					1552.	51.67
Romania	US$		170.35				12.47		182.82
Romania	Lei	2136.	150.13				5.00	2136.	155.13
Hugh Scott:									
Greece	US$		313.29				22.10		335.39
Romania	US$		302.13				10.75		312.88
William Scott:									
Greece	US$		231.60				22.10		253.70
Romania	US$		248.67				7.16		255.83
France	US$		147.50				1.83		149.33
Japan	US$		182.36						182.36
Hong Kong	US$		92.06						92.06
U.S. (Hawaii)	US$		78.87						78.87
John Sparkman:									
Greece	US$		228.47				29.66		258.13
Romania	US$		217.37						217.37
France	US$		83.46				3.00		86.46
Robert T. Stafford:									
Switzerland	US$		165.40						165.40
Greece	US$		164.70				16.50		181.20
Romania	US$		244.69				8.99		253.68
France	US$		44.93						44.93
Japan	US$		433.55				15.30		448.85
Hong Kong	US$		35.09						35.09
U.S. (Hawaii)	US$		82.03						82.03
Charles Schaller:									
Greece	US$		84.23						84.23
Romania	US$		182.69						182.69
John W. Kimball:									
Japan	US$		476.70		1,002.10		5.80		1,484.60
U.S. (Hawaii)	US$		78.47				6.18		84.65
Mary McLaughlin:									
Greece	US$		128.90				30.20		159.10
Romania	US$		124.36				8.91		133.27
France	US$		117.15				39.27		156.42
Japan	US$		272.71						272.71
Hong Kong	US$		74.30						74.30
U.S. (Hawaii)	US$		62.40						62.40
Delegation expense: U.S. (Hawaii)	US$		234.26						234.26
Octa Watson:									
Greece	US$		116.00				21.97		137.97
Romania	US$		41.05						41.05
France	US$		43.23						43.23
Susan McMahon:									
Japan	US$		385.46				6.20		391.66
Japan	Yen	7634.	25.50	3952.	13.20	2892.	9.66	14,478.	48.36
Germany	DM			2,618.05	984.60			2,618.	984.60
U.S. (Hawaii)	US$		69.13						69.13
Darrell St. Claire:									
Switzerland	US$		380.37		1,217.00		71.72		[3] 1,669.09
United Kingdom	US$		53.00		4.80		26.40		84.20
United Kingdom-United States	US$				30.00				30.00
Greece	US$		145.95				28.10		174.05
Greece	Dr.	25,799.	859.96	299,118.	9,970.70	3562.	118.67	328,479.	[3] 10,949.33
Turkey	Lr.			25,626.	1,848.00			25,626.	[3] 1,848.00
Romania	US$		1,022.85				12.85		1,035.70
Romania	Lei			98,425.	6,929.91			98,425.	[3] 6,929.91
Bulgaria	US$						8.65		8.65
Bulgaria	Leva	2753.	1,645.00	337.	228.00	56.01	34.00	3146.	[3] 1,907.00
France	US$		219.92				19.70		239.62
France	US$		79.02						[3] 79.02
France	Fr.			10,472.	2,159.26			10,472.	[3] 2,159.26
Japan	US$		811.07		984.60		63.29		1,858.96
Hong Kong	US$		86.02				8.00		94.02
Hong Kong	US$		436.65		591.64				[3] 1,028.29
U.S. (Hawaii)	US$		94.61						94.61
U.S. (Hawaii)	US$		293.85		558.71		26.88		[3] 879.44
Total			14,595.14		26,934.37		794.29		42,325.14

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[2] Delegation expense.

[3] $108 of this amount reimbursed to IPU by Darrell St. Claire.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$25,238.31
Appropriated funds	17,086.83
Total	42,325.14

Mar. 26, 1975.

JOHN SPARKMAN, Chairman.

QUEEN ISABELLA DAY

Mr. HUMPHREY. Mr. President, I invite the attention of the Members of this body to the fact that April 22 has been proclaimed as Queen Isabella Day by many of our Nation's Governors.

This commemorative endeavor relates to the coming Bicentennial Celebration when we pay tribute to the historical foundations of our country. It is important that we do not lose sight of our history, because of the accomplishments and promises which it contains.

The recognition of April 22 as Queen Isabella Day by various State executives, including Minnesota's Wendell Anderson, reflects the important role which Isabel of Castile played in the destiny of America. As a financier and supporter of Christopher Columbus, the Queen had a part in the daring voyage which changed the course of history.

Her example demonstrates that a ruler can guide the events of time and leave a mark upon that era. By supporting a bold new initiative, she confirmed that dreams and forward-looking adventures can be realized.

It is appropriate, therefore, that we pay tribute to Queen Isabella today on the 524th anniversary of her birthday and recall her contributions and accomplishments.

THE LABOR-MANAGEMENT RELATIONS EXEMPTION IN THE AGENCY FOR CONSUMER ADVOCACY BILL

Mr. JAVITS. Mr. President, in the coming weeks the Senate will once again take up the bill to create an independent Agency for Consumer Advocacy—ACA. We all know that it has had a turbulent history. During the past 5 years, it has evoked strong opposition from many who argue that it is unwarranted interference with and disruption of our governmental processes. In my more than 25 years in Congress, I have seldom seen a lobbying effort which was as intense and well organized as the one against this bill.

Now after 5 years of refinement and carefully developed functions and powers Senator RIBICOFF, Senator PERCY, and I, the principal sponsors of this legislation, believe that we have an extremely sound and workable bill. It is a product of compromise with broader support throughout the Senate than that enjoyed by our earlier bills. As a matter of fact, the case for the bill has been so strongly made, that some opponents of the bill are now concentrating virtually all of their fire on a secondary provision of the bill in order to destroy the whole measure. They wish to extend the authority of the ACA into the field of labor-management relations, despite the fact that such efforts were defeated by a large Senate majority last year.

The focus of this effort for a more far-ranging grant of authority to the ACA is the provision stating that the ACA shall not intervene in labor-management disputes before the National Labor Relations Board, and its sister agency, the National Mediation Board. Opponents of this narrow exemption which, by the way, is as much a business exemption as it is a labor exemption argue that a consumer agency should participate in Federal agency activities involving labor inasmuch as wages contribute significantly to the ultimate cost of consumer products.

It is important to stress that this language does not exempt business or labor or labor issues from the purview of the ACA. Rather, it prohibits ACA involvement in those Federal suits and Federal agency activities designed to ease labor/management negotiations or prevent unfair practices by either side. Unions that deal directly in the product and service market are as much subject to S. 200 as any other person.

While the collective bargaining process over the years may well have resulted in labor contracts causing increases in the costs of labor, under the basic definition of "interests of consumers" in S. 200 and the scope of the National Labor Relations Board authority, the ACA would be powerless to affect the terms of labor contracts. More to the point, there has never been any lawful authority to regulate private wages by the Federal Government. The fundamental touchstone of our bill is that the ACA must attach to the regulatory process in order to have its intervention powers. The area for intervention by the ACA is the public sector. If we open up labor-management relations by removing this exemption, we go deep into the private sector. That would require enormous budgets and a wholly different bill than we now have.

During the last 40 years it has been acknowledged that labor-management bargaining could not work effectively unless the parties were left to negotiate without outside interference. The labor laws in this country have accordingly been carefully developed over the years to accommodate this realization. Thus, the National Labor Relations Board—NLRB—and the Federal Mediation Service—the only two agencies which touch the bargaining process—may not determine or dictate in any way, shape or form the parties' demands or the terms of their settlement.

The NLRB was created to protect employees' rights to select bargaining representatives without management interference and to bargain collectively. Beyond that, the NLRB does not have the authority to affect the actual outcome of the bargaining process. Indeed, the Supreme Court just 5 years ago expressly held that the Board may not intervene in that process or dictate any of the substantive terms—including the economic impact on consumers—of collective bargaining agreements.

Justice Black, speaking for the Court in *Porter* v. *NLRB*, 397 U.S. 99, 106, 107–108, has this to say about the Board's role:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements * * * and that Sec. 8(d) (in particular) was an attempt by Congress to prevent the Board from controlling the settling of the terms of collective bargaining agreements * * * It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

Since Congress has determined that the Board is not to assess the "substantive terms of collective bargaining agreements," it would be mischievous to empower the ACA to intervene before the Board to argue issues which are outside the scope of the Board's jurisdiction.

Opponents of the exemption also argue that the NLRB handles cases arising under section 8(b)(4) and 8(e) of the National Labor Relations Act where the question in dispute is whether a strike say to prevent an employer from using prefabricated materials is lawful, and that the outcome of such cases indirectly affects consumers. Indeed, this is the dominant theme of those who would empower the ACA to enter NLRB proceedings.

In a New York Times editorial of March 14, 1975, it was inaccurately stated that—

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

The only concrete class of Board cases ever referred to have been *Woodwork Manufacturers Association* v. *NLRB*, 386 U.S. 612, which involved a strike by carpenters, who had traditionally done the job of cutting and fitting doors, to protest their employer's attempt to deprive them of that work by using precut doors, and its progeny. In fact, the Board's role in deciding these section 8(b)(4) and 8(e) cases is indistinguishable from its role in adjudicating the collective bargaining cases already noted.

The Supreme Court, in affirming an NLRB finding that in the circumstances of the Woodwork Manufacturers case, section 8(b)(4) and 2(e) had not been violated, stated the purpose of those provisions was "limited to protecting employers in the position of neutrals between contending parties" (386 U.S. at 625).

The task entrusted to the Board is not to weigh economic effects. It is to determine whether the strike is really directed at the striking employees own employer; namely, is a primary strike protected by sections 7 and 13—or is it directed at an employer who is a "neutral bystander"; namely, is a secondary strike prohibited by sections 8(b)(4) and 8(e). (See 386 U.S. at 645–646.) Indeed, the Supreme Court stressed:

> The Woodwork Manufacturers Association and amici who support its position advance several reasons, grounded in economic and technological factors, why (work preservation strikes) should be invalid in all circumstances. Those arguments are addressed to the wrong branch of government. It may be that the time has come for a re-evaluation of the basic content of collective bargaining as contemplated by the federal legislation. But that is for Congress. Congress has demonstrated its capacity to adjust the Nation's labor legislation to what, in its legislative judgment, constitutes the statutory pattern appropriate to the developing state of labor relations in the country. Major revisions of the basic statute were enacted in 1947 and 1959. To be sure, then, Congress might be

of opinion that greater stress should be put on . . . elimination of more and more economic weapons from the . . . (Union's grasp . . . But Congress' policy has not yet moved to this point . . . Labor Board v. Insurance Agents' International Union, 361 US 477, 500. (386 U.S. at 644.)

If, by chance, the Porter Co. and Woodwork Manufacturers decisions are deemed an insufficient demonstration that the ACA should not intervene in NLRB and NMB proceedings because Congress has determined that those agencies should decide carefully defined legal questions and not evaluate possible economic effects on the product and service market, section 4 of the National Labor Relations Act is certainly dispositive. From its establishment until 1940, the NLRB had utilized the services of a Division of Economic Research to engage in general economic research and to obtain economic data and similar material for use in Board cases. In that year the division was abolished. (See S. Min. Rep. No. 105, pt. 2, 80th Cong. first session, p. 33.) But in 1947 Senator Taft and Representative Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to section 4 the proviso that—

Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis.

The point that under our present national labor policy the ACA has no place in NLRB or National Mediation Board proceedings could not be more forcefully put.

Similarly, there is no role for the ACA to serve before the Federal Mediation and Conciliation Service which was created simply to offer mediation services to parties in labor disputes to help them resolve their disagreements peacefully. It has no regulatory functions. The FMCS cannot impose its services upon unwilling parties nor dictate the outcome of negotiations where their services have not been solicited.

Historically, Congress has studiously followed a course of noninterference with free, give-and-take collective bargaining and has sought only to preserve the delicate balance between organized labor and business management. While some people may believe that the time has come to readjust this balance, the place to do so is not in the consumer agency bill. Any legislative tinkering with the collective bargaining process or the potential economic strength of the respective parties will require a thorough analysis of all labor laws and the amendment of many of their provisions. The relative state of labor peace we have achieved in this country by allowing two evenly matched, albeit economically powerful, parties to engage in unencumbered negotiations is not to be so cavalierly discarded.

REVISED LOAN LEVELS FOR FARM CROPS

Mr. STENNIS. Mr. President, press accounts of the last 2 days indicate that the Secretary of Agriculture expects that the farm bill, which has been sent to the White House by Congress, will be vetoed.

These accounts also indicate that the Secretary intends to raise loan levels for farm crops, as a substitute for the vetoed bill.

I am informed that it is within the administrative capability of the Secretary to adjust loan levels for wheat, corn, and other feed grains, but that the statute on cotton precludes such action.

I believe that the problem of target prices and loan levels is not well understood by the public at large, outside of the agricultural community, and that every opportunity should be taken to clarify them.

Accordingly I have written a letter to the Secretary of Agriculture on this subject, seeking clarification as to his views as to a remedy for the unrealistic level of cotton loans, and urging him to recommend to the President that he sign the farm bill. I am writing to the President to urge that he give the bill his approval and signature.

I ask unanimous consent that my letter to Secretary Butz be printed in the RECORD.

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

WASHINGTON, D.C.,
April 23, 1975.

Hon. EARL L. BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: You have been quoted in the press as saying that you consider the existing loan rates for corn and wheat to be unrealistically low, and that you expect that they will be administratively raised as a means of softening the impact of a veto of the Farm Bill.

No mention is made of a similar intention to raise the loan level for cotton. I am informed that no administrative remedy is available to you to correct the unrealistically low level of cotton loans, because the statute provides that they shall be statistically computed, based on the three year world market average price for cotton.

The intent of the Farm Bill, as you know, is to adjust target prices and loan levels for cotton as well as wheat and feed grains. If it is your intention to accomplish administratively the loan level adjustments set forth in the legislation on emergency price supports for 1975 crops, and to use this action as justification for a veto, then I believe that you should address clearly the question of whether or not you are precluded from administrative adjustment of loan levels for cotton.

If you are so precluded, which is my understanding, is it your intention to submit separate legislation to bring cotton loans to a realistic level?

This crucial question is of great importance to thousands of farmers, and will have a profound impact on a substantial part of American agriculture production. I believe that the admininistrative remedies you propose in lieu of the Farm Bill are inadequate for the purpose, so far as cotton is concerned. On behalf of clear public understanding of the issues involved in the Farm Bill, I believe your intention with respect to the loan level for cotton requires clarifictaion.

I will appreciate receiving your views on this matter, and I strongly urge that you recommend to the President that he sign the Farm Bill.

Sincerely yours,

JOHN C. STENNIS,
U.S. Senator.

THE HELLS CANYON NATIONAL RECREATION AREA BILL—S. 322

Mr. PACKWOOD. Mr. President, the consideration of S. 322, to establish the Hells Canyon National Recreation Area, will no doubt become a subject for this body to act upon in the coming weeks. My colleagues are aware that the House recently held hearings on the Hells Canyon NRA bill, which Congressman ULLMAN has introduced, H.R. 30, and may be interested that there were actually no new arguments presented against passage of this fine legislation. In line with that comment, I think the Seattle Times, April 14, 1975, editorial on the House hearings offers a well-made point on the congressional deliberations over the long awaited passage of the Hells Canyon National Recreation Area legislation.

Mr. President, I ask unanimous consent that a copy of the Seattle Times, April 14, 1975, editorial entitled, "No Need for Hells Canyon Delay," be printed in the RECORD.

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

[From the Seattle Times, Apr. 14, 1975]

NO NEED FOR HELLS CANYON DELAY

The question of whether to open up the scenic Hells Canyon area on the Idaho-Oregon border to power-dam construction, one of the longest-lived public issues in Pacific Northwest history, was back before Congress last week.

A House national parks and recreation subcommittee heard testimony on the bill to preserve the canyon and establish a large national recreation area on the Middle Snake River.

Prolonged hearings ought not to be necessary. The arguments pro and con that already have been made in this seemingly everlasting controversy could fill enough volumes to span the canyon itself.

The record has been made. And it is quite clear that majority sentiment in the Pacific Northwest, as expressed by most of the region's congressional delegations and the governors of Washington, Oregon and Idaho, favors retaining what has been described as the deepest natural gorge on earth in its present, relatively natural state.

The advocates of the dam are dead right, of course, in their contention that the Northwest needs the power that damming up Hells Canyon would provide.

But there are other power-generation projects, both hydroelectric and thermal, to which Pacific Northwest utility capital, both public and private, could be applied.

Hells Canyon is, as described by Idaho Governor Andrus, "a unique and magnificent natural treasure," and it should be preserved.

The preservation bill represents important business at the present session of Congress because a moratorium on dam-building in the Middle Snake expires this year.

A STRONG AND SELF-ASSURED AMERICA

Mr. HUMPHREY. Mr. President, we are fortunate to have men of the quality of the former Under Secretary of State, Mr. George W. Ball. In a recent article in the Newsweek of April 21 entitled "Stop the Breast-Beating!" George Ball has placed into proper perspective the recent turn of events in Indochina. His splendid article speaks eloquently for a strong and self-assured America,

and it properly chastises those who see in the Indochina tragedy a failure on the part of our country. I urge every Member of Congress to read this thoughtful article. George Ball has exhibited good commonsense in his straightforward talk, and I ask unanimous consent that his article be printed in the RECORD.

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

[From Newsweek, Apr. 21, 1975]

STOP THE BREAST-BEATING!

(By George W. Ball)

The myth-makers have been at it again, with a helping hand from the President. It raises doubts whether we will ever learn from experience.

Soon after Chiang Kai-shek's precipitate flight to Formosa in 1949, the myth was fabricated that we had "lost" China through betrayal. Had treacherous advisers not blocked full support for the Generalissimo, it was claimed, he could have halted Mao Tse-tung's motley legions. No matter that the Kuomintang regime had been riddled by corruption, that its military commanders had cared more for internecine feuding and the posh life than fighting the enemy, and that the Generalissimo's government had lacked broad support in the countryside. To suggest such blasphemies was "disloyal."

It took years for the truth to emerge. But such brilliant works as Barbara Tuchman's book on General Stilwell finally dispelled the lingering fantasies of the Generalissimo's apologists. That Chiang would inevitably have been driven to ground, no matter how much blood and treasure we might have wasted on the Asian mainland, seems no longer in doubt.

INEVITABLE COLLAPSE

Yet, in the aftermath of the Vietnam collapse, we are in danger of repeating our China aberration. Like the regime of Generalissimo Chiang, General Thieu's government is corrupt and ineffective. In spite of the timid nagging of a succession of Washington administrations, Thieu has refused to broaden its base. Vietnam is a far smaller theater than China and, by the application of fantastic firepower, the sacrifice of 55,000 Americans killed and over 150,000 seriously wounded, the destruction of as many as 415,000 civilian lives and the creation of approximately 6 million refugees, we were able, for a protracted period, to keep Hanoi from overrunning the country. But, once we withdrew our soldiers and our bombers, it was inevitable that the house of cards would come tumbling down. Having promised an "honorable peace," the authors of the Paris Accords hoped that the debacle could be postponed for a "decent interval." But, because the interval has lasted only 26 months, they are now seeking a scapegoat. The new myth is simple enough: had Congress not balked at continuing the flow of military supplies *ad infinitum*, the crash would never have occurred.

Myths of perfidy are reckless and insidious and anyone who helps propagate them—including the President—should have his mouth washed out with soap. The myth that the Democrats betrayed China created Joe McCarthy and ushered in the most disgraceful period in American history. The myth that the German Army did not lose the first world war but that Germany was "stabbed in the back" by the Social Democrats gave Hitler the tool he needed to climb to power.

If domestic harmony is corroded by such myths, our world position could be dangerously undermined by lamentations that question America's probity. "What kind of a people are we?" one leader has asked, if we refuse to prop up an unworthy regime for the indefinite future. "How can other nations believe our commitments elsewhere in the world" if we do not continue to arm our client regimes in Saigon and Phnom Penh?

In response to the first question, I would answer only that we show our maturity by cutting our losses in an enterprise destined to failure from the beginning. In answer to the second, I would point out that our so-called "moral commitments" to South Vietnam and Cambodia were in no way comparable to undertakings elsewhere and that if we only stopped yammering, our friends would discern no similarity.

RHETORICAL EXUBERANCE

How can one compare "moral" assurances to the Vietnamese never made to them in treaty form but merely uttered by Presidents in moments of rhetorical exuberance in a situation only marginally touching America's interests, with solemn treaty obligations to such areas as Japan or Western Europe, involving interests of central strategic importance?

President Assad of Syria recently showed how to turn such a specious comparison against us. Since, he argued, America's actions in Vietnam had shown that it would ultimately tire of supporting Israel, why should the Arabs now make any concessions? Because Assad was anxious to block a partial settlement between Israel and Egypt, he had a clear motive for challenging our constancy but it was irresponsible of our leaders to confirm that challenge in their eagerness to push the blame for Thieu's failure onto the Democratic Congress.

What is occurring today in Vietnam and Cambodia involves human tragedy on a vast scale, and anyone with an ounce of humanity must feel deeply saddened. But, although it is a great human tragedy, it need be a major political disaster for America only if we make it so. Rather than playing domestic politics with our own good name, sound diplomacy requires that we formulate America's position so as to minimize the breakage from the Vietnamese disintegration. Thus, we would do well to recall the conditions under which President Eisenhower in 1954 first committed us to aid South Vietnam.

FAILED TEST

Those conditions were spelled out in a carefully drafted letter in which he made it clear that the United States would help President Diem's government only so long as the South Vietnamese continued to prove they could help themselves, with the ultimate objective of bringing about a Vietnam that could stand on its own feet. Two decades later, in spite of our vast expenditures of lives and money and General Thieu's disposal of armed forces much larger than those of the north, it is clear that his regime has failed the critical test. For that we need make no apologies. No nation ever did more for a small beleaguered country than we have done for South Vietnam.

So let us, for heaven's sake, stop the breast-beating, particularly since most nations and peoples are still inclined to take us at our own valuation. Almost without exception, they have come to regard America's preoccupation with South Vietnam more as an obsession than a policy, and most of them are relieved that we are now free to pay attention to more vital concerns. If we turn a self-assured face toward the world, it will be good for America as a whole. So let us stop the search for scapegoats. There is enough blame to go around for everybody.

BIG GOVERNMENT AND OUR ECONOMIC WOES

Mr. FANNIN. Mr. President, in the current issue of the Reader's Digest is one of the most lucid explanations I have seen of the economic problems we face today. Secretary Simon presented the facts demonstrating how big government has come to dominate the lives of our citizens, and how that as Government regulation grows the quality of life for Americans deteriorates. The Secretary points out that we are now at a crossroads. The time is near when we will make irrevocable decisions as to whether we will allow private enterprise to meet the needs of the people or whether we will have a centralized government dictatorship controlling every aspect of our economy and, eventually, our private lives.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

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

[From the Reader's Digest, April 1975]

BIG GOVERNMENT AND OUR ECONOMIC WOES

(By William E. Simon, Secretary of the Treasury)

For more than 40 years, we in the United States have turned increasingly to the federal government to solve our problems. Yet, as the government has enlarged its dominion over our affairs, it has become increasingly apparent that concentrating power in Washington can be inefficient, wasteful, and ultimately destructive of our freedoms. Indeed, the forces of Big Government—however well-intentioned—bear significant responsibility for creating the woes we have in the economy today.

Before we turn still further toward centralization, it is urgent that we take a hard look at ourselves:

Item: Just before the New Deal, government spending took 12 percent of our gross national product. Today it takes a third. If present trends continue, it will take 60 percent by the year 2000.

Item: It required 186 years for the federal budget to reach the $100-billion figure, a line crossed in 1962. Only nine more were needed to reach the $200-billion mark, and then only four more years to reach $300 billion. The sums are almost beyond comprehension. If $400,000 had been spent every day since Christ was born, the total would still not come to $300 billion.

Item: Excluding the war years, the federal budget ran a surplus about four out of every five years until the 1930s. When we close the books on this fiscal year, we will have had 14 deficits in the last 15 years.

Item: One out of every six working Americans is employed by federal, state or local governments. The government has become the nation's biggest boss, with more employes than the auto industry, the steel industry and all other durable-goods manufacturers combined.

It is clear to me that we have more government than we need, more government than most people want, and certainly more government than we are willing to pay for.

Big Government is not undesirable *per se* any more than bigness in any organization is undesirable *per se*. But Big Government has become Bad Government because of what it has done to our economy and to our personal freedoms.

INFLATION CAUSE

Much of today's inflation can be directly traced to excessive government spending. A widely accepted theory of economics is that when the economy is weak, deficit spending by the government helps to pump it up. Conversely, however, when the economy is strong, the government should discipline it-

self to achieve budgetary surpluses and stabilize prices.

Instead, in our incessant desire to buy more than we can afford, we have slipped into deficit spending almost *every* year, good and bad. And because the economy was booming during much of the past decade, federal budget deficits have become a major source of economic instability.

Moreover, heavy government borrowing to cover these deficits has helped drive up interest rates and deny industry the private capital it has traditionally borrowed to expand and to employ new workers. During the coming fiscal year, government borrowing will total 80 percent of the capital market, leaving only 20 for private industry.

Another inflationary element in this witches' brew has been our monetary policy. Between 1955 and 1965, the money supply grew at a rate of about 2½ percent a year, and we enjoyed a period of reasonable price stability. Since 1965, however, the annual rate of increase in the money supply has more than doubled, to nearly six percent. This has been far beyond the level needed for stable economic growth, and the only way that extra money could be absorbed was through higher prices.

Fueled by the government's excessive fiscal and monetary policies as well as exploding food and oil prices, inflation hit record peacetime levels in 1974 and, as it did, it had a secondary effect: it tipped the economy downward toward recession. Rising prices caused the biggest drop in consumer spending since World War II. Similarly, as inflation drove up interest rates, housing—one of the nation's largest industries—fell into a horrible slump. In short, inflation has been a major cause of the recession and *remains* our most fundamental, long-term problem.

IMPACT ON PRODUCTION

Closely related to government-created inflationary pressures are the impediments that restrictive government policies place on production. Federal regulation of natural gas is a classic example. For more than two decades, despite repeated warnings by experts, the Federal Power Commission has kept the wellhead price of natural gas at an abnormally low level, in order to hold down prices for consumers. But this has reduced the incentive to develop new domestic supplies, and today there is much less natural gas available than we need. Government regulation has, in effect, created a national shortage.

We might also benefit strikingly if greater competition were introduced in the Postal Service. For almost two centuries government has enjoyed a monopoly over first-class mail, but with irritating frequency we have had to endure second-class service. By contrast, we have permitted private competition in parcel-post delivery, and in the past decade, because of better service, private delivery services have attracted away almost half of all packages delivered. If we were willing to cut the government umbilical cord, we might have much the same result in first-class mail.

Another particularly vexing problem arises from the federal regulatory agencies, which now exercise control over air, rail and truck transportation, power generation, television, radio and the securities market—industries that account for ten percent of everything made and sold. While initially set up for sound reasons, the regulatory process has become enormously complex, cumbersome, inefficient and overly protective of the industries it regulates—all at the expense of the consumer. The Interstate Commerce Commission, for instance, now has on its books some 40 trillion rates, and 400,000 new tariff schedules are proposed each year to tell the transportation industry what it can charge.

Economic wastage from government regulatory processes ranges into the tens of billions of dollars. For example, the government allows some trucks to carry cargo in only one direction, and others to carry only a small range of commodities on the return trip.* Regulated truckers travel some 30 percent of their routes with empty "backhauls," costing consumers $5-to-$10 billion. Another example: It is 200 miles farther from San Francisco to Los Angeles than from New York to Washington, yet the air fare from San Francisco to Los Angeles is almost a third lower. Why? Airlines operating within California are intrastate and thus compete in an unregulated free market; prices on the East Coast flights are regulated by the government. Or look at the railroads. In deep financial trouble, they are required by the government to maintain upward of 50,000 route miles no longer needed—excess trackage that drives up costs. These are but three of hundreds of government impositions on our system that raise the cost of living for all of us.

SMALL PROFITS, SMALL GROWTH

To pay for the rising costs of public programs, we have transferred mounting sums of our wealth from the most productive part of our economy, the private sector, to the least productive, the government. To put people back to work, we must not only provide public-service jobs, but, more important, we must return to economic fundamentals.

When adjusted for the effects of inflation on inventory and depreciation, after-tax corporate profits have actually declined by 50 percent since 1965. It is not unfair to say that the country has entered a "profits depression." Moreover, for more than a decade, capital investments have been at the lowest level of any major industrialized country in the Free World, and the growth in productivity of American workers has been just over half as large as in France and Germany, and less than one third as large as in Japan.

It is imperative that we make better provisions for the future. We must begin to shift the long-run balance of domestic priorities away from consumption and government spending and toward investment and increased productivity. History will ultimately judge us not just on our immediate success in coping with recession—and we will succeed in that endeavor—but on our ability to deal with the more fundamental problems of resource allocation and capital formation. If we fail to address these challenges, we will fail to attain the rising standard of living that should be our goal.

Some people argue that the answer to the current economic crisis lies in more governmental control. Looking at what Big Government has done to our economy, I believe it is time to say "No." Two approaches in particular are objectionable.

One: Greater federal spending. The drumbeat for still bigger spending programs can be heard regularly along the corridors of the Capitol. Because of the continuing threat of inflation, however, this recession must be treated quite differently from those of the past. Unbridled spending could set off a new cycle of inflation and recession that would be far more severe. Thus, the President proposed a tax cut to strengthen the forces of recovery, but to ward off further inflation he is also seeking to curb the momentous growth of federal spending.

Two: Wage and price controls. Public-opinion polls show that a majority of Americans now favor controls. That's discouraging. Controls have been tried over and over again, and not once have they worked. They may yield short-term gains, but within a matter of months they begin to create significant distortions and inequities within the economy. Our 1971–74 experience with them should have taught us that, instead of eliminating inflation, wage-price controls only conceal it—eventually it returns in much more virulent form. Advocates of a planned economy argue that prices remained fairly stable under controls in World War II, but they fail to point out that when controls were phased out after the war, wholesale prices shot up nearly 30 percent in one year.

If we are seduced once again by the siren song of controls, within two years we will face a cruel dilemma: whether to lift the controls and uncork horrendous problems of inflation and unemployment, or stick with controls for good and gradually stifle the free-enterprise system. That is a choice we can avoid if we avoid the controls themselves.

THE BETTER WAY

There are other ways to attack our long-range problems—ways that will work without concentrating still greater power and influence in Washington. For once, let us attack the causes of our problems and not the results.

With revenues falling off sharply and expenditures rising inexorably, large federal deficits are inescapable in the immediate future. Thereafter, however, as the economy regains its health, we must restore much greater fiscal and monetary discipline so that we do not have deficits during years of boom.

We must overhaul the government's regulatory system. This will be extremely difficult because the special interests benefiting from regulation are much more powerful and united than their opponents. But we can no longer afford the waste and inefficiencies that excessive regulation creates.

We continue to need tax reforms. For both individuals and businesses, inflation increases the effective tax rate even though they are no better off. In addition, most of our major trading partners have largely eliminated the traditional two-tier tax system in which income is taxed once at the corporate level and again on the dividends received by stockholders. For our own economic health, we should ask whether it is good for us that the burden of business taxation here is heavier than in almost any other major industrialized nation.

OUR BASIC DECISION

Overall, the most critical economic decision we face is whether we want to leave our basic freedoms in the hands of private citizens. The nation has now reached a crossroads. In a very basic sense, we must choose either to restore a more competitive, more open society or to commit ourselves—perhaps irrevocably—to a society in which the large decisions about our economic and personal welfare are made by a central government.

History surely teaches us that the system of free enterprise, despite its many flaws, is the system most compatible with the protection of rights and liberties as well as the one that is most productive of material goods. Equally so, recent history shows that government, despite its splendid intentions, is incapable of matching the vitality, the wisdom and the ingenuity of free men.

* See "Highway Robbery—Via the ICC," The Reader's Digest, January '75.

CO-OP MOVEMENT IN VERMONT COULD SPARK RURAL REVIVAL

Mr. LEAHY. Mr. President, the Department of Agriculture recently estimated that the country will lose one-half of its dairy herds by 1980. In human terms this means thousands of family farmers squeezed out of business or forced to consolidate, many of them in Vermont. During the hearings in the Agriculture Committee last February on the recently passed emergency farm legislation, Secretary Butz confirmed this estimate in response to questions I asked of him.

A year ago, the University of Vermont Agricultural Experiment Station projected that 10 percent of the State's

commercial dairy farmers would soon be out of business. Farming is a $200 million a year industry in Vermont, one of the most rural States in the Nation. When the family farmer can no longer survive, it has a massive impact on our economy.

Today, many Vermont farmers are in a very precarious position. For some, selling off their land is the only way to survive. And when Vermont farmers go out of business there is no guarantee that the land will be kept open for agricultural use. Because of Vermont's natural attractions this land often falls into the hands of out-of-State interests. Today, nearly half of all the land in Vermont is owned by out-of-staters. Unfortunately when land is paved over or when it is chopped up for real estate developments, it is lost to agriculture forever. And if the land passes we will also see the passing of a unique way of life in my State. As two members of the Agriculture Extension Service stated in a recent report:

> Farmers have a genuine love of the land, a respect for it, and a desire to protect and preserve it. This attitude is not mercenary; it has roots that are almost religious.

Mr. President, the disappearance of the family farm does not indicate progress. Department of Agriculture studies have shown that large-scale farming is not more efficient than family farming. Despite this, Federal policies over the last three decades have resulted in the loss of 3 million small farms since World War II. As the power of large corporate agricultural concerns grows, monopolies are formed that leave consumers with no choice but to pay higher prices set by so-called agribusiness. In 1972 the Federal Trade Commission found that consumers were being overcharged more than $2 billion a year for food because of monopolies in 13 food lines. This figure grows yearly. As corporate farms replace family farms, these monopolies could leave consumers with no choice but to pay higher prices set by agribusiness.

Mr. President, during the last century, Vermont was the granary and the orchard of New England. Our agriculture was diversified. In part due to Federal policies, this is no longer so. Vermont farmers depend on a single product—milk—for almost 80 percent of their income. Seven out of every eight dollars received by Vermont farmers come from dairy products or the sale of cull cattle.

During my campaign for the U.S. Senate, I promised Vermonters that if elected I would seek membership on the Senate Committee on Agriculture and Forestry. When I first met with the distinguished majority leader shortly after my election, that was the first request I made of him. I am grateful it was granted. I am hopeful that as a member of the committee I can help to fashion a fresh approach to our agriculture and food problems—an approach which will preserve the family farm structure of the Nation—an approach that will eliminate the heavy rural service bureaucracy and corporate crust that now holds the family farm system in thrall and limits its ability to develop to its full potential. I do not expect this to happen overnight. However, I firmly believe that the time has come to consider anew our agricultural problems and the proper role for the Federal Government to play in helping to solve them.

Mr. President, in the Washington Post of April 20, 1975, appeared a very interesting article entitled "A Rural Revival, Farm Impact on Vermont Economy Eyed," by William Claiborne. Mr. Claiborne, succintly pointed out many of the problems faced by Vermont farmers. He described a new and growing grassroots movement in my State that is attempting to bring about a self-sufficient agriculture economy. No one has all the answers to existing farm problems. But the young people who are involved in the comparatively recent cooperative movement may have some of them. Their work and its progress merits the attention of all who are interested in the problems of agriculture. I ask unanimous consent that this article be printed in the RECORD.

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

A RURAL REVIVAL

(By William Claiborne)

PLAINFIELD, VT.—This sparsely populated town and nearly a dozen like it in central and northern Vermont are experiencing revival of the farmers' cooperative spirit that helped make New England the breadbasket of the East in the 19th Century.

In a sagging old Grange hall behind the local volunteer firehouse, thousands of pounds of cheese, flour, wheat, honey, dried fruit, and other foods are sold each month at market wholesale prices that total over $250,000 a year.

In tiny towns like Barton, Randolph, Morrisville, Franklin, and West Lebanon, the scene is being repeated in a federation of new cooperative food markets.

Orders are written at rickety, old desks alongside potbellied stoves in an atmosphere that reminds the oldest rural Vermonters of the once flourishing cooperative that became extinct with the decline of the farm and the advent of the supermarket years ago.

But the impetus behind this co-op movement comes not from the old timers, but from young refuge-seekers from out of state who came here looking for an alternate lifestyle and decided the system needed changing.

Usually clad in denim bib overalls, they are distinguishable from their native Vermont neighbors by their long hair, beards and counterculture mannerisms. As "flatlanders," they are far from becoming assimilated into the locals' culture.

But their presence here is being increasingly accepted by the conservative fourth and fifth-generation Vermonters whose per capita income ranks among the lowest in the nation and whose family budgets have been strained because of inflation and high taxes.

The young newcomers are also behind a small but growing movement that is trying to turn Vermont away from a policy of tourism and industrial development toward a self-sufficient agricultural economy, and there are signs that the young voices from the state's newly established food cooperatives are being heard in the government.

"The politicians are beginning to get the scent of which way the wind is going. People in this state are really quite friendly to the notion that farming can be revived here," said Larry Gordon, one of the operators of the fledgling Plainfield Cooperative.

In an interview in his statehouse office in nearby Montpelier, Gov. Thomas P. Salmon seemed to support Gordon's contention.

Although in the past he has been identified more closely with bringing manufacturing and tourism to Vermont than he has been associated with farming, Salmon said he intends to appoint a self-sufficiency commission that will devise a plan for recouping some of Vermont's dormant agricultural land.

He spoke of a "throwback to the 'victory garden' spirit of the war years," and said the state should make it easier for small, family owned farms to survive.

Vermont legislators—some of them young, urban emigrants—have been sprinkling their statehouse debates with longing references to the state's heyday of diversified agriculture.

New public interest associations and groups of young political activists are becoming more vocal about Vermont's "colonialism" and its dependency upon out-of-state business interests, and are pushing the theme of self-sufficiency.

A century ago, the state's leading industry was sheep-raising, and there used to be big cattle drives along the Connecticut River toward the stockyards of Boston.

Wheat grew abundantly in some parts of the state, and in the early 1900s the dairy industry began to flourish.

But because of a combination of low profit margins and spiraling land values, Vermont's farm economy hit the skids after World War II, going from about 30,000 farms in 1950 to 12,000 in 1960 and 7,000 in 1970. It is estimated that the state is losing 400 crop farms a year now, leaving the bulk of the farm economy to the dairy industry.

At the same time, Vermont began to experience a metamorphosis in which absentee ownership of the state's land and resources escalated at a startling rate.

Ski areas—most owned by non-Vermonters—mushroomed throughout the state, and land that sold for $15 an acre in the 1950s began to sell for $1,000 and more in the southern counties.

The state's population, which is now 475,000, shot up 14 percent in the decade of the 1960s, and home construction—dominated by the second home industry—went up 25 percent during the same period.

A study by the Vermont public interest Research Group of Warren—the Mad River valley site of the huge Sugarbush Ski Center—showed that 70 percent of the undeveloped land sold between 1968 and 1971 was bought by out-of-staters, and 84 percent of the vacation homes were owned by non-Vermonters.

Not all of the absentee ownership could be attributed to the recreation industry.

A study conducted by students at Goddard College in Plainfield, revealed that insurance companies, banks and industrial concerns own almost all of the state's commercial enterprise and undeveloped land.

The study showed that only three of the state's 21 plants employing more than 500 people were owned by Vermonters, and that most of the profits were being siphoned out of the state.

The state's largest landowner is the New York City-based St. Regis Paper Co., owner of much of the northeast corner of Vermont. Moreover, of all the major mineral companies, only one is Vermont-owned.

One of the most outspoken critics of the state's absentee ownership, Goddard College economics professor Lee Webb, said in an interview here that absentee ownership was to blame for much of Vermont's poverty.

Noting that the state ranks 42d nationally in per capita income but has the third highest state tax debt, Webb said, "If we were in the South, we'd be equated with Louisiana and Georgia. But since we're in New England, we're quaint."

The flaw in the Salmon administration's economic strategy, as Webb sees it, is that out-of-state-owned manufacturing industries rely on cheap labor and are prone to

move elsewhere—especially to the South—if pressure is exerted to raise per capita income in the state.

As for the recreation industry, Webb said most employment involves low-paying, service-type jobs, and businesses that spring up around new ski areas generally are owned and managed by people who move from out of state after the development begins.

He cited the Warren study, which showed that 88 per cent of the jobs created by the ski center development were held by people who moved into the town after the development began.

These are the newcomers who run the restaurants and shops that are popular with the skiing crowd but do little to alleviate the poverty of the original residents, Webb said.

He said the recreation industry is concentrated in only a tenth of the towns in the state, leaving Vermont's 10.3 per cent unemployment rate inequitably distributed elsewhere. The unemployment in some towns, such as St. Albans, reportedly is as high as 25 per cent.

It is against this economic backdrop that the new cooperative markets and the farm revival movement was begun here and in other towns inhabited by young urban escapees seeking a return to Mother Earth.

"The co-op is finding people who want to go self-sufficient, including some old, conservative types who haven't said much," said cooperative operator Gordon.

When the Plainfield Cooperative began three years ago, Gordon said, its buyers were almost exclusively young people, many of whom were attracted by the organic food that the market sells.

Now, he said, the co-op buyers "cut across all economic lines," including many native Vermonters, or "woodchucks" as they are sometimes called here. About a fifth of the buyers use food stamps supplied by public assistance programs.

The cooperative takes about 2,000 food orders a month, and for the time being is forced to truck most of its purchases from New York and Boston. It is sold to co-op members at about half the normal supermarket retail price, Gordon said.

The cooperative plans to contract with area growers, many in the Champlain Valley, for 60,000 pounds of wheat and beans, Gordon said. If an agricultural development program is undertaken in a serious way by the state government, he added, the cooperative will expand its local purchases.

"Three acres of vegetables is an enormous amount of vegetables. We'd like to spend our money in Vermont if we can," Gordon said, adding, "I envision the day when most of what we buy will be grown here."

WHAT PRICE PEACE?

Mr. DOMENICI. Mr. President, recently 15 of my colleagues and I introduced Senate Joint Resolution 69 relating to POW/MIA's and the United Nations. In an excellent editorial, Mr. Howard Flieger of the U.S. News & World Report speaks eloquently on the same subject. His editorial entitled "What Price Peace" provides an instructive recap of the dismal record of the North Vietnamese in failing to provide information about Americans unaccounted for in Southeast Asia.

The Department of Defense lists nearly 1,000 individuals still classified as missing in action. The United States cannot continue to put up with this deplorable situation. The resolution I referred to previously would put an affirmative duty on the United Nations to attempt, in a legitimate humanitarian undertaking, to help account for these men. This Nation should not expect nor require less of the United Nations.

I ask unanimous consent that this fine editorial by Mr. Flieger be printed in the RECORD.

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

WHAT PRICE PEACE?

(By Howard Flieger)

Will American governments never wake up to the tragic futility of negotiating "peace with honor" with Communists?

Their violation of the Vietnam armistice is so massive its cynicism is overwhelming. Lost in the debacle is one point that is symbolic of the calculating way the Communists will exploit anything they sense as an advantage handed them in good will.

Consider the case of the 1,300 Americans still listed as missing in action in Indo-China. What has become of Hanoi's solemn agreement to help account for them?

Nothing. Instead, it is possible that many of them and their families are being used as pawns to try to wring further humiliating concessions out of the United States.

It might not be a bad idea for all of us to refresh our memories on the deal with the Communists that terminated America's direct combat role in the Vietnam War.

An "Agreement on Ending the War and Restoring Peace in Vietnam" was signed in Paris on Jan. 31, 1973, providing an immediate cease-fire. Imbedded in Article 8 of that agreement is this stipulation:

"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 expatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

At a White House news conference, Henry Kissinger, then President Nixon's adviser on national security affairs, said "the accounting of the missing in action is unconditional and will take place within the same time frame as the American withdrawal."

But, once the deal was signed, the Communists didn't even bother to pay lip service to their pledged word. They did exchange war prisoners. They returned the bodies of 23 Americans who had died in captivity. But they did nothing about the missing in action then. They have done nothing about them since.

It must be said that, so far as anything is visible on the record, the U.S. Government has done little to try to force the Communists to keep their word.

Despite Mr. Kissinger's statement, no actual deadline was set for getting the information from Hanoi. Families of those missing who have appealed in person to the Communists have gotten nowhere. Hanoi has refused to permit searches in North Vietnam or any areas under its control for graves, crash sites or physical evidence of what might have become of the missing Americans.

Maybe most of them perished. Perhaps some are still captive. It is always possible that a few have been subverted and gone over to the Communist cause.

The tragedy is that nobody in the U.S. knows. And nobody is finding out.

Last September, President Ford declared "the record shows that there has been almost no compliance with these humanitarian provisions" of the Paris agreement.

Are the Communists playing a cruel game—using the issue to try to coerce further concessions? There are hints of that.

North Vietnam's Foreign Minister, in a letter to Sen. Edward Kennedy early this year, said Hanoi still was gathering information on Americans missing in action and hoped, eventually, to ease the anguish of their families. Hanoi clearly implied that the Communists know more than they've told about the missing 1,300, at least some of them.

The fate of those listed as missing in action was left to the good will of the Communists. Their fate is unknown. There is a lesson in this for Americans.

FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Eugene Rostow, sterling professor of law and public affairs, Yale Law School, and former Undersecretary of State for Political Affairs, is a thoughtful and knowledgeable man in the field of foreign policy. His most recent book on foreign affairs is "Peace in the Balance: The Future of American Foreign Policy."

His recent address before the Los Angeles World Affairs Council on April 4, 1975, should be read and considered by each one of us.

I ask unanimous consent that it be printed in the RECORD.

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

THE NIXON-FORD-KISSINGER FOREIGN POLICY

(By Eugene V. Rostow)

My argument today is somber—not pessimistic, not grim, but decidedly somber, and I have no desire to conceal it in blandness. In preparing this talk, I have tried to suppress habits of circumlocution established by six years in our foreign affairs bureaucracy, which George Ball once called "The Fudge Factory."

My thesis is paradoxical. Despite the flurry of bad news during the last few months, I should contend that our basic security position is strong—stronger in many ways than has been the case since 1945. The posture of basic American strength in world affairs has developed because the increasing pressures of Soviet policy, and the implacable logic of the nuclear weapon, have forced Western Europe, China, Japan, and many other countries to recognize that their security interests and our own are indivisible, and will remain indivisible for the indefinite future. Despite that fact, however, the United States is in danger, and the danger is increasing with every passing day. How can it be that we are stronger, but feel weaker, and indeed are allowing our advantage to erode? My explanation for the paradox is that the prevailing American perception of world politics, still reeling under the impact of Korea and Vietnam, has been deeply confused by the Orwellian vocabulary President Nixon and Secretary of State Kissinger have employed in explaining foreign policy to the American people. President Ford has not yet liberated himself from this feature of his inheritance. Therefore we must still talk of the Nixon-Ford-Kissinger foreign policy, and not yet of a Ford-Kissinger foreign policy. And the atmosphere of politics is still dominated by the strange and misleading language Nixon used when he talked to us about foreign affairs.

As a result, we are passive and timid, where we should be firm and strong. We are cutting our military strength, at a time when our military and political capabilities in world politics should be increasing. We hesitate, when our willingness to act in defense of our interests should be obvious to those who would challenge them. We are retreating when we should be standing fast—consolidating our alliances, and developing new relations of cooperation with many other coun-

tries around the world. And we are bitterly divided, when we should be a united nation, confronting grave national problems together with all the energy, optimism, and practical common sense which have always characterized American foreign policy at its best.

Our Secretary of State has spoken recently about "a crisis of authority" from which he believes the democracies of the world are suffering. I do not agree. We are indeed in a crisis. It is not a crisis of authority, in my view, but a crisis of understanding and of will.

The only rightful source of American policy is an informed public opinion. No President, however gifted, can carry out an effective foreign policy without the support of public opinion. And none of us would have it otherwise. I have complete faith in the fortitude and good judgment of the American people, their instinct for reality, and their willingness to accept any burdens for the sake of the nation. It may be that we are hopelessly caught up in a mood of irrationality and illusion like that which dominated the Thirties, but I do not believe it. Certainly no one could draw such a conclusion from the elections of the last decade. I see no reason to doubt our ability to restore a strong and realistic bipartisan concensus about foreign policy. In any event, I am certain that we must try with all our might to do so. If we fail, the future will indeed be ominous, for the tide of events is running strongly against our national interests in world affairs.

The key to the possibility of success in that effort is simple, but not easy. The crystallization of a sound public opinion in any democracy, and especially in our democracy, requires a frank dialogue between the government and the people—sustained, intense, detailed, and thorough. It is nearly impossible for public opinion to understand the patterns beneath the flow of events unless our leaders trust the people, and explain the world with which they have to deal in the direct and unvarnished language of Harry Truman: with the bark on; without hedging or fudging; and above all without partisan bias.

Watergate was not in my judgment Richard Nixon's only offense against the moral code of our constitutional order. Mr. Nixon's way of talking to us about foreign policy also violated the principles of democratic ethics which should govern the relationship between the President of the United States and the American people.

As the news makes more obvious with every passing day, from Portugal and the Middle East to the struggle in South East Asia, President Nixon did not achieve "détente" with the Soviet Union. To me the only possible meaning for the term is a condition of world politics dominated by the habit of full respect for the rules of the United Nations Charter regarding the international use of force. We can hope to reach that goal only by building and maintaining a stable balance of power, on the basis of which we could deter Soviet expansion, and ultimately persuade the Soviet Union to respect the rules of the Charter of the United Nations.

Détente with the Soviet Union in this sense is a state of affairs every American President has sought since the time of President Franklin Roosevelt. It should always be a major goal of our foreign policy. But the promise of "détente" has not been realized. Nixon claimed that he had brought the Cold War to an end, and reached a new and stable system of world peace. This claim now has a hollow sound. We are not living in a condition of "détente" with the Soviet Union. There has been no improvement in our relations with that country. The only changes that have occurred have been in the realm of public relations, not of diplomacy. Soviet policy is exactly what it has always been, except that its pressures are greater and more diverse than ever, and more difficult to deal with. Our problems in Portugal today, for example, are far more complex than those of the Berlin blockade, or the threats to Greece in the late Forties. "Negotiation" has not replaced "confrontation" in the policies of the Soviet Union, which continues to pursue programs of expansion backed by military budgets which have been increasing at the rate of 5% a year, in real terms, and have no parallel in modern history.

Until President Ford frees us from the incubus of President Nixon's excessive claims about what he accomplished, the agony and the triumph of Watergate will have been in vain. Until President Ford takes that indispensable step, there can be no foundation for the confident, agreed, and bipartisan foreign policy we must restore as the predicate for effective national action. Until that happens, we shall not enter the Post-Nixon era.

As a student in London forty years ago, President Kennedy wrote a book called "Why England Slept." Its thesis was that if Britain, France, and the United States had roused themselves in time, World War II, and all that flowed from it, could have been prevented. President Kennedy was surely right. But the Western powers, including the United States, are walking in their sleep, as they did during the Thirties. Will it take another Pearl Harbor to wake us up? Can we respond, on the basis of reason alone, in time to prevent another world catastrophe? That question is the heart of my talk today. It is the question on which the shape of our future depends.

We have had several warnings already quite as clear as Pearl Harbor, notably the war of October, 1973, in the Middle East. Thus far, at any rate, we have refused to recognize those events as Pearl Harbors.

II

I propose to illustrate my argument here largely from the circumstances of the Middle Eastern crisis, which remains, in my opinion, potentially the most dangerous of the current threats to our vital national interests and concerns. To view the Middle Eastern crisis in the perspective of our foreign policy as a whole, however, I should start by briefly recalling two or three preliminary points.

The main lines of American foreign policy have been constant since President Truman's time, and they will remain constant, for reasons rooted in the nature of things, unless we should suddenly decide to commit national suicide. Each of our post-war Presidents has had a different style. They have differed in ability, in temperament, in eloquence, and in luck. But the constant themes in their policies have been far more important than the variations. The continuity of our policy reflects the continuity of our national interests, and the necessities of world politics.

How should we define the American national interest in world politics? Some discuss the problem as if foreign policy were a luxury, an optional activity we can turn on and off at will, a form of philanthropy through which we help democratic nations whose policies we approve, and refuse to assist other nations, even against aggression, because we find their social or political systems unattractive, their leaders unsympathetic, or their habits corrupt.

I should make it clear that I reject such formulations of the problem. I am convinced that foreign policy is a serious subject, a necessity and not a matter of choice, and, in these troubled times, the first and most urgent of our national priorities. Foreign policy, like other kinds of policy, is always a matter of adjusting our hopes to our capacities. As Lord Salisbury remarked a long time ago, speaking of the Boer War, "the money will have been well spent if it teaches the British public they can't have the moon just because they want it." In my view, our foreign policy should be dominated by a concern for the national interest, and only for the national interest.

The essence of the American national interest in world politics is a world order in which we can live and prosper as a democracy at home—a world of wide horizons, and not a nightmare. The goal we must seek, however, is not order alone, but peace. For the century between 1815 and 1914, the United States did not really need a foreign policy. We lived in a system of peace maintained by the Concert of Europe. But for the last sixty years, we have learned that peace is not a gift of nature, or a blessing conferred on us by our two oceans, but the painful achievement of politics and law. Thus since 1945 the goal of American foreign policy has been not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help restore a system of peace. That condition—the state of peace—will be realized when world politics is characterized by the expectation that the basic rules of the United Nations Charter will be generally, and reciprocally, obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. In this small, contracting, and turbulent world, it is the only possible first principle for the foreign policy of a democracy which aspires to remain a democracy. Our two broad oceans are no longer enough to protect us. Indeed, they never were. Today, they have shrunk to the size of brooks.

Thus it is not accident that under all our post-war Presidents, our foreign policy has had the same four guiding ideas. The first, which we used to call the policy of containment, is that we should seek to prevent the balance of world power from being irreversibly altered by the outward thrust of Soviet policy. The second is the policy of economic reconstruction and development. From the days of Bretton Woods, the Marshall Plan, and the Point-Four program, we have tried to build a progressive worldwide economy, embracing the developed and the developing countries alike, and, more recently, the communist countries as well. The third has been the effort to control nuclear weapons. Starting with the Baruch Plan proposals in 1947, we have never stopped pushing for international agreements that would take nuclear weapons and nuclear science out of world politics. Finally, beginning at least in 1940, we have sought, year after year, to separate China from the Soviet Union.

Each President has had to cope with a different configuration of events. For Nixon, the fact of overriding importance was China's decision to turn to the United States for protection against the Soviet Union. That decision was difficult for the Chinese Communists to make, even as a tactical zig or zag. It was a response to the steady Soviet military build up in Siberia, and the military and political penetration of Southern and South Eastern Asia by the Soviet Union. Soviet forces in Siberia rose from about four divisions in the mid-Sixties, to twelve in 1969, and something like forty or forty-five in 1971, when the Chinese move occurred. The Soviet mobilization on the Siberian border is the most important fact in world politics today. Soviet forces in Siberia are still increasing in size and power. Taken in conjunction with Chinese and Soviet rivalry for leadership of the world's revolutionary impulse, and China's nuclear capability, China perceived the Soviet military buildup in Siberia as a mortal threat, and turned to us as the only force on earth that could deter a Soviet attack.

Nixon responded well to the Chinese move, at least in the first instance. He explained both to China and to the Soviet Union that we wished to have equally good relations with each, and that we did not wish to enter

into an alliance with one against the other. We opposed hegemonial dominance in Asia as we did in Europe, and for the same basic and eternal reasons of national security. And, Nixon made clear, there must be no war.

China's rapprochement with the United States is the most significant and potentially the most constructive change in the structure of world politics since 1949. If China, with a formidable nuclear arsenal, needed an ongoing security relation with the United States in order to prevent Soviet aggression, the lesson for Western Europe, Japan, and many smaller states was obvious. The magnetic field of world politics is being redefined. A new constellation of shared interests was manifest, based on fear rather than hope, but not less real for that. A more stable equilibrium in world politics seemed distantly possible. President Nixon, indeed, proclaimed that such an equilibrium had already been achieved.

To this development, the Soviet response was clear-cut. First, the Soviets tried to show the Chinese how futile their move had been, by their full support for the spring offensive of 1972 in Vietnam. When that attack failed, Nixon was enthusiastically received in Moscow, in order to make quite certain that China and the United States were not in fact secretly allied against the Soviet Union. In this setting, the brave promises of détenté were made, in May of 1972. The Declaration of Principles and the communique issued at that time proclaimed that in conducting their relations the two governments would proceed from the common determination that in the nuclear age there is no alternative to peaceful coexistence. To fulfill that principle, they promised to work together to achieve peaceful solutions for situations of tension in many parts of the world, to exercise restraint in their mutual relations, and to negotiate and settle all differences by peaceful means. Specifically, both nations undertook to bring peace to Indochina, and the Soviet Union promised to cooperate fully with Ambassador Jarring in negotiating a political settlement in the Middle East, pursuant to the principles and provisions of the Security Council's Resolution 242 of November 22, 1967.

The state of tension in the Soviet-Chinese-American triangle and the success of our military efforts during 1972 led to the Indochina cease-fire agreements of January, 1973, which were "guaranteed" by the major powers in the Declaration of Paris in March, 1973.

From the American point of view, those agreements were entirely satisfactory—on paper. Despite a few minor ambiguities around the edges, they confirmed the positions for which we and other nations had suffered so bitterly in attempting to carry out their obligations under the SEATO Treaty and the Charter—that North Vietnam and South Vietnam were separate states, and that the war in Indochina was therefore an international war, not a civil war; and that North Vietnam would evacuate Laos and Cambodia, withdraw from South Vietnam, and refrain from any interference, military or political, in the affairs of South Vietnam. On that basis, we should withdraw from South Vietnam, and peace would return to that tortured land. The Soviet Union promised once again to carry out the agreement it had made with us in 1962—the agreement, that is, finally to get the North Vietnamese out of Laos and Cambodia.

The Soviets have never pretended that the 1973 agreements for peace in Indochina were being carried out. And our government, weak and uncertain, did not even protest strongly against the fact that it was being cynically double-crossed by the Soviet Union as well as by the North Vietnamese. In the shadow of Watergate, Nixon and Kissinger were prisoners of their own "détenté" rhetoric. They remained silent, and hoped for the best.

The only modern analogy for Soviet behavior in relation to the Indochina agreements of 1973 is the invasion of Czechoslovakia in contempt to the Munich agreements of 1938. That dire event was a clear signal of Hitler's intentions in the Thirties. The fate of the Indochina agreements of 1973 has the same significance to the policy problems we face today.

At some point during 1973, once we had withdrawn our troops from Vietnam, perhaps not until the late summer, when Congress had passed and the President had signed the Resolution forbidding all American military activity in Indochina, the Soviets decided to strike against the risk that the Chinese-American rapprochement might genuinely restrain their ongoing programs of expansion. The main theatre they chose for their first attack was the Middle East. It has always been the pattern of Soviet policy, when disappointed or frustrated on one front, to move ahead on another.

Soviet behavior before, during, and since the Middle East war of October, 1973, like their failure to carry out their promises with regard to Indochina, made nonsense of the pledges the Soviets had given to Nixon during his Moscow visit of May, 1972, and their later reiteration of those pledges. Instead of pressing for a diplomatic settlement in the Middle East in accordance with the Security Council Resolution, as they had promised, the Soviets helped to prepare and equip the Arab attack of October 6, 1973, supported the oil embargo, and urged distant Arab states to enter the fray. And, at the end, they threatened to intervene themselves in order to prevent the total destruction of the Egyptian and Syrian armed forces. Again, as they did in Indochina, Nixon and Kissinger concealed what was happening from the American people. In order to preserve the illusion of "detente," they covered up the Soviet role in the October war, both by what they said and by what they did not say. Mr. Kissinger has told us that Soviet behavior before, during, and after the October war was "not unreasonable," and "less obstructive than in 1967," and that our "detente" relations with the Soviet Union contributed to an agreed settlement.

III

American interests in the Middle East rank high on any list of issues which require a national, and not a sentimental or a partisan approach. What is at stake for us in that feverish area should be examined in the perspective of the national interest, not of sympathy either for the Arabs or the Israelis. We can sympathize with both Arabs and Israelis, caught up in a web of history they did not make. But events in the region, and at other points on the periphery of NATO, are approaching a flash point. Vital security interests of the United States are in peril. They should be analyzed, and protected, as such.

What are the interests of the United States in the Middle East? The first and most basic is the geo-political importance of the Middle East to the defense of Europe. Our alliance with Western Europe is absolutely essential to the balance of world power on which the primordial safety of the United States depends. On this proposition, there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle Eastern conflicts are not isolated regional problems, but are integral to the security of NATO.

For twenty years, the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say, they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway. They are now moving on a large scale in Portugal. They have a naval base at Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues,the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now massive. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, often become participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft under-belly, as President Pompidou once remarked. It has been painfully obvious since October, 1973, that hegemonial control of the oil, the space, and the mass of the region by the Soviet Union would carry with it dominion over Western Europe as well. NATO would be dismantled. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

In this context, the American and the NATO interest in Israel is of critical importance. It has two aspects, related but distinct.

The first is the immense historical responsibility we share with other nations for the existence of Israel. Israel came into being in reliance on the solemn promises of the world community. Depending upon those pledges, nearly three million people have come together, refugees and idealists from the ends of the earth. They have forged a living democratic community, state, and nation. While Arab public opinion is changing, it probably still believes that the creation of Israel was an injustice to the Arabs, beyond the powers of the League of Nations and the United Nations. But the United Nations have emphatically reiterated the judgment that Israel exists of right, and that the Arabs must at long last make peace. The most recent and most fundamental assertion of this judgment was the decision of the Security Council stated in Resolution 338 on October 22, 1973. It is morally and politically unthinkable that the United States and its allies, and many other nations as well, could stand by and allow Israel to be destroyed. On this issue, the verdict of history, however debatable, is irreversible. On such an issue, we pass beyond the realm of the balance of power, and the classic game of power politics, to the true sources of our being: to the ultimate and abiding question, what manner of men are we? The United States, Great Britain, France, and Germany all made the answer clear in their responses last fall to the threats of Arafat in the General Assembly of the United Nations.

The second aspect of our national and NATO interest in the fate of Israel in the use the Soviets have made of the Arab-Israeli conflict in their programs of imperial expansion. In the late forties, the Soviets supported Israel, in order to help drive Britain out of the Mediterranean. A few years later, they changed sides. With massive arms supplies and political backing, they dangled before the eyes of the Arabs the irresistable temptation of an opportunity to drive out the Israelis, as the Crusaders had been driven out many centuries before. The wars of 1956, 1967, 1969–1970, and 1973 could never have taken place without Soviet support for Arab

policy. Were that policy to succeed, the Soviets believe, the Arabs would be irrevocably committed to their protection. Against the background of history, the destruction of Israel would release convulsive political forces, in Europe and elsewhere, whose impact no man could predict or control. Before the incalculable storm the destruction of Israel would provoke, the Arabs would have no other choice.

Our political and strategic goal in the Arab-Israeli conflict, therefore, should be to convince the Arabs that their flirtation with Soviet policy can bring them nothing but tragedy, and to insist on a fair and even-handed peace, which both Arabs and Israelis could welcome and live with. The Soviet interest is to prolong and envenom the Arab-Israeli dispute as long as possible, provided that the risks do not become excessive. They have profited greatly from it. Sometimes Israelis think that Israel would be better protected by territorial acquisitions than by unequivocal peace treaties. The United States and its NATO allies must always favor peace as the goal of their policy for the Arab-Israeli dispute—a fair peace, a balanced peace, but peace, nonetheless, and not a truce, an armistice, or a modus vivendi. American and allied interests in the Middle East will not be automatically safeguarded by peace between Israel and its Arab neighbors. Many other complex and difficult programs will be required to assure that end. But our common interests cannot be safeguarded without an Arab-Israeli peace. This has been a principal theme of our Middle Eastern policy, and of Allied policy, whenever there was one, since 1948.

The goal of peace between Israel and its neighbors has been blocked, from that day to this, by Egypt's persistent refusal to make peace. Journalists, scholars, and diplomats talk vaguely of missed opportunities for peace. They often reproach the United States and Israel for failing to discover or to invent the formula which might have persuaded Egypt to make peace. Two and a half years of direct and responsible experience with the problem, and a good deal of study since, have convinced me that these reproaches miss the point. No doubt mistakes have been made in conducting the complex diplomacy of the Middle East problem, many of them serious. But there has been no "intransigence," no "arrogance," no lack of imagination. Dozens of approaches to Egypt, some of the most important based on terms Egypt had professed to offer, all met the same fate: with full Soviet support, Egypt simply said "No." In the nature of Arab political life, it was impossible for Jordan or Lebanon to make peace, in the absence of action by Egypt.

In 1957, after the Suez Crisis, we were persuaded by Nasser to push Israel out of the Sinai without peace, in exchange for a long list of glittering promises which were made to us as well as to Israel, and were not kept. In 1957, we deferred to Nasser's sensibilities by acting as the broker of an agreement between Israel and Egypt. The terms of the agreement were put forward in a series of apparently unconnected statements at the United Nations and in the capitols. I still have the printed volume of State Department documents on the subject, supplied to me during the 1967 crisis. It is decorated by fifteen or twenty paper clips. I was instructed that the pages marked by the paper clips constituted the peace agreement of 1957. Israel withdrew from the Sinai in reliance on assurances that the Strait of Tiran would be kept open; guerrilla attacks from Egypt would cease; Israel would be allowed to use the Suez Canal; and peace would be made in due course. And it was expressly understood that if Egypt ever closed the Strait of Tiran, Israel would be entitled to respond with force as an act of self-defense. This is why no majority could be brought together in 1967, either in the Security Council or the General Assembly, to condemn Israel's attack, which responded to Egypt's blockade of the Strait of Tiran, general Arab mobilization, and the threat of a Holy War to destroy Israel.

This experience is reflected in the Resolutions adopted by the Security Council both in 1967 and in 1973.

Resolution 242, which was adopted in November, 1967, rests on a simple reality: the Israelis are afraid the Arabs will never make peace; and the Arabs are afraid the Israelis will never withdraw from any of the territory they have occupied in the course of the endless war. Therefore, the powers finally decided, the two problems should be linked. The fate of the 1957 agreement determined the structure of the 1967 Resolution. Israel is not required to withdraw one inch from the territories it holds as the occupying power until its Arab neighbors have made peace. This is the famous "package deal" of Resolution 242—withdrawal for peace, and no withdrawal without peace. The Resolution requires the parties to negotiate peace agreements which prescribe security arrangements, including demilitarized zones; provide guarantees for maritime rights through all the international waterways of the region; deal justly with the refugees; and establish secure and recognized boundaries—which need not be the same as the Armistice Demarcation lines of 1949—to which Israel would withdraw.

In the diplomacy of Resolution 242, it has been understood since 1967 that the transition from the present armistice regime to a regime of peace would take time, perhaps a good deal of time, and that Israeli withdrawals, and the development of peaceful relations, should be accomplished in stages. The Egyptians particularly have stressed that the agreements of peace called for by Resolution 242 should be built around a "time-table," which spelled out in advance exactly what each party would do at each stage of the process.

After the 1973 war, the 1967 Resolution was reiterated, and made mandatory. It was adopted under the pressure of Israel's brilliant victory, in time to prevent that victory from leading to the complete destruction of the Arab armies. Mr. Kissinger himself rightly insisted on the key provision of Resolution 338 of October 22, 1974, before agreeing to the cease-fire itself. Resolution 338 is one of the Security Council's rare "decisions," imposing a binding legal obligation on all members of the United Nations. Legally and politically, it has the extraordinary status of the Security Council Resolutions on Namibia (the former South African mandate for German Southwest Africa) and Rhodesia. Resolution 338 commands the parties concerned to negotiate a just and durable peace "immediately and concurrently with the cease-fire," in accordance with the principles and provisions of Resolution 242. Equally, it commands every other member of the United Nations to help the parties fulfill these difficult instructions, and to do nothing to prevent them from being carried out.

This quick review should permit some judgment about where we are, and where we should be going. And it permits us to understand why Secretary of State Kissinger's step-by-step diplomacy failed, except as a device of delay.

It failed, I believe, because it abandoned the two key Security Council Resolutions, and the implacable realities of history and world politics embodied in those Resolutions. Secretary Kissinger has been trying to repeat John Foster Dulles' tactics in 1957: to get the Israelis out of the Sinai without peace. Nearly twenty years, and at least three wars later, that tactic could not, and did not work.

The only approach to peace which has any chance of success is one firmly based on the Security Council Resolutions. This was the flaw in Secretary Kissinger's plan—its fatal flaw. Under the Security Council Resolutions, as I said, Israel is assured the right to remain in the occupied territories until peace agreements are made. Israel's willingness to deviate from this position in recent months, as it did, in order to cooperate with the Secretary's plan of step-by-step diplomacy was a major political concession on its part, and a risky one, in view of the past history of the conflict. There is no ground therefore for criticizing Israel for intransigence, stubbornness, and inflexibility in refusing to enter into a major territorial withdrawal without more tangible assurances of progress towards peace. We never should have proposed such concessions in the first place.

IV

Our foreign policy agenda is formidable in every field, from monetary and energy problems to those of nuclear weapons, alliance relations, and food. In my opinion, effective programs of action on all these subjects are within our reach, if, but only if we soon come to a common and agreed answer to the preliminary questions I tried to pose at the beginning of this talk—What is our foreign policy for? And what means should we use to carry it out?

I think I can claim to be the only bureaucrat who ever went up and down the country making official speeches to the effect that our most important foreign policy problem was to resolve a Jungian tension between our collective unconscious and the facts of life. Our collective unconscious preserves a beautiful vision in our minds—the vision of nineteenth century America, isolated and aloof, without entangling alliances, and entirely neutral in the various conflicts of world power politics. We must finally liberate ourselves from this dream. The nineteenth century is over. The nations which maintained the general peace of the nineteenth century no longer have the power to do so. Unless we take our share of responsibility for the process of peace, there will be no peace. World politics will degenerate into conflict after conflict until we and other nations react, as we did a generation ago, when we felt threatened by hostile forces that would become overpowering unless we struck out against them. The basic cause of war, as Thucydides pointed out many centuries ago, is fear. What made the Peloponnesian War inevitable, Thucydides wrote, "was the growth of Athenian power, and the fear which this caused in Sparta."

We are living in the midst of a comparable process today. We are the only people on earth who can arrest that process in time to prevent war, by proceeding calmly, patiently, and steadily in the pattern of firmness and conciliation which has characterized our foreign policy since President Truman's time. To accomplish this goal will require a great national effort—in the first instance, an effort of thought, a debate, and then a series of votes on defense, and aid, and other hard subjects.

The United States should be the master, not the victim, of its fate. The will of our people cannot be mobilized unless the President, every official of the Executive branch, every member of Congress, and every citizen, addresses these issues with words and deeds adequate to their gravity. The dangers before us demand a sharp and dramatic turn in the direction of our policy. That turn will not come in time to prevent war unless we face the issues directly and soberly, without partisanship, in the spirit of civic responsibility which is the genius of our democratic society.

Some of you here will recall, as I do, Leopold Amery's great outburst in the House of Commons in 1939, to a speaker who was dithering about Britain's response to the

invasion of Poland. "Speak for England," he shouted. Amery's words helped to precipitate a new state of resolve in Britain, and throughout the free world. We are at a point where Amery's cry should be heeded again. For eevry one who speaks, or writes, or votes on issues of foreign policy, the only rule should be "Speak for America."

THE ECONOMIC SITUATION: THE RISKS OF PREMATURE OPTIMISM

Mr. HUMPHREY. Mr. President, every newspaper I pick up has an article about the "bottoming out" of the recession, or the "light at the end of the tunnel," or the "patches of blue" in the gray sky. I even hear arguments that we have already "overshot the mark", that the tax cut was "too big, too late", that it is now time to start worrying about slowing the economy down so that economic policy will not be overstimulative when we return to full employment.

Now, I agree that there is light at the end of the tunnel. There is every reason to hope and expect that the decline in output will end within the next few months.

But that does not mean all our troubles are behind us. The recovery has not started yet. We have no absolute certainty that it will come soon. We do not know how strong it will be nor how long it will last. Yes, there is light at the end of the tunnel, but the tunnel is a long one and the light is pretty dim. The few patches of blue in the sky are still surrounded by a lot of very dark clouds.

The notion that we have overshot the mark, stimulated the economy too much too late is, frankly, ridiculous. If policymakers become convinced of this and base policy on this fallacious analysis of the economic situation, it will be a tragic mistake. By almost everybody's calculation, even if the recovery begins immediately and proceeds vigorously, the unemployment rate will remain above 7 percent through the end of next year. It will probably be sometime in 1979 at the earliest, before the unemployment rate is brought down to 5 percent. And that is if we are very lucky. If the recovery falters anywhere along the way, unemployment will remain higher and for a longer period.

Many of the recent statistical indicators on the economy suggest, unfortunately, the economy is not poised for a really vigorous recovery. The task of policy in the months ahead will be to watch those indicators closely and to provide additional fiscal and monetary support for the economy, if it is needed to initiate and sustain—I stress sustain—a strong recovery.

We have by now all read or heard what happened to the gross national product in the first quarter of this year. Real GNP fell at an annual rate of over 10 percent. Coming on top of the 9-percent rate of decline in the previous quarter, this adds up to the sharpest drop in real output since we began keeping quarterly records in 1947. During those two quarters the gap between actual and potential output widened from 7½ percent in the third quarter of 1974 to 14 percent today. Employment fell by 2.6 million persons, and the unemployment rate rose from 5.8 percent last September to 8.7 percent this March.

But those statistics relate to what has already happened. The question now is what lies ahead. Have we fallen so far that we have nowhere to go but up? Does the suddenness of the drop in output insure that we will bounce back with equal swiftness? I would like to think so, but unfortunately the evidence is not convincing. Let me review the available information.

Business inventories, as expected, dropped sharply in the first quarter. This means that the situation in which current consumption could be met from inventories rather than from new production is fading. It is therefore a hopeful sign that there will soon be some pick-up in production. How much of a pick-up will depend on how consumers behave in the months ahead. How much will they increase their purchases?

The tax cut we have just enacted will bolster consumer incomes and encourage them to increase their spending. However, we do not know for sure how much of this increased income they will spend and how much they will save. The benefits of the tax cut will be in part offset by drops in consumer income due to the still rising level of unemployment and to the exhaustion of supplementary unemployment benefits in the automobile industry and elsewhere. Some pick-up in consumer spending can be expected in the months ahead, but we cannot be sure how strong it will be.

What about the investment sector? There the outlook is far weaker than in the consumer sector. In our national accounts, investment is divided into three main components—business fixed investment, business inventories, and residential construction. All three of them remain on a downward path.

Manufacturing capacity utilization fell to 68 percent in the first quarter. Naturally, businesses are going to cut back on investment plans when such a low percentage of their existing plant is being utilized. Recent forecasts show business fixed investment continuing to fall in real terms for at least another 6 months.

Business inventories will probably fall again in the second quarter and perhaps for an even longer period. At best, they will grow only slowly. Certainly, there is little prospect for the kind of situation in which the need to replenish inventories can make a strong contribution to the growth of output.

This leaves residential construction, the third component of investment. We have only to look at what happened to building permits last month—when they declined further from already extraordinarily low levels—to know that we cannot look to the housing sector to play an early role in recovery. The annual rate of 710,000 building permits in March was about half what it was a year ago. In the past 4 months building permits have averaged 732,000—again, little more than half the year earlier period. Even if permits pick up rapidly beginning next month, it will inevitably be several months before this is reflected in housing starts and actual construction activity. Furthermore, consumer uncertainty, high unemployment, and continued high interest rates cast doubt on how strong any housing recovery will be.

In sum, none of the major sectors of the private economy can be relied on as a sure bet to spark a strong economic revival. We in Congress must keep this in mind as we debate the budget resolution during the next few weeks. The economy needs support. We must keep watching and studying to determine how much support. It requires output growth of about 4 percent per year just to keep even with the growing labor force and rising productivity trends; that is, just to hold the unemployment rate constant. We do not want to hold the unemployment rate constant. We want to bring it down. Quickly. We must be sure economic policy remains as supportive as necessary to do the job.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, because of long standing commitments I made which required my presence in Alaska, I was unable to participate in the rollcall votes on March 21 and March 26 regarding H.R. 2166, the tax reduction bill and H.R. 4296, the farm bill. For the record, I would like to indicate how I would have voted had I been present:

HOW I WOULD HAVE VOTED

VOTES ON H.R. 2166, TAX REDUCTION BILL

Vote No. 92: Modified Hart unnumbered amendment—nay.

Vote No. 93: Motion to table motion to reconsider the vote by which the modified Hart unnumbered amendment was agreed to—nay.

Vote no. 94—Tunney amendment no. 153—yea.

Vote no. 95—Modified Domenici unnumbered amendment—yea.

Vote no. 96—Javits unnumbered amendment—yea.

Vote no. 97—Helms amendment no. 186—nay.

Vote no. 98—Percy amendment no. 195—nay.

Vote no. 99—Hathaway amendment no. 137—nay.

Vote no. 100—Cloture motion—yea.

Vote no. 101—Dole unnumbered amendment—yea.

Vote no. 102—Chiles unnumbered amendment, motion to table—nay.

Vote no. 103—Bumpers amendment no. 271, motion to table—yea.

Vote no. 104—Brooke amendment no. 259, motion to table—yea.

Vote no. 105—Brooke amendment no. 172, motion to table—nay.

Vote no. 106—Gravel amendment no. 129, motion to table—nay.

Vote no. 107—Kennedy amendment no. 205—nay.

Vote no. 108—Allen amendment no. 138, motion to table—yea.

Vote no. 109—Allen amendment no. 179—yea.

Vote no. 110—Mathias amendment no. 155, motion to table—nay.

Vote no. 111—Long unnumbered amendment—nay.

Vote no. 112—Final passage of H.R. 2166, Tax Reduction Bill—nay.

Vote No. 117—Agreement to Conference Report, Tax Bill, H.R. 2166—nay.

VOTES ON H.R. 4296, FARM BILL

Vote no. 113—Moss amendment no. 306—nay.

Vote no. 114—Moss amendment no. 305—nay.

Vote no. 115—Moss amendment no. 304—nay.

Vote no. 116—Final passage of H.R. 4296, the Farm Bill—yea.

LAWS OF THE 93D CONGRESS AFFECTING ADVISORY COMMITTEES

Mr. METCALF. Mr. President, the 93d Congress passed no fewer than 53 laws establishing, authorizing, or otherwise affecting Federal advisory committees, commissions, councils, boards, panels and other advisory bodies.

This finding results from a cooperative search by the staff of the Subcommittee on Reports, Accounting and Management and two units of the Congressional Research Service: the American Law Division and the Government and General Research Division.

The legislative output of the 93d Congress should be measured against the declaration by the 92d Congress in enacting the Federal Advisory Committee Act—Public Law 92-463—that "new advisory committees should be established only when they are determined to be essential and their number should be kept to the minimum necessary."

To implement that declaration, section 5(b) of the Federal Advisory Committee Act says the following about the responsibilities of Congressional committees:

In considering legislation establishing, or authorizing the establishment of any advisory committee, each standing committee of the Senate and of the House of Representatives shall determine, and report such determination to the Senate or to the House of Representatives, as the case may be, whether the functions of the proposed advisory committee are being or could be performed by one or more agencies or by an advisory committee already in existence, or by enlarging the mandate of an existing advisory committee. Any such legislation shall—

(1) contain a clearly defined purpose for the advisory committee;

(2) require the membership of the advisory committee to be fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee;

(3) contain appropriate provisions to assure that the advice and recommendations of the advisory committee will not be inappropriately influenced by the appointing authority or by any special interest, but will instead be the result of the advisory committee's independent judgment;

(4) contain provisions dealing with authorization of appropriations, the date for submission of reports (if any), the duration of the advisory committee, and the publication of reports and other materials, to the extent that the standing committee determines the provisions of section 10 of this Act to be inadequate; and

(5) contain provisions which will assure that the advisory committee will have adequate staff (either supplied by an agency or employed by it), will be provided adequate quarters, and will have funds available to meet its other necessary expenses.

The 93d Congress did create a number of commissions, and it may be pointed out that commissions can be given broad statutory powers which liken them more to operational, decisionmaking units of Government than to advisory bodies. However, it does not follow that because a statutory entity is labeled a commission it may be presumed to be an operational, independent instrumentality of the Federal Government. Indeed, some labels are quite misleading.

For example, the 93d Congress created three interagency committees which one might assume to be composed wholly of full-time officers or employees of the Federal Government and therefore beyond the reach of the Federal Advisory Committee Act. It turns out that is not the case:

First, members of the Interagency Committee on Emergency Medical Services—created by Public Law 93-154—and the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism—Public Law 93-282—will, by law, include five individuals from the general public;

Second, the Architectural and Transportation Barriers Compliance Board—Public Law 93-112—was established within the Federal Government and will not have public members, but it was announced in the Federal Register on April 7, 1975, that the Board will appoint a consumer advisory panel.

Not all of the 53 laws actually established advisory bodies, but of those that did, some established two or more. For example, the Juvenile Justice and Delinquency Prevention Act of 1974—Public Law 93-415—not only established a National Advisory Committee for Juvenile Justice and Delinquency Prevention, but directed its chairman to designate subcommittees to be known as the Advisory Committee for the National Institute for Juvenile Justice and Delinquency Prevention, and the Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice.

In principle, there can be no quibbling about the potential value of collecting citizens' ideas and opinions about Federal activities through the use of advisory committees. Yet it is fair to ask at any time, given the policy and provisions of the Federal Advisory Committee Act, whether the Congress resorts to them too readily.

As of the end of December, there were 1,242 advisory committees, which operated in calendar 1974 at a cost of $42,380,636. It would make little sense for the Congress to add to that number and cost unnecessarily while encouraging executive departments and agencies not to create unneeded advisory committees and to terminate existing panels that have outlived their usefulness. Any suggestions from any quarter about how the Congress could better scrutinize its own performance with respect to advisory committees would be welcome.

Another problem arises from the willingness of the Congress to exempt statutory advisory committees from one or more of the provisions of the Federal Advisory Committee Act. For example, four laws identified in the list below expressly suspended the act's requirement that advisory committees terminate in 2 years unless their duration is otherwise provided for by law. Here are two other instances:

First. The law extending the lifetime of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance—Public Law 93-609—exempts the Commission from the open meeting, records, reports, and transcripts requirements of the act so that it may examine the transcripts and logs of wiretaps while maintaining the privacy of those whose conversations have been recorded;

Second. The Trade Act of 1974 —Public Law 93-618—provides that general policy advisory committees established for industry, labor and agriculture shall be exempt from the open meeting, public notice, public participation, and public availability of documents requirements of the Federal Advisory Committee Act "whenever and to the extent it is determined by the President or his designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions on the negotiation of any trade agreement."

By contrast, the Federal Energy Administration Act—Public Law 93-275—broadened the definition of advisory committee to include virtually any group established or utilized by the Administrator of the Federal Energy Administration, even when the group's function is "to formulate or carry out" an agreement or plan of action. It also provided that meetings of these advisory committees may be closed to the public only in the interest of national security, and required the public availability of all records, reports, transcripts, memorandums, and other documents prepared by or for an advisory committee.

When the Subcommittee on Reports, Accounting and Management—formerly the Subcommittee on Budgeting, Management and Expenditures—continues the Federal Advisory Committee Act oversight hearings that were held in November and December 1973, and in February 1974, it will explore these matters in full. It may well be that the act needs strengthening with respect to the responsibilities it assigns to congressional committees, as well as to those it assigns to the President, to the Office of Management and Budget, and to agency heads.

Here is the list of 53 laws of the 93d Congress affecting advisory bodies. Any omissions should be brought to the attention of subcommittee staff.

I request unanimous consent that this list of 53 laws of the 93d Congress affecting advisory bodies be printed in the RECORD.

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

LAWS OF THE 93D CONGRESS AFFECTING ADVISORY COMMITTEES

Public law, section, and provision affecting advisory bodies:

93-29, 205, establishes Federal Council on the Aging.

93-43, 1001, establishes Veterans' Administration Advisory Committee on Cemeteries and Memorials.

93-82, 301, establishes Advisory Committee on Structural Safety of Veterans' Administration Facilities.

93-112,[1] 501, 502, establishes an Interagency Committee on Handicapped Employees and an Architectural and Transportation Barriers Compliance Board.

93-113, 405, establishes National Voluntary Service Advisory Council.

93-129, 3, establishes Board for International Broadcasting.

93-151, 505, authorizes establishment of National Childhood Lead Based Paint Poisoning Advisory Board.

93-152, Art. VIII, establishes Arkansas-Oklahoma Arkansas River Compact Commission.

93-154,[2] 1209, establishes Interagency Committee on Emergency Medical Services.

93-155, 701, establishes Defense Manpower Commission.

93-179, 3, 10, establishes American Revolution Bicentennial Advisory Council, and an American Revolution Bicentennial Board.

93-197, 4, establishes Menominee Restoration Committee.

93-203, 414, 502, authorizes use of advisory committees or boards in connection with the operation of the Job Corps and establishes National Commission for Manpower Policy.

93-247, 6, establishes Advisory Board on Child Abuse and Neglect.

93-251, 54, establishes Shoreline Erosion Advisory Panel.

93-275, 17, spells out balanced membership requirement for advisory committees established or utilized by the Administrator of the Federal Energy Administration; provides that meetings of advisory committees may be closed only in the interest of national security; and requires that all records, reports, transcripts, memoranda and other documents prepared by or for an advisory committee be available for public inspection and copying.

93-282,[2] 103,201, establishes an Interagency committee on Federal Activities for Alcohol Abuse and Alcoholism and a National Panel on Alcohol, Drug Abuse, and Mental Health.

93-296, 462, establishes National Advisory Council on Aging.

93-311, (b), prescribes objectives and functions of the National Commission on Productivity and Work Quality (formerly known as the President's National Commission on Productivity).

93-320, 204, establishes Colorado River Basin Salinity Control Advisory Council.

93-348,[3] 201, establishes National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

93-352, 201, establishes President's Biomedical Research Panel.

93-353, 306, establishes United States National Committee on Vital and Health Statistics.

93-354, 3, establishes National Commission on Diabetes.

93-383, 605, directs the Secertary of Housing and Urban Development to appoint a National Mobile Home Advisory Council.

93-387, 2, authorizes establishment of a Council on Wage and Price Stability.

93-406,[3] 512, establishes Advisory Council on Employee Welfare and Pension Benefit Plans.

93-415, 207, 208, establishes National Advisory Committee for Juvenile Justice and Delinquency Prevention and directs its chairman to designate certain subcommittees.

93-426, 720, establishes National Commission on Supplies and Shortages and authorizes Commission to establish advisory committees.

93-428, 8, establishes Egg Board.

93-431, 4, establishes Boston National Historical Park Advisory Commission.

93-443, 310, establishes Federal Election Commission.

Footnotes at end of the list.

93-445, 15, establishes Actuarial Advisory Committee with respect to the Railroad Retirement Account.

93-492, 107(a), defines "representative of the general public" on National Motor Vehicle Safety Advisory Council to mean an individual (a) who is not an employee of, or is not holding "any official relation" to, a manufacturer, dealer, or distributor, or supplier thereof, of motor vehicles or motor vehicle equipment, or (b) who does not own stock or bonds of substantial value in such firms, or (c) who is not in any other manner directly or indirectly pecuniarily interested in such firms. Motor Vehicle and Schoolbus Safety Amendments of 1974 also require annual publication of the Council's membership and identification of those members designated as representatives of the general public.

93-495, 201, establishes National Commission on Electronic Fund Transfers.

93-516, 302, establishes National Planning and Advisory Council to provide guidance and planning for the White House Conference on Handicapped Individuals.

93-523 [3], 1446, establishes National Drinking Water Advisory Council.

93-526, 202, establishes National Study Commission on Records and Documents of Federal Officials.

93-531, 12, establishes Navajo and Hopi Indian Relocation Commission.

93-535, 8, establishes an advisory council for the Cascade Head Scenic-Research Area.

93-541, 6, establishes Federal Savings and Loan Advisory Council.

93-556, 2, establishes Commission on Federal Paperwork.

93-568, (c)(1), (e)(1), establishes National Commission on Libraries and Information Science to plan and conduct a White House Conference on Library and Information Services, and estabishes as advisory committee of the Conference to assist and advise the Commission.

93-573, 201, establishes in the Library of Congress a National Commission on New Technological Uses of Copyrighted Works.

93-579, 5, establishes Privacy Protection Study Commission.

93-580, (a), establishes American Indian Policy Review Commission.

93-609 [4], 1st Sec., extends lifetime of National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance.

93-618,[5] 135, directs President to establish Advisory Committee for Trade Negotiations and authorizes President to establish general policy advisory committees for industry, labor and agriculture.

93-626, 6, establishes Canaveral National Seashore Advisory Commission.

93-640, 3, establishes National Commission on Arthritis and Related Musculoskeletal Diseases.

93-641,[3] 1503, establishes National Council on Health Planning and Development.

93-644, 236, establishes Intergovernmental Advisory Council on Community Services.

93-645, 1st Sec., establishes Lowell, Mass., Historic Canal District Commission.

FOOTNOTES

[1] Both are established within the Federal Government and will not have public members. However, it was announced in the Federal Register on 7 April, 1975, that the Architectural and Transportation Barriers Compliance Board will appoint a Consumer Advisory Panel.

[2] This is an interagency committee, but by law its members will include five individuals from the general public.

[3] Expressly suspends Federal Advisory Committee Act requirement that advisory committees terminate in two years unless their duration is otherwise provided for by law.

[4] Section 2 exempts the Commission from the open meeting, records, reports and transcripts requirements of the Federal Advisory Committee Act so that it may examine the transcripts and logs of wiretaps while maintaining the privacy of those whose conversations have been recorded.

[5] Section 135(f) provides that these general policy advisory committees shall be exempt from the open meeting, public notice, public participation and public availability of documents requirements of the Federal Advisory Committee Act "whenever and to the extent it is determined by the President or his designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions on the negotiation of any trade agreement."

Note: This list does not include advisory bodies established or authorized to serve states or the government of the District of Columbia. Other entities created by the 93rd Congress include the Solar Energy Research Institute, the Board of Trustees of the Harry S Truman Scholarship Foundation, and a Joint Board for the Enrollment of Actuaries.

FORBES ARTICLE—KENNECOTT DIVESTITURE

Mr. BAKER. Mr. President, the May 1 issue of Forbes magazine contains an article regarding Mr. John Samuels III, of Houston, the principal owner of ICM/Carbomin International Group, a bidder along with the Tennessee Valley Authority for Peabody Coal Co. which Kennecott Copper Corp. must sell under an order of the FTC.

While that article may contain worthwhile information regarding Mr. Samuels and his effort to acquire Peabody, it contains one bit of information which is entirely incorrect.

The article states that I have expressed opposition to TVA's proposal to acquire Peabody. I have not.

My position is now, as it has been since last fall when TVA first made public its desire to purchase Peabody, that the proposal involves issues so fundamental to the mission and scope of TVA that it must be subjected to congressional scrutiny. I called then for a hearing on the matter and that hearing is now scheduled for Tuesday, May 6, before the Senate Public Works Committee.

I expect that that hearing will shed a great deal of light upon the coal purchasing policies of TVA and upon the market impact of TVA ownership of the Nation's largest coal company.

If the issues resolve in TVA's favor, as they well may, then I can see no impediment to TVA's consummation of this transaction.

Indeed, many of the economic arguments which have bolstered TVA's role in the electricity market apply equally to a TVA role in coal production, especially with the current prospect of a greatly expanded energy role for domestic coal production over the next several decades.

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

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

YOUNG KING COAL?

(The front-runner among the billion-dollar bidders for Kennecott's Peabody Coal Co. is an obscure young Wall Street lawyer.)

In his hometown of Galveston, Tex., few people seem to have heard of John Samuels III, let alone Samuels II or I. The city's largest realtor and several local newspaper reporters say they have never heard of the family, even though Samuels' father is a former U.S. Assistant Postmaster, his brother-in-law runs a local savings & loan and he himself owns one of the city's most prominent houses, a "steamboat gothic" three-story structure that occupies half a city block along Galveston's widest tree-lined street. Nevertheless, Samuels III is bidding anywhere between $1 billion and $1.4 billion for the world's largest coal company: Kennecott Copper's Peabody Coal Co. The other bidders: Cities Service Co. and the Tennessee Valley Authority (FORBES, *Apr. 1*).

About all that's known publicly about the potential King of Coal is that he is a handsome, 41-year-old Harvard Law School graduate who now lives in New York and who a few years ago put together a prosperous coal trading company. How prosperous? Very. Samuels says that ICM/Carbomin International Group, of which he owns 80%, netted $30 million last year on sales of $360 million. If that figure is correct, Samuels is well on his way to becoming a latter-day Henry Clay Frick, the turn-of-the-century Pennsylvania coal magnate.

If he's so rich, how come Samuels isn't better known? He's not a flamboyant type, and besides, former law associates (at Manhattan's Chadbourne, Parke, Whiteside & Wolff) remember him as a lone wolf. Says one: "When we'd go out to lunch, John Samuels wasn't among us."

Clearly, however, Samuels was a hungry wolf. In 1971 he borrowed $2 million (from whom he won't say) and set up Carbomin. Since then he has bought three small metallurgical coal companies in West Virginia and Pennsylvania, and is now spending $40 million to increase their output plus $45 million more to build a bulk storage and shipping facility near Philadelphia. Peabody Coal, with $504 million sales and $29 million net, would make him a true King Coal.

The Federal Trade Commission, in a culmination of a six-year antitrust action, has given Kennecott until Oct. 1 to divest Peabody. Apparently, the billion-dollar-plus price tag doesn't bother Samuels. Lounging around his palatial stained-glass-windowed office originally built as an American headquarters for the Cunard Line, Samuels says he has formed a syndicate of five stockholder-owned steel and natural resource companies—three from Europe and two from the U.S. He refuses to name them, claiming that final terms will not be worked out until the FTC decides how much foreign ownership it will permit.

Samuels says he plans to have perhaps as many as two separate companies run Peabody: one to mine its 9 billion tons of coal reserves in the U.S. and Australia and another to market it both in the U.S. and abroad. Each of the five companies would get a share of the two operating groups, with Samuels serving as the principal administrator.

The five corporations will put up the equity—perhaps as much as $250 million; the rest of the purchase price will be payable over five years. Samuels will get shares in the consortium at a reduced insider price.

Are Samuels and his anonymous friends real? He smiles a Robert Redford smile and says: "Anonymity is an extraordinary point of leverage."

The FTC is taking him seriously; so is Kennecott. The FTC's Compliance Division is conducting an active inquiry into Samuels, his background and his partners.

Meanwhile, his chances of ending up with the Peabody seem better than at least his two chief competitors—the TVA and Cities Service. Already, Senator Howard Baker (Rep., Tenn.) and other powerful lawmakers are on record against TVA buying Peabody, because the price is "too expensive." And they don't want the Government in the coal mining business.

In addition, Kennecott executives say privately that they figure the FTC will reject Cities Service's bid, because too many oil companies already control coal subsidiaries.

That leaves Samuels.

NEW BIDDERS

Of course, the FTC and Kennecott have alternatives. For example, the FTC could decide that Kennecott should spin off Peabody to its stockholders—but Kennecott would fight this; it wants the cash. Or, the FTC could invite new bidders. For example, two huge consortiums have sprung up and expressed interest in entering the bidding. One consists of 40 U.S. utilities, and the other revolves around four natural resource companies (Newmont Mining Corp., Texasgulf Inc., Williams Cos. and Cleveland-Cliffs Iron Co.). Both new groups have submitted bids to Kennecott, and it is likely they will be forwarded to the FTC if Samuels is ruled out.

Samuels professes neither surprise nor concern over the possibility of such huge new combines getting into the act. He sees such deals as the wave of the future: "You are," he says, "going to see in coal what you see in oil—the gathering together of various capital groups or corporations to form a single consortium." This can be nothing but good news for the handful of men like Samuels who have the contacts and knowledge to put together such a deal. John Samuels' anonymity will not last much longer.

GREENSPAN TESTIMONY BEFORE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 6, 1975, Mr. Alan Greenspan, Chairman of the Council of Economic Advisers, appeared before the Joint Economic Committee to discuss the annual economic report of the President. Members of the committee appreciated the opportunity to have Mr. Greenspan's views on current economic conditions, the outlook, and policy.

In his testimony, Mr. Greenspan projected a decline of about 3 percent in real GNP from 1974 to 1975. He said:

> It is very likely that real GNP will show another large decline in the current quarter (1st) but overall output should be reversing direction around the middle of the year and should turn decisively upward in the second half.

Mr. Greenspan cited the liquidation of excessive inventories as the principal factor in the first quarter's severe production decline. With stocks now falling, by midyear shifts in inventory investment should be contributing to rising overall production. Mr. Greenspan also looks for a recovery of business investment in the second half of 1975, although fixed investment for the year is expected to show a substantial decrease from 1974 to 1975.

According to Mr. Greenspan, the consumer holds the key to the strength of the economic recovery. If consumers respond as expected to the tax cuts, real GNP should register a good-sized advance in the second half of this year.

The objective of economic policy at present is to halt the decline in production and employment so that a sustainable growth of output can resume. The President's proposals try to follow what Mr. Greenspan believes is the optimum path between the need for stimulus and the possible financial and inflationary consequences which such policies entail in the future. In his opinion, those who advocate a further increase in stimulus, beyond what the President has recommended, are posing the risk of a severe financial strain and the possibility of reigniting inflationary pressures during 1976 and beyond.

The subsequent report by the Joint Economic Committee on the February 1975 economic report of the President, contains important critical commentary on Mr. Greenspan's arguments.

Mr. President, I ask unanimous consent that the full statement presented by Mr. Greenspan before the Joint Economic Committee on February 6, 1975, be printed in the RECORD.

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

REMARKS BY ALAN GREENSPAN

We are pleased to appear before the Joint Economic Committee today to discuss the Annual Report of the Council of Economic Advisors. I will not take up your time with a lengthy discussion of the Economic Report. Instead I would like to make some brief remarks on behalf of the Council about current economic conditions and policy, our expectations for the balance of the year, and close by touching very briefly on some of the other issues which we have covered at greater length in the Report.

In my testimony before this Committee on January 6, I noted several of the salient characteristics of the outlook for 1975. I pointed out that the sharp decline in production must be expected to continue through the first quarter. The very suddenness of the decline has made developments beyond the first quarter very difficult to gauge but essentially we foresee a bottoming out in economic activity by midyear. I noted further that the timing and the degree of strength of the ensuing recovery was still very uncertain. I would like to emphasize that thought again this morning. There is, obviously, a much greater than usual degree of uncertainty in any forecast for 1975 and we do not believe that ours is any exception. As we note in the Report projections for 1975 are subject to an unusually wide margin of error but we believe that ours are realistic and based upon the best information available to us at this time.

The most pressing concern of economic policy is to halt the decline in production and employment so that a sustainable growth of output can resume. So far in 1975 production and employment have experienced sharp declines while unemployment has risen markedly. There is enough momentum in the ongoing recession to suggest further declines in economic activity over the next several months.

The rate of inflation has continued at an unacceptably high level. Nonetheless one can observe significant declines in prices of crude industrial materials and a slowdown in the rate of price advance among major categories of goods in retail and wholesale markets. Farm product prices, instead of continuing the advance of the second half of last year have instead softened substantially.

Although we have projected a decline of about 3 percent in real GNP from 1974 to 1975, it is important to call attention to the pattern of change within the year. We believe it very likely that real GNP will show another large decline in the current quarter but overall output should be reversing direction around the middle of the year and should turn decisively upward in the second half.

The change in inventory investment is

having a major effect on economic activity right now and will continue to be a dominant influence on the course of production through the year. The fourth quarter of 1974 witnessed an involuntary accumulation of stocks and at the end of 1974 the ratio of real nonfarm stocks to real GNP is the highest since the end of World War II. Businessmen are now trying to reduce stocks and they will probably be successful in these efforts in the current quarter. This shift—from a heavy buildup in the fourth quarter to liquidation in the first quarter—is the key factor in the current quarter's severe production decline. These developments are highly visible in the automobile industry but they are occurring—in a milder fashion—in many other industries as well. Stocks are likely to fall through the year because even with the recovery in the second half the ratio of stocks to output will remain high. Nonetheless, by midyear shifts in inventory investment should be contributing to rising overall production.

Business fixed investment in real terms is expected to show a substantial decrease from 1974 to 1975 but the proposed liberalization of the investment tax credit and the turnaround in economic activity should lead to a recovery in investment in the second half of this year. The decline in investment in the fourth quarter of last year centered in automobiles and trucks but businessmen began to reduce their orders for other types of machinery and equipment which will show up as reduced deliveries in the first year. Ordinarily the effects of the liberalization of the investment tax credit would not be felt to any appreciable extent for about a year. However, the Administration's proposal for a one year increase in the tax credit gives a special incentive for business to undertake investment in 1975 and 1976.

Wtih savings flowing back into thrift institutions and with improved conditions in mortgage markets, housing should contribute to rising economic activity after early 1975. The Administration foresees starts approaching a range of 1.6 million to 1.7 million annual rate in the fourth quarter of 1975 as compared to a rate of about 1 million units at the end of last year.

The consumer holds the key to the strength of the economic recovery. If consumers respond as expected to the tax cuts proposed by the Administration for the spring and summer, real GNP should register a good-sized advance in the second half of 1975. Although employment is now declining the loss of income is being partially offset by large increases in unemployment benefits. This year such benefits are expected to total more than $18 billion.

Consumers should be aided by a slower rate of inflation in the second half of 1975 as compared with the first. Although inflation is receding the rate of price increase, as measured in the various price indexes, will be highest at midyear but this will be a reflection of the impact of the higher energy costs embodied in the President's program. Even though the energy program will be adding to the level of prices throughout the year, the annual rate of price increase will taper off considerably to approximately 7 percent by late 1975.

The slower rise in prices will occur at a time when personal income will be strengthening as a result of rising employment. This combination will yield rising real personal income. That improvement will be greatly reinforced by the tax cuts this spring and summer so that the second half of 1975 should witness a substantial increase in real disposable income following a decline that started in early 1974.

The President has proposed measures that will help end the decline in the economy and help initiate a recovery during the second half of the year. In our effort to provide support to the economy we must not forget, however, that inflation, and the urgent need to bring it under control, was a major cause of the recession of 1974–75. In 1975 we must not remake past mistakes. We must support the economy but this must be done in a manner that will prevent another cycle of inflation-recession a year or two down the road.

The formulation of economic policy is complicated by the need for much stronger actions to deal with the Nation's energy problems. New policies have been proposed which will provide an enduring framework for the energy adjustments which began after the embargo. Both the energy problem and the policies proposed to deal with it are dealt with in various parts of the Report. The energy program will raise prices at a time when inflation, though declining, is serious. The higher costs, however, will be rebated to the economy through a series of offsetting tax reductions and increases in government expenditures, leaving total purchasing power pretty much the same. On the other hand to the extent that oil imports and hence the transfer of purchasing power to foreign producers is reduced the demand for domestic goods will be increased. Although the energy program has costs it will also provide important benefits.

If the President's program is adopted and quickly implemented our forecast implies a stabilization of the decline around midyear and then a recovery which takes on fairly good proportions during the second half of the year.

In adopting an expansionary policy we must not overlook the need to turn the economy around in a way that will avoid sowing the seeds of a reacceleration of inflationary pressures during 1975 and beyond. We must be aware of the problems that will arise in financing both the very substantial deficit and the considerable volume of off-budget items. The evaluation of these problems is neither simple nor straightforward. The amount of Treasury financing in the period immediately ahead is, in fact, a good deal larger than implied by the actual deficit. Those who advocate a further increase in stimulus either through a larger tax reduction or a larger increase in expenditures are posing the risk of a severe financial strain. There is a point beyond which conventional stimulus, because of its impact on the financial markets, no longer leads to higher production and employment.

It is our view, as stated in the Report, that the deficit as now estimated can be financed during 1975 without severe problems in the financial markets. I would be suggesting more to you than I actually know if I said that it was going to be easy. The reason is that despite the decline in the economy the rate of inflation is still high. It is the nominal growth in GNP that must be financed and prices are still rising rapidly enough to prevent the credit demands of the private sector from declining as sharply as was the case during past recessions when the rate of inflation was much lower. The smaller than usual decline in the private demand for credit makes the large increase in Treasury borrowing especially worrisome—if not in 1975 then certainly in 1976 and thereafter. A further enlargement of Treasury borrowing either from a larger rise in expenditures or from a larger tax reduction would add considerably to the risk of higher interest rates, financial market pressures and a reigniting of inflationary pressures.

I cannot say that we or anybody else at this point have accurate answers to this question. One must make judgments about the size of the risks and the possible consequences. Obviously both the risks and the consequences depend upon both the state of the economy and the private demands for credit. We can be sure, however, that both the risks of financial market pressures and the consequences for a reignition of inflationary pressures become progressively larger as the size of the budget deficits increase. This will be especially true when the economy recovers as we anticipate during the second half of 1975. The President's policies try to follow what we believe is the optimum path between the need for stimulus and the possible financial and inflationary consequences which such policies entail in the future.

Those who argue for more stimulus in 1975 are, in effect, proposing larger risks for 1976 and beyond than I believe are prudent if we are to achieve a further reduction in inflation. There is also the very basic question whether the relationship between the unemployment rate and stimulus, or measures to expand aggregate demand is the same as it used to be. In the largely noninflationary economy of the early 1960's a significant increase in the amount of stimulus in current dollar terms was usually converted fairly completely into increases in production and employment and hence resulted in a declining unemployment rate. We no longer are in a situation where we can be sure that fiscal or monetary stimulus will have a corresponding effect in lifting production and reducing unemployment. As I evaluate the current trade-off between stimulus and unemployment, however, I do not give great credence to the idea that a significant and enduring reduction in unemployment will be caused by a stimulus greater than that proposed by the President—at least until we see clear and more compelling evidence that the forces that have caused inflation have indeed been brought under meaningful control. I do not say there would be no impact upon unemployment but we would be trading off some small short-term reduction in unemployment against much greater risks of significantly higher rates of inflation in the longer-run and in turn for a higher average rate of unemployment in the future.

Elsewhere in our Report we present our assessment of the background and the origin of the inflation of the past decade. We find these underlying causes in governmental policies that were overexpansionary on balance. There is also a discussion of how inflation has distorted the tax structure and has tended to offset or moderate the working of the automatic stabilizers. The unemployment chapter analyzes the meaning of the unemployment measures and decomposes in some detail the overall measures of unemployment into various categories, origins, and causes and also presents some international comparisons. The unemployment differentials that exist among various labor market groups and other aspects of this relationship are discussed.

The chapter on Government Regulations deals with the problems and the costs of current regulations on several sectors of the economy and summarizes the Administration's efforts to achieve a significant degree of regulatory reform. The chapter on Food and Agriculture reviews developments in 1974, analyze longer-term developments and the policy issues they raise. International developments in 1974 are examined in the final chapter of the Report.

TRIBUTE TO JOHN A. BURNS

Mr. FONG. Mr. President, it is with a sad heart that I rise to pay tribute to a distinguished American of the 50th State, John Anthony Burns. Jack Burns, who rose from humble beginnings to become Governor of Hawaii, died in Honolulu on April 5 at the age of 66. He succumbed to cancer which disabled him through the final 15 months of his third 4-year term in office.

Born in Montana, Jack Burns was taken to Hawaii as a child Thereafter,

he made Hawaii his lifelong home and became a "kamaaina" like a true native son of the islands.

He grew up to become a police officer and retired from the Honolulu Police Department with the rank of captain. He then chose to enter politics, a decision which did not appear very promising at the time, shortly after World War II.

He joined the Democratic Party, which was almost defunct, and ran for the office of Delegate to Congress from the then Territory of Hawaii. Political success for Jack Burns came with a great deal of struggle. He failed in two attempts to be elected Delegate to Congress but finally, in 1956, he won election to that office.

Like his predecessors, he concentrated his energies toward achieving statehood for Hawaii. In 1959 Congress made Hawaii the 50th State, crowning Jack Burns' efforts with success and bringing to a climax the long, long campaign of Hawaii's people for statehood and first-class citizenship.

In the meantime, he was able to unify various elements of the electorate into a new young, vigorous political party. In 1954, his party for the first time took control of the Hawaii Territorial Legislature and since then has dominated Hawaiian politics.

In 1962, after initial defeat as a gubernatorial candidate in the first Hawaiian statehood election of 1959, Jack Burns was elected Governor. Statehood gave Hawaii a tremendous boost, and, with Burns as chief executive for the next 12 years, the islands experienced unprecedented growth. Her economy, her population, her educational and social institutions flourished beyond nearly all expectations. Jack Burns dreamed large dreams, and he attained most of them.

Although he was of another political faith from mine, I do not recall any instance in our relations of long-standing where Jack Burns exhibited petty partisanship or political malice. He acted according to the rules of fair play and good sportsmanship. I appreciated his personal friendship over the years, and he reciprocated my feelings.

He will be missed by all who saw him as a dedicated public servant who gave his heart and mind to the betterment of his beloved island State.

The people's outpouring of affection and respect for Jack Burns was impressively demonstrated at his funeral and burial in the National Memorial Cemetery of the Pacific in Honolulu and during the period when his body lay in state in the Capitol courtyard. It was a most touching tribute to a great citizen.

To his loving and devoted wife, Beatrice, and to the family, my wife, Ellyn, and I extend our sorrowful and heartfelt aloha. We pray that they will find in the greatness of the man solace for now and continued pride and inspiration for an enduring future.

The record of Governor Burns' achievements has been eulogized in an editorial in the Honolulu Star-Bulletin, captioned "John Burns—Maker of History." I ask unanimous consent to have this editorial of April 7, 1975, printed in the RECORD.

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

JOHN A. BURNS—MAKER OF HISTORY

John A. Burns, dead at 66, will go into history as one of the great shapers of Hawaii—a role few would have predicted for him 30 years ago when he was rounding out 11 years as an honest cop in a corrupt police department.

This uncommon common man was an erect, stern father figure publicly, sometimes called Stoneface, but a warm person privately who built his intensely loyal following through individual conquests, rather than by grandstand oratory at which he was no good.

He was ruggedly self-disciplined, and coped stoically with fates that were far from kind. His father abandoned his family when he was young. His wife was disabled by polio. His constituents at the moment of his greatest triumph, Statehood, rewarded him with political defeat.

His last misfortune was to leave the governorship in December, 1974, an ill man fated for death instead of the pleasant Oahu-Big Island retirement he had planned.

He was a daily attendee at Catholic Mass, a nondrinker in his later years, a leader whose personal honesty was never questioned, even when some of his adherents were in the hottest of water.

Montana-born, he grew up in Kalihi and always was proud of the scrappy connotation that being "a Kalihi boy" implied.

Out of World War II police work he brought not only his reputation for honesty in a force where prostitution and gambling payoffs were rampant, but the beginnings of a political power base among Issei and Nisei citizens, whom he befriended and defended when their loyalty to America was under challenge.

Later he was to be the leader as this base was expanded to include organized labor, returning Nisei war veterans and varied citizens of liberal persuasion—a powerful bloc that swept to political control of Hawaii in the elections of 1954 and 1956, and ended a business domination of Hawaiian politics that had started with the revolution of 1893 that overthrew the monarchy.

Leaders shape events, and events shape and produce leaders. John Burns was the right man at the right place at the right time.

Hawaii was overdue for change, but he turned out to be the steersman at the helm, and steady enough that the transition was surprisingly smooth and successful.

As one of his admirers has written, he helped to fortify the belief that politics is indeed a noble profession, that it constitutes public service in the finest sense.

His politics often was over the breakfast table, seeking quiet agreements instead of public confrontation. To some the "smoke-filled room" connotations of these sessions were offensive, but there was no denying their effectiveness or the fact that they usually built consensus.

The list of accomplishments in a political career of less than 30 years, begun after the mid-point of his life, is long:

1. At a substantial personal political risk, he brought the 25-year long Hawaii Statehood fight to a successful conclusion in 1958–59 by setting Hawaii's case aside and allowing Alaska, with a much weaker case, to be admitted first. Later when President Dwight D. Eisenhower neglected to invite him to the White House Statehood signing ceremonies, he made no public complaint.

2. By winning the support of Lyndon Johnson, then Senate majority leader, he brought about the creation of the East-West Center at the University of Hawaii.

3. To weld labor into the coalition that gave Hawaii Democrats their majorities, he faced the issue of Communist infiltration of the ILWU. At great political risk, he identified the Democratic Party and himself as Delegate to Congress with those elements of labor that were seeking no more than fundamental political and social reform in Hawaii. This included accepting alliances with labor leaders who had been identified as former Communists. His judgment proved historically correct. There is no Communist Party in Hawaii today.

4. As Governor beginning in 1962, he presided over a diffusion of power in Hawaii brought about by the application of anti-trust laws to business, the attraction of many outside investors to the State, the diversion of Hawaiian companies into activities outside the State, and a wider sharing of political power than had existed previously.

5. While seeking reform, he retained an underlying conservatism on issues such as land, and came to be considered a friend of business for his help in resolving many problems such as the interlocking ownership of Matson Navigation Co. There, he intervened with federal maritime authorities to work out the sale of Matson assets to a single owner, Alexander & Baldwin.

6. As Governor he brought all races into both his cabinet and the judiciary, completing the demolition of a historical imbalance in favor of Caucasians.

7. He committed State resources to education on a scale far beyond that of his predecessors.

8. He followed a policy of deference to the legislative will in approving bills passed by the Legislature, and used his veto primarily when errors were found in bills. This policy received its most agonizing personal test for him, as a devout Catholic, when the Legislature sent him a bill legalizing abortion. He allowed it to become law without his signature.

Burns also sowed a few seeds that have not yet borne the fruits he would have liked . . . a foreign trade zone to stimulate Hawaii's role in Pacific commerce and an infrastructure of public works on the Kona Coast of the Big Island to lure development there and away from Oahu. But both may pay off bigger in years to come.

While dealing with the tides of development, Burns also concerned himself greatly with specifics.

He wanted a grand State Capitol to inspire respect for government. He fought for a subsidized athletic program at the University of Hawaii and a new stadium at Halawa to build community pride through sports. He rejected a traditional gubernatorial membership in Pacific Club because of the Club's restrictive racial policies, which have now been eased.

He ended the social ostracism of Jack W. Hall, the ILWU regional director who had been convicted on Smith Act charges (later reversed) of conspiring to overthrow the government. He had Hall as a regular visitor at Washington Place, in turn, won community-wide respect as both a labor leader and a civic do-gooder. By the time of his death in 1971, the Communist charges had long since been forgiven if not forgotten.

The totality of Burns' record is overwhelmingly impressive, but it might have been even more so if he had not been persuaded to run for a third and final term as governor in 1970. The final years were stagnant compared to the first two terms. His programs had been largely accomplished. His health was failing. And he had centralized the decision-making power so greatly in his office that when he was not on top of things there was rudderless drift.

By the time Burns left office his liberal revolution had become conservative. He had more critics on the left than on the right.

Even his critics, however, joined in a widely-shared bipartisan respect and affec-

tion for him that welled up in such moments as his final appearance before the Legislature last year—where he spoke movingly even though with great difficulty and pain.

If life for John A. Burns was harsh in many respects, it was good in one. While he still lived, the community demonstrated in many ways that here is a leader who always will be admired, loved and honored.

LOBBYING ENTERS THE COMPUTER ERA

Mr. RIBICOFF. Mr. President, the Senate Government Operations Committee is holding hearings on lobbying reform legislation.

Today's Washington Post contains an article by Jack Anderson and Les Whitten disclosing that the U.S. Chamber of Commerce has developed computerized files listing Congressmen and home State businessmen who might influence legislators.

This points dramatically to the need for new legislation that will control lobbying practices. I ask unanimous consent that the article be printed in the RECORD.

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

[From the Washington Post, Apr. 23, 1975]

LOBBYING ENTERS THE COMPUTER ERA

(By Jack Anderson and Les Whitten)

The delicate art of influencing legislation—popularly known as lobbying—has been moved a great distance from the days when professional pleaders prowled the Capitol corridors twisting legislative arms.

Today, the U.S. Chamber of Commerce uses a computer to keep track of the members of Congress who may need a little gentle persuasion. The infernal instrument identifies not only the legislator who may require some quiet pressure but the businessmen back home who can best apply it.

This scientific system is now being brought to bear upon consumer legislation. With a whirring of little wheels, the electronic mastermind is helping the chamber to deploy its forces most effectively to kill the Consumer Protection Agency bill.

The chamber's chief lobbyist, Hilton Davis, has developed computerized files that list members of Congress and the home-state businessmen who have the most influence over them.

"What I'd like you to do," he wrote to corporate executives whose names went into the computer, "is indicate those senators and representatives with whom your company has a constituent relationship . . . That will permit me to signal the right people when special need arises for assistance with a specific legislator."

Then the big names are brought in from home states to make the personal contacts. They are guided unerringly to the right doors by the clocking, whirring machine in the chamber's headquarters.

We have now cracked the secret code on the chamber's master computer, which sorts the wheat from the chaff on Capitol Hill not by name but by number. To the computer, for example, Senate Democratic leader Mike Mansfield is "S0605" and Senate Republican leader Hugh Scott is "S0851." Speaker Carl Albert, who presides over the House, is "H0055."

The chamber's chief defender on Capitol Hill, Sen. James B. Allen (D-Ala.), is depersonalized into "S0036," while consumer champion Sen. James Abourezk (D-S.D.) has been assigned the James Bondian code number of "S0010."

The system works this way:

Suppose the chamber wanted to put the squeeze on pro-consumer Sen. Mark O. Hatfield (R-Ore.). The computer operator would punch Hatfield's code, "S0451." The machine would spit out the names of all chamber members who own businesses in Oregon and who might be enlisted to join in pressuring Hatfield.

The computer would automatically address tabs or envelopes to these key businessmen. Clerks would insert specially prepared chamber instructions, calling upon the businessmen to make personal phone calls and write letters to Hatfield. The ones with the most influence upon Hatfield would be hauled to Washington for personal visits.

The chamber even encourages executives to enlist their employees in the pressure campaign to defeat the consumer bills that would protect the employees.

Davis assured us there was nothing sinister about the chamber's computerized lobbying, although he conceded the computer's codes and records were "confidential."

Davis said the system will merely cut mailing and clerical costs by getting out appeals selectively instead of to the general membership. "It doesn't frighten me at all," he said.

TESTIMONY OF ARTHUR BURNS BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 7, 1975, the Joint Economic Committee was privileged to hear testimony by Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System. He acknowledged that our Nation is today suffering from severe economic recession and inflation at the same time. Mr. Burns pointed out that there is an immediate need to cushion the impact of recession, yet one cannot ignore the longrun implications of policy on the rate of inflation.

Concerning the immediate economic situation, Mr. Burns stressed that financial conditions have eased in a variety of ways over recent months. The liquidity of banks and other thrift institutions has improved; short-term interest rates have dropped sharply; a large volume of long-term securities has been successfully marketed; uncertainties afflicting financial markets earlier last year have diminished; and of late stock prices have been rising.

Despite this marked improvement in financial markets, he pointed out that further decline in economic activity has to be expected. Consumer willingness to spend is likely to be held back by the effects of widespread unemployment on personal incomes; business spending for fixed capital and inventories will be adversely affected by the deterioration in sales, profits, and internal cash flows. Mr. Burns believes, however, that corrective measures are already underway in the form of price rebates on automobiles and other products, and increased unemployment compensation. He sees an upturn in business activity later this year.

Mr. Burns stressed that in considering solutions for immediate economic recovery, policymakers should not lose sight of longrun economic implications. He sighted the decrease in productivity as a problem of major concern and attributed this decrease to a decline in business profits to a level too low to finance growth and improvement of our Nation's industrial plant.

Inflationary pressures are the major reason for the economic turmoil that our Nation is experiencing and must be given high priority in formulating economic policy, according to Mr. Burns. He recommends that Federal expenditures be scrutinized in an effort to cut back spending below the levels projected in the President's budget message. Similar considerations should guide the course of monetary policy in the months ahead. Mr. Burns assured Congress that growth in the monetary aggregates should improve, but emphasized that the Federal Reserve had no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become.

Mr. President, Chairman Burns' testimony clearly indicated that the Fed is more frightened by the potential for serious inflation than by the fact of disastrously high rates of unemployment. His testimony indicated a complete unwillingness to share with Congress the specific plans of the Fed with regard to expanding the supply of credit. It also demonstrated that the Fed has no intention of expanding the money supply at the 8- to 10-percent rate recommended by virtually all of the other experts who have testified before the committee. He is clearly out of step.

Nonetheless, because of the importance of his testimony, I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT

(By Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System)

I am pleased to meet with the Joint Economic Committee once again to present the views of the Board of Governors on the condition of the national economy.

Our nation today is suffering from a serious economic recession. It is also in the midst of an inflation that is threatening the very fabric of our society.

Public policy is thus confronted with a grave and profoundly difficult problem. There is an immediate need for measures to cushion the recession. Yet, we cannot ignore the longer-run implications of our actions for the rate of inflation or for the other adverse trends that in recent years have hampered the nation's economic performance.

Let me turn, first, to the immediate economic situation and then move to some of our longer-range economic problems.

Since last fall, general business activity has deteriorated. The decline in the real gross national product in the fourth quarter was unusually large. Reductions in production and employment over recent months have been about as rapid as at any time in the postwar period. Cutbacks in activity have been especially sharp in the auto industry, but they have been substantial also in the production of other consumer goods, business equipment, construction products, and industrial materials.

Total employment increased during the first ten months of 1974; but there has been a marked decline in recent months, and unemployment has risen sharply. Overtime work has also been reduced and an increasing number of workers have been able to find only part-time employment.

As so often happens in a recession, consumer demands for autos, furniture, house-

hold appliances, and other durable goods have declined sharply. Sales of domestic-type autos in January—although up from December—were at an annual rate of only 6.6 million units, nearly one-fourth below last summer's pace. Weakness in consumer demand has extended also to clothing and other nondurable goods. Total retail sales expressed in current dollars fell more than 3 per cent from the third to the fourth quarter of last year, and the decline in real terms was even larger. Actually, the physical volume of retail trade has been moving on a downward trend since the spring of 1973.

Residential construction was notably weak throughout 1974. New housing starts in December were at an annual rate of only 870,000 units, the lowest rate since 1966. However, conditions in the mortgage credit markets are rapidly improving, and there has been some tendency for new building permits to stabilize recently. Thus, we may reasonably expect some upturn in home-building before very long.

Business capital spending, on the other hand, will probably decline this year in real terms—although dollar outlays may be rising moderately further. Of late, business firms have been cancelling or postponing plans for construction of new facilities and for the purchase of new machinery and equipment. This has resulted in a drop of new orders for capital equipment, and of contracts for commercial and industrial construction.

The decline in final sales during recent months has been unusually large—when we allow for the advance in prices—so that inventories continued to pile up despite substantial cutbacks in production. However, business firms are working strenuously to cut back excess stocks—through further curtailments of output, special promotions, and price concessions—and it appears that we are now moving into a period of inventory liquidation. This adjustment of inventories will have a temporary depressing effect on production and employment, but it is an essential precondition for an upturn in business activity later on.

As the economy weakened during the course of 1974, the behavior of prices began to reflect it. Sensitive prices of industrial raw materials started to decline in the spring of last year. Last fall, the effects of declining business activity began to show up in wholesale prices of intermediate materials, supplies, and components, and later on in prices of finished goods. In December, wholesale prices of industrial commodities were unchanged, agricultural prices declined, and the over-all wholesale price index turned down.

The rise in consumer prices has also slowed, partly because the run-up in prices of energy items associated with the rise in the cost of imported crude oil has been tapering off. There have also been substantial price concessions by automobile dealers and other retailers to help stimulate sales and thus bring inventories down.

It would be premature to conclude, however, that the menace of inflation is, or soon will be, behind us. Agricultural products are still in short supply, in large part because of a series of disappointing crop harvests both here and abroad. Also, in some sectors of the economy, such as the service area, prices are continuing to respond to past increases in costs.

A major source of inflationary pressure now is the run-up of wage rates. Recent increases in wages greatly exceed the long-run growth trend of productivity. To make matters worse, productivity has declined substantially over the past year, and unit labor costs consequently rose by almost 15 per cent in 1974.

Other industrial countries have also been beset by the dual problem of recession and inflation. With the notable exception of Germany, the rate of inflation in other industrial nations has been about the same or higher than in the United States. Most major countries also experienced a leveling off or decline in employment and output last year, and these tendencies were increasingly apparent as the year progressed.

Despite the weakening in economic activity around the world, our export markets held up well last year. Merchandise exports increased considerably, even after allowance for the rise in prices. Our trade balance would have improved, had it not been for the higher price of imported oil, which moved it into substantial deficit. And the exchange value of the dollar has slipped in recent months, due in some measure to capital flows caused by the sharper decline of market interest rates here than abroad.

Mainly because of higher oil prices, most oil-importing countries have had large current account deficits during the past year, and some have experienced difficulty in obtaining needed financing. For poorer countries, financing problems have become particularly acute. Recent international understandings to extend the oil facility of the International Monetary Fund, to increase Fund quotas, and to create a $25 billion safety net among member countries of the Organization for Economic Cooperation and Development will help to cope with the international financial problems of 1975. But new strains could develop in international financial markets. Private banking systems handled a huge volume of international financing last year, and it is unlikely that they can repeat this performance in 1975.

Both here and in other industrial countries, monetary policy has responded to the weakening in economic activity by encouraging easier conditions in financial markets. In the United States, that easing has proceeded somewhat faster than has generally been the case abroad. Federal Reserve open market operations began to be more accommodative last summer, and short-term market interest rates began to move down from the exceptionally high levels reached in July. As the year progressed, evidence accumulated that economic activity was weakening and that advances in commodity prices were beginning to moderate. Open market operations were, therefore, steadily directed towards a more ample provision of reserves to the banking system.

More recently, open market policy has been reinforced by other monetary instruments. The discount rate was reduced on three occasions—in early December, early January, and again this week—from 8 per cent to 6¾ per cent. Reductions in member bank reserve requirements were also ordered—in September, November, and January, releasing a total of nearly $2½ billion of reserves and thus helping to improve the liquidity position of the banking system.

Since last July, these policy actions—together with weaker demands for credit by business and consumers—have resulted in a sharp decline of short-term market interest rates. Downward movements have continued in recent weeks, even though Treasury financing needs have grown and market participants have begun to anticipate massive Federal deficits that, unhappily, are now in prospect.

Long-term interest rates have also declined, but much less than short-term rates. Lenders are still demanding a sizable inflationary premium to supply long-term funds. Moreover, corporations have issued in recent months exceptionally large amounts of long-term bonds—in part reflecting their need to lengthen debt and thereby improve their liquidity position. Demands for long-term capital by State and local governments have also been well sustained.

The beneficial effects of easier conditions in financial markets are not all registered in the movement of interest rates. For example, member banks responded initially to the greater availability of reserves by repaying their borrowings from the Federal Reserve and by taking other steps that improved their liquidity. Banks became overextended during the 1971–74 credit expansion, and an improvement of their financial position was needed to lay the basis for subsequent expansion of lending. Reductions in the prime rate of interest, therefore, have lagged behind the decline in open-market rates, as banks encouraged businesses to meet their credit needs in the open market.

Growth of the monetary aggregates has reflected this cautious behavior on the part of banks. Despite a series of expansive monetary actions, the narrowly-defined money stock (M_1) grew at an annual rate of only 1½ per cent in the third quarter of 1974 and 4¼ per cent in the fourth quarter. In January of this year, moreover, a decline occurred in M_1, probably because demands for bank credit were unusually weak during the month.

Broader measures of money have shown more strength than has M_1. With interest rates declining, net inflows of consumer-type time and savings deposits at banks and at nonbank thrift institutions have improved markedly. Growth in M_2—which includes consumer-type time and savings deposits at commercial banks—rose at an annual rate of about 7 per cent in the fourth quarter, compared with a 4½ per cent rate in the third. Expansion in M_3—a still broader measure of money that includes also deposits at nonbank thrift institutions—showed similar acceleration. Furthermore, the volume of large denomination certificates of deposit and other liquid instruments bought by major investors has continued to increase at a brisk pace.

Enlarged inflows of deposits to savings and loan associations have permitted these suppliers of home mortgage funds to reduce their borrowing and to replenish liquid assets, thereby laying the base for renewed expansion in mortgage lending. The full benefits of these developments will not be felt for some time, but the improved deposit inflows have already had an effect on mortgage interest rates. Rates on new conventional home mortgages have declined by almost a full percentage point from the peaks of early autumn, and lenders are also more active now in seeking out borrowers.

In short, financial conditions have eased in a variety of ways over recent months. The liquidity of banks and other thrift institutions has improved; short-term interest rates have dropped sharply; a large volume of long-term securities has been successfully marketed; uncertainties afflicting financial markets earlier last year have diminished, and stock prices of late have been rising again.

Despite this marked improvement in financial markets, some further decline in economic activity has to be expected. Consumer willingness to spend is likely to be held back by the effects of widespread unemployment on personal incomes; business spending for fixed capital and inventories will be adversely influenced by the deterioration in sales, profits, and internal cash flows; even residential construction activity may remain depressed for a short time in view of the continuing decline in housing starts.

Evidence is accumulating, however, that the corrective forces needed to lay the basis for economic recovery are already underway. Price rebates on autos and other products are helping to stimulate sales. Consumer incomes are being sustained by enlarged unemployment compensation as well as an expanded public service employment program. The adjustments in financial markets to which I have referred should be of major benefit in supplying funds for housing and for other purposes. And the upturn in the stock market is serving to improve the state of confidence.

For their part, businessmen have re-

sponded to declining sales and profits by making strenuous efforts to work off excessive inventories, by concentrating production in more efficient plants, and by economizing on labor and materials. In the manufacturing sector, productivity actually improved somewhat during the last quarter of 1974, despite a sharp decline in output. This is a most encouraging development.

Thus, while business activity is likely to slide off further in the months immediately ahead, there is reason to expect an upturn later this year. The stimulative fiscal actions proposed by the President would serve to increase the likelihood of a turnaround in the course of the economy. The personal tax rebate, if enacted promptly, should have a stimulative effect on spending by late spring or summer, and the effects on business capital expenditures of a liberalized investment tax credit should soon follow. The resulting expansion in investment would help to provide more jobs later this year, and would also contribute to moderating inflation over the longer-run by improving the capacity and efficiency of our industrial plant.

I cannot stress strongly enough the importance of measures to increase productivity at our nation's business enterprises. This is the first of several longer-range problems to which I want to direct the Committee's attention.

For some time now, the trend of productivity in the private non-farm economy has tended to flatten out. During the past decade, the average annual increase in output per manhour was less than 2 per cent, compared with nearly 3 per cent in the previous ten years. Within the past decade, the rate of improvement in productivity has diminished also. This development has a significant bearing on the living standards of our people, and also on the impact that rising wage rates have on costs of production and prices.

The unsatisfactory record of productivity improvement stems in large part from inadequate investment by business firms in new plant and equipment. Business profits have fallen increasingly short of the amounts needed to finance the growth and modernization of our nation's industrial plant. Environmental and safety regulations, while desirable in their own right, have often delayed fulfillment of capital spending plans and at times have forced adoption of less efficient methods of production. Productivity improvement has also been hampered by changes in the attitude of the labor force and some laxity in management. Workers nowadays are well trained, but many of them work with less energy than they should, and absenteeism has become a more serious problem.

These changed attitudes toward work are to some degree the outgrowth of a second disturbing trend in our economy—namely, the fact that taxes have progressively reduced the rewards for working, while government at the same time has increased the share of national output going to persons who are not productively employed. Twenty-five years ago, a typical worker with three dependents gave up about 1 per cent of his gross weekly earnings in Federal income and social security taxes. Since then, that fraction has risen steadily and reached 13 per cent in 1974.

Any large increase in the absorption of private incomes by government poses a threat to individual incentives—all the more so when taxes are levied on persons who work and produce, and the funds are then transferred to others who remain idle. Over the past twenty-five years, transfer payments by all governmental units—in such forms as public welfare, social security benefits, unemployment insurance, and other public assistance—have risen about twice as fast as total wages and salaries. These transfer payments now amount to almost one-fifth of the aggregate of wage and salary disbursements, and the fraction is steadily increasing. A society as affluent as ours can ill afford to neglect the poor, the elderly, the unemployed, or other disadvantaged persons. But neither can it afford to neglect the fundamental precept that there must be adequate rewards to stimulate individual effort.

Besides weakening individual enterprise, massive increases in governmental expenditures—for social welfare, defense, and whatnot—have been a major cause of intensifying inflationary pressures. This is the third of the longer-run problems that our nation must confront. Inflation has been a problem in this country through most of the postwar period; however, the upward march of prices began to accelerate during the middle 1960's, when our Government embarked on a highly expansionary fiscal policy. Since 1965, total Federal expenditures have risen about 50 per cent faster than the gross national product; budget deficits have become chronic; interest rates have soared to unprecedented heights; expectations of rising prices have gotten built into wages and other contracts; and inflation has emerged as the most dangerous economic ailment of our time.

There can be little doubt that inflation is the principal cause of the decline in economic activity in which we now find ourselves. The havoc wrought in our economy by inflation, however, goes well beyond the immediate loss of production and employment. Because of its capricious incidence on income and wealth, inflation has caused disillusionment and discontent among our citizens. And because of its distorting effects on business decisions, inflation has brought into question the liquidity of some major business and financial institutions.

There is no way out of the inflationary morass into which we have allowed ourselves to sink. Unwinding from an inflationary process built up over a decade will take time, and will cause further hardships for our people. But defeat of inflationary forces must remain a major goal of public policy. We cannot realistically expect to regain lasting prosperity until business and consumers glimpse some end to the inflation that has been damaging our economy.

Lasting prosperity will also require steps to reverse the deterioration in corporate profits that has taken place over the past decade or more. This is another longer-run problem of major importance.

The condition of business profits is widely misunderstood. Profits are thought by some observers to be ample, or even overabundant. The fact is, however, that profit margins of nonfinancial businesses have been declining rather steadily for many years, and profits in the aggregate have been far too low in recent years to supply the financing needed for a vigorous expansion in capital investment.

The major source of confusion about the recent behavior of coroprate profits is not hard to find. Last year, the estimated pretax profits of all nonfinancial corporations from their domestic operations were 16 per cent higher than in 1973 and 46 per cent higher than in 1972. The dominant factor in this rise, however, was an enoromous increase in inventory profits—an element of earnings that is illusory. It stems from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a consequence, costs of operation have been understated, and fictitious profits have been created that are being taxed by the Federal Government.

Excluding this illusory inventory profit, the after-tax domestic profits of nonfinancial corporations did not rise last year. On the contrary, they declined by 20 per cent, and were smaller than eight or ten years earlier—when the dollar value of the output of these corporations was about half of what it is today.

Last year, in fact, the after-tax profits of nonfinancial business corporations—adjusted for inventory gains—were no larger than the amount of dividends these firms paid to their stockholders. Worse still, when allowance is made for the fact that depreciation schedules for fixed capital are also based on historical costs—and thus contribute yet another illusory element to book profits, these firms actually paid out more in dividends to their stockholders than they earned from current production.

As I noted earlier, this slump in corporate profits is a major reason why business capital investment has been impeded and why the rate of productivity improvement has been sluggish. But there has been another ominous conesquence of deteriorating business profits—namely, some decline in the financial strength of our nation's business firms. This is the fifth long-run problem to which this Committee's attention should be directed.

Years ago, when their profit positions were more adequate, our nation's major business corporations financed much of their capital investment from internal sources rather than from borrowed funds. However, dependence on borrowed funds has been rising steadily for more than a decade. In the past five years, funds borrowed in the money and capital markets by all nonfinancial corporations averaged nearly 70 per cent of the amount raised internally, and in 1974 their borrowings appear to have exceeded their internal funds.

This growing reliance on borrowed money has brought with it a steep rise in the amount of debt owed by business firms relative to their equity positions. In 1950, total liabilities of manufacturing corporations amounted to less than half of the book value of stockholders' equity. Today, the magnitudes of debt and equity for manufacturing corporations are almost equal. Moreover, a large part of the indebtedness piled up by business firms has been in the form of short-term debts, and these in turn have grown much more rapidly than holdings of current assets. The liquidity position of nonfinancial businesses has thus been weakened.

These are disturbing trends. The balance sheets of many of our business corporations have become distorted by the need to finance capital investment from external sources. Moreover, the issuance of new stock has been inhibited by unreceptive markets and by tax considerations. The consequence has been that margins of equity have been significantly reduced, and many large businesses no longer have the resiliency they once had to resist economic and financial adversity.

The sixth longer-range problem of major concern to the nation is the foreign exchange value of the dollar. Actually, the dollar began weakening many years before its formal devaluation in 1971. Earlier, there had been an enormous rise in the dollar holdings of foreign central banks, because our balance of payments was in deficit for a prolonged period. Capital outflows—some of them speculative—were large, and they were not offset by surpluses in our current account because costs and prices in the U.S. were rising rapidly. The devaluation of 1971 and also that of 1973 were thus a consequence of trends that had been underway for many years.

Following the second devaluation in 1973, the foreign exchange value of the dollar has fluctuated fairly widely, but without much net change. Such fluctuations make it more difficult for foreign traders and investors to make rational plans for the future. We must bear this in mind, and also the fact that any appreciable decline in the external value of the dollar would add to our domestic inflationary problem. The Federal Reserve and other central banks can and occasionally do intervene to smooth out movements in exchange rates. But a substantially

greater degree of exchange rate stability will not be achieved until underlying economic and financial conditions have been put in better order.

Let me now turn, in conclusion, to the implications for public policy of our immediate and longer-range economic difficulties. The most urgent need at the present time is for measures to cushion recessionary forces. But great care must be taken to avoid aggravating the underlying inflationary forces that have produced our present problems.

Action to reduce income taxes temporarily is an appropriate course at the present time. Because of inflation, many individuals have moved into higher tax brackets, even though their real incomes have declined or remained unchanged. Unless personal tax rates are reduced, that trend will continue, and the automatic budgetary stabilizers we normally count on to moderate recessionary tendencies will therefore not function effectively. Also, action is needed to reduce business taxes in view of the serious deterioration in corporate profits, and the taxing of illusory profits by the Federal Government.

The President's fiscal program recognizes the need to deal with the current recession and yet avoid releasing a new wave of inflation. Both the tax rebate to individuals and the increase in the investment tax credit will provide a temporary boost to aggregate demand without adding the Federal deficits over the longer run. Moreover, increases in Federal expenditures are to be limited in several ways—by postponing new program initiatives apart from the energy area, by various rescissions and deferrals of spending for existing programs, and by ceilings on increases in social security benefits and on Federal pensions and salaries. Even so, Federal expenditures should be scrutinized with special care in an effort to hold spending well below the levels projected in the President's budget message. Such a step would improve the prospects for moderating the rate of inflation, and would also bolster the confidence of our people by indicating the clear intent of the Congress to stick to a course of fiscal prudence.

These same considerations must guide the course of monetary policy in the months ahead. The Federal Reserve intends to encourage recovery by providing for an adequate expansion in supplies of money and bank credit. Relatively soon, growth in the monetary aggregates—including the narrowly-defined money supply—should strengthen. Let me assure this Committee, however, that we have no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become. Such a reckless course of action might hold short-term interest rates down for a time, but it would before long plunge our economy into deeper trouble.

This Committee would be well advised to focus a large part of its attention on the course of public policy needed to cope with the serious longer-range problems facing the nation. The issues at stake are large and complex, and solutions will not be readily found. Besides a major national program to deal with the critical problem of energy—which I have not discussed—it seems clear that efforts to gain a better measure of discipline in Federal finances have become a matter of great urgency. Ways must be found to curb the ever increasing share of the national income absorbed by governmental programs—especially programs that transfer funds from persons who work to those who are not productively employed. Ways must be found also to strengthen business profits and the state of business finances, and to increase the incentives for expansion of productive capacity and for modernization of our nation's industrial plant.

Above all, ways must be found to bring an end to inflation, and thus lay the basis for a lasting prosperity at home and a strengthening of our position in international markets. Our people are weary of inflation; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their government can and will take the necessary steps to restore economic and financial stability.

RURAL AMERICA

Mr. ABOUREZK. Mr. President, the first National Conference on Rural America was held this week in Washington. Colman McCarthy, in an article that appeared on the editorial page of the Washington Post on Tuesday, April 15, portrays in a very moving way the plight of some of the people of rural America.

Mr. President, I ask unanimous consent that Mr. McCarthy's article "Ignoring Rural America," be printed in the RECORD.

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

IGNORING RURAL AMERICA

(By Colman McCarthy)

When officials of the Rural Housing Alliance sent out invitations to its four-day conference on rural America being held this week in Washington, this reply came back from a social worker at the Cheyenne River Sioux Reservation, Eagle Butte, S.D.

"Dear Sirs: I seriously doubt if you will be able to fit 60 million rural Americans into the Sheraton Park Hotel in Washington, D.C., even if they could afford to come and listen to your tin-horn colleagues pontificate about them. Besides that, your population figures are inaccurate. I just buried three rural Americans who had been referred to five different social service agencies for protective services. Two little girls burned to death—no adults present—during a recent blizzard which was itself largely unreported. The third casualty was a five-week-old boy who starved to death during the storm. In both cases the families had been referred for protective services due to chronic alcoholism. No services were provided . . . Volunteer firemen transported the burned little girls to Eagle Butte in green plastic trash bags, the only things they could find. Tell that to your experts."

The bitterness of this letter will doubtlessly be dismissed as strident by many in Washington where conferences, commissions and committees are the exercise bars on which "social problems" are forever getting free workouts. But for a few who are here this week, the sentiment from Eagle Butte needs to be heard. It is a pained cry of isolation, a resentful call from the rural America that Eastern romantics call "the heartland," even though in parts of South Dakota and elsewhere little of America's lifeblood flows from the great urban centers to the townships, hollows and outbacks.

Only a few decades ago, the sum of those small and quiet parts of American life added up to most of what the nation treasured in itself. Pavement had yet to come between people and their feel of the land. But it has now, blocking not only feelings but also vision, as though the horizon of human need stopped at the city limits and the 60 million citizens beyond them were suddenly uncomely and unremembered. At this week's conference, some facts are being discussed that reveal how severe the isolation of rural America has become.

Since 1960, 146 bus companies have ceased operating—nearly all in cities of less than 25,000. According to Ira Kaye, formerly a rural specialist at OEO, "little help has been available from the government." He notes that "the Department of Transportation, during most of its life, has maintained it was not authorized to help rural communities meet their transportation problems. About $10 million has been made available by Congress for demonstration public transportation projects in rural areas but the guidelines for the use of these funds have been slow in coming. The National Mass Transportation Act of 1974 provides that not more than $500 million of the $11 billion authorized shall be available in rural areas." Kaye has been in government for some time but even he was unnerved by a recent example of federal logic: "When DOT evaluated some OEO rural transportation projects, it found *demand* for rural transit services low—because people couldn't *afford* to pay for it!"

Although people living outside metropolitan areas are one-fourth of the total population, about half the nation's poor are among them. According to the Rural Housing Alliance, "HEW laid out more than $6 billion for income maintenance assistance and 75 per cent of it went to Metropolitan areas. The Department of Agriculture distributed food stamps worth more than $2 billion and 67 per cent wound up in the cities."

Slums have come to be identified with the inner-city but the shacks and tin-roof shanties in rural areas comprise 60 per cent of the country's substandard housing. A fifth of America's population lives in nearly half of its counties, but in this half there is no public housing authority. Some 140 rural counties have no doctor; Rep. William Alexander says this is an increase of 43 per cent since 1963. The alliance reports that "the largest expenditure of HEW in 1973 in the field of health was headed 'Health Services Delivery.' Approximately $175 million was expended, of which less than $7 million went to non-metro areas."

All these figures—and many more exist, from the $1,654 per capita income of migrant farmworkers to the 1,000 acres a week lost to strip mining—document the devastating discrimination constantly demeaning the sharecroppers, mountaineers, independent farmers and others whose sanctuary is rural America. But the figures and facts can easily become the marbles that social scientists occasionally roll around in their mouths when double-talking their way through problems, solving them on paper and photocopying the results for colleagues. Meanwhile, rural lives continue to be degraded and aspirations doomed.

Why does so little federal money go for rural needs? Is it because the people there pay less taxes than in the cities? The answer is the opposite: If anyone is paying less taxes, it is the corporate and absentee farmer, precisely the one who doesn't need tax breaks.

Many of those at this week's rural conference will share the despair of the letter-writer from Eagle Butte, but they will still articulate worthy and sound ideas about the response that needs to be made. In "Our Land Too," a book on rural America that is in the tradition of the work of James Agee and Robert Coles, Tony Dunbar writes:

"The essential responsibility is not the poor man's to try to adapt himself to 'opportunities' which in fact are not generally provided by the solutions of the outsiders; rather it is the responsibility of the nation, as represented by government and business, to pay off the debt owed men and women who, after well-serving the builders of the 20th century, have found that they have had taken from them virtually all of the things which were important and all the things which made them important in the eyes of the world. Whatever the form of the repayment, it must be more substantial than increased 'opportunities.' It might be enough if the debt were admitted and the process

halted—the process by which people are used and then discarded for the sake of production and progress."

However finely expressed those words are, and however useful the papers and speeches at the conference will be, all of them fall short of what the voices from the rural, unpaved places are capable of saying well themselves: Life exists out here, too—don't do anything for us; help us to do something for ourselves.

VOTE ON THOMAS J. MESKILL

Mr. McGOVERN. Mr. President, the Senate has confirmed the nomination of former Gov. Thomas J. Meskill to be a judge of the U.S. Circuit Court of Appeals for the Second Circuit. After studying the opinion and the recommendation of the American Bar Association and the South Dakota Bar Association, I voted in opposition to Governor Meskill's confirmation.

The information and reasons upon which I based my decision are included in letters from three well known and highly respected South Dakota attorneys. I ask unanimous consent that their letters be printed in the RECORD.

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

CANTON, S. DAK.,
April 2, 1975.

Hon. GEORGE MCGOVERN,
U.S. Senator, Washington, D.C.
Hon. JAMES ABOUREZK,
U.S. Senator, Washington, D.C.

DEAR SENATOR MCGOVERN and SENATOR ABOUREZK: I have been advised that the name of Thomas J. Meskill will be presented to the Senate for appointment as Judge of the United States Circuit Court of Appeals for the Second Circuit and that this may be considered during the week of April 14th, 1975.

I have been advised of the background of Mr. Meskill in respect to the practice of law and conduct in my profession and I earnestly urge you from the evidence presented to vote against the confirmation of Mr. Meskill. A lifetime appointment to the Federal Judiciary is of paramount importance to the entire nation as well as to the profession which I serve. I ask you to review the Meskill record and I am sure you will be convinced as am I that he is not a proper person for such an appointment.

Very truly yours,

SAM W. MASTEN.

RAPID CITY, S. DAK.,
April 14, 1975.

Hon. GEORGE S. MCGOVERN,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Former Governor Thomas J. Meskill has been nominated to be a Judge of the United States Court of Appeals for the Second Circuit. As you are doubtless aware, this is probably the second most important and prestigious court in the nation. It handles all federal appeals on cases originating in Manhattan Island as well as surrounding territory constituting the financial capitol of the country.

This appointment would ordinarily have no significance to me whatsoever as I have never had a case in the Second Circuit and it is highly unlikely that I shall ever have such a case. However, the basic efficiency and integrity of our judicial system is a matter of concern to every lawyer and to every citizen.

The Standing Committee on the Federal Judiciary of the American Bar Association has unanimously reached the conclusion that Mr. Meskill is not qualified for this appointment. Reasons for that conclusion may be found in the enclosed letter of March 28, 1975, addressed to the House of Delegates of the American Bar Association by the chairman of that committee and three immediate past chairmen.

It is my understanding that the Board of Governors of the American Bar Association has passed a resolution in opposition to this appointment. There is obviously nothing of a partisan political nature involved. Historically and traditionally, the majority of the upper echelon in the American Bar Association are and have tended to be of a Republican persuasion, and this is definitely a Republican nomination.

Any lawyer, however, reviewing the findings of the committee could scarcely avoid the conclusion that the nominee is totally lacking in the breadth of experience and the professional standing as a lawyer which should be required for serious consideration for appointment to such a court. In addition, you will observe from the enclosure that Mr. Meskill's political life has touched upon certain practices of a highly questionable nature and that the explanation of such matters has been far from satisfactory.

Senator Abourezk, together wth five of his distinguished colleagues on the Senate Judiciary Committee, opposed the nomination in committee but were outvoted eight to six.

I earnestly urge your careful consideration of this nomination when it reaches the Senate floor and I hope you will feel constrained to oppose confirmation.

Best personal regards.

Yours very truly,

GEO. A. BANGS.

SIOUX FALLS, S. DAK.,
April 2, 1975.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR GEORGE: It is very seldom I write to members of either House with reference to matters pending before them. However, as you may know, I served for 12 or 15 years as a member of the Federal Judiciary Committee of the American Bar Association and during that time took a very active part in the matter of members recommended for the Federal Judiciary. The ABA committee is sill active, and in its many years of service, there have been but few times when the President and/or the Attorney General have gone counter to its recommendations as to qualifications of the persons recommended for federal judicial appointments.

Last week the United States Senate Judicial Committee, by a vote of 8 to 6, voted to confirm the nomination of former Governor Thomas J. Meskill of Connecticut as a member of the United States Circuit Court of Appeals for the Second Circuit.

The investigating committee reported with reference to Governor Meskill that he spent less than eight years after being admitted to the Connecticut Bar, and according to his own statement, his ten most significant cases in which he participated consisted of seven civil cases and three criminal cases, none of which were tried to a jury, and all were concluded in less than three days time, seven in one day and three in less than two days. Of the civil cases, three involved defective sidewalks, two involved a breach of warranty relative to the purchase of food and paint, one was a divorce case and one a bankruptcy. The criminal cases were one involving indecent assault, one reckless driving and one issuance of a bad check. The governor has never argued an appeal in the Supreme Court of Connecticut or in the United States Circuit Court of Appeals, and at the time of his nomination, he had never been admitted to the Circuit Court of Appeals.

In addition, there is pending an investigation by a legislative committee inquiring into the state leasing practices employed during Mr. Meskill's term as governor. His own personal involvement in these leases is in question, and statements made by him are in conflict with those made by other state officials.

The Second Circuit Court of Appeals is one of the most prestigious and hardest working courts in the United States. The American Bar Association Committee found Mr. Meskill wholly unqualified by reason of experience, and his personal involvement in the leasing practices employed during his term as governor would seem to raise serious doubts as to his integrity.

There was just recently released from federal prison a former Illinois governor, who had served as a member of the Seventh Circuit Court of Appeals and who, during his term as governor, became involved in fraud connected with stock ownership in horse tracks located in Illinois.

We are still feeling the reverberations of Watergate trial. This would seem to be a poor time to confirm a selection to the Circuit Court of Appeals where so many doubts have been raised as to both qualifications of the individual nominated as well as to his personal integrity. The American Bar Association committee felt he was wholly unqualified, and I hope you will study the report of the Senate Judicial Committee with care before you cast your vote on this matter.

With personal regards, I am

Sincerely yours,

ROY E. WILLY.

DOD—SPENDING MORE, GETTING LESS

Mr. ABOUREZK. Mr. President, the April 15 issue of Forbes magazine had an excellent article on the reasons behind the Pentagon's record budget for fiscal year 1976.

As we consider the defense budget and the spiraling costs of new weapons systems and quality manpower, it is imperative that the Congress not lose sight of our true objective—to provide the best defense of our country with the greatest amount of cost efficiency possible. Although we have continued to provide for the best defense, there is little question that cost efficiency has never had too great a priority. The Forbes article dwells on this problem and offers an excellent analysis on its complexities.

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

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

SPENDING MORE, GETTING LESS

(Defense Secretry Schlesinger is worried—not only about the cuts Congress might make in his budget. He isn't satisfied with the way Congress and the services are spending the money.)

The Defense Department's record budget—$104 billion for fiscal 1976—will get a rough working over from a Congress disgusted with Indochina and worried about an unmanageable federal deficit. But Congress will have to think twice about cutting defense sharply; for there is no longer any doubt that the U.S.' relative military strength is declining while that of potential enemies is increasing in both size and sophistication. If nothing else proved this, the latest Arab-Israeli war did. Soviet arms in the hands of the relatively inept Egyptians and Syrians made the best showing yet against American weapons wielded by the highly skilled and motivated Israelis.

The worrisome fact is that most of the

Pentagon's record budget will provide little in additional military power in return for its fantastic cost. Militarily, the U.S. is having to run faster and faster just to stand still. The problem is not simply financial: The entire American system has become frighteningly cumbersome.

The Defense Department itself is part of the problem—as Secretary of Defense James R. Schlesinger concedes. And so is Congress and the defense industry. All have been deeply committed to ever more complex weapons to the point where it is no longer possible for the strained U.S. economy to provide such weapons in needed numbers. How can it be that the richest nation cannot afford an efficient defense establishment?

Run through our catalog of weapons: "deep-penetration" fighter bombers; aircraft carriers; manned strategic bombers; surface-ship-based antisubmarines warfare systems. All of these carry frightening price tags. A single new aircraft carrier costs $1 billion. Whereas World War II fighters like the P-47 cost $89,000 each, a modern F-15 fighter costs $15 million. In the Middle East the situation was even worse: In three weeks of warfare, the two sides lost between them some 2,200 tanks. The U.S. bill for making up Israel's losses; $2.2 billion, over $700 million for every week of the fighting. Not even the U.S. could afford this tremendous kind of loss for long.

Costly and complex as many of our weapons are, it is difficult to defend them against relatively cheap and simple counterweapons. During the Yom Kippur war, for example, multimillion-dollar Israeli aircraft were shot down by relatively cheap Soviet-built ZSU-23/4 cannon and Strela missiles. The U.S. missile most comparable to the Strela, the Redeye, costs only $24,000. We have no cannon as good as the ZSU-23/4.

Particularly during the first few days of the war, significant numbers of Israeli tanks were destroyed by Soviet-built RPG-7 shoulder-fired rockets. The American counterpart to the RPG-7, the LAW rocket, costs about $75.

Countermeasures and countertactics to the RPG-7 and other antitank weapons have been devised, but there are already counter-countermeasures. The point is that the balance is swinging away from the tank toward the relatively cheap antitank weapons.

To compound the problem, the expense, long development times and slow production rates of many big-ticket weapons mean that the U.S. will be forced to depend on them for 20 or 30 years into the future—well after technological advance makes them obsolete.

Until recent years, the U.S.'s technical and economic edge was so great the nation could afford to be sloppy about how it allocated its defense resources. The draft provided a reserve of low-cost high-quality manpower. In any *really* bad crisis, the U.S. could threaten to use its overwhelmingly superior arsenal of nuclear weapons. The Cuban missile crisis seemed to prove that in a crunch the Soviets would be forced to back down.

That's all over. In the Mideast confrontation in 1973 the Soviets did *not* back down. The U.S. will probably never again attain anything greater than nuclear "parity" with the Soviet Union. And the volunteer Army means that the military is being forced to pay more for lower quality manpower. Unlike almost any other enterprise, defense has become *more*, not *less* labor-intensive; military pay and allowances will take 55% of the 1975 defense budget compared with 43.3% in 1964.

Which makes it all the more important that the dollars left over for hardware procurement and research and development actually go to buy practical weapons. Unfortunately, this is not necessarily the case.

The Navy's reliance on the aircraft carrier is a good example of this problem. The carrier was indispensable to the defeat of the Japanese in World War II. Since then, the surface Navy has been built around the carrier; most of its ships are organized around the carrier task forces.

The Navy is committed to having at least 12 attack carriers from now until the end of the century. At a capital cost of about $1 billion for each new nuclear carrier, plus the cost of aircraft, escort ships and operations and maintenance costs, that's quite an investment.

That investment becomes shakier every day. In 1967 the Egyptians proved the vulnerability of the large surface ship by sinking the Israeli destroyer *Eilat* with a Soviet-built "cruise missile." A cruise missile is a guided missile equipped with a jet engine and wings, in contrast to the ballistic missile, which has a wingless body and uses a rocket engine. It is not a terribly expensive or complex weapon. A French cruise missile, the Exocet, costs at most $400,000.

Since the sinking of the *Eilat*, the Russians, the French and the Israelis have made available cheap antiship cruise missiles to many countries. The missiles have become more accurate and longer ranged. The Navy argues that a carrier is hard to sink. That may be, but even one hit by a conventional warhead on the flight deck of a carrier could take the ship out of action for at least four months.

Even Senator Barry Goldwater, a staunch supporter of military spending, says, "It is generally conceded among strategic thinkers that the day of the carrier is past. Particularly in the Mediterranean, where it faces Soviet land-based aircraft, the carrier is at a loss." Privately, many high Defense Department officials agree.

Rather than seriously reevaluating the usefulness of the carrier and other surface ships, however, the Navy and its allies on Capitol Hill are buying increasingly expensive and dubious ways of defending them. The F-14 is one of these. At $20 million, fully armed, it is the most expensive fighter plane ever built. Will it do the job? There are doubts. Alton Quanbeck, a Ph.D. in aeronautical and astronautical engineering who was formerly with the Office of the Secretary of Defense, says: "It's theoretically possible, but very unlikely, that the F-14 would be able to defend the carrier against missile attack."

By the end of fiscal 1976 the U.S. will have lavished more than $1.5 billion on the F-14. In return, it probably will have acquired only a marginal improvement in the ability of carriers to defend themselves.

At the same time that the Navy is lavishing so much attention on an asset of declining value, it has been neglecting some very useful programs—particularly land-based antisubmarine warfare aircraft.

Dr. Quanbeck has this to say on the subject: "The Navy spends a lot of money on surface ships, largely for antisubmarine warfare. They like them partly because they give a lot of command opportunities to officers—there are a lot of men on the bridges of those ships. But the most effective antisubmarine warfare systems are *land*-based aircraft and hunter-killer subs.

"The Navy, though, is not interested in land-based aircraft—too much like the Air Force. They don't even buy enough sonobuoys [detection devices] for the land-based planes they do have."

Some high Defense Department officials agree. One says that "land-based aircraft are looking better and better these days for a lot of missions, including antisubmarine warfare."

The Navy isn't the only service guilty of misplaced enthusiasm. The Air Force's emphasis on acquiring the most versatile and sophisticated fighters possible is making it difficult for the U.S. to afford to match the Soviet Union's growing air power.

For example, the Air Force's new McDonnell Douglas F-15 fighter costs nearly $15 million a copy, more than three times the cost of the F-4 fighter that it is replacing. Dr. Richard L. Garwin, an IBM Fellow at the Thomas J. Watson Research Center and an occasional consultant to the Defense Department, points out the paradox involved in this expensive weaponry: "While the F-15 can beat the improved Soviet MIG-21 on a one-to-one basis, an equal cost force of MIGs would just eat up the F-15, because the advantage of numbers is so great." (It is estimated that a MIG-21 would cost $2 million to build here. Thus the cost of a single F-15 would buy seven MIG-21s.)

The F-15 is expensive partly because it is supposed to be able to perform not one, but two difficult missions. One is the shooting down of other fighters. The other is delivering bombs deep inside hostile territory. Many defense experts doubt whether the "deep-penetration" bombing capability is worth the expense.

For the price of one F-15, the Air Force could buy at least two less ambitious but very effective aircraft, which between them could do the job: the General Dynamics F-16 light-weight fighter and the Fairchild A-10 attack aircraft. Senator Goldwater, a former Air Force Reserve Major General, thinks that "we should take another look at the F-14 and F-15 and possibly switch to the lightweight fighter. It's lower cost, and in some respects superior."

What has happened up to now is a classic bureaucratic compromise: The Air Force has agreed to take the F-16, but it wants F-15s as well. Its justification for this is the "need" for a "high-low mix" of expensive and cheap planes. One very senior Pentagon official, when pressed by a FORBES reporter, dismissed the "high-low mix" as a "budgetary gimmick" to sell the compromise to Congress and the public. It's as though someone decided to economize, not by trading his Cadillac for a Volkswagen, but by keeping the Cadillac and buying a VW as well.

Even the F-15 is easier to rationalize than the proposed M-1 strategic bomber. Nobody knows how much each will cost; Defense Department estimates are beginning to creep toward the $90-million mark. It's supposed to be a "follow-on" aircraft to the B-52, which will probably be going out of service in the 1980s.

The B-1 is supposed to be able to penetrate Soviet air defenses and launch short-range missiles or bombs against ground targets. While it is designed (at great expense) to be able to fly at supersonic speed, it doesn't carry enough fuel to go that fast while performing its mission. In other words, there has been built into it, at great expense, a capability it can rarely if ever use.

IBM's Dr. Garwin claims the B-1's military objectives could be achieved much more cheaply. Says he: "The missiles the B-1 carries have just short enough a range so that the airframe launching them has to be inside enemy airspace. If you used longer-range cruise missiles, you could carry them in a slow, cheap transport aircraft, stand outside enemy airspace, and launch them in comparative safety.

"But the Air Force generals wanted a new bomber. After all, whoever got promoted commanding a fleet of expendable missiles?" Dr. Quanbeck estimates that "over a period of ten years we could save $20 billion by using cruise missiles launched from transport aircraft rather than the B-1."

Secretary Schlesinger doesn't really argue with this reasoning. "I share Dick Garwin's enthusiasm for the potential of the cruise missile," he says. Schlesinger hedges only slightly: "But before I commit myself, I'd like to see a working missile."

The Air Force and Navy are already working on long-range air- and sea-launched cruise missiles. They will probably have good working models before long. In fact, there's little reason to believe that the relatively

inexpensive transport aircraft/cruise missile system won't be ready by the time the B-52 needs to be retired. In that case, the B-1 will be obsolete, at least in a cost sense, before it even gets into service.

Even at $84 million, however, the B-1 isn't the most expensive plane that's in this year's budget. That honor belongs to the $111-million Airborne Warning & Control System (AWACS), known in some Pentagon circles as the BBO, which is The Boeing Bail-Out.

The original idea behind the $4-billion AWACS program was to build a long-range "look-down" radar into a Boeing 707 and use it to detect Soviet bombers attacking targets in the U.S. and Canada. Unfortunately, just as the tremendous technical problems of building the radar and its computers into a 707 were solved, the Defense Department concluded that the Soviet bomber threat was not all that serious after all. The AWACS became a plane in search of a mission.

After a little head-scratching, the defense spenders found a "mission." The AWACS was to be deployed in Europe, where its radar and computers would be used to coordinate NATO's tactical air forces. This would be a useful function for some plane to perform—but many doubt the AWACS could do the job.

Charges one defense analyst, "It was a classic case of taking something designed for one mission and trying to get it to perform another." Early this year the General Accounting Office attacked the AWACS in an Air Force-censored report. The report pointed out that the Soviets are *already* able to jam AWACS' radar, and that the large, slow plane would be very vulnerable in any serious European conflict.

THE SHORTEST DISTANCE

It would be unfair to place all the blame for poor management on the Pentagon. Some of the worst examples of waste are systems forced on the military by congressmen pushing their own whims or their constituents' products.

Last year, for example, the powerful Texas congressional delegation wanted the Air Force to spend $300 million to buy LTV's A-7 attack aircraft and General Dynamics' F-111 fighter-bomber.

The Pentagon, however, did not really want the planes. The A-7 had been proved by field trials to be less cost-effective than the new A-10. The F-111 was one of the great procurement disasters of the Johnson Administration; military men really wanted the program to come to an end. Whatever their other faults, though, the planes had one great virtue in the eyes of some congressmen: They were built in Texas.

Congressmen are frequently unwilling to support economy measures proposed by the Defense Department civilian leadership. They tend, for example, to support the closing of military bases anywhere but in their own districts.

The Trident ballistic missile submarine is a good example of congressional gold-plating. These $500-million boats were designed to replace the aging Polaris submarines. Last year, appalled by their cost, Secretary Schlesinger came up with a $350-million alternative design: the SSBNX submarine.

Congress didn't take the hint, and decided to continue the Trident program. "I can't understand it," Schlesinger commented to Forbes. "I suppose strategic nuclear forces have a certain fascination."

It would be easy to conclude from these examples that Pentagon procurement is a hopeless mess. There are, however, some encouraging signs of rationality creeping into the system. While he was Deputy Secretary of Defense, Hewlett-Packard co-founder David Packard managed to get the idea of efficiency and cost-consciousness into some brass-hatted heads. According to Schlesinger, "A lot of the credit for the introduction of an inexpensive, effective lightweight fighter belongs to Dave Packard."

LEAVE MANAGERS ALONE

Packard, now back as board chairman of Hewlett-Packard, says: "I came to the conclusion that the only way out of these procurement problems was to put good men in charge of programs and leave them alone. The Pentagon and Congress were just getting too involved in detail. The contractors should be given a relatively simple set of performance specifications, and then left to compete over putting together the best system. The lightweight fighter is a good example of how this system can work."

Despite some success, though, Packard eventually resigned his job, frustrated by the Potomac paper wars. As one Assistant Secretary of Defense puts it: "The trouble with Dave Packard was that he thought the shortest distance between two points was a straight line."

Since taking over the Department in 1973, Secretary Schlesinger has been doing some straight-line thinking himself. His "new products manager," Director of Defense Research & Engineering Malcolm R. Currie, is doing his best to keep sophistication-for-its-own-sake out of future weapons programs.

Currie and some career military officers are pushing the development of affordable weapons. "I'm convinced," Currie told Forbes, "that we can arrive at new systems that are high-quality, but that aren't so elaborate. We're also looking at the weapons we already have and what we can do to stretch out their useful lives."

That sounds like ordinary common sense, but it's a revelation to a lot of people in the defense business. Economy-minded defense managers have already had some successes. Several new systems are coming into production that were "designed to cost"—contractors were actually forced to count their pennies like the rest of us.

The new F-16 lightweight fighter Dave Packard thinks so highly of is one example of a weapon designed with tight budgets in mind. So is the Fairchild A-10 attack aircraft. Both of these are effective weapons, despite the fact that the contractors were forced to work with limited budgets.

There are also new weapons developments that are actually *cheaper* than the systems they'll replace. For example, expensive, manned combat and reconnaissance aircraft may be partly replaced by "remotely piloted vehicles" (remotely controlled planes). Not only are the RPVs cheaper, since they don't need all the life support equipment of a manned plane, but they can maneuver better and stay up longer. Teledyne Ryan's new Compass Cope reconnaissance aircraft can stay in the air for over 24 hours, since it has no human pilot to tire out.

Which contractors will be helped by the shifts in defense technology and which ones will be hurt? The answer is obscured by the Pentagon practice of handing out contracts more on the basis of its traditional suppliers' need for business than their efficiency and cleverness.

A shift toward cost-conscious contracting and larger numbers of cheaper weapons could actually *help* the defense industry. In recent years companies such as Grumman and Lockheed have had their profit margins eaten up by the gross inefficiencies in their military programs.

Better controls could clearly work to their advantage as well as the Government's. Also, since the real money in defense contracting is in programs with long production runs, inexpensive weapons that can be made in large quantities could improve defense contractors' returns on equity.

BUDGING THE BUREAUCRACY

However well-intentioned, Schlesinger, Currie and their allies are a very thin layer on top of a frequently unresponsive bureaucracy. As one Washington observer puts it: Schlesinger is probably the best prepared Defense Secretary we've had, but he hasn't really been able to take control. He really needs stronger top and middle management."

It takes time and political support to build that kind of organization. Schlesinger lacks both: Defense Secretaries come and go, but the bureaucracy and military-minded congressmen seem to go on forever. As Schlesinger points out: "I'm working now on 1980 weapons procurement programs that were initiated in 1965." If he follows the pattern of most Defense Secretaries, he'll be leaving in a year or two. Under those circumstances, it's hard to give the Pentagon machine more than a slight push in the right direction, whereupon it usually slips back. In the meantime, as Schlesinger himself laments, "I am devoting 80% of my time talking with Capitol Hill and with the press."

There is more at stake here than money. The basic problem with nearly all defense establishments is that they are not in a competitive business. Waste, politics as usual, bureaucracy and empire-building don't seem to matter much in the military—not, that is, until the moment of truth arrives on the battlefield. And then it is too late. Congress will do well to remember this when it finally makes up its mind on the defense budget this year.

RETHINKING FOREIGN ASSISTANCE

Mr. HUMPHREY. Mr. President, there is no more fundamental issue confronting the United States today than the question of our future relations with the world. Events in recent days around the globe have served to remind us as never before that America faces a wide range of challenges and obligations, all of which are in flux.

The President has called for a reassessment of our foreign policy, and in the coming weeks and months all aspects of our military, security, economic, and humanitarian assistance programs overseas will come under review. In this context, I hope particular attention will be paid by the administration—as it is today in the Congress—in reviewing all aspects of our foreign assistance effort, particularly in the Third World.

Recently, a distinguished former Administrator of the Agency for International Development, William S. Gaud, delivered a thoughtful address to a conference on "The World Food and Population Crisis: A Role for the Private Sector" in Dallas, Tex., on April 3, 1975. Entitled "A 'Developed Nation' Rethinks Its Relationship With the World," Mr. Gaud's speech makes a number of important recommendations regarding our relations with the developing world based upon many years of experience in both AID and the World Bank.

Mr. President, I believe Mr. Gaud's thoughtful review of our foreign assistance program, and the new directions and priorities it must take, deserve the attention and consideration of the Senate. I ask unanimous consent that the full text of his address be printed in the RECORD.

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

A "DEVELOPED NATION" RETHINKS ITS RELATIONSHIPS WITH THE WORLD

(by William S. Gaud)

When I was asked to talk to you today I was rather taken aback by the breadth and

scope of the subject I was given: a "developed nation" re-thinks its relationships with the world. Quite a mouthful! So I am sure you will not fault me if I concentrate on only a few aspects of this very broad subject.

And let me give fair warning at the outset: don't expect too many answers. As another speaker once said, it is my role not to dispense truth, but to suggest problems, raise doubts and disturb thought.

To begin with, what developed nation? They come in all shapes and sizes, and fit no common mold. Some may be more developed than others, but even under the best of circumstances development is an uneven and never-ending process.

The United States, which is the developed nation I shall talk about, is no exception. In some respects we have indeed reached a high level of development and have much to be proud of. Yet at home many of our citizens suffer from hunger and malnutrition, many lack jobs and equal opportunities for employment and advancement, and many of our economic and social problems are unresolved. And abroad we have in many ways not come to terms with the world around us—including what has come to be called the Third World.

It is principally our relations with the developing countries making up the Third World about which I wish to talk. If I seem from time to time to stray from the fields of food and population, I won't actually be straying very far. I say this because our attitudes and our actions on the matters I will discuss will have a direct bearing on how effectively we deal with the food and population problem.

There was a time when the world did not matter so much to us—a time when we lived within our own continent and let the rest of the world go by. We stayed at home and grew rich and prosperous. Our attitude towards other nations was very simple: Let them fight their wars, play their diplomatic games and do whatever they wish—just so long as they obey the "Keep Out" signs tacked up around the Western Hemisphere by President Monroe.

No longer do we enjoy any such freedom of action. Our relative isolation from the rest of the world was shattered temporarily by World War I and irrevocably by World War II. Today, like it or not, we are in the world up to our eyebrows. And that's the way it's going to be from here on out.

Do not make the mistake of thinking we are enmeshed in world affairs just because we are a powerful nation and as such must play an important role in the world. That may have been the case at the end of World War II, or even in the 1950s when the Cold War was at its coldest and Secretary Dulles was busily flying round the globe trying to rally the free world to help him fence in Communism.

But it's not that simple in the 1970s. Our present involvement in the world is due to something much more basic.

Consider the issues that concern us today. Without trying to list them all, here are a few: food shortages, population growth, the international monetary situation, inflation, energy, the arms race, raw material shortages, pollution of the seas and the air.

Can we solve these problems by ourselves? Not a chance. We do have purely domestic problems which we are free to deal with as we see fit. But we are also faced with a host of urgent problems which defy solution at the national level and can be dealt with only on a multinational basis. That is the real reason we're stuck to the world—just as tightly as Br'er Fox was stuck to the tar baby.

We have a word for it, a fifty cent word—though in these inflationary times maybe we should call it a two dollar word. That word is interdependent—we live in an interdependent world. Just one three-letter word, oil, is proof of that.

To live in such a world is a strange and novel experience for a nation which has always been supremely confident of its powers and accustomed to going it alone. The adjustment will not be easy. But make the adjustment we must. And this requires that we re-think our outlook and our policies—many of which were fashioned to meet the requirements of a very different kind of world—to ensure that they are consistent with the realities of the 1970s.

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To illustrate the kind of re-thinking that is needed, let me say something about our foreign aid programs, which, in my view, are not suitable for the world of the 1970s.

As you all know, foreign aid was originally fashioned as a prime weapon in the Cold War. The purpose of the Marshall Plan, the Truman Doctrine, U.S. aid to Greece and Turkey—the purpose of all the early foreign aid programs—was clear and unequivocal: to help buttress the Free World against Communism.

During this early post-war period there were only two worlds: the Free World and the Communist World, and security considerations were paramount in our aid program. Development assistance as we speak of it today—giving assistance to the countries of the Third World for the express purpose of enabling them to get on with their development plans and improve the lot of their citizens—was not our objective.

As time went on, however, it began to be thought that it was not enough to support the front line against Communism when poverty and hunger among two-thirds of the world's people in the emerging Third World created a situation in which Communism might appear in the rear. On this premise foreign aid began to take new forms and go in new directions. But it was still primarily Cold War oriented, and security considerations were still paramount.

It was all very well to design an aid program in those terms when there were only two worlds. But such programs alone cannot meet the needs of the whole host of countries which make up the Third World of the 1970s.

Those countries, large and small, all face in varying degree such problems as poverty, illiteracy, disease, lack of housing—as well as those other problems I have mentioned that we ourselves are facing. Like the United States in earlier days, they are seeking to achieve sufficient strength and independence to devote their energies and resources to a single task—their own development.

In today's complex and interdependent world, our welfare—not to mention world stability—depends to a very considerable degree upon the welfare of the Third World. Even putting aside all considerations of decency and humanity, which alone should be enough to move us, it is in our own interests to support the efforts of the developing nations to give their people a better life.

Of course, we have done, and are doing, much to support their efforts. But too often still in narrow terms of our own national interests and our own national security. Even though the East-West confrontation is still with us, it is no longer enough for us to think and plan only in those terms. We need to bring our foreign aid program up to date in both quantity and in content.

If we are talking in terms of quantity the need is clear. Since 1968 total U.S. economic assistance to developing countries has dropped substantially when viewed in constant dollars. You will all recall that some years ago the U.N. General Assembly set a target of 0.7% of GNP for official development assistance. None of the industrialized nations has reached that target yet. But the U.S. is going backwards. Since 1967 the percentage of our GNP that is devoted to official development assistance has dropped from .43% to .23%. Despite the fact that it is the richest country in the world, the United States ranks fourteenth out of the seventeen OECD nations in the percentage of its GNP devoted to official development assistance.

In terms of content, our present foreign aid program can only be called a hodgepodge. We are carrying on in the name of foreign aid a whole host of varied and often unrelated activities with different and sometimes conflicting objectives: development assistance, disaster relief, food aid, military aid, Cold War programs intended to bolster our position against Communism, payments for base rights and heaven knows what else.

Lumping these activities together in a single program and indiscriminately calling them all foreign aid is confusing, frustrating and bewildering. No wonder people are puzzled as to what foreign aid is all about and what it is intended to accomplish.

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Let me say a few words about food to illustrate the kind of confusion I am talking about.

Our farm policy has traditionally been considered a domestic matter. As recently as the early 1960s we were concerned mainly with maintaining farm income in the face of continuing surpluses. Since then population growth, changing consumption patterns, droughts, detente and other factors have created a drastically different situation. Today, we need a farm policy that not only meets domestic considerations, but also takes into account world food needs, provides for the creation and maintenance of reserve stocks for world use and recognizes that food grown by U.S. farmers is a vital international resource.

We must do all we can to help the developed countries increase their agricultural productivity. That is essential to the solution of the world food problem in the long term. But for some time to come the United States and other nations in a position to do so must maintain programs of food aid, provided on concessional terms and in ways and on terms that will encourage rather than discourage agricultural development in the recipient countries, in order to help alleviate worldwide food shortages and nutrition deficiencies.

We have provided considerable food aid to other nations in the past, and are still doing so. Food for Peace, we call it. But too often the nature, the extent and the recipients of our food aid have been determined not on the basis of need, but by other factors. Such as, for example, the existence or balance of payments considerations, the desire to develop foreign markets for our farm products, our government's wish to acheive a diplomatic objective, or the desire to strengthen the military resources of an ally.

There is nothing wrong in trying to achieve these various goals. But it is wrong to do so under the pretense that we are carrying out a Food for Peace program to help the needy.

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A similar conflict of motives, with consequent confusion and a need for serious re-thinking, can be seen in our activities as a supplier of arms to other nations.

Other parts of the globe may be inhabited by warmongers and troublemakers, but we Americans picture ourselves as a peace-loving people to whom war is abhorrent. Yet the United States is currently the undisputed leader in furnishing and selling to other countries arms, military training and related technical services.

During fiscal year 1974, leaving aside Vietnam and the rest of Indo-China, we provided military assistance and sold weapons to 60 odd-nations to the tune of $10 billion. About $8.5 billion of this represents sales of hardware ranging from the conventional rifle of the infantryman to advanced aircraft and sophisticated electronic devices. It was furnished partly through our military aid program by way of government grants, credits

or guarantees, and partly through commercial sales licensed and approved by the government.

To say that we treat non-nuclear arms as articles of commerce rather than as weapons of war might be an exaggeration. But it boggles the mind to read in the press that a United States sale of sophisticated military equipment to Pakistan—if paid for by a loan made to Pakistan by an oil-producing Arab country—would be an admirable way of recycling oil dollars to this country.

Why do we engage so extensively in this traffic in arms? Many reasons are advanced to justify our doing so: to assist our allies; to obtain leverage in diplomatic negotiations; to help us acquire bases, overflight rights or other special privileges; to maintain good relations with key foreign leaders; to benefit our balance of payments.

But at what cost, whether in terms of the extent to which the supply of arms will increase regional or world tensions, or in terms of how they may be used—a matter over which we have no effective control, as we have seen to our sorrow in the Asian subcontinent and in Cyprus, to cite only two instances? Furthermore, since when have our moral standards sunk so low that we can justify arms sales on the ground that they put money in our pockets?

Many people find convincing another argument that is often advanced to support arms sales, namely, if we don't make the sale the Russians, the French, the British or someone else will. I don't buy that argument, even if it's true. It doesn't meet the moral issue.

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I hope I have said enough to show what I mean when I say that our foreign aid and related programs are confusing and contradictory, and why they need to be re-thought. There is a very simple way in which that can be done.

The various components of foreign aid fall into two broad categories. In one group are those whose primary purpose is to serve some political or military objective of the United States. In the other are those whose primary purpose is to assist the development of other nations.

It is time to separate those purposes in our thinking and to determine our priorities.

In the area of food aid, for example, we must decide whether our food aid is to go first and foremost to the hungry and the needy, or whether—even at the cost of neglecting people whose food needs are greater—some part of it is to be treated as an article of commerce, a diplomatic tool, or a military weapon. Hopefully, this would lead us to adopt a food policy truly responsive to world food needs. We could then do away with the existing patchwork program under which a large part of our food is shipped abroad for commercial and diplomatic purposes when it is needed for humanitarian purposes.

In the same way we need to determine our priorities in other parts of our aid programs. We can only do this if we first draw a clean and clear distinciton between security-connected programs on the one hand and development assistance on the other. This will lead to a fuller understanding on the part of both the people and the Congress of what our foreign assistance programs are all about. We must abandon the existing practice of lumping them all together and, for purposes of appropriations, treating them as though they were freely interchangeable.

As for our trade in arms, why should we not sit down with the other arms-supplying countries (there aren't that many of them) and make a serious effort to define the limits within which we will not supply arms, or certain types of arms, in specified parts of the world?

A dream? Maybe. I can't see much hope of doing this at the present time in the case of Vietnam or the Middle East. But how about trying to make a start elsewhere, say in Latin America or Africa? Why not give it a try? What can we lose? As someone said the other day about the Middle East: everything else has failed—why don't they try peace?

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There's something else we can do that will help draw a distinction between security-oriented assistance and development assistance and so make our whole aid efforts more effective.

The question has been asked repeatedly in recent years whether the capital assistance portion of the United States development program—that is, long-term development loans—should continue to be handled on a bilateral basis, directly between the United States and the recipient countries, or whether it should be channeled through multinational organizations such as the World Bank and similar regional bodies like the Inter-American Development Bank and the Asian and African Development Banks.

On the basis of my experience in the development business, split almost evenly between the United States Agency for International Development and the World Bank Group, I have no hesitation in saying that I would go the multinational route. And I base this conclusion on the nature of the relationship between the developed and the developing worlds.

Consider, first, the standpoint of the developing countries. Those countries are for the most part very young, less than a generation old. Conscious—often over-conscious—of their new independence, they are distrustful and suspicious of anything that smacks of imperialism or economic colonialism.

The developing countries tend to see development as a continuation of their struggle for independence—as a means of creating a new national identity and of breaking old restrictive ties without acquiring new ones. Development without dependence. That is the goal of every developing country.

When assistance is given on a bilateral basis, the donor government frequently finds it difficult to ignore political, military or security considerations even if it wishes to do so—and it often doesn't. Decisions on whether aid should go to this or that country, or be used for this or that project, are frequently affected by considerations which are quite irrelevant to the recipient country's development needs.

Capital assistance provided by multinational institutions is much more likely to be free of political or other bias than capital assistance furnished bilaterally. Also, if the aid recipient and other developing countries are members of the multinational institution and have a voice in its decisions—and this is usually the case—there is less risk that the giving of aid will lead to the strained relations and friction that sometimes arise between individual recipients and individual donors.

I am not suggesting that bilateral aid be eliminated. Not at all. What I am saying is that here, too, we should not confuse our motives and our objectives. Let us recognize the distinction between programs intended primarily to benefit the donor, and programs intended primarily to benefit the recipient, and plan and act upon these two types of programs separately.

If an aid donor has important national security, political or other interests that it feels can be served by carrying out a bilateral aid program, well and good. To the extent, however, that the objective of the donor is development rather than the accomplishment of a national policy, the argument for channeling its assistance through international institutions seems to me to be conclusive.

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I have said nothing about population, which is one of the two subjects to which your conference is addressed.

My silence on that subject is attributable not to any desire to downgrade its importance—it is a matter of the highest priority for all of us—but rather to my belief that it does not come within the same category of need to re-think our relationships with the world as those matters I have talked about. In the population field the problem is not so much a matter of confused objectives, or of policies that have outlived their usefulness, as it is of trying to find the most effective way or ways to do the job.

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Well, it's easy to criticize—and I've done my share of it today—but where do we go from here? How do we deal with these problems, and many others that we have no time to discuss, and create a workable order for this untidy world? More specifically, how do we see to it that our government adopts and carries out the policies that will be most effective in solving the food and population problems?

That is where the private sector comes in. And in this context I define the private sector rather broadly. By my definition it includes not only business corporations and non-governmental organizations of all kinds, but you, me and all our fellow citizens.

It is clear that many of our existing policies should be re-examined and redirected. It may also be that new international institutions will have to be created to deal with some of our present problems. And the impetus for all this must come from us. It is our future that is at stake, and it only we who can control the course of our government.

A few weeks ago I attended one of those Washington conferences at which businessmen from all over the country come together to hear at first hand what the Administration is thinking and planning. As the conference was about to end, the Chairman asked the representative of the Administration who was at the microphone two questions. First, when he had before him an issue affecting business, were the views of businessmen on that issue adequately presented to him. Second, whether he had any suggestions as to how the views of businessmen could be better presented to the Congress and the Administration.

The reply was direct and pointed. If the issue was a narrow business isssue, the official said, the appropriate trade association or other representatives of the affected business group presented the business viewpoint to the queen's taste. On such issues he was never in doubt as to where business stood or what it wanted. On the other hand, he continued, if the issue was a broader one—if it was an issue which affected businessmen as citizens rather than as textile manufacturers or builders—he never even heard from business.

Businessmen are no better and no worse in this respect than the rest of us. We rarely speak up unless our own narrow self-interest is involved. And that, ladies and gentlemen, is the heart of the problem.

To illustrate what I mean, let me remind you of the chart used by Governor Peterson this morning to show that in fiscal year 1975 the amount of money devoted by the United States to population programs was less than was the case in several prior years. Why was this, in view of the urgency of the problem and the increasing demands for assistance on the part of developing countries? The answer is very simple. The Administration asked for $137 million for population programs. However, the Congress cut this by $27 million, appropriated only $110 million to population programs and added the $27 million to the military assistance programs.

You may agree with this Congressional view of priorities or you may not. My point

is, however, that decisions such as this are made over and over again without your voice or my voice being heard. We must make these problems our business and make our views and our desires known in Washington. If we are to have the kind of world we want, we have to work for it—it is not going to come down the chimney at Christmas time.

RATIFICATION OF THE EQUAL RIGHTS AMENDMENT

Mr. BAYH. Mr. President, it has been just over 3 years now since the Senate passed the equal rights amendment, guaranteeing equality before the law to members of both sexes. During those 3 years, 34 States have ratified the amendment. It is my firm belief that before the remaining 4 years expire to make this amendment a part of our Constitution, we will see more than the requisite four States joining the ranks of those States which have successfully ratified.

I believe that the proponents of the ERA will achieve success in making the ERA part of our Constitution, not merely because I led the fight for the ERA here in the Senate, but because I have faith in the ultimate wisdom of the American people.

Those that have opposed the ERA have attempted to mislead the general public with lies and half-truths as to the possible ramifications of the ERA. The opponents use a variety of scare tactics which are designed to obscure the actual benefits for both men and women that will result from the ERA. Those of us who support the amendment, have an obligation to combat these tactics and to raise the level of public understanding as to the need for and implications of the ERA.

Sadly, we have not been able to raise the level of public understanding in time to prevent such a debacle as occurred in North Carolina last week. A recent New York Times article by Tom Wicker captures the unfortunate level of debate that is occurring in many States on this most important issue. Mr. President, I ask unanimous consent that the article by Mr. Wicker 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, Apr. 18, 1975]

"ONE MORE SPRING"

(By Tom Wicker)

RALEIGH, N.C., April 17.—Spring has come to North Carolina in the annual riot of color. Along the highways and in the well-tended front yards of towns and cities, dogwood, azaleas and redbud are blooming brilliantly against the green backdrop of pine trees. No state is more beautiful in the season of renewal although here as elsewhere rejuvenation seems more the property of Mother Earth than of her human creatures.

North Carolina's spring blossoming is nowhere more beautiful, for instance, than in the carefully tended square surrounding its relatively new Legislative building. Inside that edifice, as if unaware of change, growth, new times, as symbolized outside by the pansy and tulip beds adding their flaming colors to the pink and white of dogwood and the deeper tones of azaleas, the legislators are exhibiting the same old fears and confusions and perplexities that seem to beset humankind without seasonal adjustment.

This is not just because the legislators defeated ratification of the Equal Rights Amendment this week, thereby probably preventing the addition of that amendment to the national Constitution in 1975, but because of the way they did it—in a welter of misinformation, false apprehensions and emotional pressures. That is the way it seems to go on this remarkably volatile matter, which arouses passions as almost nothing else can, and which here as elsewhere has found its opponents presenting their opposition in the guise of protecting rather than oppressing women.

Tuesday, the resolution favoring the E.R.A. passed, 60 to 58, in a preliminary vote in the House of Representatives; Wednesday, it failed a final passage in the same body, 62 to 57: which more or less repeated the story of 1973 when the E.R.A. first passed, then was defeated in the North Carolina Senate by two last-minute vote switches.

This time there were three overnight changes from yea to nay (and one nay voter who was absent on the first test). One changed vote was that of a woman, Representative Myrtle E. (Lulu Belle) Wiseman, who tearfully explained later that her switch was caused by a flood of phone calls from friends and neighbors back home in Avery County.

"I know they don't know what E.R.A. is all about," Mrs. Wiseman was quoted as having said to the press services, "but I just couldn't in my own heart vote against my people."

Most of the other opposed legislators also were claiming to have "voted their districts," which may be w at they thought they were doing; but the truth may be more nearly that they went along with the people who made the most noise and brought the most pressure, since a recent Gallup Poll showed that even in the South a slight majority of respondents favored E.R.A.

Besides, all of the usual far-fetched fears had been aroused here—not that women were getting too uppity but that the amendment guaranteeing them equal rights "might" somehow lead to dire results—maybe homosexual marriages, even, or women being slaughtered on the battlefield, or bisexual toilets. Former Senator Sam J. Ervin Jr., this state's favorite oracle, testified in opposition with impressive consequences. He gave opponents both intellectual cover and the "civil rights" theme that the section of the E.R.A. authorizing Congress to legislate to enforce it somehow was one more usurpation of power by Washington.

Democratic Majority Leader C. Kitchin Josey of Halifax, by all reports, used the draft issue to gory effect. A wounded veteran himself, he discoursed on combat as "living hell" and said he had a "gripping fear" that E.R.A. would draw women into it. This was topped by Republican Representative Fred Hutchins of Forsyth, who said he didn't "mind my boy being cannon fodder but I don't want my 18-year-old daughter being cannon fodder." This caused one of the thirteen women members, Representative Patricia S. Hunt of Orange, to wonder whether "the mother of those children would ever make that statement."

Nevertheless, the Equal Rights Amendment is dead in North Carolina until at least 1977, when no doubt another round of emotional appeals and pious protests will ill conceal the basic fact that the women's rights amendment is having a hard time in virtually all-male legislatures. Obviously, a lot of women are opposed to E.R.A., too, and no doubt some men are sincere in their desire to protect women from exploitation.

But that is all the more reason to remember that, except for the enforcement section, all the amendment says is that "equally of rights under law shall not be denied or abridged by the United States or by any state on account of sex."

EDUCATION AND AMERICA'S FUTURE

Mr. HUMPHREY. Mr. President, I was recently privileged to address the United Federation of Teachers and to receive the John Dewey award at their annual convention in New York. In my remarks I outlined the necessity and direction for a new education policy for America.

The serious inadequacies of the administration's budget proposals for education require early attention and action by Congress. Their plans ignore pressing problems within the American educational system. By reducing funds for education, the administration is placing an additional burden upon local governments and undermining educational systems and vital new programs across the Nation.

In my remarks to the UFT, I outlined important steps toward establishing a new education policy for America. These include measures incorporated in bills I have introduced in the 94th Congress—the National Education Investment Act, and the Education Reorganization Act.

A basic theme of my address was that there must now be a clear recognition of the critical role of education in defining the future of our Nation. We must make a firm commitment to give all our children and youth every possible opportunity for self-development in achieving lives of meaning and purpose.

Mr. President, I ask unanimous consent that the text of my remarks, as prepared for delivery, be printed in the RECORD.

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

REMARKS BY SENATOR HUBERT H. HUMPHREY

It is a great pleasure and privilege to be here with the members of the United Federation of Teachers and your leader—Albert Shanker. Of course, Al likes to have me around—he's the President of so many organizations, he really appreciates someone who can only claim to have been a *Vice* President.

As a former professor who taught political science and international affairs in Minnesota, I particularly enjoy meeting with teachers. And as an educator, it is indeed a great honor to be presented with the John Dewey award and to join such an illustrious list of past recipients as Herbert Lehman, William O. Douglas, A Philip Randolph, and Cesar Chavez.

Dewey's name, of course, has become synonymous with the progressive education movement—not only in the United States, but in the rest of the world as well. And for Dewey, political democracy rested on public school education.

He saw the public school as a training ground for democracy—as the child learned cooperation and participation in group work.

For Dewey, the public school provided an opportunity for children to escape from limitations imposed by birth. Here the student encountered a broader environment and could gain liberation from the effects of social inequalities.

Dewey's vision of the potential of the public school remains valid today. And a sound educational policy for America should aim to realize that vision.

It is only in recent years, however, that we have spoken with conviction of the right to a quality education to the full extent of capability and need. Many forces in a world of rapid change have pressured us into the dramatic evolution of our educational resources. But there has also been a fundamental force operating within each of us, impelling us to achieve the goal of providing the best possible learning experience for all our children and youth.

I speak here of that basic discontent abroad in our nation about the quality of human life. The fantastic pace of technological change explained the original extensive federal investment in our educational resources a decade and a half ago. But now we are looking to education itself as a force for change—a decisive movement for ending the inequality of human life in America.

The hard task of enacting laws to redress the denial of civil rights and to break the cycle to poverty afflicting millions of our ctizens brought us to a new understanding of basic human rights. The confrontation of these realities in the midst of unparalleled affluence produced a national commitment to the enrichment of human life in an entirely new context.

Expressed in direct terms, we are saying today that our children and youth in and of themselves are a precious national resource—not to be either coddled or selectively pruned, but to be given every possible opportunity for self-development in achieving lives of meaning and purpose.

And yet, precisely at the time we have come to this conclusion, our local school districts and institutions of higher education are stating that they have reached an absolute limit in financial resources. Local property taxes, devoted primarily to meeting the rising costs of public elementary and secondary education, have reached the saturation point.

Our colleges have had to escalate their tuition fees simply to meet the costs of staying in business, much less undertake critically needed expansion.

Both this national commitment and this financial reality demand the establishment of a new education policy for America.

That policy should be directed toward paying the cost of a quality education at all levels, as a national investment that will be fully repaid.

It should promote multiple approaches to providing educational opportunities that give the fullest recognition to the needs, problems, and abilities and interests of each child and young person.

It should enable every adult to achieve self-sufficiency and respect as a contributing member of society.

Finally, there should be a deliberate policy of innovation in educational processes and administration.

But while this demand for a new educational policy ought to be self-evident, it is equally clear that the present Administration is marching to the beat of a different drum—a drum that singals retreat, rather than the advance that is essential at this critical time.

The President's education budget is woefully inadequate to meet our needs. In the elementary and secondary education programs alone, the fiscal 1976 budget request is almost $600 million below the 1975 appropriations for the programs—and almost $1 billion lower if double digit inflation is considered.

The requested reductions spell tragedy for the nation's school children:

Impact aid—down $390 million;

Desegregation aid—down $160 million;

Bilingual education—down $15 million;

Follow Through—down $12 million;

Vocational and adult education—down $34 million;

Library resources—down $53 million.

And the list goes on: drug abuse education, environmental education, reading improvement funds—all down.

The budget actually reduced federal support for elementary and secondary education from 8 percent of total public education outlays in fiscal 1975 to an estimated 6 percent in fiscal 1976.

This is an intolerable burden to shift to state and local governments who already will be required to spend an additional $4 to $5 billion just to maintain the current level of human resource services.

The Administration's proposals rob the nation of the potential productivity of the young people and adults to which these programs are directed.

The White House plan to cut back the federal budget for education ignores the correlation between education and productivity. According to some estimates, education was responsible for almost 25% of the economic growth in the second half of the 1960's. "Knowledge-based" industries have since become an even more important part of our economic life.

I find the Administration's funding reductions totally indefensible. A fundamental commitment must be made to increasing the federal investment in education to one third of all public resources.

As a necessary first step in this commitment, I have introduced in the Senate the National Education Investment Act of 1975 (S. 960).

This legislation would meet the serious problem of inadequate, obsolescent, and rundown school facilities by providing loan guarantees for modernization and new construction.

Under my bill, a national education trust fund would be established, from which payments would be made to state and local jurisdiction applicants which agree to substantially reduce or eliminate the property tax as the means for financing elementary and secondary education.

This program would promote progressive tax reform in the states and improve and balance per pupil expenditures among all local school districts, without penalizing high expenditure districts. The trust fund would enable schools to know in advance what funds would be available, and these resources would be free from zealous budget cutters.

The National Education Investment Act proposes direct measures to solve profound problems—the need for up-to-date school facilities and for ending the unconscionable inequality where a child's education is made dependent on the wealth or poverty of his or her community.

This legislation also pinpoints special education needs of children which for too long have received a totally inadequate response—including the needs of pre-school children, of mentally or physically handicapped children, and of educationally deprived children in areas of poverty.

The National Education Investment Act presents clearly defined measures and a definite time schedule for addressing all these problems—not through just providing more federal dollars, but through using federal assistance as leverage to promote counterpart efforts by state and local governments and by the private investment sector. It calls for a total national effort on behalf of our children.

A new educational policy for America must establish education as a high national priority in the protection and development of our human resources. For this purpose, I have introduced the Education Reorganization Act of 1975 (S. 754) to establish a Cabinet level Department of Education.

We must give education an advocate at the highest levels of government and have the means to consolidate and coordinate all educationally-related programs.

We are the only major nation in the world that lacks a Cabinet-level post in education. The present Department of Health, Education, and Welfare has outlived its usefulness in supervising education programs. Its mountainous bureaucracy serves only to impede rather than to expedite administration.

Inadequate as the education budget is, it is still equal to the combined budgets of the Department of Commerce, Interior, Justice, and State. But without a Department of Education, there is no overall coordination or direction. There is no effective check on duplicated effort or wasted money. There is no way to fix responsibility properly.

Congress itself would benefit from the creation of a Department of Education. We should begin to deal with educational problems systematically, instead of piecemeal and haphazardly. Better information on education legislation would be available. We could more accurately determine whether a given program required strengthening, modification, or abolition.

In short, we could expect a more responsible and more responsive execution of education policy.

Passage of legislation along the lines of the National Education Investment Act and the Education Reorganization Act would mark the beginning of a new era in education. But it would just be a beginning.

New programs need to be established: comprehensive early childhood development centers, vocational and career training centers, and adult education centers.

We also need to be thinking more about the rights and needs of classroom teachers. They observe the opportunity and assurance for professional enhancement and a decent income commensurate with the cost of living. And teachers need an adequate retirement program which would solve the problem of teacher mobility.

But in demanding the best education for our children, we must also demand the best of our society. Values imparted in the classroom too often seem hypocrisies in the outside world. By intensively examining what, how, and why we teach our children, we may discover answers to education's ills that also can help heal the sicknesses of our society.

At root, we must rededicate ourselves to the unique worth and the kinship of every man as a fundamental truth in education and as a basic explanation of what America is all about.

This is why we must look upon education as a total social experience. Progressive learning cannot take place in an atmosphere of hostility, fear, racial bitterness, and deprivation.

The education of a child is the sum total of that child's native ability, the experience in an education system, and the social environment in which that child lives and grows—the neighborhood, the community, and the nation, and indeed, the world. He is conditioned by it.

The best in education—facilities, teachers, books—is diminished by the inadequacy of the surroundings and the inadequacies of the social environment.

Likewise, the capacity to learn is affected by the condition of one's health, the adequacy of one's diet, and the sense of mental peace in which one lives.

Therefore, educators have a greater responsibility than just to advocate better teachers, teaching methods, modernization of school plant and facilities, and the use of the most modern techniques including modern educational technology.

The true educator must be a spokesman for social justice, a crusader against the evils of poverty and deprivation, and an advocate of communities that are wholesome and safe.

Let us resolve here and now to make education in America the finest in the world. We in Congress need your help now if this job is to be done. But you will also be committing

yourselves to a task of the highest importance to all the people of this great land of opportunity.

AID TO SOUTH VIETNAM

Mr. MONDALE. Mr. President, in a statement on the House floor, my colleague from Minnesota, DONALD FRASER, recently indicated that he would be prepared to support additional military aid to South Vietnam as a means of bringing stability to the battle lines and providing an opportunity for an orderly political settlement of the war.

DON FRASER previewed recent events in South Vietnam by noting that former President Thieu had lost the confidence of the South Vietnamese people. The Minnesota Congressman went on to say that he felt that additional U.S. military aid should be accompanied by a change in political leadership in the Southeast Asian country.

Mr. President, many Minnesotans are strongly opposed to more military aid for South Vietnam and DON FRASER took his stand knowing that his position would not be widely supported by his constituents. Those of us who have followed DON FRASER's political career know that he has never hesitated to speak out on issues that concerned him deeply. While we may not always agree with him, we have great respect for his integrity and thoughtfulness.

The Minneapolis Tribune recently commented on DON FRASER's position on the Vietnam aid question. I ask unanimous consent that the Tribune editorial be printed in the RECORD.

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

DONALD FRASER'S CONCERN

Anyone who has visited Saigon and made friends among the South Vietnamese can share Rep. Donald Fraser's concern for their immediate future. Unless some orderly political settlement of the war can be arranged, Fraser warned the House of Representatives on Wednesday, "the withdrawal of American citizens and the disengagement of the United States from that war is going to be painful and bloody, making asylum difficult or impossible for Vietnamese whose lives will be in jeopardy." "Perhaps," he told us later, "I shouldn't have gone out to Saigon (in late February). It just reminded me of what decent people some of them are."

It was in this context that Fraser, a respected senior member of the Foreign Affairs Committee, told the House that he might be willing to support the Ford administration's request for $300 million in military aid for the Saigon government—if the administration changed its policy of "unqualified support for President Thieu."

Fraser conceded that Saigon's collapse is inevitable, but, he said, the fact of congressional approval of aid might "bring some stability to the battle lines. . . . It might slow down the onrush (of the North Vietnamese), and we could work out some kind of political arrangement." Thieu is not willing to settle politically—and the Provisional Revolutionary Government will not deal with Thieu—so that is why Thieu must step down, Fraser said.

The kind of political arrangement Fraser has in mind is the 1954 Geneva agreement, which followed the French defeat at Dien Bien Phu. Under that settlement, between 800,000 and 1 million Vietnamese were allowed to leave the north. There was some violence against individual Frenchmen and their families, but most of those who wanted to leave got out unscathed.

Congressional rejection of the aid request, Fraser fears, would trigger Saigon's collapse and lead to widespread violence against those Americans still in Vietnam and among the Vietnamese. There are as many as 100,000 to 150,000 Vietnamese—government officials, military commanders, people who worked with the Americans—who, it is feared, might be marked for reprisals by the North Vietnamese and the Provisional Revolutionary Government. "I don't understand," said Fraser, "why some people are happy to see the North Vietnamese take over."

Fraser—as he has done so often before—is running against the tide of American public opinion on the Vietnam War. But all along, his concern has been for the Vietnamese, and now, in a last-ditch effort to ease their pain and suffering, he is urging that one more attempt be made to create some kind of negotiating situation. His anguish over Vietnam is deep and genuine. But no matter what happens in Congress, it does not appear likely that anything America does can stave off Saigon's eventual collapse. We think Congress is right in turning its attention to aiding the refugees.

FINANCING THE DEFICIT—PART III

Mr. HUMPHREY. Mr. President, last week I placed in the RECORD excerpts from statements made by witnesses before the Joint Economic Committee during our annual hearings relating to the problems of financing the large Federal deficit. These witnesses were emphatic in their view that, given proper monetary policy, the deficit could be managed and that worries about the financial markets should not deter Congress from adopting the fiscal policy necessary to get the country out of the recession. I also placed in the RECORD an analysis made by the Treasury's own expert on financial markets, Dr. Sally Ronk, which indicated that the "crowding" of credit markets was much less severe than seems to be popularly imagined.

As I announced last week, I have written to the Secretary of the Treasury asking him for full facts and analysis of the credit market situation. I have also written to a number of private experts and asked for their analyses. Today, I want to announce that three leading private experts in the field of monetary economics have agreed to testify before the Joint Economic Committee this Thursday, April 24 at 10 a.m. in room 1114 of the Dirksen Office Building, on the credit market outlook and on monetary and debt management policy. These experts are:

Dr. Andrew Brimmer, Harvard University.

Dr. Franco Modigliani, Massachusetts Institute of Technology.

Dr. James Tobin, Yale University.

It will be very helpful to the Congress to get the advice of these experts on what the size of the deficit should be and how monetary and debt management policy should be conducted. I will, of course, make their testimony available to all Members of Congress just as soon as possible.

Naturally, the Joint Economic Committee is not the only group in Congress investigating this issue. The Budget Committees have also been seeking expert advice. Last Wednesday, excerpts from statements sent to House Budget Committee Chairman BROCK ADAMS by 13 leading bankers and financial experts were printed in a story by Hobart Rowen in the Washington Post.

The overwhelming majority of these experts felt that a deficit in the range of $70 to $80 billion in fiscal 1976—which, of course, is the range presently under discussion—could be financed with little adverse impact on the financial markets. For example, Richard W. Everett, vice president, Bank of America, says:

> The deficit could be substantially larger than proposed—say by $10 to $15 billion—without generating new inflationary pressures.

And Walter E. Hoadley, executive vice president, Bank of America says:

> We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued, because to do so would unquestionably weaken basic confidence in the dollar and in time the financial integrity of the United States Government.

I, too, am concerned that such large deficits not be continued. So, I am sure, is every Member of Congress. If the fiscal policies we adopt this year are appropriate and if monetary policy is cooperative, the deficits will not continue. The main cause of the deficit, after all, is the high level of unemployment and the low level of taxable personal and corporate income. As soon as the economy begins to grow vigorously, incomes will rise and the deficit will diminish. Recovery and high employment are the only way we will get rid of the deficit. That is why it is so important to stick with policies which will promote a strong, sustained recovery.

Another interesting analysis of the credit market situation appeared in an article in the New York Times, Sunday, April 13, 1975, entitled "The Budget Deficit: How Dangerous?" by Ronald A. Krieger. In this article, Mr. Krieger quotes Roger Klein, director of economic research for the Securities Industry Association, as saying:

> There will be no interest rate problem in 1975. Private demand for credit is weak and falling, and the government is just filling the vacuum.

I suggest that this is an issue on which we can trust the expert judgment of a professional employee of the Securities Industry Association. It is crucial to examine the Government demand for credit in the context of the other demands that will be made on the credit markets. As Mr. Klein points out, these private demands are weak. That is why there is room in the credit markets for a large Government deficit. As the economy recovers, private demands for credit will pick up. But as the economy recovers, the Federal deficit will diminish. The changes will be offsetting. So long as the deficit stems from unemployment and depressed earnings, it will be the kind of deficit which the credit markets can handle. A deficit if we were at full employment would be quite a different thing, and I think we all realize that. The fiscal policies recommended to us by our Budget

Committees are designed to produce a surplus in the full employment budget by the end of next year. This distinction between the actual deficit and the deficit as it would be at full employment is crucial. It seems complicated to many of us, but we must learn to understand this distinction and to shape policy in light of it.

Of course, not every article in the press takes the view that the deficit is manageable. In order that I not be accused of presenting only one side of the story, I want to bring to my colleagues' attention an editorial from the Wall Street Journal of March 13. This editorial argues that "crowding out" could be severe. However, as was pointed out in a letter to the Journal by Larry Chimerine, manager of U.S. Economic Forecasting for IBM, this editorial overstates the probable demand by business firms for loans to finance new investment. The Journal editorial forgets the point I was just making, that if private demand for credit picks up this means a recovering economy—and a lower Federal deficit. The Journal's logic is simply not internally consistent.

Mr. President, I ask unanimous consent that Hobart Rowen's April 16 article from the Washington Post, Ronald Krieger's article from the April 13 New York Times, a Wall Street Journal editorial from March 13, and Mr. Chimerine's response to the editorial, published in the April 2 Wall Street Journal, be printed in the RECORD.

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

[From the Washington Post, Apr. 16, 1975]

BANKERS SEE NO PROBLEM WITH DEFICIT

(By Hobart Rowen)

A federal deficit of $70 to $80 billion in fiscal 1976 could be financed with little adverse effect, according to the preponderant view among 13 bankers questioned by the House Budget Committee.

This consensus—not shared by a few who express alarm if the deficit should exceed $50 billion—runs directly contrary to the view of Treasury Secretary William E. Simon, who terms such deficits "horrendous."

Simon has said that in order to finance the deficit, Treasury borrowing will result in a "crowding out" of private borrowers, forcing long-term interest rates into the double-digit range.

As a consequence of the fears expressed by Simon, House Budget Committee Chairman Brock Adams (D-Wash.) asked a group of economists for leading banks for their views on the impact of the large federal deficits. Their full comments were made available to the Washington Post.

A summary of their views, given to the committee by staff economist Nancy Teeters, is that "the really difficult problem . . . is not financing the fiscal 1976 deficit, but what happens in fiscal 1977 when the recovery is expected to be well under way."

For example, former Budget Director Charles J. Zwick, now president of the Southeast Banking Corp. of Miami, responded that the key problem "will be developing an adroit policy once the economy turns around and private demand for funds starts to pick up again."

One of the key differences between Simon and the bankers group seems to be timing. Where Simon believes that a federal deficit of $80 billion would push private borrowers out of the way this year, most of the bankers argued that this could happen only if the economy spurted in a way no one expects.

Leonard J. Santow of the Schroder Capital Corp. of New York told Adams that "there should be no major problem through the rest of this calendar year of pushing creditworthy borrowers out of the financial markets. The softness in the economy and the large inflows at financial intermediates will mean considerable elbow-room in the financial markets."

Robert T. Parry, vice president and chief economist of the Security Pacific National Bank of Los Angeles, said that a $70 to $80 billion deficit would not produce more than "moderate upward pressures" on interest rates this year.

This is "a long way from the fears of some analysts" that the deficits would lead either to double-digit interest rates or "a financial and economic collapse," Parry said. The data he submitted showed total available savings at $275 billion and gross private domestic investment at $205 billion.

Even an $80 billion federal deficit could be absorbed "without significant distortions in the sources and uses of gross savings," Parry concluded.

Other views given the committee were as follows:

Dimitri N. Balatsos, vice president of the Manufacturers Hanover Trust Co. of New York: "Credit will be available, but its price will have to rise, undermining in the process the economic recovery."

Donald C. Miller, executive vice president of the Continental Bank, Chicago: ". . . total credit demands, even with the significant fiscal stimulus, are going to be only moderately higher than was the case in 1974. The real concern surrounds the permanency of any tax reduction or expenditure increase. . . . The crux of the problem is balancing currently pressing short-run needs with the still dangerous prospect of longer-term inflation."

M. Dutton Morehouse, economist, Robinson-Humphrey Co., Inc., Atlanta: "The much larger (than $50 billion deficit) figures now appearing in the press would be financed, but only at the risk of serious disruption to the private demand for funds and an almost inevitable dangerously high rate of inflation by 1977 or earlier."

Albert M. Wojnilower, vice president of the First Boston Corp., New York: ". . . budget deficits on the order of $40 billion for the current fiscal year and $80 billion for fiscal 1976, or even somewhat larger ones are unlikely to produce a revival of economic activity (or inflation) strong enough to create general financial congestion until 1977 at the earlist . . . Until there is a substantial economic recovery, we should be talking about 'substitution' of federal for private borrowing, rather than about 'crowding out'."

Richard W. Everett, vice president, Chase Manhattan Bank, New York: ". . . the deficit could be substantially larger than proposed—say by $10 to $15 billion—without necessarily generating new inflationary pressures."

Walter E. Hoadley, executive vice president, Bank of America: "We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued because to do so would unquestionably weaken basic confidence in the dollar and in time the financial integrity of the United States government."

George L. Whyel, American Bankers Association: ". . . great caution should be exercised in enacting any measures which would expand the projected fiscal year 1976 deficit beyond, say $50 billion."

Morgan Guaranty Co., New Yok: ". . . while it is understandable that concern should exist in the fact of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated."

Donald E. Woolley, vice president Bankers Trust Co., New York: ". . . such an abrupt and steep jump in Treasury borrowing as that now in the offing is bound to create problems for the financial markets . . . Inflationary expectations could well strengthen during the course of this year . . ."

[From the New York Times, Apr. 13, 1975]

THE BUDGET DEFICIT: HOW DANGEROUS?

(By Ronald A. Krieger)

Just 200 years after Paul Revere galloped through the countryside to alert an imperiled populace, cries of alarm are again troubling the slumber of nervous Americans. This time around the shouts of danger warn not of Redcoats, but of red ink.

From Washington to Wall Street, latter-day midnight riders are attempting to awaken the nation to the threat of an impending credit crunch. Unless swift action is taken, they warn, the economy may be permanently crippled by the strain of financing the massive Federal deficits contemplated for fiscal 1975 and 1976.

Like Paul Revere, those sounding the current alarm are clearly raising a valid issue. But unlike the Massachusetts patriot their timing is open to serious question.

According to legend, Revere was able to synchronize the start of his ride with the appearance of a reliable "leading indicator" on the opposite shore. His present-day counterparts, however, have no lantern in the Old North Church to guide them.

In the view of some economists, it is possible that today's alarmists have sent their message as much as a year too early. If so, they may doom their cause since a premature alarm can fatally endanger credibility. If the worst does not happen, the counsel may be disregarded even when it does become timely.

Timing has thus become the key issue in the credit-crunch debate that has split economists and the financial community. The alarmists believe the danger is at hand and must be met without delay, while their calmer colleagues see no reason for quick action.

The ranks of those worrying most about budget deficits, although thin, include some vocal economists and Wall Street analysts, as well as an influential segment of the financial press and some middle and high Government officials. The recent nervous behavior of the credit markets indicates that many market participants find their case persuasive.

Their basic warning is that as the United States Treasury elbows its way into the capital markets to finance the Federal deficit, private borrowers will be crowded out. In the process, it is argued, interest rates will soar, private capital formation will decline, economic growth will be choked off and any recovery from the recession may well be aborted. Furthermore, the relative size and influence of the private sector will shrink as the Government grabs off a larger and larger share of the nation's stagnating output.

If this interpretation is correct, the only immediate solutions appear to be extreme on monetary expansion. Either the Government must curtail its deficit spending or the Federal Reserve must step in to finance much of the new debt with the printing press.

Neither of these alternatives holds much appeal for more moderate economists, who generally assert that the recession can be fought without re-inflating the economy. They believe there is plenty of room in the slack business situation for noninflationary financing of the deficit, at least through the end of 1975. And they do not see the Treasury disciplining private borrowers from the capital markets until a broad

economic recovery is well underway next year.

Therefore, moderates say, there is no reason to curtail deficit spending before it has been given a proper chance to stimulate the sluggish economy. In any event the grim mood of Congress in the face of a rising unemployment rate seems to preclude a policy of fiscal restraint this year.

The greater fear of the middle of the road group is that the Federal Reserve will knuckle under to the fears of a credit crunch despite the best intentions of Federal Reserve Chairman Arthur E. Burns. As it helps to finance the deficit by absorbing much of the new Treasury debt, it will pump reserves into the banking system at a rate guaranteed to rekindle double-digit inflation within a year or two.

The moderates believe the Reserve has plenty of room for a policy of vigorous monetary expansion without carrying it to an extreme. The money supply has grown only about 4 per cent in the past 12 months, and the monetary authorities could probably double that growth rate for a few months without over shooting a 6 to 7 per cent annual target.

It normally takes a year or two for changes in monetary growth rates to work themselves into the inflation rate, so there is not much chance of an inflationary explosion in the near future unless the Fed reacts to the most extreme fears of the alarmists and immediately monetizes the bulk of the new Government debt.

The policy disagreements of economists center, for the moment, on whether those fears are justified. Opposing viewpoints appear to arise in the main from conflicting interpretations over just what is happening today in the capital markets.

It is not hard to see why the markets are nervous over the red ink in the Federal budget. As the recession cuts into tax receipts and expands social spending, the projected deficit for the fiscal year that ends June 30 will probably come in some $10-billion above the $35-billion contemplated in President Ford's February budget message. For the fiscal year beginning July 1, the current median forecast is for a deficit around $80-billion.

The back-to-back deficits for fiscal 1975 and 1976 will thus require about $125-billion to be financed by Treasury borrowing in the two years. Even in inflated dollars the figure is staggering. By way of comparison, from 1965 through 1974 the total red ink generated by the deficit-ridden Federal budget was only about $100-billion, or $10-billion a year.

The Treasury plans to borrow more than $40-billion in the first half of 1975 and a similar amount in the second half, with further massive borrowing planned for 1976. In the process it is likely to absorb the major share of the funds supplied to the credit markets. This means, according to the alarmist interpretation, that it will draw off tens of billions of dollars that otherwise would have gone to corporate borrowers. In this view, some corporations have already been crowded out of the bond market by the Treasury. Those who fear that the credit crunch is already visible cite as evidence a number of corporate bond issues that have been postponed in recent weeks, including a $300-million debenture offering by Texaco, Inc.

"The crowding out is going on right now and has been for some time," says Norman B. Ture, a Washington-based economic consultant. "When you see company after company either withdrawing an offering or selling it at a deep discount, you know there is substantial displacement of private offerings by Treasury credit operations."

Such a displacement worries those who perceive it as constituting a threat to the capital formation that the private sector must generate to get the economy back on its long-term growth path. The sagging of bond prices in recent weeks has raised fears that many of the less creditworthy corporate borrowers will be pushed right out of the credit queue.

"For an objective indicator that crowding out is taking place, all you have to look at is what is happening to interest rates," says Mr. Ture. "They are on a continuous upturn, and I think the trend will probably accelerate."

Economists who minimize the threat of a credit crunch tend to interpret the evidence in a different way. There has to be a crowd before there can be any crowding out, they say. And even with the Treasury financing, the capital markets hardly resemble a mob scene.

Corporations borrowed heavily in the credit markets in the first quarter of this year, and it is not surprising that some companies are now dropping out, according to critics of the crowding-out interpretation. They note that much of the borrowing early in the year represented refunding of short-term liabilities in the long-term market, in response to declining long-term rates. Even if some of it represented hedging against a projected credit crunch, their subsequent retreat in the face of rebounding long-term rates does not mean that a crunch has arrived.

Why, then, have some borrowers postponed their bond issues? According to this interpretation, it probably just reflects expectations of lower long-term rates in the near future.

"Texaco was not crowded out of the bond market," contends Roger Klein, director of economic research for the Securities Industry Association. "They just think long-term rates are too high relative to where they will be in the future. So for now they're borrowing short."

Mr. Klein, who monitors securities markets closely, expects little disruption to result from Treasury financing this year. He believes, in fact, that long-term rates will soon decline.

"There will be no interest-rate problem in 1975," says Mr. Klein. "Private demand for credit is weak and falling, and the government is just filling the vacuum."

Contrary to the crowding-out hypothesis, Mr. Klein regards the postponement of issues by corporations as positive proof that these institutions anticipate neither a credit crunch nor rising interest rates.

"If they really believed there were going to be double-digit rates, they wouldn't be postponing their issues," he says. "They would be buying their credit at the 'cheap' rates we have now before they get any higher."

If the moderates are right, the demand done by premature cries of alarm may be hard to repair. Most analysts agree that there will be an unmistakable credit crunch in 1976 as business loan demand picks up and the Treasury continues its large financing operations.

When that happens, voices of restraint will be desperately needed. They may, however, end up talking into ears of policy makers who will already be deafened by the premature cries of alarm.

CROWDING OUT

Understanding the economy in 1975, unfortunately for those of us with enough on our minds already, requires an understanding of an esoteric economic debate over something called "crowding out."

Treasury Secretary Simon sounded the first guns in this debate by warning that financial markets cannot finance both the huge federal deficit and the needs of private borrowers. Some economists have described his fear as "hysterical." In a letter to The New York Times, six prestigious liberal economists said the problem would be handled through an "accounting identity." But in recent weeks, independent analyses have been conducted by Norman B. Ture, a Washington based consulting economist, and Allan H. Meltzer of Carnegie-Mellon University. Each reports that, until he got the numbers down, he could not believe things are as bad as they are.

The crux of the matter is that when the federal government borrows to cover its deficits, it competes with private borrowers who need funds to invest in plant construction and housing. Both government and private needs must be met from the savings pool, which consists of business savings (profits plus depreciation and other "capital consumption allowances"), personal savings and inflows of foreign funds. Allowing for special factors and statistical error, the two totals will always be the same; this is the "accounting identity."

The problem is that if you plug some reasonable 1975 projections into this equation, it is very hard to get the totals to come out equal. This suggests that as the heavy government borrowings come on stream in the second half, the economy may well be in for some type of severe shock now only dimly foreseen. A typical projection, with calendar year 1974 as a base, would look something like this:

[In billions of dollars]

1974

Invest.	+	Deficit	Eq. Bus. Sav.	+	Per. Sav.	+	For. Inv.
208.9	+	5.9	Eq. 136.5.	+	76.7	+	3.6
Total		214.8	Eq. total 216.3.				

1975

203	+	70	Eq. 130	+	20	+	10
Total		275.	Eq. 240.				
Eq.		means equals.					

First, a word about the estimates. Private investment may fall off more rapidly, but so may corporate profits. Personal savings may be higher if the savings rate rises but will be lower if personal income falls. The net inflow of foreign funds may increase, but the above estimate already provides a tripling in a year's time. The estimate of a $35 billion gap is essentially a conservative one, and the question is, how will this gap be closed?

Part of the gap—and in a sense the whole debate is over how much—will be filled by the Federal Reserve System's purchases of federal debt by in effect printing up new money. Over the course of a normal year, the Fed will buy federal securities, thus injecting reserves into the banking system and making the money supply grow. It's easy enough to calculate roughly the relationship between the Fed's purchases and money growth. At a 6% growth in the narrowly defined money supply, the Fed would buy about $7 billion in new federal debt. If the Fed closes the gap by buying the whole $35 billion, the money supply would grow by about 30% over a year's time.

Before we go one sentence further, let everyone understand that money growth anything like the latter figure will not only rekindle inflation, but will make interest rates go up, not down. As soon as lenders and borrowers see that kind of money growth coming, they will start to crank higher inflation estimates into their calculations. Mr. Ture expects the Fed to monetize the bulk of the deficit, for example, and talks in terms of a prime rate of 20% by the end of 1975.

If the Fed pursues reasonably moderate money growth, the deficits will still make interest rates rise, though not so astronomically. The normal operations of the market would balance the equation through higher interest rates, discouraging borrowing and encouraging savings and foreign inflows. But with a $35 billion gap to close, this implies interest rates that still might be high enough to cause severe problems.

A drop in business investment below $205 billion implies a much deeper economic decline than so far predicted. Even the pessimistic predictions of the Council of Economic Advisers looked for a small increase, not decrease, in private investment.

Alternatively, the $80 billion in personal savings is based on a savings rate of 7.9% of a dispossable income of $1,049 billion. Over the last 25 years, the savings rate has ranged from 4.9% to 8.2%. To generate an extra $35 billion it would have to leap to an implausible 11%.

Finally, the interest rates necessary to force savings up and investment down by such an amount might themselves be high enough to prevent a recovery. The effect on the housing sector, in particular, is entirely predictable.

The long and short of the analysis is that substantially greater than the nearly $50 billion and a federal deficit of $80 billion the string snaps. To maintain the "accounting identity," you are all but forced to assume the economy will unwind in one way or another. You can make the same kind of analysis not through the National Income Accounts as above, but through a different "flow of funds" methodology. Salomon Brothers did this earlier in the year, coming to this conclusion:

"The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise the budget deficit would either lead to a vicious struggle for funds between private borrowers and the government, or the Federal Reserve would have to supply funds without regard to its long-range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of government, by crowding out medium to lower rated borrowers, many of whom are already in peril, and mortgage borrowers as well thus aborting recovery in housing activity."

Last week Walter W. Heller, a valued member of our Board of Contributors, cited the Salomon Brothers analysis as reason not to worry about crowding out. But by now the Salomon Brothers analysts are well aware the deficit for calendar 1975 will be far above $50 billion. The St. Louis Fed puts the calendar year deficit at $62 billion merely on the basis of administration proposals, which included (on a fiscal year basis), $16 billion in expenditure reductions and a tax cut of only $16 billion.

But suppose for a minute that Mr. Heller is right about 1975 and that the gap is filled by a heavy combination of events. Suppose money growth is moderate, and the Fed takes up some debt. Falling inflation means lower interest rates, and suppose this effect is powerful enough that non-destructive rates can balance the supply and demand for funds. There still remain two problems.

One is simply that private borrowers will still be crowded out, that private investment will decline. In other words, because of the huge deficits, we have a lower rate of capital formation and thus slower economic growth in future years. Assuming that the deficits cannot be reduced, this is the smallest price we can possibly pay.

The final problem is 1976, or whenever recovery does get under way in earnest. At that point, the investment needs of business and housing will go up, not down. If the government is by then still running $70 billion deficits, this will call for an even more impossible-looking increase on the savings side of the ledger. At that point, high deficits will again threaten to abort the recovery. This destruction of capital formation, excessive monetization of debt and aborting of real growth is essentially what has already happened in Great Britain.

Yet Congress goes its happy way, adding to expenditures, increasing tax cuts, chartting tax bills that discourage saving instead of encourage it, secure in the knowledge that there is a recession on, and in that case Dr. Keynes always assured them that budget deficits are a free lunch. Didn't he?

LETTERS ON DEFICIT FINANCING

SOME PROBLEMS

Editor, The Wall Street Journal:

In your editorial "Crowding Out" (Mar. 13) you reached the conclusion that the large federal deficit expected in calendar 1975 cannot be financed without causing interest rates to rise above the peaks of last summer and without forcing out other borrowers. Your conclusion was based primarily on a projected "imbalance" in the savings-investment identity of $35 billion, and that a 30% rise in the money supply would be needed to finance this gap; anything short of that would put upward pressure on rates and result in crowding out of private borrowers.

There are several problems, however, with the data you presented. First, your projection of total private investment for 1975 of $205 billion is completely inconsistent with what current data suggests. Private investment in the National Income Accounts has three major components; shown below are actual data for 1974 and our projection for 1975, for each of these:

[In billions of dollars]

	1974	1975
Residential construction	46.0	37.9
Change in business inventories	13.4	−8.1
Business fixed investment	149.5	146.5
Total	208.9	176.4

Our total for 1975, $175 billion, is nearly $30 billion below the figure presented in your editorial. Without knowing the components of your aggregate number, I do not know in which category(ies) the discrepancy lies. However, it is difficult to imagine anything less than the decline shown above in residential construction in 1975, given the recent sharp decline in housing starts and permits. Even if starts improve later in the year, the effect shows up in expenditures with a lag. With stocks as high as they are, one cannot expect a repeat of last year's inventory accumulation; inventory decumulation is already underway and is likely to continue for most of the year. That leaves business fixed investment; even the recent Commerce Department Plant and Equipment survey projects only a 3% rise for 1975, nowhere enough to offset the decline in the other two categories. Our projection of a small decline in this sector is consistent with recent orders data.

In addition, your projection for consumer savings implicitly assumes that the tax cuts and income-supplementing federal expenditures will be spent this year at the normal spending rate—otherwise savings will rise. Our projection is that savings will be $15 billion above your number.

These differences more than wipe out the $35 billion gap your numbers show. Furthermore, if your numbers for savings and investment turn out to be correct, they imply a level of economic activity well above what is currently taking place and what most forecasters expect for 1975 as a whole—if that's the case, the deficit will be considerably less than currently expected because of higher tax receipts. Most of this year's deficit (about $35 billion for calendar 1975 on a national income basis) results from the weakening of the economy rather that from tax cuts or major new spending programs. In addition, with the kind of economic activity your numbers imply, were they correct, additional stimulative measures might not be necessary.

One last point about the calculations you presented. Even if your $35 billion gap is correct, the increase in M1 needed to finance it is 12%, not 30%, based on current money statistics. And unless you assume that the banking system will hold substantial excess reserves, or that massive leakages will occur, about a $14 billion increase (12%) in the monetary base would be necessary to support this rise in the money supply.

You also make reference to a flow of funds analysis done by Salomon Brothers, which suggests that financing the deficit will cause some strains on credit markets. However, some of the estimates of private credit demands in the study probably have to be scaled down because of the deteriorating economic situation. Other more recent studies, including our own and those by U.S. Trust, Manufacturers Hanover, and Morgan Guaranty, suggest that the large Treasury borrowings will be possible, without crowding out private borrowers, with only a moderate increase in the money supply. Even the Salomon Brothers quote in your editorial states that a larger than $50 billion deficit "could be reasonably financed only if the economic contraction this year is much greater than we expect" . . . the contraction is, in fact, much greater than they expected.

Despite my obvious disagreement with your analysis for 1975 as a whole, it is clear that late in the year and early in 1976, total credit demands will rise, even with some decline in the federal deficit. Some upward pressure on rates will likely occur at that time; however, the rise will not match that of last summer, nor will it be large enough to choke off the economic recovery.

LARRY CHIMERINS,
Manager, U.S. Economic Forecasting, International Business Machines Corp.
ARMONK, N.Y.

THE AMERICAN NURSE

Mr. RIBICOFF. Mr. President, I am pleased that the Senate has passed legislation to provide continued assistance to the nursing profession.

Nurses are in the front line of our health care system. As we develop national health insurance, the need for nurses will increase. Let us get on with the job so that we will have the manpower available to provide the care under a national health plan.

Recently the American Nurse, a publication of the American Nurses' Association, printed an interesting article about congressional action in the health field. I ask unanimous consent that it be printed in the RECORD.

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

SENATOR KENNEDY AIDE SPEAKS TO HEALTH LEGISLATION

(By Norman J. Ornstein)

Nurses' involvement in political action is a vital issue as federal legislation and administrative regulations affect more and more areas in health care. Following is an interview with LeRoy Goldman, staff director of the Subcommittee on Health of the Senate Committee on Labor and Public Welfare. The health subcommittee, chaired by Senator Edward M. Kennedy (D-Mass.), is deeply involved in formulating a wide range of health related policies.

The interview, conducted by Norman J.

Ornstein, Ph.D., political science professor, The Catholic University of America, and free lance political writer, was arranged through the cooperation of N-CAP.

Goldman has been with the subcommittee since January 1971. Before that, he was director of federal liaison for the Association of American Medical Colleges. From 1964 to 1970, he worked for the Department of Health, Education and Welfare. In 1969–1970, he held an American Political Science Association Congressional Fellowship.

As the interview makes clear, Congress and President Ford were at odds over a number of health issues in 1974. The same situation is likely in 1975 over issues such as the Nurse Training Act, Health Revenue Sharing and Health Services, and Health Manpower Training. The role of nurses could be a crucial one. Through political action and legislative organization, nurses can have an important effect on the process by which these vital bills are formulated and passed into law. Goldman notes the next several years will produce decisions on the general directions our health policies will take for decades to come.

ORNSTEIN. A good place to begin, perhaps, would be with the committee and the health subcommittee. Could you describe the committee and the subcommittee and their roles in formulating health policy in Congress, as well as a bit about your own role?

GOLDMAN. In the last Congress, the committee consisted of 16 members, 10 Democrats and six Republicans. The health subcommittee consisted of 15 of the 16 members of the full committee, making it an extraordinarily large subcommittee.

The committee's jurisdiction is very broad—it covers all health programs except those financed through the Social Security tax system such as national health insurance, the most important area, and the Medicaid program.

The subcommittee's legislative areas include legislation in the health planning area, health, maintenance organization legislation, health services programs for migrants and Indians, community mental health centers and neighborhood health centers. All the health manpower legislation, all the legislation affecting the National Institutes of Health, and legislation affecting hospital construction through the Hill/Burton Program, goes through the subcommittee which also oversees the Food and Drug Administration.

ORNSTEIN. National health insurance is covered by the Finance Committee. Does your committee affect national health insurance legislation in any way other than that Senator Kennedy has, himself, been a leader?

GOLDMAN. Senator Kennedy has been the leader in Congress, I think, on the health insurance issue. He has been the principal sponsor of S-3 the Health Security Act, which he reintroduced to the new Congress.

The committee plays an important role because one of the most important questions in connection with any health insurance program is what impact will the financing mechanism have on the organization and delivery of health care. Health care organization and delivery and issues surrounding it is really the "bag" of this subcommittee. The attitudes and views of the subcommittee will be made evident in one way or another in any national health program legislation.

ORNSTEIN. What is the committee staff role?

GOLDMAN. The role of staff is really to do the preparatory work on legislation which comes before the subcommittees. We have a staff of five to draft bills, write amendments to bills, and arrange and prepare for all of the public hearings the subcommittee conducts. When the subcommittee conducts extensive hearings, as we did in 1971, staff has responsibility for that. We do the background work for any foreign efforts. We prepare initial drafts of speeches the chairman of the subcommittee gives in the health area, and consult with people in the health care area: academicians, DHEW and organizations like the AFL-CIO and the American Medical Association.

ORNSTEIN. We read a lot in the papers now about the tremendous impact the 1974 elections had in changing the makeup of Congress and what that might mean for policy. In your opinion, what impact will the election and makeup of the new Congress have on the health subcommittee and health issues?

GOLDMAN. The change is much more profound in the House than it is in the Senate. I don't think there will be any great change in the Senate or in the makeup or attitude of the health subcommittee because, it is a large subcommittee, and it has only two vacancies, so the opportunity for significant departure from the attitude of this subcommittee really does not exist.

I'm not as knowledgeable about the House as I am about the Senate. There are 74 or 75 new Democrats there who have made their views felt in a very substantial way, and I suspect that trend will continue. The broadening of the membership of the House Ways and Means Committee will probably substantially increase the chance of that committee moving in the area of national health insurance. That would be, I think, the most important change.

ORNSTEIN. In the last days of the 93rd Congress, several health bills were passed by Congress and then vetoed or pocket-vetoed by the President. We could begin with the Nurse Training Act. Does the health subcommittee plan to follow up on this in the 94th Congress, and do you contemplate any changes in the substance of what was passed?

GOLDMAN. I can't speak definitely on that yet because I have not had a chance to talk with the chairman of the subcommittee. My best guess today would be that Senator Kennedy and the vast majority of the members of the subcommittee will reintroduce the bill in precisely the form in which it went to the White House in December, that the bill that comes to this committee will be acted on very promptly, perhaps without even the need to hold public hearings, and that the bill would then be voted on and passed in the Senate, would go to the House to be acted on there, and would be returned to the President so that he would have to act on it without the option of pocket veto.

ORNSTEIN. How high a priority does this have in the Senate?

GOLDMAN. If the members of the committee decide they do not wish to change the substance of the bill, I think it would have the highest priority and would be the first bill to be acted on by the subcommittee.

ORNSTEIN. Maybe we could turn now to some Health Revenue Sharing and Health Services questions, which is something which was also vetoed. What about its future?

GOLDMAN. I think its future is precisely the same as the Nurse Training Act, and as a matter of fact, there is the distinct possibility that the bill that Senator Kennedy will introduce later this week will be a combined bill incorporating the features of both of those previously pocket vetoed measures.

(Editor's Note. The combined bills were introduced by Senator Kennedy in January and were sent to the Senate without committee hearings.)

ORNSTEIN. This bill contained provisions to expand home health services; do you see this as a trend for the future, and do you see this as something good?

GOLDMAN. I certainly see it as something good, whether its a trend, I don't know.

ORNSTEIN. The Health Planning bill and the Nurse Training Act both suggest, increasing development of nurse practitioners and nurse clinicians. Do you see a trend developing for nurses in that role in primary care?

GOLDMAN. Yes; I think so, I think that's really the motivation behind the nurse practitioner program. I think because of that very fact, that program has received wide support in the Congress and I suspect their support for it will grow.

ORNSTEIN. What about nurse practitioners vis-a-vis paramedics in the eyes of the subcommittee? Are they mutually exclusive?

GOLDMAN. No; they are not mutually exclusive. I think, in general, members of the subcommittee feel any way possible to expand the number of primary care health professionals in this country is something that should receive as much support as possible.

ORNSTEIN. Maybe we could turn now to health education. What directions do you see health education moving in for the next few years?

GOLDMAN. I think the fundamental issues, with regard to health manpower education are issues surrounding the geographic maldistribution of health professionals, especially maldistributions of physicians and the increasing reliance this country faces on foreign medical graduates. I think the legislation this committee will report to the Senate will deal with these problems in an effective way. Those are the issues which have to be solved in order to maintain the continued flow of federal funding to health education institutions.

ORNSTEIN. You feel the subcommittee is going to move in this direction in the next few years?

GOLDMAN. Yes. As you know, the subcommittee reported a comprehensive Health Manpower Training bill last year which dealt with these problems, but the bill was not successful. It will be a high priority item in the 94th Congress.

ORNSTEIN. In much the same form?

GOLDMAN. I would expect so.

ORNSTEIN. Last year Kennedy and Javits, in the Health Professionals Educational Assistance Act, pushed for mandatory service for students in health professions following graduation. Will Kennedy push this mandatory provision in the 94th Congress?

GOLDMAN. I suspect he will.

ORNSTEIN. For nurses as well as for doctors?

GOLDMAN. He believes there ought not to be any discriminating features in the Health Professions Act and because of that, he feels the obligation to do something about geographic maldistribution of health professions should fall equally on all professions. He does not support the provision excepting nurses from such a requirement.

ORNSTEIN. Do you think this will be pushed in much the same form as it was in the 93d Congress?

GOLDMAN. I don't know whether it will take precisely the same form; I think what is predictable is that the members of this subcommittee will continue to want to develop legislation which will meet this problem.

ORNSTEIN. Maybe you would talk about the move toward catastrophic insurance, although I realize much of this lies in the purview of the Finance Committee and not Labor and Public Welfare. Is catastrophic insurance being pushed as a substitute for comprehensive national health insurance for the short term?

GOLDMAN. I'm sure it is pushed as a substitute for comprehensive programs by the proponents of catastrophic health insurance. But there are a number of members of Congress who believe that is not the direction in which we ought to go.

ORNSTEIN. What do you think is going to happen?

GOLDMAN. I think that either a comprehensive program will pass in the 94th Congress, or no program will pass.

ORNSTEIN. Do you think there is a conscious effort to build in the preventive component in health care?

GOLDMAN. Unquestionably there is, the

whole effort of the Congress, which culminated not too long ago in the passage of the Health Maintenance Organization Act, is the most explicit example of growing concern in the Congress for doing something about preventive care. As a matter of fact, I think even the Administration recognizes this in the HEW's Forward Plan for the next five years. They stress very heavily the need to have the government increase its effort in the preventive area, recognizing it as an area where important gains can be made in improving health status and reducing morbidity and mortality for probably the lowest cost, rather than dealing with acute and chronic diseases.

ORNSTEIN. What do you think the subcommittee will do on this in the future, or in what fashion will they try to deal with this question?

GOLDMAN. I think it's too early to know, I think this is one of the more important items the subcommittee will want to discuss once it is organized and we know who our new members will be.

ORNSTEIN. What do you see as the future role of HMOs in the United States health care delivery system?

GOLDMAN. I think in the long run it will be an important competitor to the fee-for-service solo practice system. It will be a very healthy model in that it will, for the first time, promote diversity in this country's health care system. At the present time the system is essentially a monopoly for solo fee-for-service. The change is a process which will take decades to achieve.

ORNSTEIN. In general, what outside groups in health have the greatest influence on health policymaking in the Senate?

GOLDMAN. I think a host of outside groups have an awful lot to do with the shape of legislation in the Senate as well as in the House. I would say the group which has the most to do with shaping legislation is probably not one you envisioned when you asked the question: the Executive Branch. I think it is, without question, clearly the most potent organization in shaping legislation from the substantial number of lobbyists each department has, from the fact that acting through the single voice of the President of the United States it can command great attention in the press, from the fact that the President's budget is probably the single most important determiner of Congressional priorities, and a host of other activities.

In terms of non-governmental groups, I think the AFL–CIO and the United Auto Workers are a potent force in shaping health legislation, as is the American Medical Association.

ORNSTEIN. How important have the nurses been?

GOLDMAN. I don't know that I'm in a position to comment on that in great detail. I think it is unquestionably the case that nurses and nursing organizations have expressed considerable interest in legislation which affects nurses directly, in our case that means Title VIII of the Public Health Service Act and the Nurse Training Act.

ORNSTEIN. What can nurses do to influence legislation and shape policy?

GOLDMAN. I think if you look at the more active groups such as the American Medical Association and the AFL–CIO, you will see that they tend to have large, highly-organized staffs and they play very active roles in political campaigns.

ORNSTEIN. We talked about the bills that were vetoed in the 93rd Congress, pocket-vetoed and otherwise, that they will have somewhat high priority in the 94th Congress. Do you envision these bills passing again and being vetoed again by the President?

GOLDMAN. My best guess, and it's only that is that the bills will pass in either precisely the same form or substantially the same form in which they passed the 93rd Congress. While I would like to believe that the President would enact them into law, I suspect that they will be vetoed again.

ORNSTEIN. Is there a good chance that the vetoes could be overriden?

GOLDMAN. The likelihood of the veto being overridden is directly correlated to the efforts of the groups affected by this legislation in bringing to the members of Congress their views on the merits of the bills.

ORNSTEIN. Including nurses?

GOLDMAN. Including nurses indeed.

ORNSTEIN. Senator Kennedy has expressed interest in the past in getting consumers onto Professional Standards Review Organizations boards. What will the Senator do in a concrete way in this regard?

GOLDMAN. It's too early to know, that issue is still under consideration by the Senator, it is one which he will probably act on directly early in the 94th Congress, but final decisions have not yet been made.

ORNSTEIN. Has he considered putting other health professionals, as well as consumers on expanded PSRO boards?

GOLDMAN. Yes.

ORNSTEIN. Then that is one possible direction in which he might move?

GOLDMAN. It is a possibility.

ORNSTEIN. One other question: I wanted to ask you about the relationship between the House and the Senate, particularly between your committee and the relevant health subcommittee and the commerce committee in the House. What is the relationship between these two units, and what is their relevant impact on health policy?

GOLDMAN. The two subcommittees are the ones which have the same jurisdiction as I described it earlier. They are the two subcommittees which meet to work out the differences which ultimately and inevitably exist in measures which pass in the House and the Senate. This is called the meeting of the Committee on Conference.

The relationship between our two committees has always been cordial, although it is fair to say that the two committee's outlook on health legislation tends to be different. The committee in the Senate tends to be liberal and activist, the committee in the House tends, I think, to be a more conservative and less activist. This frequently produces legislation from the bodies which is different. The net results of the Conference Committees on legislation like this is about 50/50, sometimes we win and sometimes we lose.

I might point out the description that I have just rendered may not be at all valid in the 94th Congress; the rule changes over there have had the effect of increasing the ratio of Democrats to Republicans on all committees. That will be reflected on the subcommittee for health. There are a number of changes of personnel which will affect the House subcommittee. As I recall, one or more Democratic members of that subcommittee will not be returning to the 94th Congress, or will move from one committee to another, and several members from the Republican side are also not returning. I think it's really too early to tell what the nature of that subcommittee will be in the 94th Congress.

SHELTERED EMPLOYMENT OPPORTUNITIES IN MINNESOTA

Mr. HUMPHREY. Mr. President, the importance to handicapped individuals of employment and training opportunities in sheltered workshops or work activity centers cannot be overstated. There are incalculable benefits to be gained from leading these people to self-improvement to the maximum levels of capability.

The workshops are demonstrating the solid capabilities of handicapped people, and they stimulate a vital sense of self-fulfillment and achievement in their everyday work.

These individuals are enabled to experience dignity and self respect. For many of them, the need for financial support or public assistance is progressively reduced, and a substantial number move from public dependency to become taxpaying wage-earners and contributors to society.

Minnesota has been a significant leader in establishing sheltered workshops and work activity centers. These workshops enable the disabled person to determine the area in which he can gain the greatest amount of competence. Minnesota has some 38 sheltered workshops at present, attended by a minimum of 1,400 clients, and it has 56 different work activity programs.

The sheltered employment programs in Minnesota resulted in contract and sales income of over $6 million in fiscal 1974. Total wages paid to handicapped employees in fiscal year 1974 amounted to just over $3 million.

In a recent statement in the Senate, I described an innovative sheltered employment program, the Occupational Training Center, in St. Paul, Minn.

Solid accomplishments are also being achieved by other types of programs in our State. One of the best examples is Opportunity Workshop, Inc., located in Richfield, Minn. This program also provides supervised residential services.

My concern is well known that handicapped persons be enabled to experience a maximum sense of dignity and self-sufficiency through receiving an adequate income. Sheltered employment programs, such as I have described, are continuing to make major progress in meeting this need. More remains to be done, of course, and I intend to continue pursuing legislative efforts in this area toward finding the most appropriate and effective means of assistance.

Mr. President, I ask unanimous consent that the text of a booklet describing Opportunity Workshop programs, be printed in the RECORD.

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

OPPORTUNITY WORKSHOP, INC.

FOREWORD

The philosophy of Opportunity Workshop is based on the belief in the personal worth and the right for full personal dignity of each and every individual. It is felt that an individual should be able to improve his position and achieve as much as his potential makes possible. It appears that many of our vocationally handicapped people fail to develop their potential because of lack of opportunity and are consequently too often underestimated in their abilities. It is felt that a sheltered workshop environment along with contact with professional rehabilitation personnel can help the person to achieve his potential.

Opportunity Workshop has the following objectives:

(1) To evaluate the vocationally handicapped person and to determine his vocational and social potential.

(2) Through subcontract work, vocational training, and contact with professional personnel, to provide the individual with the experiences necessary to change his behavior in order to reach his vocational goal.

(3) To place the client in competitive employment up to his level of abilities.

(4) To provide extended employment for individuals who are unable to function in competitive employment.

(5) To provide a work activity setting where individuals who are unable to engage in significant employment can develop their social and personal potential through meaningful activity.

(6) To provide supervised residential services to enable individuals to reach their full potential for independent living.

PROGRAMS OF OPPORTUNITY WORKSHOP

(As of August 1973)

A. Current programs of the workshop

Presently Opportunity Workshop offers seven programs: (1) Diagnostic Vocational Evaluation, (2) Work Adjustment Training, (3) Skill Training, (4) Extended Employment, (5) Job Placement, (6) Work Activity Center, and (7) Residential.

(1) Diagnostic Vocational Evaluation: This program is designed to provide a comprehensive picture of the client's employability and appropriateness for services toward vocational rehabilitation. To accomplish this, an assessment is made of the person's personal, social, educational and vocational strengths and weaknesses, along with his physical or health status. Traditional psychological and vocational evaluation techniques are employed (testing, interviews, history review, etc.) but evaluation of the individual in real work is the primary method of assessment. The client's independent living skills are evaluated through communication with parents or residential facilities staff. A comprehensive report is prepared including recommendations for further services and a conference is held to discuss these recommendations with the involved professionals and family. The duration of this program is four weeks and its average is from ten to fourteen persons in evaluation at any given time.

(2) Work Adjustment Training: Again, the primary medium through which this service is accomplished is the client's programmed experiences in real production work. The staff attempts to correct problems or deficiencies in work adjustment or work experience through selective assignment to work stations, intensive training in work techniques, and an individualized, treatment-oriented, supervisory-worker relationship. Vocational planning develops concurrently through counseling interviews. Classes and tutoring are provided as needed in such skills as personal hygiene, grooming, practical arithmetic, budgeting, social-recreation skills and work habits. The average length of this program is currently fourteen weeks. The average census is thirty trainees.

(3) Skill Training: Provides a planned, systematic sequence of instruction under competent supervision which is designed to: (1) impart predetermined skills and knowledge in specific occupations, and (2) assist the individual to adjust to a work environment through the development of appropriate patterns of behavior.

The four areas in which skill training is offered are:

(1) Janitorial
(2) Nurse's Aide
(3) Kitchen occupations
(4) Service Station Attendant

The goal of this program is competitive employment in the occupation for which training is given.

(4) Extended Employment: Any vocationally handicapped adult who has been prepared for employment by Opportunity Workshop or other qualified agencies is eligible for employment in the Workshop, provided that he:

(a) Can produce at a level equivalent to 30% of normal production and can perform a great enough variety of tasks so that he would be working at least 70% of the work week.

(b) Can conduct himself in such a manner that he does not substantially interfere with the production of others.

(c) Can work relatively continuously without needing an excessive amount of supervisory time.

The work is light, simple, repetitive production work (packaging, collating, assembly), laundry and janitorial. Each client is paid at a rate corresponding to his productivity and wage rates are reviewed regularly according to Wage and Hour Standards. An individual may work for Opportunity Workshop permanently, provided that he continues to meet the above criteria. Approximately 125 people are served in this area daily.

(5) Job Placement: Opportunity Workshop has a full-time Placement Specialist who makes business and industry contacts to find jobs for those who have been sufficiently trained and are judged to be ready for competitive employment. When an individual is placed in competitive employment, follow-up contacts are made with the employer and the placed client until satisfactory adjustment is made. Job placement is available to sheltered employees as well as trainees. Approximately 50–75 persons are placed into steady, full-time community employment each year.

(6) Work Activity Center: The objectives for this program are:

(a) To prepare the mentally retarded, who have the potential, in the necessary skills and adjustment for more advanced programs such as workshops and vocational training centers.

(b) To help the mentally retarded make the important transition into adult living through training in adult living skills and adjustment.

(c) To work with the parents to help them understand, accept, and develop the new role of the retarded adult in the family.

(d) To provide an alternative to institutional living.

(e) To provide the mentally retarded with a socially acceptable pattern for daily living.

Program activities include: Subcontract production work, recreational and social activities, arts and crafts projects, and basic academic instruction. The Center currently is operating at its full capacity of 100 persons.

(7) Residential: Opportunity Workshop operates a 60-bed residence with 24-hour supervision. This service includes programming in social development, recreation, and independent living. Program plans are tailor-made for each individual, the objective being to progress to the most independent living situation possible. Respite care is an additional service of the residence. This program offers all the facilities of the residence, on a short-term basis, for families whose retarded member lives at home but needs some other placement for a few days or weeks.

We also arrange for housing for out-of-town trainees, who do not require special programming, in semi-supervised boarding homes approved by the Hennepin County Welfare Department and in cooperation with the county welfare caseworkers.

Transportation to Opportunity Workshop on a daily basis is by public bus for all individuals whether they live at home or in a residential setting. Those who are not initially able to travel in this manner are trained to do so.

B. Eligibility

Any handicapped person of working age who can benefit from the services of Opportunity Workshop is eligible for admittance. Priority is given to the mentally handicapped but individuals with other handicapping conditions may also be admitted.

The determination of eligibility is a joint decision made by Opportunity Workshop staff, the applicant and his/her family, and the referring agency representative. The criteria upon which this determination is based varies according to the objectives of the particular program of Opportunity Workshop being considered. For example, to be eligible for Skill Training, the applicant should have a demonstrated capability to be competitively employed whereas, to be eligible for admittance to the Evaluation Program, this characteristic is not a primary factor.

In general, the basic eligibility criteria are that the applicant is:

(1) Vocationally handicapped
(2) Of working age
(3) Capable of socially competent behavior
(4) In need of one or more programs of Opportunity Workshop
(5) Capable of benefitting from our services.

C. Intake

Upon receipt of a referral from another agency (in most cases, DVR), the following intake steps are taken:

(1) The referral information is reviewed to ensure that complete information has been included. If not, contact is made with the referring agency requesting additional information.

(2) When complete information has been received, the applicant, the referring agency representative, and other relevant agency representatives receive letters setting an appointment for an orientation interview.

(3) The orientation interview is conducted by the Opportunity Workshop staff who will be assigned to the applicant if he is admitted. The parents or guardian are also asked to accompany the applicant.

(4) If the decision is that the referral is appropriate, the applicant is notified and a starting date scheduled.

Walk-in applicants, not referred by an agency, are given a tour of the facility and their questions are answered to the best of our ability. The applicant and the family are then advised to contact the State Division of Vocational Rehabilitation for guidance, before any choice is made regarding enrollment at Opportunity Workshop. If the rehabilitaton counselor requests our services, we proceed with intake.

D. Division of Vocational Rehabilitation

Opportunity Workshop is one of the facilities from which DVR secures the rehabilitation services for the vocationally handicapped. The partnership between DVR and Opportunity Workshop has been mutually beneficial—DVR having the legal responsibility for providing services to the handicapped and Opportunity Workshop operating specialized programs to assist DVR in fulfilling its charge. DVR purchases these services for eligible clients by paying a fee based on the cost to Opportunity Workshop of providing the service. Almost all clients are sponsored by DVR. Those who are not eligible for such sponsorship are also accepted and another sponsor is found to cover the fee.

FINANCIAL STATEMENT OF SENATOR AND MRS. MONDALE

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement of my estimated net worth as of December 31, 1974, be printed in the RECORD.

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

Financial statement of Senator and Mrs. Walter F. Mondale, December 31, 1974

Assets:

Residence in Washington	$65,000
Automobile	1,050
Cash in deposits	2,373
Household and personal goods	6,000

Cash value of life insurance	5,865
Personal contributions to Federal Employees Retirement System	29,027
Total assets	109,315
Liabilities:	
Mortgage on residence in Washington	34,349
Miscellaneous personal bills	1,900
Bank loan	6,000
Balance of 1974 State and Federal taxes due on April 15, 1975	4,000
Total liabilities	46,249
Estimated net worth	63,066

SECRETARY KISSINGER WILL NOT VISIT CHILE

Mr. MONDALE. Mr. President, on March 27, I and five of my colleagues wrote to Secretary of State Kissinger concerning his scheduled visit to Chile. At that time, we urged him to postpone that visit because it would be detrimental to the growing concern for human rights and would place the administration in the position of seemingly giving legitimacy to military junta and its activities.

The actions of the military regime headed by General Pinochet continue to be the subject of condemnation by both individual countries and international organizations alike. An impressive example of the indignation being shown against Chilean abuses of human rights was the recent decision of the Paris Club to refuse renegotiation of Chile's foreign debt.

I did not feel that the "quiet diplomacy" often mentioned by the State Department was sufficient in making known the deep revulsion of American citizens to the terror tactics employed against the Chilean people by their own government.

However, late last week, the Department of State announced Secretary Kissinger would not be going to Chile during his upcoming visit to Latin America. I commend this decision as one that not only strengthens international concern for human rights, but also fortifies recent moves on the part of the executive and legislative branches to work more closely together in a spirit of cooperation on foreign policy matters. I believe this action is another positive indication that will reinforce both goals.

I ask unanimous consent that an article from today's Washington Post, entitled "U.S. Seen Pressing Chile on Human Rights," be printed in the RECORD.

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

U.S. SEEN PRESSING CHILE ON HUMAN RIGHTS

(By Lewis H. Diuguid)

Secretary of State Henry A. Kissinger will not visit Chile on his long-awaited Latin American tour because the ruling junta has not responded to his efforts to obtain a liberalization of Chilean civil rights, according to an official close to Kissinger.

The State Department announced last week that Kissinger's trip, which starts April 23, will include Argentina, Brazil and Venezuela. Visits to Chile and Peru, planned earlier, would be postponed because of the pressing time demands of the Indochina situation, the announcement said.

From the first mention of the trip last year, however, the Chile stopover was considered contingent on some major civil rights concession by the military government.

Chile's rulers have taken no such initiative since President Augusto Pinochet announced in September that many jailed leftists would be allowed to go into exile. "Had they responded more dramatically," said the official, Kissinger could have followed through on his intended visit.

The suspended but still active Chilean Christian Democratic Party sent an envoy to Washington to buttress the State Department's insistence on obtaining some meaningful step from the junta.

Christian Democrats, including former President Eduardo Frei, are concerned about what they describe as increasing repression.

"It would mean nothing, for instance, if the junta announced an end to press censorship while the same pressures remained on editors to exercise self-censorship," said the party's envoy recently. In any case, he said, only pro-junta papers now are permitted to print.

The party, Chile's largest, ruled from 1964 to 1970 under Frei but was then defeated by the coalition backing Salvador Allende. When the coup against Allende came in 1973, the party's official reaction was that it was lamentable but necessary.

Now, the party leadership feels that the military, having jailed Marxist leaders or driven them into exile, is turning its repressive machinery on the Christian Democrats.

A document issued after a secret party meeting in Santiago, as "a right-wing dictatorship with facist manifestations and a tendency towards perpetuity."

The former party president, Renan Fuentealba, was forced to leave the country after he granted a critical interview to a foreign correspondent.

The party's candidate against Allende in 1970, Radomiro Tomic, former ambassador to the United States, is living in Washington.

Frei's last finance minister, Andres Zaldiver—whom Allende's supporters accused of trying to sow economic chaos in the last days before Allende took office—recently was forced out of his job with the Chilean Savings and Loan Association because the military objected to his political activities.

The party lost both its newspaper and radio outlets after the junta suspended the parties that had opposed Allende and dissolved those that had backed him.

Frei, who has remained in Chile, is described as increasingly restive under what he feels is an enforced silence. The party's president, Patricio Aylwin, issued strong denunciations of junta moves against the party-owned radio only to be rebuked by the rulers.

With all means of mass expression choked off, Frei and Aylwin were banking on Kissinger to force a letup by the junta.

The junta is treated as a pariah by most governments because of documented accounts of torture and arbitrary detention of thousands of leftists.

The U.S. government, which is the main exception, has granted $237 million in aid and has offered international support while hinting that it has quietly worked for respect of human rights in Chile.

Kissinger said two months ago that he "was not uninvolved" in the release of the former ambassador to the United States, Orlando Letelier, after a year in prison.

A canvass of sources in the State Department produced no evidence of Kissinger initiatives, however. Instead there was wide agreement that efforts by Latin American governments and private U.S. interests influenced the junta's decision to release Letelier.

Nevertheless, State Department officials indicate continuing efforts on human rights in Chile. "We're keeping our oar in," a policy planner said, pointing to the postponed Kissinger visit.

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. McGEE. Mr. President, during the past 3 weeks, we have heard considerable criticism within the Congress of the executive branch's response to the situation in Indochina, particularly as it relates to the enormous refugee problem.

Therefore, I think it is appropriate at this time to place the situation in its proper perspecive. For my part, I want to take the opportunity to express my appreciation to the many employees of the Agency for International Development who have devoted tremendous time and energy in coping with the tragic refugee situation in South Vietnam under most difficult and oftentimes nearly impossible circumstances.

In particular, I want to pay tribute to Mr. Daniel Parker, Director of AID and the President's Special Coordinator for International Disaster Relief. Faced with numerous requests to testify before the Congress on the situation in Indochina, Dan Parker has nevertheless spent 18 hours a day, for nearly 3 weeks, in directing the Agency's effort. It would be difficult for me or my colleagues to find one in our midst willing to keep this grueling pace for such an extended period of time.

It is easy to criticize another's operations, particularly when we are not on the so-called hot seat. Lesser men would most probably have given up in the face of a nearly hopeless situation.

After the North Vietnamese offensive was launched, Dan Parker established within AID the Indochina Humanitarian Relief Center which continues to operate as the central data collection point where critical information is disseminated to other elements of the executive branch and to the public at large. Operating around the clock, these AID employees have been faced with the monumental task of determining how best private and public resources may be put to use to meet a variety of pressing humanitarian needs in South Vietnam. Supplementing this operation has been a team of AID employees who have manned another communications center specifically established to answer and respond to thousands of public inquiries which have poured into the Agency. I know the American public response has been enormous; and 2 weeks ago, I requested information on these operations—information which I received from the Agency on April 11. It might interest my colleagues to know, for example, that over one 5-day period, 32,000 phones calls from concerned Americans were received by AID's especially established telephone center—American citizens, which I might add, represent our constituency. At this point in my remarks, I ask unanimous consent to be printed in the RECORD a profile of these calls which might be useful to those of us in the Senate in gaining a greater insight into the concerns of our constituents.

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

PUBLIC INQUIRE TELEPHONE CENTER—INDOCHINA RELIEF

[In percent]

Subject of inquiry	April 3 Thursday	April 4 Friday	April 5 Saturday	April 6 Sunday	April 7 Monday
1. Adoption percent of total	99	99	99	95	90
Responding to need	50	45	40	20	1
Want a child	50	55	60	80	99
2. Other calls percent of total	1	1	1	5	10
U.S. citizen with Vietnamese	45	45	45	50	50
Wife wants to get her—					
Children to United States	50	50	50	50	50
Parents to United States	25	25	25	25	25
Sisters, brothers to United States	25	25	25	25	25
How can I help?	20	20	5	5	5
Where can I send money?	10	10	10	20	40
Volunteering services	25	25	40	25	5
Relatives of AID/State employees—whereabouts	.01	.01	.01	.01	.01
C5A crash	0	.01	.01	.01	.01
Total	100	100	100	110	100

	A.M.	P.M.	Total calls serviced
Thursday	10:00	7	2,700
Friday	8:30	7	4,950
Saturday	8:30	7	7,178
Sunday	8:30	7	7,975
Monday	8:30	7	9,240
			32,043

First time there was no backlog was 4:00 P.M. Sunday. From time to time during Monday we were caught up, although at other times (the telephone company reports) 3,000 calls an hour were being "blocked". The pattern seems to follow time zone changes.

Telephone company reports that last Friday 1,800,000 long distance calls were received in the D.C. area instead of the usual 700,000.

Mr. McGEE. AID's humanitarian relief center is closely interlinked with AID's Vietnam mission. Thus, I would like to turn to the other arm of the Agency's operational response to the plight of the Vietnamese. The resources which have been mobilized since the beginning of the North Vietnamese offensive to meet the needs of refugees has indeed been impressive. It is almost staggering to consider how much work, coordination, and dedication by AID employees and the private voluntary organizations in Vietnam has gone into the movement of huge quantities of emergency supplies mobilized for Vietnam's refugee support. I am sure my colleagues have received substantial quantities of mail, as I have, asking what our Government has done to help the refugees.

Therefore, I ask unanimous consent that a sample of the supplies which have been mobilized for this effort as of April 9 be printed in the RECORD.

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

EMERGENCY INDOCHINA HUMANITARIAN RELIEF COMMITTEE: SITUATION REPORT NO. 7

ORPHANS

Operation Babylift

Orphans Departed: Saigon, 1,348; Phnom Penh, 68; Clark, 480.

Orphans Arrived: Clark, 517; 1311.

(See Annex A for flight details.)

At Presidio: 492.

Vietnam

Six (6) orphans departed Clark AFB on Medivac Flight No. 552 today. Three (3) orphans will join the flight at Hickham AFB for a total of nine (9) orphans arriving at Travis AFB at 0800 hours this morning.

Cambodia

The airlift of Cambodian orphans remains fluid and confused. The current situation is as follows:

Sixty (60) orphans along with thirteen (13) escorts were scheduled to be airlifted from Phnom Penh at 1500 hours. (Late report at 0600 hours indicates plane is holding at Phnom Penh because of weather.)

We understand that two C-141's are available at Utapao to transport Cambodian orphans from Utapao to Clark AFB with a scheduled departure of 1800 hours local time April 9.

Through a series of telephone calls throughout the evening from Don Sohlin to Askin the situation and number of orphans kept changing. Early reports stated that Phnom Penh was planning to load 130 Cambodian orphans on April 9 with 90 additional orphans to follow on April 10, all of whom would be sent to Utapao for C-141 connections to Clark AFB. Additionally, it was planned to transport the 22 WVRO sponsored Cambodian orphans now in Bangkok to Utapao for inclusion in the Utapao/Clark flights. According to Sohlin, there were last minute changes and problems with the Cambodian release of the 130 with the result that the GKR failed to grant release for 70 orphans who presumably were ready to depart on April 9. Askin has requested the Khmer Support Office in Bangkok or Phnom Penh to cable as soon as firm figures are available and to include information on health status and ages of orphans if and when available.

The Cambodian Children's Relief Organization (J. Hutchinson and M. McKenzie) needs to be notified soon with respect to numbers and U.S. entry point. Apparently facilities at Long Beach, California are being prepared to receive the Cambodian orphans. Hutchinson is under the impression that facilities at Andrews AFB are also being readied for receiving the Cambodian orphans. This needs to be checked out carefully in terms of establishing a precedent.

GVN orphan policy (Saigon 4525 and 4560 (Lou))

The Mission says the GVN would find itself unable to give a blanket authorization for a large number of additional orphans since the backlog of children in the adoption process has been exhausted. Informally, the Minister of Social Welfare has indicated that he would allow the seven registered agencies to take groups of perhaps up to 50 under blanket authorizations without referring the matter to the Prime Minister and the full cabinet as in the case of the 1400 orphans already transported. The Mission feels this means the orphan airlift will continue.

Orphan Health Status

Numbers in Bay Area hospitals: 89.

Numbers in military hospitals: Clark, 22; Trippler, 15; Travis, 3.

Total, 129.

VIETNAM REFUGEES (SAIGON 4512)

Unloading at Phu Quoc Island continues to move slowly, but ships released from there are now available in sufficient number to begin moving people from other concentrations. Improved security has reportedly made movement less urgent.

Some 30,000 refugees are reported at Phan Rang but are not being moved at this time as there is no immediate necessity and as local forces are seeking to get reorganized and to separate troops from the refugees before loading them. Food will be shipped to the refugees ASAP.

Another concentration of between 100,000 and 200,000 refugees is located at Ham Tan. It is proposed to start moving 60,000 of them ASAP to Vung Tau by ship and then by road to camp sites in Phuoc Tuy, Bien Hoa, and Gia Dinh or Binh Duong. A number of details remain to be worked out but movement commencing April 9.

Slowness in unloading ships at Phu Quoc is expected to improve today with the arrival of more security personnel on the island.

Medical problems that were developing among the landed refugees are being met by the dispatch of both foreign and Vietnamese medical teams. Two malaria spray teams are scheduled to go tomorrow. A dispensary is available to care for the acutely ill, but early reports suggest that skin infections, conjunctivitis, diarrhea and dehydration are the principal problems. An inoculation program against measles, typhoid, and cholera will also be started. Other events of the day introduced some delays in supply movement.

CAMBODIA RICE AIRLIFT

The DC-8 rice lift into Pochentong resumed on the morning of April 9. Adverse weather at Pochentong caused some delays in aircraft flow. It is estimated 16 to 20 loads of rice will be delivered April 9.

EMERGENCY RELIEF SUPPLY SUMMARY

(Summary of Attachment C.)

Aid/W procurements

Commodity and volume:

Title II Rice, 100,000 Tons.

Title II Blended Rice, 13,500 Tons.

Shelter material, 4,000 Rolls.

Medical supplies, 670,000 Doses vaccines, quantities of medicine, needles.

Initial mobilization in Saigon

Commodity and Volume:

Canned fish/meat, 160 tons.

Rice, 119 tons.

Blended foods, 223,000 bags.

General supplies, detail attached.

Placed at refugee camps

Food, water, general relief supplies, over 1,700,000 lbs.

ATTACHMENTS

A. Operation Babylift.
B. Refugee Situation.
C. Refugee Supplies.
D. Chronology of Sea Movements.
E. Phu Quoc Island Situation.
F. International and Third Country Humanitarian Relief Assistance.

Mr. McGEE. Mr. President, I would hope we might view the Agency's efforts in their proper perspective. As we conduct our hearings and hold our sessions with senior members of the executive branch who are involved in dealing with the refugee effort, it might behoove us to

look at these people and pause for reflection. These individuals are really many individuals; the person who mans the telephone bank at AID listening to the concerned voices of our constituents wondering what they can do to help; the person who has worked day after day, 18 hours a day, requesting, supplying the necessary information to Government agencies, the Congress, and to U.S. citizens in the field who are working to meet the refugee needs; the person in the field, whether an AID employee or the member of a private voluntary organization, who have to make that critical determination of what and how much is needed for an ever increasing number of refugees.

It is easy to criticize when one does not have to shoulder these responsibilities. I for one believe AID deserves our appreciation for a job which is being done very well under very difficult and trying circumstances. Once again, I want to pay tribute to Dan Parker who has tirelessly and concientiously carried out his responsibilities, well beyond the requirements of his position. For this, my respect for him and the Agency which he directs has been further enhanced.

NEED FOR A CONSUMER AGENCY

Mr. RIBICOFF. Mr. President, because this body will soon consider legislation creating a new Agency for Consumer Advocacy—ACA—I would like to pass along the thoughts of the Hartford Courant on the matter. I ask unanimous consent that this editorial be printed in the RECORD.

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

RIBICOFF CONSUMER BILL—AGAIN

Senator Ribicoff's bill to establish an independent non-regulatory Agency for Consumer Advocacy (ACA) was recently reported to the Senate floor. It is certain to receive strong opposition, but it appears now that the proponents will have the 60 votes needed to gag the sort of fillibuster that killed it last year.

Last Fall, the vote was close—only two votes short of the required two thirds necessary to end the debate and bring the measure to a final vote. The bill would most certainly have passed the Senate if that body were to vote on the contents of the bill itself: the House had already passed a similar consumer-agency bill by a wide margin a year ago.

The upcoming action in the Senate will be the fifth attempt in a year to rescue the legislation from fillibusters. The persistence of Senator Ribicoff in fighting for the agency has so far been topped by the persistence of the opposition, but why the opponents have become so determined is difficult to understand upon reading the bill.

The agency would be a voice for the consumer and although it would have little legal leverage it would in effect help to offset the influence of the highly-paid lobbyists and lawyers representing American industry and commerce.

The agency would be authorized to advocate the interests of consumers before federal agencies and the courts, and would provide information about consumer matters. But the ACA would have no authority to issue standards or other regulations; it could not impose fines or penalties; or force any businesses to change their practices. In its appearances before regulatory agencies or the courts, the ACA would be subject to the same rights and restrictions as any other parties to the proceedings.

The ACA would also act as a complaint clearinghouse, according to the Ribicoff bill, and would be required to notify businesses of all complaints against them, and then to transmit the complaints to the appropriate federal or state agencies if action is warranted; it would also maintain an up-to-date file for public inspection of all complaints, along with responses filed by any companies in answer to the complaints.

ACA could obtain information from other agencies concerning corporate consumer problems, but is prohibited from access to certain information including tax records, trade secrets and internal policy recommendations.

While some corporations have come out in opposition to the Ribicoff bill, others have endorsed it, as we have when the bill has come before the Senate in the past. The free enterprise system has been under attack for years, often by those who feel they have no influence over its products and its policies. Given an agency to speak for the consumers, an agency that should increase communications and understanding between the buyers and the sellers in the marketplace, American corporations are certain to gain the kind of public confidence they need if the economy is to be improved.

DISCLOSURE OF THE STOCK HOLDINGS OF LARGE INSTITUTIONAL INVESTORS

Mr. BENTSEN. Mr. President, I supported S. 249, the Securities Acts Amendments of 1975, which passed the Senate last Thursday, and I would like to specifically commend Senator WILLIAMS, the distinguished chairman of the Securities Subcommittee, for including in this bill provisions requiring greater public disclosure of the holdings and stock transactions of large institutional investors such as large bank trust departments, insurance companies, and pension funds.

In 1973, I first called for legislation to require greater institutional disclosure. Indeed, regular and comprehensive institutional reporting was one of the major legislative recommendations of the SEC's Institutional Investor Study undertaken pursuant to a joint resolution of the 90th Congress.

That study concluded that—

Gaps in information about the purchase, sale and holdings of securities by major classes of institutional investors should be eliminated and recommends that the Securities Exchange Act of 1934 be amended to provide the Commission with general authority to require reports and disclosures of such holdings and transactions from all types of institutional investors.

Furthermore, the securities industry study of the Senate Subcommittee on Securities concluded:

That the SEC should obtain regular and comprehensive information regarding institutional transactions which contribute to unusual price movements, so that it will be continuously in a position to impose or recommend appropriate restrictions if they are required.

There is a clear need for increased disclosure of the activities of bank trust departments and other institutional investors.

Since 1940, mutual funds have been required to disclose on a quarterly basis their substantial holdings and transactions. Under State statutes, insurance companies face similar requirements. However, the biggest institutional investors of them all—the bank trust departments with investments in tens of billions of dollars—are free from such public scrutiny.

Greater public disclosure of institutional investments would serve several important functions.

First, institutional disclosure would promote a greater degree of confidence among individual investors in the integrity of our stock markets. Many individual investors believe that it is not possible to make informed investment decisions on a security without information related to the likely market activity and the degree of institutional concentration in the security.

Second, it would provide greater information as to the extent to which a few large institutions concentrate their investments in the shares of a few select stocks. The extent to which institutions concentrate their pension investments in a few select stocks raises disturbing questions about the extent to which institutions can exercise control over the economy.

Third, disclosure would provide meaningful information necessary for the formulation of sound public policy so that Congress and Federal regulatory bodies can more effectively safeguard the public interest.

HUMAN RIGHTS IN THE PHILIPPINES

Mr. ABOUREZK. Mr. President, I have become increasingly concerned about the reports of repression of human and civil rights in the Philippines, particularly as symbolized by the continued imprisonment of Eugenio Lopez, Jr., Sergio Osmena III, Senator Benigno Aquino, and several thousand others. Prior to martial law Lopez was the publisher of the Manila Chronicle, president of the largest radio-television network, and nephew of Philippine Vice President Fernando Lopez, whose position has since been abolished. Young Osmena is the son of Sergio Osmena, Jr., opposition presidential candidate in 1969, and grandson of the first postwar President, who accompanied General MacArthur in the landing at Leyte in 1944.

My concern led me to write to Philippine Ambassador Romualdez on January 6. I soon received a response dated January 8 from the Philippine Chargé d'Affaires enclosing a speech by Philippine President Ferdinand Marcos delivered December 11, 1974, to the Philippine people. I regret to inform the Senate that in both the letter and the speech the Philippine Government was less than candid. Some of Marcos' claims and the true facts are illustrative.

The Chargé d'Affaires and President Marcos both stated that the President ordered that Mr. Lopez have "the privilege to visit his home."

The fact is, however, that neither Mr. Lopez nor Mr. Osmena have been allowed to visit their homes, but both

remain under guard at the military hospital which is their prison.

The Chargé d'Affaires and President Marcos both state Lopez—as well as Osmena—were charged August 19, 1973, with involvement in eight attempts on the life of President Marcos, that the government has confessions of the "co-accused"—including Osmena—and that the President has ordered Lopez and Osmena tried before a civilian court as common criminals.

According to reports outside the Marcos government, however, Lopez and Osmena were arrested separately in November 1972, shortly after martial law was declared. More than 5,000 Filipinos have been arrested and detained in this fashion. Lopez and Osmena remained in prison without charges being presented against them until they began a "hunger strike" on November 18, 1974. They smuggled out statements protesting the continued detention of "political prisoners," including themselves, and other alleged abuses under martial law such as the absence of a free press and an independent judiciary. On the 10th day of the hunger strike they were informed that they had been charged with involvement in a conspiracy to assassinate the President, and that the charges had been filed in August 1973.

On the 11th day of the hunger strike the two men ended their fast upon an understanding that many of the "political prisoners" would be released, that they would be released shortly and that the charges against them would be dismissed.

On December 1, 1974, the Philippine press published the alleged "confession" of Osmena. Osmena claims it is a fraud, but in any event it contains no confession of any involvement in any assassination plot and does not mention Lopez at all.

The same day the Philippine press also published a statement of an unidentified "suspected participant" that contends that young Osmena, his father, and young Lopez were involved. It is a rambling, disconnected tale which strains one's credulity.

But even were these charges believable, despite the President's claim that he had ordered a trial of the two men, no steps have been taken toward bringing them to trial despite their repeated demands for a public, impartial trial on the merits.

According to President Marcos' speech, Lopez and Osmena "broke their fast upon being confronted with the evidence against them."

To this day the two men have not been presented with any evidence against them. They ended their hunger strike based upon the promises of the Philippine Secretary of National Defense that they and other political prisoners would be released. The Secretary has since denied making these promises, but I have a copy of a letter he wrote to Lopez on the last day of the hunger strike agreeing to let Lopez be free on "pass every now and then" and agreeing to work toward house arrest by Christmas "and in due time, hopefully, your temporary release from detention." Lopez' attorneys, who met with the Secretary at the time, claim there was a further promise of full release by February.

Since this case has attracted the attention of many of my colleagues, numerous inquiries by Members of Congress and by the State Department have been made to the Philippine Government through the Philippine Embassy. The Philippine Secretary of Public Information and other officials regularly replied that the two men had been given rights to visit their homes while preparing "their defense." I regret to say that this, too, was not true. Neither man has been allowed home visits and as to preparing their defense neither has been permitted to see his counsel even in prison. This, too, has been verified by the State Department.

These are not the first examples of misinformation promulgated by the Philippine Government in the case of the Lopez family. In December 1972, the Washington Star-News reported that "Sources close to Marcos" had implicated the elderly father of the imprisoned Lopez, Eugenio Lopez, Sr.—who now lives in the United States—as a member of a "rightist plot" against the President. This information was reportedly the result of investigations by the Philippine Government and the Federal Bureau of Investigation. In response to a query by a Lopez attorney, acting FBI Director L. Patrick Gray replied in writing that "the FBI conducted no investigation" concerning Eugenio Lopez, Sr.

In the speech of December 11, President Marcos responded to continued claims by Philippine religious groups, Amnesty International, the foreign press, and others that many of the political prisoners had been tortured and even murdered. Marcos stated that—

> No one, but no one, has been tortured.

Nevertheless, pressure mounted for an investigation. On December 28, Manila Archbishop Jaime Sin demanded an impartial investigation of the torture claims. On January 2, 1975, President Marcos ordered the military to investigate and 2 weeks later they admitted that there had been incidents of torture and recommended stern measures to correct the situation. No corrective measures have been reported, but the admission is at least some progress. President Marcos has misinformed the American people as to the true state of affairs in the Philippines in regard to other aspects of human and civil rights. In an interview by Edwin Newman on the NBC "Today" show, September 20, 1974, he was asked:

> Is it correct that there is still about 5,000 of your political opponents in prison?

Marcos replied:

> Of course, not. We have just released the last of the detention prisoners who are not facing criminal charges.

Nevertheless, in his December 11 speech President Marcos stated —

> In our jails today, there are 5,234 people under detention in direct consequence of the martial law proclamation. Four thousand sixty-nine of these are ordinary criminal offenders. One thousand one hundred sixty-five are political detainees.

This less than 2 months after he had said there were none. Fortunately, Marcos has ordered the release of a total of more than 1,500 of these prisoners which is more than the 1,165 political detainees he admitted to in December. This progress seems to be the one achievement of the publicity caused by the Lopez-Osmena hunger strike.

On the same "Today" show interview President Marcos stated that "There is no censorship" of the media, and explained that the media was controlled by a committee of "publishers" and "the owners of radio and TV stations."

What he did not tell the American people was that all newspaper, as well as radio and television facilities, except a handful owned by Marcos relatives and friends, had been seized by the Government in September 1972. Moreover, these facilities had then been turned over—sometimes with partial payment and often with none—to newspapers and broadcasters who were friends, relatives, and business associates of President Marcos and his wife. No publication, broadcast or distribution of printed material is permitted which reflects adversely on the President and his policies. The present captive nature of the media has been verified by an independent study by Dr. John L. Lent, associate professor of communications of Temple University. The prestigious industry magazine, Editor and Publisher on January 25, 1975, reported that "Freedom of the press has disappeared" in the Philippines.

While I am concerned with the continued imprisonment of Lopez and Osmena without due regard for their legal rights, they are but symptoms of broader and deeper questions in regard to Philippine-American relations.

The Philippines is now well into its third year of martial law and more than a year beyond the end of the normal elected term of President Marcos. By his own count some 3,500 persons remain in prison without bail, without trial, and without due process. The writ of habeas corpus is still suspended. The right to visit with legal counsel, at least in some cases, is not permitted. Judicial process apparently is not free and independent since military cases are reviewable by the President, and civil judges now serve at the pleasure of the President.

The Philippine press and media are completely controlled by relatives and allies of Marcos. An extensive Government press information office feeds them the news.

Philippine elections are not to be conducted in the foreseeable future. Marcos claims he rules on the basis of referendums in which the people vote in public on whether he should continue. The referendum of February 27 empowered the President to appoint the nation's mayors.

To me this almost complete denial of human and civil rights by America's old friend, the Philippines, is a deplorable state of affairs. Equally bothersome to me is the fact that President Marcos and his subordinates have not squared with the world press, the State Department, or the U.S. Congress, in regard to both specific questions and the overall state of human and civil rights in that country.

Yet despite its abrogation of basic rights and its lack of candor to this body, the present administration in the Philippines expects to continue to receive military and other forms of assistance from the United States. The Philippine Government is presently scheduled to receive in fiscal year 1975, $17,900,000 in grant military assistance, $5,000,000 in military credit sales and $2,500,000 in excess defense articles.

It appears to me that the evidence is overwhelming that the Philippine Government is committing gross violations of human rights defined in section 502B (a) of the Foreign Assistance Act of 1974.

I, for one, believe that until such time as the Philippine Government demonstrates that basic human and civil rights are being restored to its people, such military aid should be terminated pursuant to the terms of section 502B. I hope that my many colleagues who have expressed their concern not only for the rights of prisoners Lopez and Osmena, but for the rights of all Filipinos which those men symbolize, will join me in that request.

COMMEMORATIVE POSTAGE STAMP HONORING AMERICAN COLLECTIVE BARGAINING

Mr. McGEE. Mr. President, on March 13, 1975, I was privileged to dine with 200 distinguished leaders of trade unions, business, and government. The unique occasion was the issuance of a commemorative postage stamp in honor of the American system of collective bargaining. It was a first for collective bargaining. Our host that evening was the Institute of Collective Bargaining and its director, Theodore W. Kheel of New York City.

The President of the United States honored us with a brief but important address as did distinguished leaders of industry, labor, and the Postmaster General of the United States. Because the occasion was unique in American history bringing together adversaries at the bargaining table but also many of the Nation's most skilled mediators and arbitrators as well as Secretaries of Labor Peter Brennan and John Dunlop, I ask unanimous consent that the transcript of the four addresses of the evening be printed in the RECORD.

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

REMARKS

(The remarks of the President of the United States at the issuance of a commemorative stamp honoring collective bargaining.)

It really is a great privilege and pleasure to have the opportunity of stopping by, and I wish that I had an opportunity to spend more time and meet each and every one of you individually.

I happen to think that what you represent is a most important ingredient in our society here today. I think all of you know, even better than I, that our American system of collective bargaining is very uniquely deserving of this special honor it is receiving through the issuance of this stamp.

It has been my observation, as I visited and traveled throughout the world—and I have read history, as all of you and many others have—history has shown that only where there is free collective bargaining is there a free society.

The stamp's theme, "Out of Conflict Accord," is one to which every citizen can subscribe. The fact that we have developed a strong, flexible collective bargaining system stands as a tribute to the millions of men and women of both labor and management who have devoted themselves to building a better and better America.

I think it is quite obvious that we need to build a better America today. We need courage, we need patience—courage to face the vital issues before us, and patience to work out just solutions.

Our people cannot live on islands of self-interest. We must build bridges and communicate our agreements as well as our disagreements. Only then can we honestly solve the Nation's problems and those problems are tremendous. Those problems need our total dedication as we move ahead.

One of the longest and sturdiest bridges in this land is collective bargaining. Today, more than ever in the past three decades, there are really three parties at each bargaining table—management on the one hand; labor on the other; and the third, our national welfare.

There is an ever-growing responsibility on two sides for restraint in the interest of the third party—national interest. I most sincerely ask all of you here this evening, and all members of labor and management teams around the country, to remember that there is a silent partner sitting down with you at each bargaining session, your fellow citizens everywhere.

Let's try to remember as we can, bearing each individual's respective responsibility, America's interests and the search for social as well as economic progress. Our objectives, your as well as mine, are as old as human nature. Each man and each woman are the roots of his or her own survival. So, it is so true in democracy.

Democracy has within it the roots, as well as the strengths, to save itself and that strength is national unity and a strong, strong national purpose.

Many Americans see precious little advantage in the Nation in the debate and the delay that has characterized Washington in the past several months. Rather, they are convinced that action, concerted action, is now precious to our country and may, in the long, long run, prove priceless.

It is said that an atmosphere of compromise now pervades Washington. I believe that is correct, that is good, and I would like to see that mood develop into a movement, into agreement as well as action for America.

It seems to me, as I travel around the country, as I read the mail and as I talk to people here in Washington, Americans see delay, Americans see division, lack of concerted action, and they don't like it. They want to see some collective bargaining between the Executive and the Legislative Branches of their Federal Government.

I have said, for example, that I am willing to compromise on a tax cut, and I repeat here this evening that I am willing and anxious to achieve some compromise in this area. It is also my observation that the American people will not stand still for a government that is standing still.

The American people, for example, want a tax cut now. I think more of us ought to start listening to America instead of listening to ourselves here in Washington.

It is my further observation that I hear America calling for action, reasonable action, in a reasonable amount of time. I suggest in the tax cut area action by the end of March of this year.

It is my strong belief and deep conviction that we ought to get to work. Let us give recession and unemployment a new "one-two," the President and the Congress hitting both of them simultaneously.

It is my belief that if we do so, we will put all our workers back to work so free collective bargaining can flourish in the future.

Thank you very much.

RESPONSE

(Presentation to the President of folio by Postmaster General Bailar.)

The PRESIDENT. Thank you, Ben.

Let me make an observation. I was looking in the office—I have a little private office over the Oval Office—at a stamp collection that was started in our family a good many years ago.

As a matter of fact, I have a stamp collection book that was given to me by an uncle and aunt, given to me in 1922, which they had started in Argentina when they were stationed there with an American company in 1912.

I don't know what it is worth—I am not that knowledgeable—but a collection of stamps I think is a great, great hobby. I have been collecting things in this area, and at some time in the future I am going to sit down and enjoy them and really get the benefit from the great causes and things that they represent.

I thank you very much, Ben, for your thoughtfulness and your expression on this occasion. This will be one thing that I will remember for a long time, and very deeply.

Thank you.

REMARKS

(The remarks of Robert S. Hatfield, chairman and chief executive officer, Continental Can Co., Inc., at the issuance of a commemorative stamp honoring collective bargaining.)

I was very happy to be asked to speak on this occasion, because it permits me to do something I have wanted to do for a long time—to pay my respects to the great labor unions represented here, which have become a major factor in American society.

My basic introduction to American unionism took place at law school in the 1940's, when I studied corporate and labor law. There, I learned of the long and sometimes violent process by which unions, courts and legislatures effectively removed the imbalance between the power of corporations and their employees, and made it possible for labor unions to become the force they are today.

But my feelings about unions were stirred earlier by a more personal experience. When I first started working in a factory in 1936, I saw long lines of forlorn men and women waiting before factory gates. Many had to walk miles every day to learn whether they would be able to work that day, and earn enough to feed their families. I often suspected that those who did get hired had to humble themselves in some way.

And once they got in, it was no great bed of roses either. The whim of the boss could make the difference, and sometimes that meant swallowing a lot of abuse, with no way to fight back. Sometimes someone was fired, when the reason for being let go was not all that clear.

It came home to me then, as never before, that human dignity is very precious. I concluded that no man should have the right to take away another man's dignity. I don't have to tell you folks that, at that time, here in America, thousands upon thousands of men and women had no power to compel respect for themselves as human beings, while they protected their own, and their family's security.

Now when I think of the humanity and dignity that underpins the relationships today of all working men and women, whether management or labor, then I know that our unions have a lot to be proud of, because it

was the union movement that spearheaded the effort and made it happen.

I also believe that this human relationship between our country's working people, brings to the United States of America, as a world power, a very fundamental strength and important advantage.

Today, we have unemployment on the largest scale since the great depression. If it continues to the point of exhausting unemployment compensation reserves, then income maintenance will surely become the number one domestic concern of this country. The time has long since passed when those who are disadvantaged are left to fend for themselves. For the present, the majority of unemployed people are in far better circumstances than those of the 1930's, as a result, in large part, of the efforts of organized labor.

And I hardly need point out, that it is not just the workers and their families who have benefited from the present income support structure, but also business, agriculture and the country as a whole. Thus, supported with this purchasing power, a deep depression has been avoided.

And you've got to credit the labor union movement with the greater part of this progress. The whole social support structure has been created largely through effective political action and collective bargaining by labor unions.

Now, I must say that it is the genius of the American private enterprise system, that has created the wherewithal, to pay for these social and human gains that labor has secured. Under the pressures of increasing social responsibility, important and imaginative contributions have been made by business.

By definition, in our society, the purpose and function of a business enterprise is economic more than social. Its mission is to produce for, and serve society at minimum cost. Since most social gain implemented by a corporation adds to cost, the genius has been to pay for the social improvements while keeping the business prosperous.

Of course, human beings are fallible. In my 38 years in business, I have seen irresponsible acts by management, and irresponsible acts by unions. I have seen unions, after years of struggle, accumulate a lot of power—by now I think, a clear preponderance of power in America. I have seen companies brought to their knees, skilled trades escalated out of business, and whole industries weakened by over-zealous and powerful unions. I've watched union leaders put short-run union politics, ahead of the long-run job. But in my exposure to labor-management relations in a number of different industries, I am glad to say that the great industrial unions have steadily grown in responsibility and maturity, and are now providing important leadership in the councils of our nation.

In this difficult year, we have heard unprecedented things. In the sorely troubled auto industry, we have heard union leaders speak out in support of the companies, help them in their legislative struggles, even, on occasion, assert their need to maintain profit margins. I have always admired the clout these same labor leaders bring with them to the negotiating table, and to the political scene. How sweet it is, once in a while, to work shoulder to shoulder in a common cause with this staunch strength!

There is today a broad recognition, I believe, that business and labor have genuinely common and compatible aspirations and goals. We all want economic security for all our people; we want continued growth in living standard; we all want expanding opportunities for individual fulfillment. Most of all, we want to achieve these goals in the context of an open society, with the fundamental freedoms for the individual preserved.

Sure, the collective bargaining system is an adversary system. But as in the courts, where good adveraries are united in their commitment to justice and the rule of law, business and labor are united in their desire to negotiate through free, and fair, bargaining—without interference from third parties, however well-intentioned—in the belief that free and fair bargaining is an important underpinning of a free society.

I happen to believe that the private-enterprise, free-market system we have in this country today is just as essential to the continuing development of the union movement as a constructive force in American society, as it is to management. If I'm right in this belief, then I think we share some real trouble.

The clamor is coming from all sides for expanding the role of Government in managing our economy.

There is a new call for Government wage and price controls, when history has made it clear since Emperor Diocletian of Rome tried them in 300 A.D., right through to our own recent sorry experience, that such controls simply won't work.

There is a call for control, under a Consumer Protection Agency, of all of the country's goods because we, the consumers, are not capable of deciding for ourselves what's good and what's not so good.

During the period of shortages, and even now, voices are asking for Government regulation and takeover of our basic industries—oil, steel, coal, petrochemicals, transportation, aluminum and the utilities, as well as others.

In short, if these voices are heard, our private-enterprise, free-market system may be headed toward a centrally-planned economy, as in the Communist world, where the central controllers tell the people where they can work, where they can live, how they should dress and what they should eat.

And yet, with all their control and regulation, the standard of living of the Russian people in particular, continues at a level that would cause rioting in the streets of cities all across this country.

How can it possibly be conceived, that a publicly-managed company, which most often is a monopoly, can escape political manipulation and politically expedient decision-making? The coal, steel and shipbuilding industries in the United Kingdom are examples of public management of industry. The facilities of these industries are outmoded, and their costs, despite devaluation of the pound, won't let them compete profitably for world markets. The annual deficit of nationalized companies in the United Kingdom is over 1% of their GNP. In the U.S.—1% of the GNP is over 10 billion dollars. Typically, despite these failures, the government managers in Britain are asking for broader centralization of industry.

Over the years, the managers of business in this country have made their full share of mistakes, both of commission and omission. Some of these shortcomings have, at times, caused real hardships for the American people.

Despite these mistakes, the American people enjoy the highest standard of living of any peoples of the world. When our country's security has been threatened, the private-enterprise, free-market system has produced for our Armed Forces and our Allies, overwhelming quantities of superior equipment which made the difference and ended the threats. This economic system of ours, with its imperfections, has proven to be the most effective of any, anywhere, at any time.

Through it all, the American people have maintained their freedom to choose. This is as fundamental as freedom of speech.

So let's ask searchingly, what is it that these people who would change our fundamental economic system would lead us to? Where are the examples that show that the new system will work better than our present system?

I believe that it is a vital interest, shared by both organized labor and management, to safeguard our private-enterprise, free-market system. To let it erode away by default, or to be a party to expedient measures which will increase the role of government in business management, would be a betrayal of trust to the American people.

Let us then—labor, industry and government—build upon the great strengths inherent in America's economic system. Through collective bargaining and free market disciplines, and with the support of an enlightened Government, we can continue to make the necessary improvements where the present system falls short.

If we are successful in this undertaking, the competitive edge of industrial America in international trade will be safeguarded. Our Country's position in the balance of power in the world will be retained. Just as important, the freedom of the individual American to choose will be preserved.

These are mighty important goals. For those of us in the labor movement and in management, attainment of these goals is much more than an opportunity to be of service to the people of our Country. Rather, the special positions we both occupy in American society place the undertaking of this assignment and the accomplishment of the goals as a clear responsibility to the American people that we share together.

The remarks of William W. Winpisinger, President, Institute of Collective Bargaining; Vice President International Association of Machinists and Aerospace Workers, AFL–CIO, at the issuance of a commemorative stamp honoring collective bargaining.

Considering how slowly the mills of bureaucracy grind we should rejoice that it only took 40 years from the time the Wagner Act was passed until the Federal Government gave collective bargaining a stamp of approval.

Despite recurring cycles of boom and bust, including the present depressed state of the economy, the working people of America have made more progress since the Wagner Act codified the workers' right to bargain collectively than at any equivalent period in the almost 200 year history of the Republic.

When I look around this hall I realize how far we've come from Homestead and Pullman, from Marion and Gastonia, from Bayonne and Ludlow and all the other places across the land where workers bought the right to bargain with their blood.

Yes, we've come a long way since a typical 19th Century autocrat named Jay Gould boasted that the best way to keep labor in its place was to "hire one half of the working class to kill the other half".

Human dignity has made great strides since a spokesman of the nation's coal operator disdainfully dismissed a Presidential offering of mediation in a coal mine strike by stating that "The rights and interests of the laboring man will be protected and cared for, not by labor agitators, but by the Christian gentlemen to whom God in his infinite wisdom has given control of the property interests of this country."

We've seen a lot of changes since the Constitution of the Industrial Workers of the World proclaimed with uncompromising bluntness that "The working class and the employing class have nothing in common . . . It is the historic mission of the working class to do away with capitalism."

The art of employee relations has improved considerably since Tom Girdler of Republic Steel set out to nullify the bargaining rights of his workers with a force of 370 thugs armed with 552 pistols, 245 shot guns, 64 rifles, 143 gas guns, 2,707 gas grenades, 178 billies and 232 night sticks.

Yes, we've advanced a long way from the rhetoric of the class struggle and the wretchedness of the open shop.

However, lest we become too smug and self-congratulatory, let us note that in 19 states, right-to-work-for-less laws continue to keep

unions weak and collective bargaining off balance.

Let us remember that in no other sector of federal law enforcement is justice more likely to be delayed than in the administration of the National Labor Relations Act. Let us recognize that time after time the union's thrust toward collective bargaining is thwarted by willful violations that net anti-union employers no more than a slap on the wrist. Let us not forget that even today the collective bargaining rights of 345,000 workers in the air transport industry are systematically being subverted by an employer scheme, known as the Mutual Aid Pact, that makes it more profitable to lock out employees than to bargain with them. Let us not forget that since this Pact came into being the average duration of airline strikes has gone from 15 to 102 days.

Let us remember that despite the success of collective bargaining in private industry the Federal Government has not been willing to give its own employees more than token rights to bargain.

Yes, we've come a long way and the men and women of the labor movement appreciate and applaud the issuance of a stamp acknowledging the role of collective bargaining in the progress we've made. But when Congress really becomes serious about collective bargaining it will do more than issue a stamp. It will repeal Section 14b of the Taft-Hartley Act. It will prohibit the airlines Mutual Aid Pact. It will speed and strengthen the administration of the National Labor Relations Act. It will replace ineffective executive orders with a bona fide Federal Employees Labor Relations Act.

When collective bargaining is finally strengthened in the 19 states where it's now the weakest, when it's restored to the air transportation industry, when the National Labor Relations Act asserts real protections against unfair labor practices, and when federal employees enjoy bargaining equality with their brothers and sisters in private industry, labor and management will lay the class struggle finally to rest. And the way will indeed be cleared for less conflict and more accord in the relations between management and labor in America.

REMARKS

(The remarks of Benjamin Franklin Bailar, Postmaster General of the United States at the issuance of commemorative stamp honoring collective bargaining.)

I am pleased to join with you today in this commemoration of collective bargaining, an institution that has meant so much not only to the working men and women of this country, but to American industry as well.

Through collective bargaining, we have applied reason and responsibility to a part of our national life sorely in need of stabilization.

The benefits have been abundant. Through collective bargaining, the American worker has gained his rightful share of this nation's prosperity—a prosperity to which he contributes every working day. He has won a well-deserved place of respect and importance in our society.

Industry, too, has gained through the process of negotiation. Productivity—the key to our progress—has grown through the tireless cooperation between labor and management. It has been nurtured by reasonable men and women working together to solve their differences.

The principle of a fair day's pay for a fair day's work has guided both sides in the bargaining process. We have all profited as a result.

The benefits of collective bargaining are not enjoyed in private industry alone. It has become a central element of the new Postal Service.

With a mandate from Congress and the determination to make this country's postal system the finest in the world, postal management and the postal unions have worked together over the past three and a half years to provide our employees with the benefits and opportunities required to make their jobs rewarding and fulfilling.

I think that proves an important point. When a worker knows that he will receive just compensation for his labor—that his employer cares about his growth and development—his contribution and dedication grow. His community and his country prosper as a result. Collective bargaining has made this possible.

I would like to say a few words about stamps as a communications device. Our stamps help to focus world attention on our history, achievements and cultural assets, and they are graphic reminders of the heritage of the United States. Stamps also identify and illuminate issues and concerns that are of national interest. Last year, for example, two such issues pointed up the need to Preserve our Environment and to Conserve Energy. Not too long ago, the stamp that carried the appeal "Giving Blood Saves Lives," was credited by the American Association of Blood Banks with generating such a favorable response that the Nation did not experience any significant blood shortages for a period of six months.

Following that approach, we are printing 140 million Collective Bargaining stamps, and millions of Americans will thus receive the message that Collective Bargaining has had a positive effect upon our country.

THE AGING AND THE AGED

Mr. EAGLETON. Mr. President, the National Council on Aging—a private, nonprofit organization consisting of individuals and organizations who serve the Nation's older citizens—recently commissioned the most extensive study ever conducted to determine the American people's attitudes toward aging and the aged. This study, entitled "The Myth and Reality of Aging in America," was conducted for the National Council on Aging by Louis Harris Associates. It documents some dramatic findings which have important implications for those of us who are concerned with the formulation of public policy in the field of aging.

For example, the study found that—

Ninety-seven percent of the American people believe that as the cost of living increases, social security payments to retired people should also increase;

Eighty-one percent believe that the Government should help support older people with the taxes collected from all Americans; and

Seventy-six percent believe that no matter how much a person earned during his working years, he should be able to have enough money to live comfortably when he is retired.

Mr. President, I ask unanimous consent that a summary of the study be printed in the RECORD.

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

HIGHLIGHTS OF THE STUDY "THE MYTH AND REALITY OF AGING IN AMERICA"—CONDUCTED BY LOUIS HARRIS AND ASSOCIATES FOR THE NATIONAL COUNCIL ON THE AGING, INC.

This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perceptions of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves, and their personal experiences of old age.

The National Council on the Aging commissioned the study to provide definitive data to researchers, writers, students, legislators and the general public. For too long the people of this country have accepted without question all of the stereotypes and cliches about growing old. We hope the material that follows will separate the myth from the reality.

The study will also provide base data about the attitudes and perceptions of age for NCOA's newest project, the National Media Resource Center on the Aging; and it will be used with other data to evaluate the results of future programs.

Several points should be made about this data:

First, the findings in the area of public policy are extremely significant. An overwhelming 97 percent of the American people believe that social security payments to the elderly should automatically increase with rises in the cost of living. There is no indication that the public supports an arbitrary limitation on this increase.

The study also reveals that 81 percent of the public agree that the federal government has the responsibility to use general tax revenues to help support older people. And 86 percent of the people are opposed to mandatory retirement at a fixed age if the worker wants to continue working and is able to do a good job.

The study explored the attitudes of Americans on a wide range of issues related to aging, and compared the feelings of older people with the perceptions of those younger.

Second, the conclusion is obvious that most of the older people of this country have the desire and the potential to be productive, contributing members of our society. They do not want to be "put on the shelf" and excluded from social and economic activities.

Third, it is clear that most older people feel that their condition in life is better, economically and socially, than the general public believes it to be. But "most" can be a deceptive term; it is vitally important to remember that many millions of older people are living at, or below, the poverty line. Thus, when 15 percent of people over 65 say that "not having enough money to live on" is a personal problem for them, that percentage translates to some three million needy people. The same thing is true of many of the other categories discussed in the pages that follow.

Some of the other major findings include:

PUBLIC POLICY

A full 87 percent of those responsible for hiring and firing say "Most employers discriminate against older people and make it difficult for them to find jobs," and only 37 percent of these decision-makers feel a fixed retirement age for everyone makes sense.

Among the older public now retired, 37 percent or 4.4 million people said they did not retire out of choice and approximately the same number—31 percent—said they would like to be working now.

Not only should the government provide income for older, retired people, the public feels it should provide them with enough income to live comfortably. By 76 to 19 percent the public agreed that "No matter how much a person earned during his working years, he should be able to have enough money to live on comfortably when older and retired."

There is tremendous potential support for a movement to improve the conditions and social status of people over 65. Those under 65 (81 percent, compared to 70 percent of those 65 and over) are most conscious of this need for focus and organization.

STEREOTYPES AND PROBLEMS OF OLDER PEOPLE

It is not the young alone who have negative expectations of old age. Recognizing

that life is not so terrible for themselves, older people have bought the stereotypes and myths of old age and consider themselves the exception to the rule. In fact, for every older person who feels that his or her own life is worse now than what he/she thought it would be, there are three who say that life is better now than they expected. As many people under 65 feel that their current lives fall short of earlier expectations as those 65 and over. "While I personally am bright and alert," most people 65 and over seem to be saying, "most of my peers simply are not."

A comparison between the problems attributed to "most people over 65" by the public at large and the problems actually experienced personally by older people indicates the extent to which the public has a distorted view of what it is like to grow old. In most cases, the discrepancy is enormous:

50 percent of the public felt that "fear of crime" was a very serious problem for the aging, versus 23 percent of older people who thought it a problem for them personally;

51 percent of the public thought "poor health" a problem for the aging, versus 21 percent of older people who thought it a personal problem;

62 percent of the public thought "not having enough money to live on" a problem for the aging, versus 15 percent of the elderly who found this a personal problem.

It is striking that in the above examples, people over 65 substantially agreed with those younger that these were problems for "most people over 65." But by the percentages indicated, individual older persons considered themselves exceptions.

Except for health and fear of crime, the "very serious" problems of those 18–64 are very comparable to those who are 65 and older, including not having enough money, job opportunities, medical care and education.

OLDER PEOPLE, THEIR LIFESTYLE AND PERCEPTIONS

It is generally recognized by the public at large that people over 65 represent a larger segment of the population today than 10 or 20 years ago. And, as a group, people over 65 are seen as healthier, better educated, and in better financial shape than in the 1950's or 60's.

But when queried as to the type of life older people lead, the perception, again, is quite different from the reality.

In the eyes of the public, people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined.

Sixty-seven percent of the total public expects that most people over 65 spend a lot of time watching television. Only 36 percent of the older group report they do.

Sixty two percent of the public at large expects that older people spend a lot of time "sitting and thinking". Only 31 percent report they do.

In fact, pastime activities of both young and old are very similar. Comparable numbers of the old and young, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks. The only areas where the two groups part are: older people spend more time watching television than the young, while the younger group spends more time in child care, at a job, or engaged in sports.

Additionally, the physical and sexual activity of the over 65 group is misperceived by the general public.

The total public expected that less than half (41 percent) of the older group was "very physically active," while 48 percent of those over 65 report they are. And, only 5 percent of the total public expected older people to be "very sexually active", compared to the 16 percent of the older men and 7 percent of older women who say they are.

While the young picture older people as engaged in passive sedentary activities and not an active part of society, older people are unwilling to be relegated to the sidelines. They do not wish to be excluded from things happening around them, nor limited to communities for older people. Like the young, three out of four people 65 and over said they prefer to spend most of their time with people of all different ages.

BECOMING OLD AND SELF IMAGE OF OLDER PEOPLE

When does one turn the corner and become old? Public opinion varies. Only half the public (53 percent) picked some specific age as the criterion for "old age"; the other half has a less chronological, numerical concept, citing "retirement", "health" and "it depends" as the criteria.

Of those who do state a fixed age, the largest block (23 percent) feels the average man or woman becomes old in the 60's. And while some may argue that women age faster than men, or vice versa, most people do not feel this way. Seventeen percent of the public think that women become old before they're 60, compared with 16 percent who feel that way about men.

Age does not appear to influence significantly the way individuals tend to view themselves. The public 65 and over sees itself as being as bright, alert, open-minded, adaptable, and as good at getting things done as those 18–64.

Those 65 and over have a higher self-image in terms of being "very useful members of their community" (40 percent) than the younger group (20 percent). Yet the younger public's view of their elders is even lower than their own self-evaluation. Only 21 percent of the younger group consider most people over 65 to be "very useful."

Older whites tend to have a more positive image of themselves than do older blacks. In only a few areas do the two groups come close together in their self-image—in seeing themselves as friendly and warm, wise from experience and sexually active. Some of the same differences exist between younger blacks and whites, but to a lesser extent.

PREPARATION FOR OLD AGE

Majorities of the total public agreed on seven "very important" steps people should take in preparing for later years: provision for medical care, making of a will, savings, learning about pensions and social security, buying a home, development of hobbies, and deciding whether to move or stay put.

Blacks in general are less well prepared for old age than older whites. Less than half as many blacks as white have built up savings, 25 percent more older whites than blacks own their own homes. But higher numbers of blacks than whites have talked to older people about what it's like to grow old and have moved in with their children or other relatives.

ADDITIONAL FINDINGS

Like percentages of the young and old feel that parents and grandparents over 65 assist their off-spring in various ways. The young credit parents and grandparents with less assistance than the older generation claims in helping out when someone is ill, taking care of grandchildren, and help out with money. Also, the young say the old give far more advice than the older generation admits.

It is not necessarily surprising that a substantial proportion of those 65 and over (45 percent) feel they get less respect from the young than they deserve. What might be surprising is that a full 71 percent of the public 18 to 64 feel that people over 65 get "too little respect" from young people these days.

Blacks 65 and over feel more than older white (60 percent vs. 43 percent) that they do not receive enough respect from the young.

Managers, officials and proprietors make up 18 percent of the people past 65 who are still working; salespersons, 10 percent, and service workers, 17 percent. A full 22 percent of retired people were skilled craftsmen or foremen, while only 11 percent of those still employed hold those jobs.

The current volunteer force among older people is 4.5 million strong. Another 10 percent of the 65 and over public said they would like to volunteer their services. Thus the potential total number of a volunteer force among older Americans is 6.6 million.

But people 65 and older are not interested in doing volunteer work exclusively. Old and young alike, while willing to accept their share of uncompensated community service, also feel that if a person's work is valuable, he or she should be paid for it.

Few people in this country single out the later years as the most desirable period of one's life. Substantial numbers (69 percent) consider the teens, 20's and 30's as "the best years of a person's life". Those who did identify the later years as the prime of life associate that period with the advantages of youth—a time of few responsibilities, problems and pressure, a time to withdraw from productive roles, to take it easy and enjoy life.

Not only do four in five older people look back on their past with satisfaction, three in four feel that their present is as interesting as it ever was, and over half are making plans for their future. While life could be happier for 45 percent of older people, an even higher 49 percent of those under 65 feel the same. Income, education and employment status appear to have far greater effects on overall life satisfaction than age or race.

The study might be characterized by this observation from the section *The experience of being older*:

"There appears to be no such thing as the typical experience of old age, nor the typical older person. At no point in one's life does a person stop being himself and suddenly turn into an "old person," with all the myths and stereotypes that that term involves. Instead, the social, economic and psychological factors that affect individuals when they were younger, often stay with them throughout their lives. Older people share with each other their chronological age, but factors more powerful than age alone determine the conditions of their later years."

MORE WHITE HOUSE BUGS

Mr. ABOUREZK. Mr. President, incredible as it may be, reports just now have surfaced telling of even more bugging devices implanted in the Oval Office of the White House during the Nixon years.

Tad Szulc, reporting in Penthouse magazine, tells of a tiny laser beam transmitter embedded in the wall of the Oval Office by a fresh coat of paint. Apparently, it was planted by a "foreign-born painter" employed by the U.S. Government for at least a period of several months during 1970. Apparently, the bug is immune to regular electronic detection devices.

Obviously, if the CIA, the FBI, or any intelligence gathering organizations were involved, as Mr. Szulc charges, it ought to open up even more questions about the activities of our intelligence agencies. One is drawn to the conclusion that there must be an insatiable desire on the part of our Government to snoop and to record the daily conversations of just about anyone. Who can fault the American

citizenry for the growing paranoia which this kind of activity has fostered.

Once again, I am forced to reiterate my belief that there is nothing so imperative as the need to get to the bottom of all of this. Nothing can be left uncovered and every report ought to be investigated. It is my understanding that the Senate committee investigating the CIA is doing an excellent job in this regard, and I would hope that this report becomes another aspect of their thorough investigation.

Mr. President, I ask unanimous consent that the release and the excerpts from the forthcoming article, "The Spy Among Us" be printed in the RECORD.

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

MORE WHITE HOUSE BUGS

Penthouse magazine said today that President Nixon's office in the White House had been bugged by a U.S. intelligence agency at least for a period of several months during 1970.

In an article to be published in a forthcoming issue, the magazine said that a tiny laser beam transmitter was embedded in the wall of the Oval Office and concealed by a coat of fresh paint. The author of the article, Tad Szulc, a prize-winning foreign correspondent formerly with the New York Times, said that the bug was installed by a foreign-born painter employed by the U.S. government "and apparently controlled by one of the intelligence agencies."

Szulc said the transmitter picked up and relayed to a remote recording center every conversation between President Nixon and his aides, friends, and visitors. The device also picked up telephone conversations, including those conducted over "secure" scrambler lines. These conversations were relayed to a point somewhere within one-half mile of the White House—the effective range of the transmitter. Szulc went on to say that "the Oval Office transmitters could be monitored anywhere in the White House or the adjoining Executive Office Building. They could also be picked up, technicians say, in the Treasury Building a block away (the Secret Service is part of the Treasury Department) and even in the Commerce Department building three blocks away."

Penthouse said that it is not known if President Nixon himself knew of the installation of the laser device, known by the code name "Easy Chair." If he did, the laser system complemented his hidden recording devices that produced the famous White House tapes.

The device is so sophisticated that, unlike a tape recorder, it permits the identification of every individual voice in the room and can separate several simultaneous conversations.

Highly reliable sources told Penthouse that one or more senior officials of the Secret Service and the Central Intelligence Agency are familiar with the "Easy Chair" situation in the White House, although they could not say whether they learned of it only when the laser device was discovered and removed early in August, 1970, or whether they knew at some earlier date. The sources would not rule out that the late FBI Director J. Edgar Hoover was also privy to "Easy Chair."

At Penthouse magazine, Publisher Bob Guccione said that the publication learned of the White House bugging as the result of an extensive investigation concerning American intelligence agencies and how they operate. He said the magazine this month is beginning a 15-part series on the intelligence agencies which will contain a number of "dramatic disclosures."

In an article titled, "The Spy Among Us," reporter Szulc said the bug was installed by a person known to him but was withheld from publication "to avoid causing suffering and embarrassment to persons innocently involved in this operation."

The article said further that officials of the General Services Administration—which is responsible for maintenance of government buildings—have been under strict orders from the Secret Service since 1970 not to discuss with outsiders anything pertaining to the painting of the interior of the White House. The Secret Service also issued orders that all inquiries on the subject be immediately reported to it. These orders apply to painting foremen and their crews as well as to other GSA employees and officials.

The magazine declared, "Americans have always believed that the the right to privacy is sacred. We shudder at stories told by travelers to the Soviet Union and other dictatorships who take for granted that their hotel rooms and phones are bugged and that they are followed. But now we discover there is literally no place within the United States safe from the illegal snooping of the CIA (which is restricted by law to foreign operations) and the many other government agencies known as the 'intelligence community.'"

Szulc said knowledge of the bugging of the Oval Office was restricted to about a dozen key past and present officials of the intelligence community. "But the precise purpose of the operation, the exact identity of those who ordered the installation of the laser device under a coat of fresh paint on the Oval Office wall, and the ultimate disposition of the instrument remain unclear. Nor do we know if tapes were made of these transmissions—which is, perhaps, the most crucial question."

The magazine said that the bug resisted electronic detection in regular Secret Service sweeps of the Oval Office prior to its discovery.

THE SPY AMONG US

(By Tad Szulc)

Americans have always believed that the right to privacy is sacred. We shudder at stories told by travelers to the Soviet Union and other dictatorships who take for granted that their hotel rooms and phones are bugged and that they are followed. But now we discover there is literally no place within the United States safe from the illegal snooping of the CIA (which is restricted by law to foreign operations) and the many other government agencies known as the "Intelligence Community."

One extraordinary example is the tiny laser-beam transmitter embedded in the wall of the Oval Office at the White House. This transmitter picked up and relayed to a remote recording center every conversation between Richard M. Nixon and his aides, friends, and visitors during at least several months in 1970, the year the former president launched his secret domestic intelligence program. Presidential telephone conversations, including those conducted over "secure" scrambler lines, were also picked up by the laser transmitter.

The existence in the presidential office of this highly sophisticated device, known by the code name "Easy Chair," remains one of the most sensitive, closely guarded, and intriguing secrets of the Nixon period. This knowledge is restricted to about a dozen key past and present officials of the Intelligence Community. But the precise purpose of the operation, the exact identity of those who ordered the installation of the laser device under a coat of fresh paint on the Oval Office wall, and the ultimate disposition of the instrument remain unclear. Nor do we know if tapes were made of these transmissions—which is, perhaps the most crucial question.

It is also not known if Nixon himself was aware of and consented to the installation. If he did, the laser system complemented his hidden recording devices that produced the famous White House tapes. (In any event, the laser device picked up with infinitely more clarity every word uttered in the Oval Office, eliminating the "unintelligible" gaps that affected the tapes. In addition, the laser system permits, unlike a tape recorder, the identification of every individual voice in a room and the separation of several simultaneous conversations.) It is not known where the laser beam signal was received, but technical experts believe that such a device has a transmission range of under a half mile.

Highly reliable sources told Penthouse that one or more senior officials of the Secret Service and the Central Intelligence Agency are familiar with the "Easy Chair" situation in the White House, although they could not say whether they learned of it only when the laser device was discovered and removed early in August 1970, or whether they knew at some earlier date. The sources would not rule out that the late J. Edgar Hoover, then director of the Federal Bureau of Investigation, was also privy to "Easy Chair."

In any event, this super-bugging of the presidential office looms as one of the most bizarre episodes in the still unfolding story of domestic spying carried out by successive administrations in the last twenty-five years, but climaxing most spectacularly during Nixon's tenure.

Penthouse learned of this bugging of the Oval Office as a result of a lengthy investigation. According to highly authoritative sources, the person who installed the laser transmitter, possibly on a second attempt when an original device did not function properly, is a foreign-born individual employed as a painter by the government and apparently controlled by one of the intelligence agencies. His name as well as a number of other relevant details are withheld from publication to avoid causing suffering and embarrassment to persons innocently involved in this operation.

Investigations by Penthouse have also produced the significant fact that officials of the General Services Administration, which is responsible for the maintenance of government buildings, have been under strict orders from the Secret Service since 1970 not to discuss with outsiders anything pertaining to the painting of the interior of the White House. The Secret Service also issued orders that all inquiries on the subject be immediately reported to it. These orders apply to painting foremen and their crews as well as to other GSA employees and officials. Penthouse sources were unable to say, however, whether these orders are specifically related to the "Easy Chair" incident.

Beyond the new disclosures of White House bugging, recent investigations, including those by Penthouse, also strongly suggest that the cover-up of secret domestic spying activities by U.S. intelligence agencies—ranging from the CIA to the FBI, the National Security Agency, the Internal Revenue Service, the military intelligence agencies, and the Postal Service (which has an intelligence unit)—has continued in 1975, despite President Ford's instructions that all relevant information be supplied to the investigating panels. These are the new facts:

Civilian and military intelligence agencies maintain political files on tens of thousands of American citizens, ostensibly for reasons of "national security" and criminal investigations, but just as often satisfy the political curiosity of overzealous government sleuths. There are files on sexual, drinking, and other personal habits and problems of politicians, government officials, artists and writers, civil rights militants, dissidents in general, and real or suspected radicals.

Court records, disclosed in April of this

year (months after Ford ordered the investigation of the Intelligence Community), show that at least twenty federal agencies still maintain electronic surveillance on Americans at home and abroad. Overseas, particularly in Germany, the targets are U.S. military personnel. This surveillance includes telephone tapping and the secret recording of face-to-face conversations either through hidden devices or informers secretly wired for sound. (It is unclear, however, whether all this surveillance is based on court orders or is conducted illegally).

CHILE

Mr. KENNEDY. Mr. President, I believe it is essential to note the recent decision by the Secretary of State not to include Chile on his planned trip to Latin America, which begins this week.

As I have stated previously, while the current junta ruling in Chile continues its refusal to abide by international standards of respect for human rights, a visit of the Secretary of State could be interpreted as endorsing that government's position on this matter.

For that reason, I was pleased to join with Senator MONDALE and other Senators in writing to the Secretary last month of our concern about his previously announced itinerary which had included Chile. We felt that unless there were substantial and dramtic changes in the situation with regard to human rights, that a visit by the Secretary would be inappropriate.

Also, the Secretary's trip would have come on the eve of the Organization of American States' consideration of a strong condemnation of torture and other abuses of political prisoners contained within the report of the Inter-American Commission on Human Rights.

Therefore, I believe the decision of the Secretary to exclude Chile from this trip was thoroughly appropriate.

I ask unanimous consent to have printed in the RECORD the article by Lewis Diuguid of the Washington Post describing the background to the Secretary's decision.

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

[From the Washington Post, Apr. 21, 1975]

U.S. SEEN PRESSING CHILE ON HUMAN RIGHTS

(By Lewis H. Diuguid)

Secretary of State Henry A. Kissinger will not visit Chile on his long-awaited Latin American tour because the ruling junta has not responded to his efforts to obtain a liberalization of Chilean civil rights, according to an official close to Kissinger.

The State Department announced last week that Kissinger's trip, which starts April 23, will include Argentina, Brazil and Venezuela. Visits to Chile and Peru, planned earlier, would be postponed because of the pressing time demands of the Indochina situation, the announcement said.

From the first mention of the trip last year, however, the Chile stopover was considered contingent on some major civil rights concession by the military government.

Chile's rulers have taken no such initiative since President Augusto Pinochet announced in September that many jailed leftists would be allowed to go into exile. "Had they responded more dramatically," said the official, Kissinger could have followed through on his intended visit.

The suspended but still active Chilean Christian Democratic Party sent an envoy to Washington to buttress the State Department's insistence on obtaining some meaningful step from the junta.

Christian Democrats, including former President Eduardo Frei, are concerted about what they describe as increasing repression.

"It would mean nothing, for instance, if the junta announced an end to press censorship while the same pressures remained on editors to exercise self-censorship," said the party's envoy recently. In any case, he said, only pro-junta papers now are permitted to print.

The party, Chile's largest, ruled from 1964 to 1970 under Frei but was then defeated by the coalition backing Salvador Allende. When the coup against Allende came in 1973, the party's official reaction was that it was lamentable but necessary.

Now, the party leadership feels that the military, having jailed Marxist leaders or driven them into exile, is turning its repressive machinery on the Christian Democrats.

A document issued after a secret party meeting in Santiago, as "a right-wing dictatorship with fascist manifestations and a tendency towards perpetuity."

The former party president, Renan Fuentealba, was forced to leave the country after he granted a critical interview to a foreign correspondent.

The party's candidate against Allende in 1970, Radomiro Tomic, former ambassador to the United States, is living in Washington.

Frei's last finance minister, Andres Zaldiver—whom Allende's supporters accused of trying to sow economic chaos in the last days before Allende took office—recently was forced out of his job with the Chilean Savings and Loan Association because the military objected to his political activity.

The party lost both its newspaper and radio outlets after the junta suspended the parties that had opposed Allende and dissolved those that had backed him.

Frei, who has remained in Chile, is described as increasingly restive under what he feels is an enforced silence. The party's president, Patricio Aylwin, issued strong denunciations of junta moves against the party-owned radio, only to be rebuked by the rulers.

With all means of mass expression choked off, Frei and Aylwin were banking on Kissinger to force a letup by the junta.

The junta is treated as a pariah by most governments because of documented accounts of torture and arbitrary detention of thousands of leftists.

The U.S. government, which, is the main exception, has granted $237 million in aid and has offered international support while hinting that it has quietly worked for respect of human rights in Chile.

Kissinger said two months ago that he "was not uninvolved" in the release of the former ambassador to the United States, Orlando Letelier, after a year in prison.

A canvass of sources in the State Department produced no evidence of Kissinger initiatives, however, instead there was wide agreement that efforts by Latin American governments and private U.S. interests influenced the junta's decision to release Letelier.

Nevertheless, State Department officials indicate continuing efforts on human rights in Chile. "We're keeping our oar in," a policy planner said, pointing it to the postponed Kissinger visit.

MONTANA RESOLUTION ON GUNS AND AMMUNITION REGULATION

Mr. METCALF. Mr. President, the Montana Legislature just before its adjournment last week passed a resolution relating to the current drive for regulation of the sale and distribution of guns and ammunition. The resolution passed the House of Representatives by a vote of 77–4. It was approved in the Senate by a vote of 44–4. I ask unanimous consent that the resolution be printed in the RECORD.

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

HOUSE JOINT RESOLUTION NO. 65

A Joint Resolution of the Senate and the House of Representatives of the State of Montana declaring the Montana State Legislature's unalterable opposition to Registration and confiscation of firearms

Whereas, the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August, 1973, advocates, among other things, the confiscation of all privately owned handguns, and

Whereas, the people of Montana having seen that federal firearms registration is leading us closer to federal confiscation of firearms.

Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

That the Lgislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general.

Be it further resolved, that a copy of this joint resolution be sent to the President of the United States, to the Vice-President of the United States, to Montana's Senators and Representatives in Congress.

STATEMENT OF QUAKERS IN SAIGON

Mr. McGOVERN. Mr. President, I ask unanimous consent that a statement received today from the American Friends Service Committee in Saigon be printed in the RECORD.

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

STATEMENT OF QUAKERS IN SAIGON

American Friends Service Committee received cable from our staff in Saigon this a.m.:

"We have some fear that the Embassy may be delaying the evacuation as an excuse to bring in Marines as protection for American lives. Too many American Embassay personnel are staying to make things look normal here, though they aren't necessary. When the inevitable confrontation comes, they are insuring that there will be panic and disorganization, and, once again, U.S. soldiers on Vietnamese soil.

"We feel the entrance of U.S. Marines is useless and dangerous. Shooting a path through the enemy really means killing Saigon civilians, not Communists—shooting the people we have been saving, as it were.

"As for evacuating 200,000 Vietnamese, we can't imagine how. They would like to ride out free on the coattails of American marines, but it would be double the nightmare we experienced in evacuating Danang. There would be absolutely no way to limit the num-

ber of Vietnamese who were evacuated, and there would be no way whatsoever to control it.

"The 200,000 people whom Ford wishes to evacuate are not necessarily in any danger. There is indeed good news coming out of Danang and Quang Ngai. There is a 9 P.M. curfew in Danang but people take it casually and the Provisional Revolutionary Government guards are easygoing.

"As for the numerous scare stories, including Kissinger's own, we have heard them all, too, and haven't had one eye-witness substantiation. Almost invariably the person spreading the story left before the alleged incident took place. For example, one woman said the PRG were shooting all police in Quang Ngai. When questioned, she admitted she had left early on Monday, before the PRG came in. But she and her neighbors who were policemen believed this would happen. The U.S. Embassy has launched a comprehensive campaign of atrocity stories to feed to the press.

"The real need now is for a political solution inside Saigon. Fighting would stop everywhere. People would be allowed to move back to their homes. A long-term solution could then be worked out.

"As for us, we are quite determined, no matter what, that we will not be evacuated by Marines and hopefully will not have to leave at all. A political settlement would insure the safety of all."

The American Friends Service Committee believes a political settlement is still possible:

(1) Evacuate today and tomorrow all Americans "essential" only to a war effort and not to a political solution, i.e. all Defense Attache Office and military contractor personnel. Only a few dozen Embassy staff need remain.

(2) Congress should vote against any bill authorizing re-introduction of U.S. troops. This would only stall a political settlement by holding out false hopes to Thieu's successors that U.S. bombers will soon return to bolster their fight. The war is going to end soon but whether it ends through a political settlement or with U.S. Marines engaged in a bloody shoot-out will shape the course of U.S. foreign policy debate in the coming years.

BOB GRAY,
Associate Executive Secretary.
MARTIN TEITEL,
Director of Asia Programs.

PASSING THE ENERGY BUCK

Mr. GRIFFIN. Mr. President, recently the Senate spent several days considering and finally aproving a bill entitled the "Standby Energy Authorities Act of 1975."

Mr. David Broder, writing in his column which appeared today in the Washington Post, made some very interesting and accurate observations about that legislation and the performance of Congress with respect to our serious energy problems.

I ask unanimous consent that the column be printed in the RECORD.

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

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be heard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

ECONOMIC FORECASTERS TESTIFY BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 14, 1975, the Joint Economic Committee had the honor of hearing the testimony of three distinguished economists on the President's program for economic recovery. The men who testified, Dr. Franco Modigliani, professor of economics and president-elect of the American Economic Association, Dr. David M. Rowe, of Wharton Econometric Forecasting Associates, and Dr. Michael K. Evans of Chase Econometrics.

The consensus among these distinguished economists was that the administration's program falls far short of giving the Nation the stimulus needed to get out of the current recession. Dr. Modigliani points out in his statement that, under the administration's proposals, the target level for the rate of inflation will be 11 percent, up 1 percent from last year. He sees the President's new taxes on oil and other energy sources as being a major contributor, adding 2 percent to the rate of inflation. A third point by Dr. Modigliani was that the restrictive monetary policy being pursued by the administration could lead to a negative growth rate of from 3 to 4 percent.

In the statement by Dr. Rowe, a strong appeal is made for policy shifts which would call for significant stimulus in the form of government taxation and spending policies. Dr. Rowe expresses the concern that if such policies are not implemented in the near future, the current recession may continue far beyond the middle of 1975.

Dr. Evans also emphasizes the need for increased stimulus of the economy by the Government. He feels that a stimulus of $30 billion or more would have only positive effects on the economy. He explains this by pointing to the excess capacity which has been created by the recession, and to the tax cuts which he believes will increase real disposable income and reduce demands for higher wages.

I feel that the information and guidance provided by these gentlemen to be a great asset during this critical period in our economic history. Mr. President, I ask unanimous consent that the full text of the statements made by Drs. Modigliani, Rowe, and Evans before the Joint Economic Committee on February 14, 1975, be printed in the RECORD.

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

STATEMENT BY MICHAEL K. EVANS

In this statement we first discuss the strengths and weaknesses of the Ford pro-

gram, taking into account legislation which is already in progress. We then turn to an examination of business conditions under four alternative scenarios: no new legislation at all, the complete Ford package, the most likely new program as indicated by current legislative progress, and the JEC proposals. Doing so will enable us to estimate both the probable impact of the entire Ford program and the most likely course of the economy during the next two years. We present this analysis for real growth, inflation, and financial markets.

THE TAX PROGRAM

The general idea of a quick tax rebate deserves to be implemented, but the plan offered by the Ford administration has one glaring flaw which is both political and economic in nature. That is the extension of the political point of view, a tax which is so regressive will not be accepted by a majority of Congress. From an economic point of view, it is clear that at least the short-term marginal propensity to consume is much smaller for upper-income groups than for poor people. Thus consumers at the lower end of the income scale will spend most of their rebate; consumers at the upper end will save most of theirs. This distribution is suboptimal for a plan designed to provide a short-term stimulus to consumption and production.

My own personal plan is that a flat per capita credit be given to all individuals with 1974 income of less than $25,000. The credit could be gradually reduced in the $25–30,000 range, with no credit at all for those whose incomes exceeded the $30,000 figure last year. In order to maximize the effect of such a refund, it should occur as early in the year as possible and should be distributed in one lump sum. In particular, a payment of $320 may serve as a down payment or purchase of a big-ticket item, whereas $6/week would have a smaller short-run impact on consumer spending. This plan would raise consumption more than other plans without any greater disruption of financial markets. Furthermore, it would occur during the first half of the year, when the need to furnish stimulus to the economy is most important. The 10% rebate and accompanying plan which has been reported fits this suggestion fairly closely, and in my opinion could well be adopted without further adjustment.

I am also in favor of the increases in the minimum standard deduction and exemption which have been proposed for low-income people, and believe these should be made permanent. However, I think more should be done to restore our tax schedule to its previous function of acting as an automatic stabilizer in times of recession. In order to do this, I suggest that the tax tables be denominated in terms of real income rather than nominal income. Then an increase in income due only to inflation would not result in a taxpayer moving to a higher tax bracket.

The issue of the expansion of the investment tax credit is clouded by the question of whether to make such an extension temporary or permanent. The idea of a one-year increase in the credit, of course, is to get businessmen to commit orders now, when the economic climate is poor, rather than wait until the capital goods industry is once again at full capacity. However, even if the tax credit is made retroactive to the beginning of the year, business decisions will not be; a temporary tax credit increase would have a very limited stimulative effect on the economy. I definitely favor an increase to the 10% level on a permanent basis.

The possibility of a variable investment tax credit, which has been raised by allowing a higher rate for those utilities investing in facilities which do not use oil or gas, is indeed an excellent idea. This tax credit could be expanded to permit a higher rate on any class of investment which increased fuel efficiency significantly; it could also be eliminated entirely for those investments which did not increase labor productivity or fuel efficiency.

We will need stimulus and incentive to increase supply if we are to increase demand through fiscal policy, and an expansion of the investment tax credit will not prove sufficient. Thus I believe that the reduction in the corporate income tax rate from 48% to 42% is both a necessary and powerful tool to accomplish this increase in productive capacity. In addition to providing $7 billion this year and $9 billion next year in additional cash flow, it should result in a lower rate of inflation in the longer run, since the pretax rate of return required on invested capital can fall for the same after-tax rate of return. In addition, it will lessen the dependence of most corporations on the bond markets, which have already had trouble absorbing the full amount of debt issues. If this reduction is not included as part of the overall tax package, inflationary pressures during 1976 will reemerge, and the CPI increase will return to a 7% rate by the end of next year.

THE ENERGY PROGRAM

Unlike the Ford tax program, the recently proposed energy program has no redeeming features. It is even more puzzling because the basic aims which the President says he would like to pursue are reasonable and agreeable to wide segments of the population. Yet his program simply does not meet these aims. If I understand correctly what Mr. Ford has recently said, he would like to accomplish with his energy policy:

(1) Reduce our long-term dependence on imported oil, both by using less petroleum products and by switching from foreign to domestic sources of oil.

(2) Provide a total package which would be at least mildly stimulative in view of the present severe recession.

(3) Avoid worsening the plight of the automobile industry, which is in its worst slump in seventeen years.

(4) Keep the additional inflation engendered by higher petroleum prices to a minimum, since while inflation may no longer be Public Enemy Number One, it is still extremely unpopular.

(5) Perform all this with the minimum amount of disruption of capital markets and increases in interest rates.

As I have mentioned on several previous occasions, the way to meet these five goals is to place a 30 cents per gallon tax on gasoline, coupled by a personal and corporate income tax cut, increased expenditures on mass transit, and a horsepower tax and credit which would discriminate against cars with low fuel efficiency and in favor of those with high fuel efficiency.

Such a move would raise consumer prices only 1.0% above baseline levels, compared to 2.8% for the complete Ford package. We have estimated that a 30¢ increase in the gasoline tax would reduce oil usage by one million barrels per day instead of the 500,000 barrel-a-day reduction which would occur under the Ford program, since our estimate of the short-run price elasticity for gasoline is −0.2, compared to −0.1 for all petroleum products. Furthermore, a massive shift to smaller cars could reduce total use of gasoline by 10% the first year and as much as 50% over a ten-year period; this cannot be accomplished nearly as effectively by simply raising petroleum prices. The loss to consumers through higher gas taxes would be $25 billion, which contrasts with almost $40 billion resulting from the proposed excise taxes and deregulation of oil and new natural gas.

The deregulation of oil and new natural gas is an attractive feature of the Ford program and one which should have been undertaken earlier. However, the chief benefit of the bill is eliminated under the proposed terms of the windfall profits tax, which does not allow firms to reduce their tax burden if they invest more in exploration, drilling, and production facilities. The increase in price is not only supposed to blunt demand; it is supposed to increase domestic supply. The investment offset, which was included in the October version of an energy program, should definitely be reintroduced if the Ford program is to be implemented. However, I still believe that a tax at the gasoline pump is far preferable to one at the oil well.

This view is shared by a large number of economists and even politicians. Hence in my opinion there is virtually no chance that President Ford's energy bill will pass intact. A large tax on gasoline is not very popular with consumers, and could be passed only if it were to receive a strong endorsement from the executive branch, which is obviously not forthcoming. As a result we will get no energy package this year, except for a possible phase-out of the depletion allowance. The President has evidently decided to impose an excise tax of $1, $2 and $3/bbl. on imported crude oil in February, March and April, but that will be all. Excise taxes on oil and gas will not be increased, and prices will not be deregulated. We will thus continue to rely more and more heavily on imported oil. Eventually, I hope that the country will figure out that a gasoline tax is the best answer to this dilemma, but that will not happen before the next election.

FISCAL STIMULUS OF FORD PACKAGE

We now consider the economic implications of (a) no Ford package at all, (b) what we consider to be the most likely Ford package, (c) the complete Ford package, and (d) the Joint Economic Committee proposal. The assumptions for case (b) are listed below.

(1) Congress will pass a tax rebate of 10%, with the maximum cutoff at $200 rather than $1000. The minimum rebate will equal the lesser of $100 or the taxpayer's 1974 income tax liability. The maximum rebate will be $200 and will be reduced by $1 per every $100 of adjusted gross income between $20,000 and $30,000, with taxpayers above this level receiving a rebate of $100.

(2) The personal income tax table will be revised at the low end, with the net effective cut equal to $8.4 billion. This will be passed by midyear but will not be made retroactive to the beginning of the year. Subsequent legislation will make these changes permanent.

(3) The investment tax credit will be increased to 10% on a permanent basis, including utilities and will also be effective at midyear. No special distinction will be made between new plants which use oil and gas and those that do not, and the offset will be 50% for all firms and will not rise to 75% for utilities.

(4) The first $50,000 of corporate income will be taxed at 22%, up from the first $25,000.

(5) No windfall tax will be placed on profits, because oil and gas prices will not be deregulated. The depletion allowance, however, will be phased out.

(6) The tax credit for home insulation will be included, but will amount to only $0.5 billion.

(7) No change will be made in the marginal statutory Federal corporate income tax rate for corporate income above $50,000.

(8) Grants-in-aid will rise by $2 billion to cover the cost of higher-priced oil for state and local government.

(9) Social security and other transfer payments will continue to rise as previously projected; the 5% ceiling will not even be considered.

(10) President Ford will use his powers to raise imported crude oil prices by $1, $2, and $3/bbl. on February, March, and April 1st respectively. These will result in an increase in excise taxes of $4.2 billion by midyear, with this figure remaining in force throughout the remainder of the forecast period. Imports of petroleum will be reduced by $0.7 billion; this figure represents a decrease of only 0.18 MMBD of imported oil.

These increases will stick because Congress will be unable to override President Ford's veto. However, no further exogenous increases will be forthcoming for either oil or gas prices during the remainder of the forecast period.

In addition to the partial and complete Ford packages, we also consider the Joint Economic Committee proposal, which includes the following stimulative policies:

(1) A $10 billion rebate on 1974 tax liabilities to be paid out in the second quarter of 1975.

(2) A reduction of $20 billion in personal income taxes through 1976.

(3) A $3 billion increase in the investment tax credit for 1975 and 1976.

(4) Growth in M-1 of about 10%.

(5) An $8 billion increase in FY 1976 Federal outlays, including a removal of the proposed 5% ceiling on transfers and some reduction in defense spending.

We have also analyzed the effect of this plan. All plans provide a substantial amount of fiscal stimulus during the latter half of 1975. The complete Ford program has a larger ex ante deficit, but because of the higher rate of inflation, more funds are recaptured in tax revenues. Even on an ex post basis, both plans are definitely stimulative; a deficit of $36 billion, even if only for half a year, clearly does result in an upturn in economic activity.

The pattern is completely reversed in 1976, when it becomes clear that the Ford package restrains the economy. It is extremely difficult to make a case for such a package, given that the unemployment rate is still expected to be over 7½% at the end of this year for all three scenarios. The windfall profits tax of $12 billion plus the excise tax of $20 billion far overshadow the $19 billion decline in personal income taxes. In addition, the extra $15 billion—the difference between the ex ante and ex post deficits—represents the additional amount which consumers will have to pay because of higher prices.

Yet even these figures do not fully measure the cost to the consumer of the Ford package for oil and gas. According to this program, the following changes will occur:

(1) A tax of $2/bbl. on all crude oil and imported petroleum products. At present the usage is about 17.2 MMBD, with a drop expected to 16.7 MMBD at the higher prices. This is equal to $12.2 billion.

(2) Deregulation of old oil, which would raise the price from $5.25 to $11.00/bbl. before the excise tax. This affects approximately 7 MMBD, for a total of $14.7 billion.

(3) An excise tax of 37c/mcf on natural gas. At present usage rates are about 25 billion mcf, with a drop expected to about 24 billion mcf at the higher prices. This is equal to $8.9 billion.

(4) Deregulation of new natural gas, which might raise the price as high as $1.50/mcf. We have assumed a current average price of 42c/mcf, which implies an increase of as much as 70c/mcf over and above the excise tax. While this change would occur slowly, it would have a substantial effect by 1980.

As a result of these increases, consumers would be faced with a bill which would be as much as $40 billion higher. In addition to this they would have to pay an additional $15 billion in taxes because their nominal incomes would have been increased by inflation. This is hardly offset by a $19 billion decline in personal income taxes. Thus the Ford program turns from mildly stimulative in late 1975 to definitely restrictive in 1976. In comparison, the partial Ford program, which includes the same tax rebate and a smaller tax cut but no energy program, remains stimulative throughout the forecast period. The JEC proposal is the most stimulative of any alternative considered here. This can be seen by comparing percentage changes in real GNP and industrial production and the unemployment rate for our three alternative scenarios, as given in Table 1.

TABLE 1

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar 1975	Calendar 1976	Fiscal 1976	Fiscal 1977
Real GNP:												
No Ford program	−5.1	−1.6	1.3	2.8	5.1	6.2	6.8	6.7	−3.3	4.3	3.9	6.2
Partial Ford program	−5.0	−2.3	2.2	3.9	5.0	5.6	6.2	6.1	−3.3	4.4	4.2	5.6
Complete Ford program	−5.0	−2.7	1.3	4.2	5.0	3.6	3.5	4.4	−3.4	3.5	3.5	3.8
JEC	−4.7	2.1	4.8	4.6	6.3	6.6	6.3	5.7	−2.0	5.7	5.6	4.5
XIP:												
No Ford program	−11.5	−4.6	−2.9	.9	6.0	8.3	7.6	8.0	−6.1	4.1	3.1	7.4
Partial Ford program	−15.5	−4.7	.1	2.2	6.4	7.9	7.0	7.2	−5.7	4.6	4.2	6.7
Complete Ford program	−11.5	−4.6	1.8	4.2	5.9	5.9	4.5	4.3	−5.4	4.2	4.5	4.1
JEC	−15.5	−.3	2.8	5.6	9.3	9.9	7.7	6.7	−4.4	7.2	7.0	5.1
Unemployment:												
No Ford program	8.4	8.8	9.1	9.2	9.1	8.8	8.5	8.2	8.9	8.7	9.0	8.1
Partial Ford program	8.4	8.8	9.0	9.1	8.9	8.7	8.4	8.2	8.8	8.5	8.9	8.1
Complete Ford program	8.4	8.8	9.0	9.1	8.9	8.6	8.5	8.4	8.8	8.6	8.9	8.3
JEC	8.4	8.7	8.8	8.7	8.4	8.1	7.8	7.5	8.6	7.9	8.5	7.5

As can be seen from Table 1, we expect a modest recovery in the latter half of 1975 with or without any tax cuts or rebates. However, the magnitudes are considerably different. Under the baseline case, real GNP rises only 2.0% in the second half of the year, while it rises 3.0% with the partial Ford program and 2.7% with the complete program. The JEC program is clearly the most stimulative, as it raises real GNP growth to 4.7% during the latter half of 1975. During 1976, the economy returns to a period of rapid growth under all programs except the complete Ford program, but the JEC program remains the most stimulative until later in 1976.

The pattern of unemployment is not particularly encouraging under any scenario, as all estimates start off from the 8.2% January figure. The unemployment rate reaches 9% for all cases examined here except the JEC proposal, which holds it at 8.8% in the third quarter. The partial Ford program reduces unemployment by about 0.2% in early 1976, but by the end of the year the advantage has disappeared. The complete Ford program provides an equal amount of stimulus in latter 1975 but, becase it turns restrictive in 1976, ends up with a higher rate of unemployment. Only the JEC alternative reduces the unemployment rate to 7½% by the end of 1976, a level which is still unacceptably high. Thus we have ample time to increase capacity if business incentives are not stifled. Table 1 should make clear, however, that the complete Ford program, because of its much more restrictive overall constraints, is clearly the worst alternative in terms of real growth, and in fact is inferior to doing nothing at all. The partial Ford program, which we think is the most likely one to be passed, at least has definite stimulative action. The JEC program is clearly the most stimulative, but as we shall see below, could eventually lead to a resumption of inflationary pressures.

EFFECT ON PRICE AND MONETARY VARIABLES

We now turn to an examination of the effect which the Ford program has on inflation and on financial markets. The deregulation of old oil and a $2/bbl. tax on all crude and imported products would raise the wholesale price index for petroleum products by 47% and the industrial WPI by 3.0%. A 37c/mcf excise tax would raise the WPI for natural gas by 90% and the industrial WPI by 3.8%. These are the changes which would occur with normal markups; wholesale prices actually rise somewhat less than that because price increases are not fully passed along, at least in the first year. We estimate that on an ex post basis, the industrial WPI rises 5.0% more because of these increases. The CPI rises 2.0% because of these higher gas and oil prices, with an additional 0.8% due to the secondary effects of cost-push inflation. All these results are shown in Table 2.

TABLE 2

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar 1975	Calendar 1976	Fiscal 1976	Fiscal 1977
CPI:												
No Ford program	8.8	6.7	5.7	6.9	6.8	6.3	6.2	6.8	9.3	6.7	6.4	6.5
Partial Ford program	8.8	7.9	6.9	7.3	6.8	6.4	6.5	7.1	9.7	7.0	6.8	6.7
Complete Ford program	8.8	9.1	15.3	5.6	8.1	7.5	6.8	7.3	11.0	8.5	9.2	7.1
JEC	8.8	6.5	5.6	6.8	6.9	6.6	6.6	7.2	9.2	6.8	6.5	6.9
WPI, industrial:												
No Ford program	7.0	8.1	9.7	7.3	7.8	5.4	6.6	5.9	13.1	7.4	7.5	6.1
Partial Ford program	7.0	9.9	11.8	7.4	7.7	5.4	6.6	5.9	13.7	7.8	8.1	6.0
Complete Ford program	7.0	11.5	29.0	7.4	8.1	5.5	6.1	6.0	16.5	10.1	12.5	6.2
JEC	7.0	8.2	10.0	7.4	7.9	5.4	6.5	5.8	13.1	7.5	7.7	6.0
GNP deflator:												
No Ford program	7.3	7.5	6.3	7.3	6.3	5.9	6.0	6.4	9.2	6.6	6.5	6.1
Partial Ford program	7.4	8.7	7.4	7.9	6.6	6.2	6.2	6.6	9.7	7.1	7.0	6.3
Complete Ford program	7.3	9.9	15.5	8.1	9.3	7.7	7.2	7.1	11.0	9.5	10.2	7.0
JEC	7.4	7.1	6.1	7.0	6.2	6.1	6.2	6.8	9.1	6.6	6.4	6.5

The 2.8% figure for the CPI increase reflects both the higher cost of oil and gas and the fact that higher prices would lead to higher wages, higher unit labor costs and still higher prices. It also takes into account the inflationary effect of higher interest rates. In contrast we have negligible price effects from the partial Ford program; the PI for petroleum products is raised only 6% and natural gas prices do not rise at all. As far as the relative effects on inflation are concerned, it is strictly no contest between two alternatives; the complete Ford program clearly has the greatest inflationary effect.

The JEC program has no measurable effect on prices in 1975 as compared to the no change alternative; it results in less inflation than either the partial or complete Ford program because it contains no increase in petroleum or natural gas prices. The main reason why prices do not show any additional increase under the JEC program is the great amount of excess capacity which will exist all year. In addition, however, it should be noted that the larger tax cut increases real disposable income by a larger amount, hence mitigating the upward pressure on wage demands.

The picture is changed somewhat in 1976, when the increase in the CPI under the JEC program begins to rise about ½% faster than the no change alternative. This may not seem like a large amount, but inflationary pressure intensify over time and the effect in 1977 is likely to result in an increase in the rate of inflation rather than the decrease which would otherwise occur. Thus this stimulus should not be continued indefinitely.

The effects on the Federal deficit, the commercial paper rate, and the Aa corporate bond yield are shown in Table 3.

TABLE 3

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar 1975	Calendar 1976	Fiscal 1976	Fiscal 1977
Federal deficit:												
No Ford program	40.2	44.7	38.1	38.3	42.5	38.5	34.7	32.9	40.3	37.2	39.4	27.0
Partial Ford program	40.2	41.6	78.4	47.4	50.0	46.2	42.6	41.2	51.9	45.0	55.5	35.4
Complete Ford program	44.2	44.6	77.1	69.1	23.1	19.1	17.0	16.4	58.8	18.9	47.1	10.2
JEC	43.1	85.2	60.2	58.4	61.3	56.6	52.9	51.4	61.7	55.6	59.2	37.2
Commercial paper rate:												
No Ford program	6.71	5.14	5.61	6.24	6.76	6.92	7.08	7.29	5.93	7.01	6.38	7.48
Partial Ford program	6.71	5.17	6.05	6.23	6.71	7.05	7.20	7.41	6.04	7.09	6.51	7.59
Complete Ford program	6.71	5.21	6.31	6.40	6.96	7.32	7.47	7.62	6.16	7.34	6.75	7.79
JEC	6.71	5.22	5.59	6.35	6.94	7.15	7.34	7.56	5.96	7.24	6.51	7.73
Aa corporate bond yield:												
No Ford program	8.89	8.26	8.46	8.85	9.09	9.15	9.25	9.37	8.62	9.22	8.89	9.42
Partial Ford program	8.89	8.31	8.71	9.01	9.17	9.30	9.44	9.56	8.73	9.37	9.05	9.60
Complete Ford program	8.89	8.36	9.11	9.32	9.62	9.79	9.93	10.02	8.92	9.84	9.46	10.05
JEC	8.89	8.21	8.36	8.81	9.12	9.26	9.41	9.56	8.55	9.34	8.89	9.60

It is clear that the Federal government deficit will be quite large even if no program is implemented. This is a direct result of the decline in personal and corporate income and not a result of an increase in the rate of government spending. The very large deficit given under the JEC alternative for 1975.2 stems from the assumption that a tax rebate would be granted during the second quarter; in the other simulations we have assumed that it would be implemented in the third quarter. The deficit for fiscal 1976 ranges from $40 to $60 billion, depending on which alternative is chosen, which represents between 2.7% and 4% of current dollar GNP. This compares with the previous peak values of 3.2% in 1953.4 and 2.8% in 1958.2.

Because the demand for credit in the private sector has dropped so radically during the past six months, we estimate that this deficit can be absorbed by the financial markets without undue dislocation. Our forecasts for both short-term and long-term interest rates show only a modest rise in rates due to the higher deficit levels. The highest interest rates occur under the complete Ford package, which has the lowest deficit but the highest rate of inflation. The decline of some $50 billion in borrowing for inventory investment from mid-1974 to mid-1975 provides sufficient funds for government deficits of this magnitude.

MAXIMUM STIMULUS TO THE ECONOMY

We have also been asked to comment on the policies which might produce a 9% growth rate from the fourth quarter of 1975 to the fourth quarter of 1976. This compares with the maximum rate of 6.2% for the JEC program as indicated in Table 1.

According to Okun's Law, an additional 3% real growth would reduce the rate of unemployment by about another 1%, hence returning this rate to 6½% by the end of 1976. Since 6½% is still well above the level of unemployment previously characterized as satisfactory, it might be thought that such rapid growth would cause no particular problems. Furthermore, since the effect on inflation of the JEC program is only to add ½% to the rate of inflation next year, it might be argued that the risk is worth it. However, this is not my opinion.

The last two years of economic activity have pointed up the vulnerability of the American economy in several areas. It was less than a year ago that we appeared to have shortages of almost every major commodity. We have added virtually no productive capacity to the economy in 1974, and according to current investment plans will add virtually none in 1975. Thus once we reach the level of demand which occurred at the end of 1973, we will once again find ourselves in a picture of serious shortages unless something is done to increase capacity in the meantime. This can be done successfully, but not immediately. We need incentives to business to increase capacity, and we need time to order and deliver this capital plant and equipment. In addition, many firms find themselves unable to raise capital either from internal or external sources, hence precluding their decision to expand or modernize.

Several economic commentators have noted that the unemployment rate which occurs at peak capacity has been drifting upward. Some have suggested that this is due to a change in the labor force characteristics, and that the unemployment rate for married men at business cycle peaks has remained relatively constant. That is part of the story, but not the entire reason. At the last business cycle peak the economy had clearly run out of capacity. While the ratio of fixed business investment to GNP at this cyclical peak was similar to previous peaks, the growth in productivity and capacity over the past five years has fallen far short of the average postwar performance, particularly in the area of raw materials and fabricated metal products. While many forces have combined to cause this to happen, they can be lumped together under the area of lack of incentive to cause these companies to expand. The wage-price controls, an overly tight monetary policy and high interest rates, and diversion of capital spending to meet environmental and safety requirements are all part of the picture. Thus if we are going to employ more labor, we are going to need a larger capital stock to do it—unless we are going to revert to make-work projects and a decline in national productivity, a suggestion which I do not believe is endorsed by any economist.

Thus stimulus must be in the direction of expanding plant and equipment spending as well as restoring real disposable income to its previous level. The latter can be done over a relatively short time frame through tax cuts and increased transfer payments, but the former takes at least two years to have a significant effect. Thus stimulating the economy too fast would simply result in a return to shortages without reaching what used to be considered the range of full employment.

In my opinion, therefore, a 9% growth rate during 1976 is too fast. There have been only two times in the postwar period when real GNP has increased by 9% or more for four quarters or more in a row. The first time was at the beginning of the Korean War, which clearly put excessive strains on the economy. The second time was immediately following the recession of 1958. However, the fourth quarter of that spurt was the pre-steel strike inventory buildup; if we take the five-quarter average, it was only 8.2%. Furthermore, and probably more important, the economy had significant excess capacity in 1959, the financial markets were in decent shape, and the rate of inflation was already close to zero; obviously none of these apply today.

In my opinion, the $30 billion tax cut which the JEC has proposed can be implemented in 1975 with virtually no ill effects on the economy. If this were to be continued into 1976, however, we would begin to reenter the area of inflationary pressures, and by 1977 problems of double-digit inflation would reappear—unless concomitant action is taken to increase the supply of productive capital to the American economy. Even if this were to occur, I believe that a 9% rate of growth during 1976 is faster than the economy, in its current depleted condition, can safely handle.

EXPLAINING THE ADMINISTRATION'S ECONOMIC PROGRAM

(By Franco Modigliani)

The life of an economist is a difficult one these days since friends and acquaintances hail you with digs about economics and with demands for explanation, as if you were responsible for the whole mess. Last night I saw Jim, my next door neighbor, while we were shoveling snow. He had read about the President's program and wanted me to explain what it was aiming at and why. I am recording here our conversation so that I can use it again.

"To comprehend the administration program," I stated, "you must appreciate its priorities. Judging from official statements, I would say the administration's top three targets are: to achieve a reduction in inflation not only in 1975, but also in 1976 and beyond; to bring the recession to an end so that the growth of output can resume and unemployment can be reduced; and to adjust the economy to the higher cost of fuel and reduce oil imports as energy security requires. Other goals include reviving residential construction activity, encouraging in-

vestments to relieve capacity shortages and to increase productivity, stopping the erosion of the private sector by the public sector, instituting sound government finances and strengthening international ties, recognizing that what economic policies we pursue affect the economies of other nations."

"Well," said Jim, "this sounds like an excellent set of goals. But I am interested in some concrete targets. Take inflation, for instance. How much are they aiming to reduce it next year?"

"You must remember that inflation was quite high this past year, about 10%. If they succeed in hitting their target, inflation will be 11% in the coming year."

"But that is an increase, not a decrease . . . How is that possible with all the unemployment and idle capacity we have?"

"You are right that the unemployment would tend to reduce the inflation, but the administration is expecting to achieve its 11% by leving 30 billion dollars of new taxes on oil and other sources of energy; that is a hefty amount, about one and a half times as much as all the excise taxes we are presently collecting. The administration figures that this will add some 2% to the rate of inflation, and most other economists think it will add even more. So, with that kind of tax, they should have no trouble meeting their 11% target."

"But why do they want to put all those taxes on oil?"

"Oh, it is quite simple—in order to reduce imports by one million barrels per day right now. And that is very important because one cannot exclude altogether the possibility of an oil embargo—and in that case we might have to reduce oil imports later on."

"I don't quite get your explanation."

"Oh, that's because it is a very sophisticated policy. Can't you see how a prudent doctor might prescribe to a heavy smoking patient to have a lung removed right now because, should it ever get cancerous, it would have to be removed later on anyway."

"While I think this out," said Jim, "would you tell me by how much they are aiming to reduce unemployment next year?"

"Again, you must remember that unemployment was quite high at the end of 1974, about 6.6% on average in the last quarter, and that one cannot change unemployment very fast. But the administration counts on getting it to 8½% by midyear, and to an average of over 8% for the year; they are well on their way to achieving this target as unemployment has already reached 8.2%."

"But that seems to be going in the wrong direction. How did they ever arrive at that target?"

"Well, that is related to the goal of resuming the growth in output. In 1974, output had the worst decline of the postwar period, somewhat over 2%. But for 1975, the administration is planning to beat that record by targeting a 3–4% decline."

"But how did they reach that target? It sounds terrible, and surely there must be a very good reason for the choice."

"Indeed there is. But if you really want to understand it, you must follow me for a moment into the intricacies of economic theory. You see, the administration now is under the spell of a sect of economists known as The Monetarists, whose Mecca is the Windy City. The Monetarists have a rather simple creed which can be summarized to a good approximation with the following four axioms: (1) Money income is proportional to the quantity of available money (don't bother to ask me what they mean by money, because they have different definitions which they colorfully call M_1, M_2, M_3 and M_4; and this is helpful, for having some choice, they find it easier at every occasion to pull out the one definition that fits their axiom). (2) The economy is always at full employment except for negligible lapses to which no attention should be paid, especially since they are invariably caused by the meddling of government. And one of these days, they hope they will get rid of that. (3) At full employment, U.S. output rises around 4% per year; therefore, if the price level is to stay constant, money income must also rise 4% per year. (4) The stability of the price level is the most important objective and the one to which all others must unconditionally yield. Combining axiom (4) with (1), one reaches the sect's first and only commandment: 'Thou shalt not countenance M_1 to rise more than 4% per year.' More recently, however, the sect has been infiltrated by some heretics who have maintained that because of the increase in the prices of imported goods, like oil, it may be appropriate to make a brief exception and let money rise by 6%, and in fact even a trifle more, to allow for the administration's 30 billion dollar tax on oil. Now, if the money supply growth target is 6–7%, it follows from axiom (1) that the administration target for money income growth must be set at about 7%. But, since the target increase in prices is 11%, the target change in output works out to a decrease of 3–4%. Are you with me?"

"Well, frankly I am somewhat baffled. I should have thought that one would arrive at a reasonable target for income, and then derive from that the appropriate target for money growth."

"You have a point there, and some arch heretics like myself and many others have worked out alternative monetary and fiscal policies which might get us back at least to the same unemployment rate we had last quarter—say 6½%—by year end, and reduce the rate of inflation by a couple of points, and by somewhat more in later years. But that would likely require an increase of the money supply well over 10% and maybe as high as 15% in some quarters. Now, The Monetarists will explain to you that you should *never* let the devil tempt you into using your *common sense*. For, if you once let the money supply rise faster than 4%, let alone 6%, you may forget later on to turn down the faucet when you get close to full employment. And money may keep rising, of course unnoticed, forever at 15%, and you will soon have prices rise at 11% per year. Would you like that? There is only one way to avoid that danger, and that is to resist any temptation and stick closely to the 4% rule."

"Is the administration doing at least something to encourage investment?"

"They are counting on the high interest rates that will be brought about later this year by the 6% money supply commandment to reduce them by some 10% and to reduce residential construction by another 15%—which, however, is but a small decline seeing that there is hardly any residential construction activity left by now. Actually their monetary policy would bring about a substantially greater reduction in investment and construction, but they feel that the above reductions are adequate for the moment, and in order to counteract the effect of monetary policy, they are going to give some subsidies both to investment and to housing."

"I don't understand you. If they don't want investment and housing to fall, why don't they pursue an easier monetary policy instead of subsidizing them?"

"The answer is simple—by pursuing their game plan, the target level of investment will be achieved at a substantial cost to the government. Now, as I have told you before, one of the important goals of the administration is sound finances, and that means doing away with large government deficits. In line with this goal, they have targeted a deficit of 52 billion for 1975, the largest in any peace time year. It would be hard to reach that goal unless they can budget a few subsidies here and there. Another device they are planning to use is to stimulate consumption through a temporary reduction in taxes, the method which is known to yield the largest deficit per dollar of stimulus."

"What about the target of putting an end to the growth of the public sector at the expense of the private one?"

"Oh, that is being accomplished by a complex program of first creating a serious depression so that people get thrown out of *private* employment and then re-employing them in the *public sector* through a Public Employment Program."

"What about international cooperation? Are our policies going to help the rest of the world?"

"Most assuredly. Our unemployment will hopefully spread to the other countries and make a prime contribution to their fight against inflation."

"All this seems dreadful. Is there any chance that things will work out differently from what they say?"

"Well, there are those who suspect that the administration has put out this gloomy forecast in order to take credit if things should work out better. But I believe in their sincerity, and I am confident that provided they can keep Congress from disrupting their carefully worked out program, they may well succeed in hitting their targets right on the head."

"I have a feeling that you are laughing about the whole thing."

"No, Jim. But I am *trying* to laugh. I am too old to cry."

THE 1975 ECONOMIC OUTLOOK AND POLICY ANALYSIS

(By David M. Rowe)

This statement is accompanied by summary forecast results for three different solutions.

MODIFIED CONTROL SOLUTION

The first is a slightly modified version of Wharton EFA's latest Control Forecast in light of the recent unemployment statistics. This forecast makes the following basic public policy assumptions:

1. Significant increases in defense purchases to levels somewhat below those in the official Administration budget. Both defense and non-defense purchase assumptions assume pay increases of more than the proposed five percent ceiling.

2. Federal transfer payments to persons growing at rates faster than those in the proposed budget. These transfers include an assumed 8.5% social security increase effective in 1975 third quarter and a 5.5% increase effective in 1976 third quarter.

3. Grants-in-aid to state and local governments include a $3 billion per year jobs program which is phased in slowly beginning in the second half of 1975. It is assumed that this jobs program results in an increase of 350,000 employees on state and local government payrolls.

4. A rebate on 1974 personal income taxes of 10% up to $300 per return. In addition, we have reduced the four lowest income tax bracket rates by 2% and increased the personal exemption to $850 per person. We estimate these changes result in permanent tax reductions of $8 billion. We have also assumed a reduction in current overwithholding by $5 billion per year.

5. A permanent increase in the investment tax credit to 10%, effective in 1975 third quarter.

6. Some deregulation of the price of "old oil". Accompanying this we have assumed a modest oil excise tax producing revenues of $5.5 billion.

This Control Forecast shows a further significant decline in real activity in the first quarter of 1975. This is largely the result of slower inventory accumulation and, in the case of automobiles, actual inventory reductions. In addition, however, the forecast shows further declines in real consumption spending, especially for consumer durables. Price adjusted non-residential fixed investment also shows a continued decline through 1975 and only recovers late in 1976.

REVISED FORD SOLUTION

The second attached solution reflects the policy proposals made in President Ford's recent State of the Union Message and further detailed in the official budget documents released in early February. These policies have been introduced in as much detail as the model structure permits. Since various aspects of the budget depend on economic activity, the exact budget results are not duplicated in this forecast. Specific assumptions in this forecast include the following:

1. Defense and non-defense spending as estimated in the preliminary translation of the budget to a national income basis as released by the Office of Management and Budget.

2. A $12 billion personal tax rebate on 1974 taxes, 40% to be paid in the second quarter and 60% to be paid in the third.

3. A temporary one-year increase in the investment tax credit rate to 12%.

4. A permanent personal tax reduction of $16.5 billion, effective June 1, 1975 and retroactive to January 1, 1975.

5. A permanent reduction in the corporate profits tax rate from 48% to 42%.

6. Deregulation of the price of "old oil", and imposition of a $2 per barrel equivalent excise tax on oil and natural gas. In addition, we assume a "windfall profits tax" in the form of a sliding excise tax on old oil as the price rises. The total revenue from these oil excise taxes is assumed to be in excess of $30 billion per year.

7. An increase of $2 billion per year in state and local government expenditures to cover the higher cost of fuel.

ALTERNATIVE SOLUTION WITH $30 BILLION TAX CUT AND $8 BILLION JOB PROGRAM

The third attached solution represents a more expansive government policy aimed at fighting the current recession. In this solution we have made the following assumptions:

1. A $10 billion rebate on 1974 personal income taxes, payable completely in the second quarter of 1975. We have further assumed a $20 billion permanent tax cut effective June 1, 1975 and retroactive to January 1.

2. An increase in the investment tax credit rate to 10% from 1975.3 through 1976.4.

3. An $8 billion jobs program which employs one million men. This program becomes one-third effective in 1975.3, two-thirds in 1975.4 and is fully implemented by 1976.1.

4. A change in the mix of government spending which shifts $4.5 billion from defense to personal transfers in fiscal 1976.

5. No freeing of the price of "old oil" and no associated excise tax. In light of this we have reduced federal spending by $3 billion compared with the official budget estimates which include additional spending for more expensive fuel.

DISCUSSION OF THE SOLUTIONS

These solutions clearly show the serious nature of the current economic slowdown. We are in the midst of what will certainly become the longest and most severe of the postwar recessions. The need for significant government action to halt the continuing decline in private spending should be obvious.

On the issue of prices, it is important to realize due to excess capacity, stimulating policy will have less inflationary impact that we have developed and are continuing to develop significant excess capacity in the U.S. economy. In this context, stimulative government policy has a much smaller impact on prices than is the case when we are operating at near maximum capacity. In fact, improving real output levels can have a favorable impact on productivity and remove some pressure on prices from unit labor cost. While the gains from such short run productivity improvements may be modest, they can be important when capacity utilization pressures are at a minimum.

The needed policy shifts call for a significant stimulus from government taxation and spending policies in the near future. Lacking such government action, the current decline in economic activity will surely continue well beyond the middle of 1975. It is important to recognize, however, that the return to full employment should be an orderly one. We cannot expect a dramatic upsurge in activity to near full employment and capacity without a serious risk of an additional inflationary outbreak. It would be tragic indeed if the very legitimate concern for those suffering the most from the current slowdown were to lead to policies which create inflationary pressure which once again could only be broken by periods of high unemployment and declining real economic activity. If we are to avoid major future swings in real activity, it is important that both political parties stop creating public expectations which cannot be fulfilled. Our understanding of economic processes has improved dramatically in the last thirty years. Recent experience should show us, however, that minute "fine tuning" is not a practical possibility given the current state of our understanding and the necessarily slow moving nature of the political processes needed to implement public policies. If we are not satisfied with occasionally operating at output levels moderately below full capacity, more serious cyclical swings are inevitable.

WHARTON MARK IV QUARTERLY MODEL, FEB. 14, 1975

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM TABLE—1. SELECTED MAJOR ECONOMIC INDICATORS

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1.	GNP$	I—Gross national product	1,428.0	1,430.5	1,468.3	1,496.5	1,537.3	1,572.8	1,616.6	1,660.3	1,702.9	1,396.7	1,483.2	1,638.1
2.	GNP$	I—Percent change gross national product.	3.35	8.71	10.99	7.88	11.38	9.55	11.61	11.24	10.67	7.86	6.19	10.45
3.														
4.	GNP	I—Real gross national product	803.7	787.9	799.3	803.5	812.5	817.2	827.5	838.3	848.3	821.1	800.7	832.8
5.	GNP	I—Percent change, real gross national product.	−9.10	−7.66	5.92	2.13	4.32	2.58	5.13	5.33	4.83	−2.15	−2.49	4.02
6.														
7.	YN$	I—National income	1,164.3	1,163.7	1,196.2	1,214.8	1,250.5	1,280.6	1,318.1	1,354.9	1,390.4	1,142.2	1,206.3	1,336.0
8.														
9.	YP$	I—Personal income	1,186.4	1,201.6	1,226.5	1,250.5	1,280.8	1,303.3	1,333.9	1,372.4	1,406.1	1,150.4	1,239.8	1,353.9
10.														
11.	PDGNP	I—Implicit price deflator, GNP	177.7	181.6	183.7	186.2	189.3	192.5	195.4	198.0	200.7	170.2	185.2	196.7
12.	PDGNP	I—Percent change, implicit GNP deflator.	13.69	9.06	4.79	5.64	6.77	6.80	6.17	5.62	5.57	10.29	8.84	
13.														
14.	PXP	I—Implicit price deflator, private GNP.	170.7	174.5	176.7	179.1	181.7	184.8	187.8	190.3	192.7	163.3	178.0	188
15.	PXP	I—Percent change, private GNP deflator.	13.71	9.14	5.03	5.71	5.90	6.96	6.37	5.82	5.11	10.70	8.97	.9 6.12
16.														
17.	PC*	B—Percent change, consumer price index.	12.17	9.38	5.59	5.99	5.92	6.90	6.32	5.69	4.72	11.04	9.05	6.12
18.	PW*	B—Percent change, wholesale price index.	14.69	11.91	7.70	4.78	2.64	2.87	1.30	1.86	1.62	18.81	12.40	2.85
19.														
20.	PRO2	Private output per manhour	5.71	5.67	5.79	5.84	5.90	5.92	5.98	6.03	6.08	5.80	5.80	6.01
21.	PRO2	Percent change, private output per manhour.	−2.10	−3.03	8.96	3.17	4.04	1.79	3.87	3.82	3.31	−3.83	−.10	3.56
22.														
23.	WRCPV$	T—Private compensation per manhour.	5.64	5.76	5.86	5.95	6.05	6.17	6.29	6.40	6.51	5.46	5.91	6.34
24.	WPCPV$	I—Percent change, private compensation/manhour.	8.58	8.20	7.57	6.16	7.14	7.72	7.89	7.54	7.03	8.54	8.10	7.37
25.														
26.	NRUT	B—Unemployment rate (percent)	6.54	8.31	9.04	9.33	9.14	8.64	7.97	7.28	6.69	5.59	8.95	7.64
27.														
28.	NETEX$	Net exports, current dollars	1.1	2.8	3.0	4.2	4.0	3.7	.6	−3.8	−6.4	1.9	3.5	−1.5
29.														
30.	FM1$	I—Money supply, M1	282.8	286.2	292.3	298.8	305.0	311.5	318.3	326.1	333.5	278.6	295.6	322.4
31.	FM1$	I—Percent change, money supply, M1.	3.37	4.78	8.94	9.08	8.66	8.74	9.05	10.19	9.32	5.62	6.10	9.06
32.	FM2$	I—Money supply, M2	611.4	622.7	637.8	654.0	669.5	685.3	710.0	717.9	734.0	596.5	646.0	709.5
33.	FM2$	I—Percent change, money supply, M2.	6.61	7.66	10.02	10.56	9.84	9.72	9.49	10.00	9.33	8.54	8.29	9.83
34.														
35.	FRMTH3MY	B—3 mo Treasury bill rate	7.36	5.97	5.79	5.22	5.83	5.73	6.08	5.92	6.22	7.83	5.70	5.98
36.	FRMCUAAAN	B—Corp AAA utility bond rate	9.63	9.44	9.33	9.12	9.31	9.32	9.31	9.16	8.88	9.33	9.30	9.16
37.	FRMCP4M	B—4 to 6 mo commercial paper rate.	9.05	6.97	6.51	6.02	6.36	6.42	6.68	6.63	6.83	9.83	6.46	6.64
38.	FRMCS	B—Moody's total corporate bond rate.	9.65	9.67	9.64	9.53	9.54	9.55	9.56	9.50	9.34	8.98	9.59	9.49
39.														
40.	YPDSAVR	I—Personal savings rate (percent)	8.47	8.62	11.44	10.92	10.88	9.67	9.46	9.75	9.64	7.83	10.47	9.63
41.														
42.	CPUBT$	I—Corporate profits before tax	132.4	117.5	123.2	122.6	131.3	139.5	148.3	156.9	162.0	140.9	123.7	151.7
43.														
44.	GVSURPF$	I—Federal surplus, NIA basis	−22.7	−36.6	−86.0	−75.8	−76.8	−59.1	−56.9	−63.2	−63.5	−7.6	−68.8	−60.7

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM; TABLE 9—FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1.	GVRF$	I—Federal Government receipts	294.6	293.9	250.5	268.7	278.6	305.5	316.1	326.4	336.1	291.0	272.9	321.1
2.	TXCPF$	B—Personal tax and nontax receipts	136.6	138.2	91.8	104.5	109.8	128.6	134.0	139.1	145.1	131.2	111.1	136.7
3.	TXCCP$	B—Corporate profits tax accrual	45.8	41.5	43.9	43.1	46.4	49.6	52.9	56.1	58.0	49.1	43.7	54.1
4.	TXCPF$	I—Ind business tax and specific oil tariff.	22.2	22.3	22.7	28.5	28.9	29.0	29.4	29.7	30.0	22.0	25.6	29.5
5.	TXCPF-OIL$	B—Indirect business tax/nontax accrual.	22.2	22.3	22.7	23.0	23.4	23.5	23.9	24.2	24.5	22.0	22.8	24.0
6.	TXCRFOTI $	F—Special oil tariff	0	0	0	5.5	5.5	5.5	5.5	5.5	5.5	0	2.8	5.5
7.	TXCSFT$	B—Contributions for social ins	90.0	91.9	92.2	92.6	93.5	98.4	99.8	101.4	103.0	88.7	92.5	100.7
8.														
9.	GVEF$	I—Federal Government expenditures	317.3	330.5	336.5	344.5	355.4	364.7	173.0	389.6	399.7	298.6	341.7	381.7
10.	GVPF$	I—Purchases of goods and services	122.8	122.9	120.8	122.3	125.9	129.9	134.2	138.7	143.2	116.4	123.0	136.5
11.	GVPFD$	E—National defense	83.5	81.0	77.5	79.1	81.9	85.3	89.3	93.3	97.3	78.6	79.9	91.3
12.	GVPFD$	E Other	39.3	41.9	43.3	43.2	44.0	44.6	44.9	45.4	45.9	37.9	43.1	45.2
13.	TRGF$	I—Transfer payments	127.1	137.0	143.3	149.5	151.8	152.8	154.6	164.1	167.1	117.0	145.4	159.6
14.	TRGFF$	E—To foreigners (net)	2.7	4.4	4.5	4.1	4.0	4.0	3.9	3.7	3.7	2.6	4.3	3.8
15.	TRGFP$	E—To persons	124.4	132.6	138.8	145.4	147.8	148.8	150.7	160.4	163.4	114.4	141.1	155.8
16.	GVGIA$	E Grants-in-aid to State and local	45.5	47.7	49.4	49.5	53.7	57.0	58.0	59.2	60.2	43.7	50.1	58.6
17.	YINTGF$	B—Net interest paid	19.7	19.0	18.9	19.1	19.9	20.9	22.1	23.4	25.0	18.8	19.2	22.8
18.	GVSUPTF$	E—Sub less currency surplus Government Entity.	2.3	3.9	4.1	4.1	4.1	4.1	4.1	4.2	4.2	2.1	4.0	4.1
19.	WALDGES	E—Less wage accrual less disbursement.	0	0	0	0	0	0	0	0	0	—.5	0	0
20.														
21.	GVSURPF$	I—Federal Government surplus: NIA basis.	—22.7	—36.6	—86.0	—75.8	—76.8	—59.1	—56.9	—63.2	—63.5	—7.6	—68.8	—60.7

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM TABLE—10. STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1.	GVRS$	I—State and local government receipts.	214.0	218.6	225.1	228.5	237.3	244.7	250.6	256.9	263.1	207.7	227.4	253.8
2.	TXCPS$	B—Personal tax/nontax receipts	41.1	41.5	42.6	43.5	45.0	46.3	47.9	49.5	51.2	39.5	43.2	48.7
3.	TXCOS$	B—Corporate profits tax account	6.5	6.2	6.5	6.6	7.0	7.3	7.7	8.0	8.3	6.7	6.6	7.8
4.	TXCBS$	I—Indirect business tax and nontax	107.6	190.6	112.8	114.7	117.1	119.2	121.8	124.5	127.3	104.9	113.5	123.2
5.	GXCBSSSLI and TO$.	B—Liquor and tobacco sales tax	5.3	5.4	5.5	5.6	5.7	5.8	5.9	6.0	6.0	5.3	5.6	5.9
6.	TXCBSSSGA$	B—Gasoline taxes	9.0	9.0	9.3	9.4	9.6	9.8	9.9	10.1	10.2	8.8	9.3	10.0
7.	TXCBSP$	B—Property tax	49.1	50.1	51.1	52.2	53.3	54.4	55.6	56.7	57.9	48.1	51.7	56.2
8.	TXCBSRES$	I—Other	44.2	45.1	46.8	47.4	48.5	49.2	50.5	51.8	53.1	42.7	46.9	51.2
9.	TXCSST$	B—Contributions social insurance	13.3	13.6	13.9	14.2	14.5	14.9	15.3	15.7	16.1	12.8	14.0	15.5
10.	GVGIA$	B—Grants-in-aid from Federal Government.	45.5	47.7	49.4	49.5	53.7	57.0	58.0	59.6	60.2	43.7	50.1	58.6
11.														
12.	GVES$	I—State and local government expenditures.	214.4	220.3	226.4	233.3	240.9	247.8	254.7	260.7	265.7	206.0	230.2	257.6
13.	GVPS$	E—Purchases of goods and services	199.6	204.6	209.6	215.6	222.6	229.6	236.6	242.6	247.6	192.4	213.1	239.1
14.	TRGSR$	B—Transfer payments to persons	21.4	22.2	22.9	23.5	24.2	24.8	25.4	26.0	26.6	20.2	23.2	25.7
15.	YINTGS$	E—Net interest paid	—1.5	—1.5	—1.6	—1.8	—1.9	—2.1	—2.2	—2.4	—2.5	—1.5	—1.7	—2.3
16.	GVSOBTS$	E—Less: Current surplus Government enterprise.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17.	WALDGS$	E—Less: Wage accrual less discount	0	0	0	0	0	0	0	0	0	0	0	0
18.														
19.	GVSUBPS$	I—State and local surplus: NIA basis	—.5	—1.7	—1.3	—4.8	—3.6	—3.1	—4.1	—3.8	—2.6	1.7	—2.8	—3.4

REVISED CONTROL SOLUTION TABLE—1 SELECTED MAJOR ECONOMIC INDICATORS

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1.	GNP$	I—Gross national product	1,428.0	1,433.2	1,455.7	1,494.3	1,535.3	1,565.9	1,603.8	1,644.3	1,687.0	1,396.7	1,479.6	1,625.3
2.	GNP$	I—Percent change, gross national product.	3.35	1.47	6.43	11.02	11.45	8.21	10.04	10.47	10.80	7.86	5.94	9.84
3.														
4.	GNP	I—Real gross national product	803.7	789.4	788.7	799.7	808.3	810.9	818.3	827.9	838.0	821.1	796.5	863.8
5.	GNP	I—Percent change, real gross national product.	—9.10	—6.93	—.36	5.70	4.36	1.28	3.70	4.80	4.99	—2.15	—2.99	3.42
6.														
7.	YN$	I—National income	1,164.3	1,164.8	1,183.6	1,212.3	1,248.4	1,274.0	1,305.9	1,339.6	1,375.5	1,142.2	1,202.3	1,323.8
8.														
9.	YP$	I—Personal income	1,186.4	1,119.8	1,219.3	1,249.4	1,280.4	1,303.5	1,332.5	1,368.0	1,402.7	1,150.4	1,237.2	1,351.7
10.														
11.	PDGNP	I—Implicit price deflator, GNP	177.7	181.6	184.6	186.9	190.0	193.1	196.0	198.6	201.3	170.2	185.7	197.3
12.	PDGNP	I—Percent change, implicit GNP deflator.	13.69	9.01	6.81	5.03	6.80	6.84	6.12	5.41	5.54	10.29	9.15	6.21
13														
14.	PXP	I—Implicit price deflator, private GNP.	170.7	174.5	177.5	179.7	182.3	185.5	188.4	191.0	193.3	163.3	178.5	189.6
15.	PXP	I—Percent change, private GNP deflator.	13.71	9.12	7.04	5.20	5.90	7.07	6.45	5.66	4.95	10.70	9.29	6.19
16.														
17.	PC*	B—Percent change, consumer price index.	12.17	9.35	7.27	5.66	5.92	7.07	6.47	5.60	4.64	11.04	9.32	6.24
18.	PW*	B—Percent change, wholesale price index.	14.69	11.90	7.73	4.80	2.64	2.88	1.31	1.86	1.61	18.81	12.40	2.85
19.														
20.	PRO2	Private output per manhour	5.71	5.68	5.72	5.82	5.89	5.90	5.95	6.01	6.07	5.80	5.78	5.98
21.	PRO2	Percent change, private output per manhour.	—2.10	—2.40	2.98	7.47	4.42	.99	3.33	3.98	3.77	3.73	—.46	3.54
22.														
23.	WRCPVS	I—Private compensation per manhour.	5.64	5.76	5.86	5.96	6.06	6.17	6.28	6.40	6.50	5.46	5.91	6.34
24.	WRCPVS	I—Percent change, private compensation per manhour.	8.58	8.32	7.22	6.82	6.92	7.54	7.70	7.37	6.76	8.54	8.14	7.28
25.														
26.	NRUT	B—Unemployment rate (percent)	6.54	8.30	9.11	9.44	9.33	8.94	8.44	7.86	7.27	5.59	9.04	8.12
27.														
28.	NETFX$	Net exports, current dollar	1.1	2.5	5.5	4.9	4.7	4.8	2.1	—2.3	—5.0	1.9	4.4	—.1
29.														
30.	FM1$	I—Money supply, M1	282.8	286.3	291.2	297.8	303.8	309.6	315.7	323.1	330.1	278.6	294.8	319.6
31.	FM1$	I—Percent change, money supply, M1.	3.37	4.97	7.11	9.36	8.29	7.82	8.14	9.75	8.95	5.62	5.82	8.43
32.	FM2$	I—Money supply, M2	611.4	622.7	637.0	653.3	667.8	681.9	696.1	711.9	726.8	596.5	645.2	704.2
33.	FM2$	I—Percent change, money supply, M2.	6.61	7.65	9.48	10.63	9.18	8.71	8.58	9.43	8.62	8.54	8.16	9.14
34.														
35.	FPMTA3MY	B—3 month Treasury bill rate	7.36	6.08	5.48	5.39	6.32	6.26	6.54	6.25	6.81	7.83	5.82	6.46
36.	FRMCHAAAN	B—Corporate AAA utility bond rate	9.63	9.49	9.24	9.31	9.42	9.49	9.52	9.32	9.13	9.33	9.36	9.37
37.	FRMCPUM	B—4-6 mo commercial paper rate	9.05	7.06	6.29	6.08	6.78	6.96	7.16	7.00	7.37	9.83	6.56	7.12
38.	FRMCS	B—Moody's total corporate bond rate.	9.65	9.69	9.61	9.59	9.63	9.67	9.72	9.66	9.55	8.98	9.63	9.65

WHARTON MARK IV QUARTERLY MODEL, FEB. 14, 1975—Continued

REVISED CONTROL SOLUTION TABLE—9. FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES—Continued

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	197
39.														
40.	YPCSAVR	I—Personal savings rate (percent)	8.47	8.46	8.59	10.48	10.62	9.47	9.36	9.81	9.81	7.83	9.54	9.61
41.														
42.	CPUPT$	I—Corporate profits before tax	132.4	117.9	116.9	121.7	131.9	138.6	145.9	153.7	159.8	140.9	122.1	149.5
43.														
44.	GVSURPF$	I—Federal surplus US, NIA basis	−22.7	−32.2	−38.4	−69.7	−73.2	−53.4	−53.3	−62.9	−65.9	−7.6	−53.4	−58.9

REVISED CONTROL SOLUTION TABLE—9. FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES

1.	GVRF$	I—Federal Government receipts	294.6	294.2	297.3	283.0	293.6	322.4	331.8	336.6	347.0	291.0	292.1	334.4
2.	TXCPF$	B—Personal tax and nontax receipts	136.6	138.4	141.3	119.3	124.9	146.0	151.1	151.2	157.5	131.2	131.0	151.4
3.	TXCCF$	B—Corporate profits tax accrual	45.8	41.7	41.5	42.8	46.7	49.3	52.1	55.0	57.3	49.1	43.2	53.4
4.	TXCBF$	I—Ind business tax and spec oil tariff.	22.2	22.3	22.6	28.5	28.9	29.0	29.3	29.6	30.0	22.0	25.6	29.5
5.	TXCBF-OIL$	B—Indirect Business tax and nontax accrual.	22.2	22.3	22.6	23.0	23.4	23.5	23.8	24.1	24.5	22.0	22.8	24.0
6.	TXCBFOIL$	E—Special oil tariff	0	0	0	5.5	5.5	5.5	5.5	5.5	5.5	0	2.8	5.5
7.	TXCSFT$	B—Contributions for social ins	90.0	91.9	91.9	92.4	93.3	98.1	99.4	100.8	102.3	88.7	92.4	100.1
8.														
9.	GVEF$	I—Federal government expenditures	317.3	326.5	335.7	352.7	366.8	375.8	385.1	399.5	412.9	298.6	345.4	393.3
10.	GVPF$	I—Purchases of goods and services	122.8	125.8	128.5	131.2	138.2	140.9	143.6	146.3	152.6	116.4	130.9	145.8
11.	GVPFD$	E—National defense	83.5	85.3	870.0	88.7	93.6	95.3	97.0	98.7	103.0	78.6	88.6	98.5
12.	GVPFO$	E—Other	39.3	40.5	41.5	42.5	44.6	45.6	46.6	47.6	49.6	37.9	42.3	47.3
13.	TRGF$	I—Transfer payments	127.1	133.1	139.1	150.3	154.8	159.3	163.8	173.3	177.8	117.0	144.3	168.5
14.	TRGFF$	E—To foreigners (nft)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7
15.	TRGFP$	E—To persons	124.4	130.4	136.4	147.6	152.1	156.6	161.1	170.6	175.1	114.4	141.6	165.8
16.	GVGIA$	F—Grants-in-aid to State and local	45.5	46.5	47.5	50.5	52.5	53.5	54.5	55.5	56.5	43.7	49.3	55.0
17.	YINTGF$	B—NFT interest paid	19.7	18.8	18.0	17.7	18.3	19.1	20.2	21.4	23.0	18.8	18.2	20.9
18.	GVSUBTF$	E—Sub less curr surplus government enterprise.	2.3	2.3	2.6	3.0	3.0	3.0	3.0	3.0	3.0	2.1	2.7	3.0
19.	WALDGF$	E—Less: Wage accrual less disbursements.	0	0	0	0	0	0	0	0	0	−.5	0	0
20.														
21.	GVSURPF$	I—Federal Government surplus: NIA basis	−22.7	−32.2	−38.4	−69.7	−73.2	−53.4	−53.3	−62.9	−65.9	−7.6	−53.4	−58.9

REVISED CONTROL SOLUTION TABLE—10. STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

1.	GVPS$	I—State and local government receipts	214.0	217.4	221.4	228.7	235.2	239.9	245.4	251.4	257.4	207.7	225.7	248.5
2.	TXCPS$	B—Personal tax/nontax receipts	41.1	41.6	42.3	43.3	44.8	45.9	47.3	48.7	50.3	39.5	43.0	48.1
3.	TXCCS$	B—Corporate profits tax account	6.5	6.2	6.3	6.6	7.0	7.3	7.6	8.0	8.3	6.7	6.5	7.8
4.	TXCBS$	I—Indirect business tax and nontax	107.6	109.5	111.4	114.6	116.4	118.3	120.8	123.6	126.3	104.9	112.8	122.2
5.	TXCBSSSLI+TO$.	B—Liquor and tobacco SL tax	5.3	5.4	5.5	5.6	5.7	5.7	5.8	5.9	6.0	5.3	5.5	5.9
6.	TXCBSSSGA$	B—Gasoline taxes	9.0	8.0	9.3	9.4	9.6	9.7	9.9	10.0	10.2	8.8	9.3	10.0
7.	TXCBSP$	B—Property tax	49.1	50.0	51.1	52.1	53.3	54.4	55.5	56.7	57.9	48.1	51.6	56.1
8.	TXCBSRES$	I—Other	44.2	45.0	45.6	46.9	47.9	48.5	49.6	51.0	52.2	42.7	46.4	50.3
9.	TXCSST$	B—Contributions social insurance	13.3	13.6	13.9	14.2	14.5	14.9	15.2	15.6	16.0	12.8	14.0	15.4
10.	GVGIA$	E—Grants-in-aid from Federal Government.	45.5	46.5	47.5	50.5	52.5	53.5	54.5	55.5	56.5	43.7	49.3	55.0
11.														
12.	GVES$	I—State and local government expenditures.	214.4	220.3	226.3	233.3	239.8	245.7	250.6	255.6	260.6	206.0	229.9	253.1
13.	GVPS$	E—Purchases of goods and services	199.6	204.6	209.6	215.6	221.6	227.6	232.6	237.6	242.6	192.4	212.8	235.1
14.	TRGSP$	B—Transfer payments to persons	21.4	22.2	22.8	23.5	24.2	24.7	25.3	25.9	26.5	20.2	23.2	25.6
15.	YINIGS$	E—Net interest paid	−1.5	−1.5	−1.6	−1.8	−1.9	−2.1	−2.2	−2.4	−2.5	−1.5	−1.7	−2.3
16.	GVSUBTS$	E—Less: Cup surplus government ent.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17.	WALDGS$	E—Less: wage accrual less discount	0	0	0	0	0	0	0	0	0	0	0	0
18.														
19.	GVSURPS$	I—State and local surplus: NIA basis	−0.5	−2.9	−4.9	−4.6	−4.6	−5.8	−5.2	−4.2	−3.1	1.7	−4.3	−4.6

REVISED FORD SOLUTION TABLE—1. SELECTED MAJOR ECONOMIC INDICATORS

1.	GNP$	I—Gross national product	1,428.0	1,430.0	1,463.8	1,515.8	1,548.9	1,584.9	1,625.0	1,664.1	1,702.2	1,396.7	1,489.6	1,644.0
2.	GNP$	I—Percent change, gross national product	3.35	.56	9.81	14.97	9.02	9.65	10.51	9.97	9.47	7.86	6.65	10.37
3.														
4.	GNP	I—Real gross national product	803.7	787.8	790.8	804.8	804.7	807.6	814.3	821.8	829.1	821.1	797.0	818.2
5.	GNP	I—Percent change, real gross national product	−9.10	−7.67	1.52	7.29	−.09	1.46	3.36	3.76	3.60	−2.15	−2.93	2.66
6.														
7.	YN$	I—National income	1,164.3	1,154.6	1,158.7	1,205.6	1,234.7	1,266.0	1,300.3	1,333.4	1,365.3	1,142.2	1,188.4	1,316.3
8.														
9.	YP$	I—Personal income	1,186.4	1,200.8	1,219.4	1,247.9	1,272.9	1,291.6	1,316.4	1,349.3	1,377.9	1,150.4	1,235.3	1,333.8
10.														
11.	PDGNP	I—Implicit price deflator, GNP	177.7	181.5	185.1	188.3	192.5	196.3	199.6	202.5	205.3	170.2	186.9	200.9
12.	PDGNP	I—Percent change, implicit GNP deflator	13.69	8.90	8.17	7.16	9.12	8.07	6.92	5.98	5.67	10.29	9.81	7.52
13.														
14.	PXP	I—Implicit price deflator, private GNP	170.7	174.4	178.1	181.4	185.2	189.1	192.4	195.4	197.8	163.3	179.8	193.7
15.	PXP	I—Percent change, private GNP deflator	13.71	8.96	8.66	7.77	8.56	8.56	7.32	6.25	5.16	10.70	10.08	7.72
16.														
17.	PC*	B—Percent change consumer price index	12.17	9.35	9.16	7.88	8.24	8.16	7.11	6.07	4.85	11.04	10.13	7.52
18.	PW*	B—Percent change, wholesale price index	14.69	11.91	7.83	4.95	2.82	3.03	1.42	1.94	1.65	18.81	12.46	2.98
19.														
20.	PRO2	Private output per manhour	5.71	5.67	5.74	5.86	5.86	5.89	5.93	5.98	6.02	5.80	5.78	5.96
21.	PRO2	Percent change private output per manhour	−2.10	−3.04	4.90	8.77	.12	1.66	3.22	3.31	2.98	−3.73	−.40	3.02
22.														
23.	WRCYV$	I—Private compensation per manhour	5.64	5.76	5.86	5.97	6.08	6.21	6.34	6.45	6.56	5.46	5.92	6.39
24.	WRCPVS	I—Percent change private compensation man-hours.	8.58	8.07	7.13	7.99	7.88	8.76	8.22	7.54	6.72	8.54	8.27	8.01
25.														
26.	NRUT	B—Unemployment rate (percent)	6.54	8.31	9.11	9.44	9.43	9.13	8.66	8.10	7.54	5.59	9.07	8.35
27.														

Line	VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
28.	NETEX$	Net exports, current dollars	1.1	2.8	4.5	3.8	6.5	7.1	4.5	.5	−2.0	1.9	4.4	2.5
29.														
30.	FM1$	I—Money supply, M1	282.8	286.1	292.0	300.0	305.9	312.2	318.6	326.0	332.6	278.6	296.0	322.4
31.	FM1$	I—Percent change money supply, M1	3.37	4.73	8.48	11.37	8.16	8.47	8.44	9.64	8.39	5.62	6.25	8.90
32.	FM2$	I—Money supply, M2	611.4	622.7	637.8	654.8	669.0	683.4	697.4	712.7	726.8	596.5	646.1	705.1
33.	FM2$	I—Percent change money supply, M2	6.61	7.65	10.04	11.08	8.96	8.87	8.44	9.08	8.18	8.54	8.30	9.13
34.														
35.	FRMTB3MY	B—3 mo Treasury bill rate	7.36	5.94	5.63	5.91	6.52	6.59	7.05	6.74	7.22	7.83	6.00	6.90
36.	FRMCUAAAN	B—Corporate AAA utility bond rate	9.63	9.42	9.42	9.65	9.77	9.89	9.98	9.84	9.67	9.33	9.56	9.84
37.	FRMCP4M	B—4-6 mo commercial paper rate	9.05	6.96	6.38	6.53	7.07	7.27	7.64	7.50	7.81	9.83	6.73	7.55
38.	FRMCS	B—Moody's total corporate bond rate.	9.65	9.66	9.67	9.76	9.87	9.99	10.09	10.10	10.03	8.98	9.74	10.05
39.														
40.	YPDSAVR	I—Personal savings rate (percent)	8.47	8.59	9.98	11.36	9.57	8.33	8.01	8.26	8.17	7.83	9.88	8.19
41.														
42.	CPUBT$	I—Corporate profits before tax	132.4	109.1	96.9	117.8	123.9	133.4	141.3	148.0	151.4	140.9	111.9	143.5
43.														
44.	GVSURPF$	I—Federal surplus, NIA basis	−22.7	−36.8	−51.6	−78.9	−49.8	−30.9	−30.0	−38.1	−39.9	−7.6	−54.3	−34.7

REVISED FORD SOLUTION TABLE—9. FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES

1.	GVRF$	I—Federal government receipts	294.6	293.7	286.5	268.3	305.2	330.2	339.1	347.3	355.0	291.0	288.4	342.9
2.	TXCPF$	B—Personal tax and nontax receipts	136.6	138.0	109.6	83.7	117.7	133.9	138.8	143.4	148.8	131.2	112.3	141.2
3.	TXCCF$	B—Corporate profits tax accrual	45.8	33.0	29.2	36.2	38.3	42.7	45.3	47.6	48.8	49.1	34.2	46.1
4.	TXCBF$	I—Indirect business tax and special oil tariff.	22.2	30.8	55.8	55.7	55.6	55.2	55.2	55.1	55.0	22.0	49.5	55.1
5.	TXCBF-OIL$	B—Indirect business tax/nontax accrual.	22.2	22.2	22.5	22.9	23.3	23.4	23.8	24.1	24.4	22.0	22.7	23.9
6.	TXCBFOIL$	E—Special oil tariff	0	8.6	33.3	32.8	32.3	31.8	31.4	31.0	30.6	0	26.8	31.2
7.	TXCSFT$	B—Contributions for social insurance	90.0	91.9	91.9	92.7	93.5	98.5	99.8	101.2	102.5	88.7	92.5	100.5
8.														
9.	GVEF$	I—Federal government expenditures	317.3	330.5	338.1	347.2	355.0	361.1	369.1	385.4	395.0	298.6	342.7	377.6
10.	GVPF$	I—Purchases of goods and services	122.8	122.9	121.8	127.3	132.9	138.9	145.2	151.7	158.2	116.4	126.2	148.5
11.	GVPFD$	E—National defense	83.5	81.0	78.5	83.1	87.9	93.3	99.3	105.3	111.3	78.6	82.6	102.3
12.	GVPFO$	E—Other	39.3	41.9	43.3	44.2	45.0	45.6	45.9	46.4	46.9	37.9	43.6	46.2
13.	TRGF$	I—Transfer payments	127.1	137.0	142.3	147.5	147.8	146.8	146.6	154.1	155.1	117.0	143.6	150.6
14.	TRGFF$	E—To foreigners (net)	2.7	4.4	4.5	4.1	4.0	4.0	3.9	3.7	3.7	2.6	4.3	3.8
15.	TRGFP$	E—To persons	124.4	132.6	137.8	143.4	143.8	142.8	142.7	150.4	151.4	114.4	139.4	146.8
16.	GVGIA$	E—Grants-in-aid to State and local	45.5	47.7	51.4	49.5	50.7	51.0	52.0	53.2	54.2	43.7	49.8	52.6
17.	YINTGF$	B—Net interest paid	19.7	19.0	18.5	18.8	19.5	20.3	21.2	22.2	23.3	18.8	19.0	21.7
18.	GVSUBTF$	E—Sub less current surplus Government.	2.3	3.9	4.1	4.1	4.1	4.1	4.1	4.2	4.2	2.1	4.0	4.1
19.	WALDGF$	E—Less: Wage accrual less disbursement.	0	0	0	0	0	0	0	0	0	−.5	0	0
20.														
21.	GVSURPF$	I—Federal Government surplus: NIA basis.	−22.7	−36.8	−51.6	−78.9	−49.8	−30.9	−30.0	−38.1	−39.9	−7.6	−54.3	−34.7

REVISED FORD SOLUTION TABLE—10 STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

1.	GVRS$	I—State and local government rects	214.0	218.3	226.0	229.6	234.5	238.7	244.2	249.9	255.5	207.7	227.1	247.1
2.	TXCPS$	B—Personal tax/nontax receipts	41.1	41.5	42.2	43.5	44.8	46.0	47.4	48.8	50.3	39.5	43.0	48.1
3.	TXCCS$	B—Corporate profits tax account	6.5	6.0	5.8	6.5	6.7	7.1	7.5	7.8	8.1	6.7	6.2	7.6
4.	TXCBS$	I—Indirect bus tax and nontax	107.6	109.5	112.8	115.9	117.7	119.7	122.0	124.5	126.9	104.9	114.0	123.2
5.	TXCBSSSLI+TO$	B—Liquor and tobacco SL tax	5.3	5.4	5.5	5.7	5.7	5.8	5.8	5.9	6.0	5.3	5.6	5.9
6.	TXCBSSSGA$	B—Gasoline taxes	9.0	9.0	9.7	10.1	10.3	10.4	10.4	10.5	10.5	8.8	9.8	10.5
7.	TXCBSP$	B—Property tax	49.1	50.1	51.2	52.2	53.3	54.4	55.5	56.7	57.9	48.1	51.7	56.1
8.	TXCBSRES$	I—Other	44.2	45.0	46.4	48.0	48.4	49.2	50.2	51.4	52.5	42.7	47.0	50.8
9.	TXCSST$	B—Contributions social ins	13.3	13.6	13.9	14.2	14.5	14.9	15.3	15.7	16.0	12.8	14.0	15.5
10.	GVGIA$	E—Grants-in-aid fr Federal Government.	45.5	47.7	51.4	49.5	50.7	51.0	52.0	53.2	54.2	43.7	49.8	52.6
11.														
12.	GVES$	I—State and local government expend.	214.4	220.3	226.3	234.3	239.9	244.8	249.8	254.7	259.7	206.0	230.2	252.2
13.	GVPS$	E—Purchases of goods and services	119.6	204.6	209.6	216.6	221.6	226.6	231.6	236.6	241.6	192.4	213.1	234.1
14.	TRGSP$	B—Transfer paymts to persons	21.4	22.2	22.8	23.5	24.2	24.8	25.4	26.0	26.6	20.2	23.2	25.7
15.	YINTGS$	E—Net interest paid	−1.5	−1.5	−1.6	−1.8	−1.9	−2.1	−2.2	−2.4	−2.5	−1.5	−1.7	−2.3
16.	GVSUBTS$	E—Less: Cur surplus government entity.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17.	WALDGS$	E—Less: wage accrual less dis	0	0	0	0	0	0	0	0	0	0	0	0
18.														
19.	GVSURPS$	I—State and local surpl: NIA basis	−.5	−2.0	−.2	−4.8	−5.4	−6.1	−5.6	−4.7	−4.2	1.7	−3.1	−5.2

RECESS UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, it seems like time is awasting, that the Senate has nothing to do at the moment; that the distinguished Senator from Iowa (Mr. CLARK) will not be back until around 11 o'clock, at which time he may offer an amendment.

We are trying to find out if there are any amendments on the Republican side, and so far we have come up with none.

So I ask unanimous consent that the Senate stand in recess until the hour of 11 o'clock and, hopefully, at that time we can begin to vote on the amendment.

There being no objection, the Senate, at 10:39 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

VIETNAM CONTINGENCY ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1484, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

VIETNAM CONTINGENCY ACT OF 1975

Mr. HUMPHREY. Mr. President, after a week of many hours of careful deliberation, the Senate Foreign Relations Committee reported to the Senate the legislation before us. This measure is significant. It is historic in what it is attempting to define and to achieve. It is deserving of bipartisan support as it deals with the very difficult problems we face in Vietnam.

During the past week of unprecedented and almost around-the-clock deliberations, the Foreign Relations Committee was concerned with the deteriorating military situation in Vietnam and the grave danger posed to the thousands of Americans remaining in that country.

Despite the committee's strong desire that the pace of American evacuation be quickened, it was not until the end of

last week that the administration recognized the need for a more rapid evacuation of Americans from the Saigon area. Until the number of Americans in Vietnam reaches a level which will permit their evacuation by a single lift helicopter mission, a very serious danger will exist for them and their rescuers. All the members of the Foreign Relations Committee have stressed the importance of reducing the number of Americans.

Unfortunately, our advice and our justifiable impatience have not been heeded by the executive branch.

Mr. President, the pace of withdrawal of American citizens continues to be far too slow. Today, there are still over 2,500 American citizens and their alien dependents in the Saigon area. Does anyone expect that a man will leave his wife or family behind because they are not American citizens? If this situation is allowed to continue, if the evacuation is not speeded up, the risk of loss of American life will be very great as substantial numbers of troops may be needed to effect an evacuation of more than 2,000 Americans and their alien dependents.

There is absolutely no excuse for there to be a single empty seat on any military or civilian aircraft which leaves Saigon each day.

The measure before us today serves several purposes.

First, it provides the President with a clarification of his legal authority to evacuate Americans and Vietnamese. And this authority is specifically and carefully limited in order to prevent the introduction of massive numbers of American troops.

I consider this issue an important one. The President does have inherent constitutional authority to protect American lives. The Congress cannot deprive him of this.

He asked the Congress for clarification of his authority to use American forces to evacuate Vietnamese. We have provided him with limited authority to achieve these goals. It is limited because the Congress firmly believes that it cannot, in all good conscience, grant broad authority to the President which could mean that he would have total flexibility for a broad range of military activities. It must be remembered that throughout the history of our involvement, events have invariably overrun the best of intentions. We do not want to allow to be created a situation where large numbers of American men would be involved in hostilities in Vietnam once again.

Let us be realistic. In order to achieve an evacuation of large numbers of Vietnamese, there are two options open to our Government.

First, we could introduce massive numbers of American troops to secure a large area for evacuation purposes. This would involve an almost certain military confrontation with the North Vietnamese who are in striking distance of almost all areas except downtown Saigon. I consider this option as totally unacceptable. It would mean that more Americans would die in Vietnam.

The second option is for the United States to negotiate for the release of those Vietnamese who may be in danger of their lives. The path of negotiation is the only real option open to the United States if the President and the Congress are willing to offer safe haven to a limited number of Vietnamese.

At present, all we have is rhetoric about our moral obligation to the Vietnamese. I agree that we do have such an obligation. But if this is the case, then the President must recognize that the only way to secure the evacuation of large numbers of Vietnamese is through the process of negotiations.

The second overall purpose of this legislation is to provide a sum of $100 million in section 7 for humanitarian relief. This provision was originally embodied in S. 1360, which I introduced with Senator McGee, and S. 1350, introduced by Senator Kennedy. The $100 million is designated for refugees and others in Vietnam and Cambodia. It is to be furnished through the United Nations and its specialized agencies or under the auspices of other international relief agencies or voluntary organizations.

The time has passed when humanitarian relief in Indochina can be handled entirely through a bilateral program between AID and the recipient governments. The United Nations has the manpower and the will to do the job as evidenced by Secretary General Woldheim's recent appeal and the presence of significant numbers of U.N. personnel in Indochina.

The people of Vietnam and the people of Indochina have suffered incredible hardship because of war. There is a severe food shortage in Cambodia. The refugee problem in both Cambodia and Vietnam is enormous. I see no reason why our Nation should not be able to contribute a sum of $100 million through international organizations so that these people can be aided. This is not too much to ask, after the billions of dollars in armaments that we have sent to Indochina.

In conclusion, Mr. President, as the Senate considers this legislation, I want to state once again that the United States should not miss the opportunity presented now by the resignation of President Thieu to encourage the South Vietnamese to enter into negotiations with the other side.

Negotiation is the only way to avoid the devastation of Saigon and a massive loss of life. It is the only realistic course open to the Government of South Vietnam. We cannot negotiate for the South Vietnamese. But we can use our good offices to encourage negotiations and to make the necessary contacts and arrangements which may be necessary.

On Monday evening during President Ford's CBS interview, he hinted that we were exploring ways to begin negotiations to obtain a cease fire. I sincerely hope that these efforts are moving forward quickly and that our attempt is a very serious one.

Finally, I want to mention one issue which causes me great angulsh and concern. During the President's television interview, he discussed the issue of President Thieu's resignation and how it came to pass that the North Vietnamese have made such significant military advances in the past weeks. It was clear from the President's remarks that he holds Congress responsible as an important factor in the South Vietnamese military debacle. I do not want to deal with this issue of who is to blame, because it is divisive and does not contribute to healing the wounds of years of war.

But what bothers me most about the President's remarks was his unwillingness to reproach President Thieu for his shameless, irresponsible and downright sickening attack on the United States and the American people. In his resignation speech, Mr. Thieu called us 'inhuman." He said that we were fleeing our responsibilities, that Henry Kissinger had delivered them to a "disastrous fate."

But the President of the United States did not have one word of disapproval for a man who so maligned the United States. There was not a single word of outrage for a man who had so abused a country that had lost 50,000 of its sons and given billions of dollars in assistance to South Vietnam during years of war. I regret that President Ford failed to make it known for the record that he was disappointed and angered at Mr. Thieu's statements. It is sad when a great nation like ours suffers in silence when a petty man like Nguyen Van Thieu dishonors those who gave so much to help his country.

Mr. President, the respected commentator, Mr. James Reston, has reminded us once again of the need to pursue the diplomatic channels and in particular to engage the United Nations in an all out effort to seek a cease-fire. I ask unanimous consent that Mr. Reston's article "The Forgotten Charter" be printed at this point in the Record.

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

THE FORGOTTEN CHARTER

(By James Reston)

United Nations, N.Y., April 22.—It has been widely ignored during the last gasp of the Indochina war that the United Nations, which now seems to be forgotten and even reviled by almost everybody, was almost the only organization in touch with all parties in the tragedy while it was getting food, medicine and clothing to the suffering people on both sides of the contending armies.

The United Nations has very limited resources, but when the North Vietnamese broke the Saigon Army, U.N. Secretary General Kurt Waldheim marshaled a few planes and supplies and got one of his aides, a Frenchman named Raymond Aubrac, into Hanoi. Mr. Aubrac is now arguing there that a cease-fire in the next few days is not only the best way to avoid a bloody battle for Saigon but probably the only way to assure Hanoi of substantial international economic aid for the relief and reconstruction of the country.

Washington is concentrating now on getting the Americans and their vulnerable South Vietnamese comrades out of Saigon, and is willing to send economic but not military aid to the battlefield. Here the United Nations could be helpful, if given a chance.

The closer the North Vietnamese army comes to the center of Saigon, the more it will have to deal with the refugee problem; but if it insists on a street-by-street military victory, it will be left with the wreckage. This is what the U.N. is trying to avoid. It is imploring Hanoi to hold back, to agree to a cease-fire, and to let the U.N. try to appeal to all the nations of the world to relieve the suffering of the Vietnamese people, North and South.

Washington has a direct line of communication, not only to Saigon but to Hanoi. Sec-

retary Kissinger can get in touch with Le Duc Tho in Hanoi within an hour, but he cannot offer economic aid for a cease-fire. Hanoi won't take it directly from Washington, but it might agree to a cease-fire for aid through the United Nations.

President Ford and Mr. Kissinger have another problem. They have been saying that they want to deal with the humanitarian problem. Congress has been saying it will vote money for the Vietnamese people in trouble, but not for arms. There is no way, however, to get Congress to vote hundreds of millions to Hanoi to deal with the refugees, who are now in their hands. It can be done only through the United Nations or some other international agency.

The United Nations may not be used to get out of this mess, but it cannot be ignored. Whatever happens, it will insist on debating the issue of Vietnam when the U.N. General Assembly meets in September. It will want a record of the diplomatic correspondence that led up to the Paris accords on Vietnam, and all the charges of American "promises" and "commitments."

Accordingly, Washington is now going to have to produce a White Paper on the diplomatic record of the Paris accords, what was said to President Thieu by President Nixon, what Mr. Kissinger said privately and what he said publicly. There is no way to avoid it. Mr. Kissinger may not like the United Nations, but he is going to have to answer its questions.

The Charter of the United Nations is precise. It insists that its members cooperate to reduce tensions, negotiate to avoid war, and work together to deal with the social and economic problems that may lead to war.

It also provides a forum where nations can discuss ways to relieve human suffering and political contention, and this is what Secretary General Waldheim has been doing in these last few weeks. He has been staying in touch with all parties in Cambodia and North and South Vietnam, and pleading for time and compromise.

At some point, Messrs. Ford and Kissinger are going to have to deal with the whole international community at the United Nations. They have been concentrating on the political problems of aid in the Congress, and the politics of Saigon, but are in deep trouble here at the U.N., not only on Indochina but on the Middle East.

The majority here on the East River is against Washington, both on its policy toward Saigon and on Israel. In September, Mr. Kissinger faces the possibility of a motion to expel Israel from the U.N. and a savage debate on the whole Vietnam disaster.

Against this background, it is odd that the Secretary of State is paying so litte attention to the efforts of the United Nations to help arrange a compromise and a cease-fire in Vietnam. He cannot do it by himself, and he is getting very little help from either the Russians or the Chinese, but the United Nations is still a possible refuge. It is trying to help but nobody is paying much attention.

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

The PRESIDING OFFICER. On whose time?

Mr. HUMPHREY. The time to be equally divided.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CLARK. Mr. President, I ask that the Senator from Georgia (Mr. TALMADGE) be made a cosponsor of amendment 355, to S. 1484, the Vietnam Contingency Fund Act of 1975.

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

Mr. CLARK. I ask unanimous consent that Marc Ginsberg and Jerry Tinker of Senator KENNEDY's staff be permitted privileges of the floor during the course of the debate on S. 1484.

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

Mr. CLARK. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the following new section:

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day, with the assistance of the U.S.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such Committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

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

Mr. CLARK. I yield.

Mr. SPARKMAN. I say to the Senator from Iowa, with whom both Senator CASE and I have discussed this amendment, that with the modifications that he has put in it at our suggestion, we are in complete accord with it.

As a matter of fact, I say to the Senate as a whole, he is simply formalizing what is now actually a course that is actually being followed.

That is correct, is it not?

Mr. CLARK. That is substantially correct. We have been getting informal reports in the committee daily.

Mr. SPARKMAN. We are willing, on our part, to accept that amendment as modified.

Mr. CLARK. I will take only 30 seconds to speak to the amendment.

Mr. CASE. Will the Senator yield?

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. If the Senator will promise to take only 30 seconds to speak to the amendment, I shall promise to support the amendment.

Mr. CLARK. This amendment requires a formal report on the number of U.S. citizens and their dependents who are taken out of Saigon each day and the number that remain. We have had some controversy about these numbers in the past few days and this would establish a regular reporting procedure for the evacuation of U.S. citizens, their Vietnamese dependents, and South Vietnamese nationals.

I yield the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SPARKMAN. We yield back.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CLARK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I suggest the absence of a quorum, to be equally divided.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. 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. CASE. Mr. President, I ask unanimous consent that during the remainder of the consideration of this bill and all amendments and proceedings in connection therewith, including votes, my staff assistant Stephen Bryen have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

AMENDMENT NO. 354 (AS MODIFIED)

Mr. CLARK. Mr. President, I send to the desk Amendment No. 354, which has been slightly modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK) proposes Amendment No. 354 (as modified), as follows:

At the end of the bill add the following new section:

SEC. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the Committees on Foreign Relations and Judiciary, and Armed Services of the Senate a report setting forth fully and completely a plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CLARK. Mr. President, I think there is a need for an evacuation plan for South Vietnam. The Committee on Foreign Relations has never received a full, detailed plan for the evacuation of Americans, their dependents, and "endangered foreign nationals"—only a series and different numbers. As a part of our congressional oversight responsibility, we should pass this legislation—to determine how and how fast the administration plans to evacuate all but the relatively few Americans essential to the mission and whether that number is small enough to be brought out in a single air operation, as in Cambodia. What is the plan? How many troops will be needed to evacuate U.S. citizens and foreign nationals under section 4 of the proposed legislation? How long will the oper-

ation take? All of these things should be outlined for the Congress.

The amendment requires that such a plan be filed within 48 hours of the bill's enactment. The administration has long been aware enough of the possibility that Saigon will fall, that this kind of plan should be drawn up by now and made available to the Congress. If no plan exists for the evacuation of the remaining Americans, the administration should develop one to get the remaining Americans out of Vietnam as fast as possible, hopefully without the use of force.

Frankly, the figures this morning on the evacuation are not very promising. The President had announced yesterday that less than 1,500 American citizens would still be in South Vietnam today. But there are more than 1,900. We had hoped that the number of dependents would go down significantly. It has not. And so there are still in excess of 2,500 American citizens and their dependents in Saigon as of 6 p.m. Wednesday night, Saigon time.

This amendment also requires a plan for the evacuation of "endangered foreign nationals." The President has requested clarification of his authority to use American troops to evacuate Vietnamese. That is what section 4 of the bill attempts to do. But I think in return for that, a plan should be filed that details how we are going to move those people. To date, the administration has not submitted to Congress any plan outlining how this authority would be used. Now, Congress should request that such a plan finally be submitted.

Is there a list of endangered South Vietnamese, and do we know where they are? Do we have a way of getting them to Tan Son Nhut or some other area for evacuation?

Unless such a plan is in existence, that answers those questions, then giving the President authority to use American troops to bring out South Vietnamese cannot be a wise course. This amendment would require such a plan and I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, the Senator from Iowa and I have discussed this matter, and we have talked it over with the chairman also.

I was originally inclined to say that I approved it, but I think that my instincts are now turning me around.

I think that when we have required the President, and properly so, to tell us day by day exactly what has been done, implicit in that process is mutual confidence with respect to how it is being done and the plan, and we have perhaps done all we wisely ought to require by legislation.

There may be contingencies. The President and the military should provide against all contingencies, and it is not necessarily desirable that contingency plans be laid out in public.

Mr. President, I am worried about this amendment. I do not think it is necessary. It is somewhat contrary to what I hope is evolving here—that is, a renewed spirit of cooperation between the people downtown and ourselves.

I have every understanding of the lingering suspicions that still hang on, particularly among some of us who have been turned around in the past by misleading information and by less than completely frank discussion of what was going on. But I think we have come to the point where we had better not insist upon this kind of oversight, and therefore I am impelled, much as I hate to disagree with the Senator from Iowa, for whom I have most enormous respect, to oppose the amendment and urge that it be defeated. I hope it will be withdrawn.

I would like to have the Senator discuss this point with me. I think we are getting a little bit too restrictive, and perhaps dangerously so, in adoping this kind of amendment as legislation.

Mr. SPARKMAN. Mr. President, in a sense I regard the amendment as being more or less innocuous, but I do agree with the Senator from New Jersey that, perhaps, it goes too far.

Let me call to the attention of the Senator from Iowa, he was down at the White House with us when the committee went down and met with the President. At that time, we told the President in no uncertain terms that we wanted him to let our Ambassador in Saigon know that we wanted a definite plan, and to know what was happening day by day. The President assured us at that time that he would do that, and that a plan would be carried out.

The reason I said that it seemed to be more or less innocuous is because it virtually provides for what is being done now and is being done through cooperation with the President by the members of the Committee on Foreign Relations.

I believe my friend from New Jersey will agree with me in that line of reasoning.

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

Mr. SPARKMAN. Yes, indeed.

Mr. CASE. I do agree, and I think my concern here, if I could add just this much to what has been said already—and I do not want to belabor the point—I think we are at the point where we may be in danger of stifling the initiative of the Executive.

You can properly, and we can properly, restrain excesses of energy, of the exercise of authority and whatnot, but you can also deaden it. I fear that we may be getting into that territory where not the President himself, but people who are actually in charge of this operation will say, "Well for God's sake, how could I do this? The Congress restricted me to this precise plan which had to be told to all the world before we could exercise it, and we have no discretion left."

I think, Mr. President, we are getting near that point, and I, frankly, withdraw from that position myself.

Mr. SPARKMAN. I find myself in agreement with what the Senator from New Jersey had so well pointed out.

There is another thing I want to mention to the Senator from Iowa at this point. It may not be applicable to this particular amendment as it would to the extent it will be to some of the others. We all know that under the Constitution the President has certain inherent powers. I do not say that this amendment violates that, but I have mentioned to the Senator from Iowa that in all of these amendments I wanted him to be certain that it was not an invasion of the Presidential powers that are inherent under the Constitution.

Mr. President, if the Senator from Iowa would follow the suggestion of the Senator from New Jersey and withdraw this amendment, I think it would be a helpful thing.

Mr. CASE. Perhaps the Senator would reconsider his initiative.

Mr. CLARK. Mr. President, this amendment in no way affects the President's constitutional authority. The President has told us that he does not believe he has the authority to use American forces to bring out South Vietnamese except in an incidental way.

So I agree with the Chairman of the Foreign Relations Committee that we should do nothing here that would in any way interfere with the President's authority. This amendment does not do that.

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

Mr. CLARK. Yes, I yield.

Mr. SPARKMAN. I want to remind the Senator I said I did not think this amendment did, but I said in the course of offering the amendments that we keep it in mind.

Mr. CLARK. That is sound advice.

Let me explain why this amendment is so important.

Congress needs to know the following information before it votes today on section 4 of this bill which gives the President authority to use American military forces in unlimited numbers to bring out U.S. citizens and South Vietnamese under five restrictions: What size force does President Ford intend to use to protect the evacuation.

How many Vietnamese does he plan to evacuate along with the U.S. citizens and their dependents; what kind of military resistance the administration expects to such an evacuation? Obviously, none of the answers to these questions can be specified in great detail, but even general answers would make a great difference in terms of how we view this additional authority.

Now, if restrictions remain in the bill on the use of U.S. troops to evacuate foreign nationals, as they should, the administration should submit evacuation plans that comply with those restrictions.

We know that yesterday the Senate Judiciary Committee cleared the way to bring in 130,000 Indochina refugees. I hope that we can evacuate as many as possible, without military action. But consistent with the responsibilities of Congress, we should be advised of the administration's general plans, and that is all this amendment requires. It does not place restrictions on what that plan can be. It in no way requires that the President submit to the will of Congress with regard to that plan.

It simply says that we would like to see the plan. It does not have to be made public; it can be transmitted confidentially. But it seems that if Congress is going to give this new additional authority, we ought to have some idea of how it will be used.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, as I said before, I think there is no question about the complete agreement we all have, those of us certainly on the committee, including the Senator from Iowa, the chairman and myself, and other members of the committee, as to the desirability of keeping this matter as limited as possible.

But I repeat that within what I think are wise limits of restraint on the part of the committee itself drafting this legislation, we have got those limits. We have expressed them quite clearly in general terms, but we have to.

The President was given authority to use for any purpose in this bill, including the evacuation of Americans and their dependents, only such Armed Forces in numbers and a manner essential to and directly connected with the protection of such U.S. citizens and their dependents while they are being withdrawn.

Now, I do not think we would be well-advised, I think we would be badly advised, to go beyond that in the way of restriction.

I think, too, we did well and precisely and in a manner appropriate to congressional responsibility.

In respect to the use of our Armed Forces for withdrawal of Vietnamese, matters even more limited, Armed Forces may not be used beyond those essential to the withdrawal of citizens and their dependents under the section I have just referred to, and the duration of the exposure of such Armed Forces to hostilities in the evacuation of Vietnamese nationals or other than citizens and their dependents may not be extended by that action, and the withdrawal must be confined to the areas where forces are already present for the purpose of protecting citizens and their dependents while they are being withdrawn.

This is not open ended, this is not blue sky, this is not in any way an unlimited authority.

I think in the committee bill we properly have laid down guidelines and limitations that are appropriate to the purposes of this legislation and I would be distressed if we went further.

Mr. JAVITS. Will the Senator yield to me?

Mr. CASE. Yes, I am happy to yield to the Senator.

Mr. JAVITS. Mr. President, as one who labored over this bill very ardently, especially as it relates to the War Powers Resolution, I am deeply concerned about this amendment and I oppose it.

I would like to add, only because I do not believe in going over the same ground, the Senator from New Jersey (Mr. CASE) has properly pointed out how we locked in the size, duration, and intensity of use of the military forces strictly to the evacuation of the American nationals.

But I would like to express my judgment as to Senator SPARKMAN's point that while it may not contravene the War Powers Resolution, it does have an effect, and for this reason I have always been concerned about this new partnership between the President and the Congress in precisely the respect of an amendment like this.

In short, will the price paid for the partnership be a breach of the ability to really function?

We cannot lay everything on the table. There are lives involved here. It is a matter of very great sensitivity.

We who serve on the Committee on Foreign Relations have shown already a very deep commitment to the idea of knowing everything. Indeed, I would like to pay a tribute to the Senator from Iowa (Mr. CLARK), a new member, and a Member of the Senate who has nonetheless tenaciously clung to the fact we have got to know before we act. That is fine, it is as it should be, and I think in all respects the chairman and ranking member would undertake a solemn commitment to that effect. I am sure I do and I am sure other members of the committee will do so.

But that is a very different situation from what is called for by this amendment, which I think could turn out to be very prejudicial and could hurt if this is the line along which we will go. It would hurt the effort we have made, I think, very effectively.

Nobody says we will not make mistakes, too, but there is less chance with the combined judgment of both Congress and the President.

I do not like to see that jeopardized by this kind of laying on the table of information which really should not be laid on the table except in the way of monitoring, which our committee will do.

I hope very much that all Senators, and the Senator from Iowa (Mr. CLARK) himself, who it seems to me has the best good faith in the world in this matter, will give that every consideration.

Mr. CLARK. Mr. President, how much time do I have on the amendment?

The PRESIDING OFFICER. Each side has 5 minutes.

Mr. CLARK. Mr. President, by way of summary, three factors are involved in this amendment.

Without even a broad outline of a plan we are being asked:

One, to give the President authority to evacuate;

Two, to commit U.S. forces in unlimited numbers, subject only to the President's judgment, and, three, to authorize funds, an additional $100 million. It is like writing a blank check.

Now, Assistant Secretary Habib told the Committee on Foreign Relations yesterday morning that there was no plan for evacuation of South Vietnamese, that there were only—to use his words—some general scenarios about how that might be carried out.

We are in no way restricting the President by asking for a general plan.

We are simply saying that the Congress ought to be advised, that it would not be wise to give the President such broad authority without having that information.

That is what is at issue with this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Does the Senator have anything further?

Mr. CASE. Nothing further.

Mr. SPARKMAN. I yield such time as the Senator from Minnesota may require.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, just a brief word on this matter.

I do not find the amendment, may I say, at all contrary to the purposes in the legislation before us and I do not believe it in any way impairs or impedes the authority of the President.

I think it is fair to say that all of us in the committee were unable to find out any particular proposal or plan that the Government may have insofar as the removal of Vietnamese citizens is concerned.

Our major concern, of course, at first, is for the American citizen and his dependents. That, obviously, is our major concern.

Second, of course, out of humanitarian interests and out of sheer morality, is a desire to remove as many of the Vietnamese as possible that might be victims of any kind of reprisal.

I think it should be said that the committee did write into this bill some very strong provisions, as the Senator from New Jersey has noted.

For example, in section 4, carrying out the withdrawal, it states:

> In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals—

That is what this amendment is about; the Clark amendment is about foreign nationals.

> if the President determines and certifies in writing to Congress pursuant to section 4(b) of the War Powers Resolution that every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of Armed Forces.

I would like to emphasize that point. I do not believe every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and other means available, other than the use of armed forces.

I want some evidence that we have been working through the United Nations, for example; that we have been working not only through them but imploring the United Nations to do a job in getting a cease-fire.

The next reservation is that you can only remove foreign nationals if there is a direct and imminent threat existing to the lives of such foreign nationals.

Then, the next point is:

> United States Armed Forces will not be required beyond those essential to the withdrawal of the citizens of the United States and their dependents, and the duration and exposure of the United States Armed Forces to hostilities will not thereby be extended.

So it is not an open end. Quite frankly, the only armed forces that can be used, the numbers, duration, and exposure of those forces, relates only to those that are usable for the evacuation of U.S. citizens and their dependents.

So it is not as if they could just send in any number that they want to. It has

to be related exactly to the numbers of American Armed Forces required for the removal of U.S. nationals.

Mr. President, I think we are arguing over a minor issue. I see no reason that we could not have a plan, or plans could not be presented. I do not think there is any security that would be in any way violated.

What we ought to be talking about here is why we are not up at the United Nations insisting that the U.N. use every effort at its command to bring about a cease-fire, to back that cease-fire, and to insist that Kurt Waldheim go to Hanoi and get a cease-fire. That is what we ought to be talking about, rather than how many armed forces we can send in.

I realize that those in Hanoi, to date, feel they have the upper hand and may not be interested in a cease-fire. But let the blood be on their hands. Let the United Nations, to which we make great contributions, with which we have a treaty obligation, do its job. I believe there is too little emphasis upon it.

I notice this morning's New York Times published a superb article by the respected columnist James Reston entitled, "The Forgotten Charter."

We have never really used the U.N. as we ought to. We have believed in bilateral diplomacy. It is true that the Secretary of State can today pick up the telephone and talk with the leaders in Hanoi. It is true that he can surely do the same with those in Saigon. But it is also true that there is less receptivity in Hanoi to a message from the United States than there would be from the United Nations.

I think the time is at hand in this body to emphasize the resolution that was adopted here the other day, which calls upon the President and the Secretary of State to use every known diplomatic initiative to seek an end to these hostilities and a cease-fire. That is the way we get evacuation without trouble. That is all that is needed. A few days of cease-fire and you can evacuate all of the American nationals. You can evacuate the dependents, and you can evacuate those Vietnamese who may be in trouble. I think that is where our emphasis ought to be.

Speaking for myself, I have no objection to the amendment of the Senator from Iowa. I do not think it hurts anything. I think what it does do is bring to a head what we are arguing about in committee; namely, what are the plans, if any, about the Vietnamese who might want to come out? Do we have any plans?

Maybe the amendment is too precise. The amendment asks for 48 hours. That may be a little bit beyond what the Government can provide. I wish the Senator would reexamine it in the moments that we have here. I do believe that a plan of action could be designed and should be designed. If the Senator might extend that, I think we would have a better chance.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Iowa has the floor.

Mr. CLARK. I appreciate the support of the Senator from Minnesota. With regard to the time requirement, the plan would not be submitted until 48 hours after enactment. That would give the administration several days at least and probably much more.

Mr. President, all of the arguments have been made, and I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President——

Mr. CLARK. I withhold that request.

Mr. GRIFFIN. Is there any time remaining?

Mr. CASE. No, but I would be glad to yield a few minutes on the bill when the Senator has completed.

Mr. CLARK. I reserve the remainder of my time.

Mr. CASE. I yield to the assistant minority leader.

Mr. GRIFFIN. Mr. President, I want to indicate my concern about this amendment. I am sure that the Senator from Iowa offers it with the best of intentions. But as I read it, he would require the President to transmit to various committees, including the Foreign Relations, Judiciary, and Armed Services Committees of the Senate, a report fully and completely setting forth a plan for the withdrawal of Americans from Vietnam. Surely, that seems inadvisable, to say the least.

I hate to say this, but if the President were required to submit such a plan to all the members of those Senate committees, does anyone really think that the plan would not be published in the Washington Post the next morning?

It seems to me that a withdrawal plan is something akin to a military battle plan. Unless you want the enemy to have the details of your plan in advance, it makes no sense to make such a plan public.

I am sorry that I came on the floor late and did not hear the earlier debate. Perhaps the Senator from Iowa provided some reasonable or rational explanation for his amendment. But for the life of me, I cannot understand why we would want to publish in precise detail the plan we might intend to use to get Americans out of Vietnam.

If it were a matter of briefing the chairmen and ranking minority members of those committees in a secret session concerning such a plan, I would have no objection. But that is not the way the amendment is drafted. I hope this amendment will be voted down.

Mr. CLARK. Mr. President, the Senator from Michigan and I seem to have a sincere disagreement over the meaning of the amendment and, more importantly, the responsibility of the legislative branch of Government. If people are going to conclude that no significant information can be turned over to the Congress safely we are then operating under a one-branch Government. There are matters of a national security nature that can and should be given to the Congress in confidence. But if we are going to be asked to legislate authority to carry out an evacuation we ought to know just what the President has in mind.

Mr. GRIFFIN. Will the Senator yield for a question?

Mr. CLARK. I yield.

Mr. GRIFFIN. Let me see if I can draw out what the Senator has in mind. The language does not speak in general terms concerning such a plan; it talks in terms of "fully" and "completely" disclosing the plan.

Does the Senator want to know, for example, exactly where these people will be evacuated from—in what planes or in what ships? The time of day?

I do not know why we need such details in order to give the Commander in Chief the authority he needs to perform what is essentially an Executive function.

I do not see any way that the Congress can expect to direct or participate in such an evacuation from here. But we can cause the Executive a lot of difficulty and perhaps even make it impossible to execute the evacuation.

The evacuation of Americans from South Vietnam is not a responsibility of the Congress under the Constitution. It is the responsibility of the President of the United States.

Mr. CLARK. Will the Senator from Michigan support modification of that amendment which would drop the words "fully" and "completely"?

Mr. GRIFFIN. I would still have the question as to what the Senator means by it.

Mr. CRANSTON. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER. All time on the amendment has expired. Any further time would have to be yielded on the bill.

Mr. HUMPHREY. Mr. President, perhaps the chairman will permit a little time on the bill, because apparently there is an honest difference of opinion between both sides in this matter.

Mr. SPARKMAN. I will be glad to yield. How much time does the Senator desire?

Mr. HUMPHREY. Six minutes on the bill.

Mr. SPARKMAN. I yield.

Mr. CRANSTON. I ask if the amendment does not really do what the Senator from Michigan suggested would be acceptable to him, because the amendment says that "the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations." It would go to the chairman of the committee and the Speaker of the House. That does not give it wide diffusion. It would be in the hands of the chairman of the committee.

Mr. CASE. The language of the amendment has been broadened to include two other committees, I think—the Committee on the Judiciary and what other committee?

Mr. CLARK. The Committee on Armed Services.

Mr. CASE. So there would be a pretty widespread dissemination.

Mr. CRANSTON. Will the amendment be acceptable if the report were to go to the Speaker and the Committee on Foreign Relations?

Mr. CASE. I would oppose it in principle, Mr. President, on the ground that to do more than we have done in the bill and by the previous amendment, which we did accept from the Senator from Iowa, would be unduly to circumscribe the discretion we want to give the

President in what is essentially, as the Senator from Michigan frankly pointed out, a military operation—a limited one, but nevertheless that kind.

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

Mr. CLARK. I yield.

Mr. HUMPHREY. Mr. President, I do not think we are as far apart as the argument seems to indicate. First of all, there is no Member who does not want to know that the executive branch does have some plan of operation for the removal of Vietnamese nationals if the terms under section 4 of this bill are to become effective.

I understand fully what the Senator from Michigan has said and what the Senator from New Jersey has indicated about the details. Frankly, I had very serious doubt about this amendment. We discussed in the committee whether or not there were any plans, any kind of operational program, under consideration for the removal of Vietnamese nationals—that is, those nationals who might have some right to claim some consideration from our Government.

I hope we will look upon this amendment as merely an effort to urge upon the executive branch and to instruct the executive branch that, in the name of effective evacuation, under the terms of section 4, there be some kind of program which is thought out and not just a catch-as-catch-can operation. If we can get that, I think we all will be satisfied.

Therefore, I think that the suggestion made by the Senator from Iowa of eliminating the words "fully and completely" is highly desirable. There is no reason at all why this amendment cannot be used as a way of asking the administration to inform the Speaker of the House and even, if need be, the President of the Senate—somebody—that there is a program of action. Our purpose here is to encourage the executive branch to have a program of action.

I am going to suggest to the Senator from Iowa—even though I am just one of those conversing about this amendment and am not a cosponsor—that he might take a moment to think about whether or not it would be desirable to have such a planned withdrawal made available to the Speaker of the House of Representatives, to the President of the Senate, and possibly to the chairman of the Committee on Foreign Relations, since we are the initiators of this legislation, and thereby, the security part of it would be protected. But the purpose is clear. The purpose is to get a program of evacuation, if we are going to have it.

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

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Of course, the Senator knows that this reference to the Speaker of the House is the method that the House uses all the time. It is my understanding that, when a report of this kind goes to the Speaker of the House, it immediately goes to the Committee on International Relations, which used to be the Foreign Affairs Committee. So that is just a formality.

Mr. HUMPHREY. I understand that. Therefore, it would go to the appropriate committee with jurisdiction; namely, the International Relations Committee, which is what our committee should be called, and then, in the Senate, it would go to the Committee on Foreign Relations.

We have had discussions in the committee about plans. We have not been irresponsible. The whole idea here is to follow through on this partnership, which I believe is working, which has been established between the two branches of Government.

If the Senator from Iowa goes back to his original context; namely, the Speaker of the House and the chairman of the Foreign Relations Committee, or, if he wishes, the President of the Senate and the chairman of the Committee on Foreign Relations, eliminating the words "fully and completely," then I think he will accomplish his purpose, because the purpose is to get some kind of action program underway.

Mr. CLARK. Mr. President, I move to modify the amendment by striking the words "fully and completely"—the first three words in line 5 of amendment No. 354.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator has a right to modify his amendment.

Mr. GOLDWATER. I object, Mr. President.

The PRESIDING OFFICER. The amendment is so modified.

The Senate has taken no action on the amendment.

Mr. CLARK. Mr. President, is the amendment modified?

The PRESIDING OFFICER. Yes.

All time on the amendment has expired.

The modified amendment is as follows:

lows:

At the end of the bill add the following new section:

SEC. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the Committees on Foreign Relations and Judiciary and Armed Services of the Senate a report setting forth a plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CASE. Mr. President, I yield myself 1 minute on the bill.

The Senator from Iowa has changed the amendment by striking out the words "fully and completely."

Mr. CLARK. That is correct.

Mr. CASE. And then by restoring the original language as to the persons to be notified. Is that correct?

Mr. CLARK. I have removed only three words—"fully and completely."

Mr. CASE. How about leaving out the chairman of the Committee on the Judiciary and the chairman of the Committee on Armed Services, and leaving it as it was?

Mr. KENNEDY. Mr. President, will the Senator yield me a minute or two on the bill?

Mr. CASE. I yield.

Mr. KENNEDY. Mr. President, I hope the Committee on the Judiciary will remain as a part of the amendment. At the present time, the Judiciary Committee has unanimously requested from the Secretary of State day-by-day briefings on this evacuation program, because it has the jurisdiction for the parole authority under the Immigration Act.

Section 212(d)(5) provides the parole authority by which these individuals will come to the United States.

Then there will have to be an adjustment of status legislation to permit them to remain here. The Judiciary Committee, quite clearly, will have a continuing, ongoing interest in this matter. At the present time, the members of the Committee on the Judiciary are being briefed on the evacuations, and they have a clear jurisdictional interest.

Although I am not a cosponsor of this proposal, this legislation is needed. The members of the Judiciary Committee have had an in-depth briefing on the whole question of the evacuees—the numbers, the procedures that have been outlined. We have been receiving those daily, and the announcements of today run completely contrary to what was given the Judiciary Committee almost 48 hours ago.

As I understand the amendment of the Senator from Iowa, it is to require—even with a difficult and a desperate situation that exists now—that we have some kind of idea as to what the administration is planning to do in terms of hundreds of thousands of people.

I say to my good colleagues and friends on the Committee on Foreign Relations that one of the primary areas that has not been explored by the administration, and one of the reasons why we asked the administration to provide us with a day-to-day briefing, is the fact that there has been virtually little, if anything, we have been able to determine as to any effort the administration has made through international agencies with respect to the safety of people in the PRG areas and those who are going to remain in South Vietnam.

We are going to be faced with a situation in which we evacuate perhaps 150,000, and still tens of thousands of people will be endangered over there. We should be exercising every possible diplomatic effort to provide for the safety of the people in the South today.

The PRESIDING OFFICER. The additional time on the amendment has expired.

Mr. KENNEDY. May I have 1 more minute on the bill?

I hope that our colleagues on the Foreign Relations Committee will continue to press that point in a very careful oversight about what efforts are being made by the administration to provide for the safety of the people who will continue to live there. I think Mr. Habib said that there is not any reason for us to make these efforts, because even if we get a statement or agreement, it is not worth the paper it is written on. That is the kind of attitude that we are dealing with in terms of a key spokesman for the administration. I think that is unacceptable for the millions of people that will be staying there.

The targeted population in the South and the North have been the Catholic population. They have been the ones subject to great abuses since the time of 1954. Yet we have the Vatican and the other church groups telling them to remain in South Vietnam. I have yet to hear a plea by our administration or any diplomatic effort made by the administration to try to establish any kind of procedures to look after the safety of those people who are going to have to remain behind.

In our flurry of concern about how we are going to get out several thousand people, I think we ought to be looking at what is going to be left behind and I think that ought to be an aspect of the accountability which I hope will be included in the Clark proposal, and I think it is an extremely great point of urgency. I think that is one of the prime reasons I am going to support the amendment and I think the Committee on the Judiciary has some jurisdiction over this.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. CASE. I yield myself 2 minutes.

As far as the Senator from New Jersey is concerned, he agrees with the concerns expressed by the Senator from Massachusetts. The question is how best to express those concerns in legislation. The bill we have before us is, frankly, for the limited purpose of dealing with the evacuation of Americans, of the dependents of Americans, and of such a small number of Vietnamese as can be brought out with no more of a military effort than the evacuation of the Americans and their dependents would require.

We wish to keep that limited. We agree fully that the whole matter of the thousands, hundreds of thousands, of people who may need to be given assistance by way of evacuation, or by way of long-term rehabilitation in that part of the world, is a matter of great importance to us and must not be lost sight of.

I think it is really questionable whether we ought, in this particular bill, with its narrow purposes and its quite definitely and intentionally restricted limits, to attempt to deal with that question.

The Senator from Minnesota gave us a resolution which we adopted unanimously on the broader question of negotiation for elimination of all possible bloodshed and uprising and agony in connection with the period which is going to be faced by these people in the very near future. Anything of that sort that we can do, we should do. But I do not think we ought to broaden the scope of this legislation except for its own purposes and within its own parameters. That is my own feeling.

While certainly, any information that we have should be shared with every Member of the Senate, including the Committee on the Judiciary, I think that it might be very well to restrict this in the way that the Senator from Minnesota has already suggested on the question of whether we should allow the chairmen of the Committees on the Judiciary and the Armed Services to have the information as a matter of course. It is a matter that I certainly would have no objection to.

The difficulty we are having points up the problem we are having of going beyond the narrow purposes of the bill, which we drew up with great care and great pains to cover the immediate evacuation problem. I do not know whether the chairman thinks we should put this aside, perhaps, with the consent of the sponsor and see if we can work out something on it, or whether we ought to come to a vote. I am a little bit reluctant to press to a vote here, because I think we get all kinds of false inferences and results from a test of this kind.

Mr. GRIFFIN. Will the Senator from New Jersey allow me 2 minutes?

Mr. CASE. Surely.

Mr. GRIFFIN. I wish to offer a suggestion along the lines of the suggestion made by the Senator from Minnesota (Mr. HUMPHREY), which makes a lot of good sense. Could we modify the amendment to make it read like this: that "not more than 48 hours after the date of enactment of this act, the President or his representative shall brief, orally or in writing, under strictures of secrecy, the Speaker of the House of Representatives and the chairmen and ranking minority member of the Committees on Foreign Relations, Judiciary, and Armed Services concerning any plan or plans for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this act."?

When I say "plan" or "plans," I think we should keep in mind that there may be a number and variety of contingency plans.

A modification such as I suggest would give the executive the option of conveying such sensitive information orally in a briefing—which is the method being used now.

I believe that a modification such as I have suggested would serve the purposes intended by the sponsor of this amendment.

Mr. GOLDWATER. Will the Senator yield to me 2 minutes on the bill?

Mr. CASE. Yes, I yield.

Mr. GOLDWATER. Mr. President, I suggest that what we are engaging in now points out the weakness of the whole war powers resolution that we passed last year, even an approach to it. Here we are, debating an amendment that will require certain things to be done after the passage of this bill. Let me remind my colleagues that by the time this bill is passed, all Americans will probably have been evacuated from Saigon and many, many thousands of South Vietnamese. And let me remind my colleagues that when the North Vietnamese get within rocket range of Tonsonhut Air Base, there is not going to be any more evacuation unless we want to go to war.

I think we are spinning our wheels. The President, and I am proud of him for having done this, has taken unto his own hands the protection of Americans and American property and American freedoms, wherever they might be, around this world, regardless of the legislation that we, in my opinion, foolishly passed last year.

Now, if anyone in this body thinks that the crews of C–141's and C–130's and helicopters are going in there with kisses on their lips and no weapons, think again. These men are armed. They are wearing the uniform of the United States. They are our Armed Forces and they are engaged, right at this moment, in Armed Forces activity from Tonsonhut airport to Anderson Air Force Base on Guam and Clark Field in the Philippines.

I suggest that we are being a little foolish, a little redundant. We are not accomplishing anything. We may not pass this bill until the day after tomorrow, at which time, I think the whole action will be over and we will have again engaged ourselves in ridiculous debate. I suggest that we get along with this, if this is the sense of the Senate, that we are going to act under the new War Powers Limitation Act. Otherwise, we are going to accomplish the fact under the new War Powers Limitation Act. Otherwise, we are going to accomplish the fact under the old way that was done, a way that I think was perfectly all right in the first place.

On this particular amendment, Mr. President, I merely repeat what I have said on this floor time and time again. I wish I were the enemy of the United States. I would like nothing better than to know that Congress has said that every detail of a military operation has to be reported to Congress within 1 hour, 2 hours, or 48 hours of the decision being made. We have lost our place in the world, because of what we are doing. We do not have the power anymore. I hope we wake up to it before it is too late.

Mr. JAVITS. Mr. President, may I have 2 minutes on the bill?

The PRESIDING OFFICER. The Senator from New York requests 2 minutes on the bill.

Mr. CASE. Yes.

Mr. JAVITS. Mr. President, it so happens that I thoroughly agree with the Senator from Arizona about what ought to be done on this amendment, but I agree with him precisely because I believe the war powers resolution has put us, at long last, in a posture where we can act this way. Even the President has not challenged that. He has an unchallenged right, under the Constitution, to use the Armed Forces of the United States to rescue Americans from a war zone. But the Constitution has also been implemented by the war powers resolution, so that those forces, when so used, remain accountable to the country through both him and the Congress, so that we may have some control over what happens with respect to their use, and so that the whole thing may be called off if it gets beyond what we think is a fair measure of use for this purpose.

That is the law, and that is what we have been implementing; and it is to the great credit of the Senate and the committee that that has been done. The committee has had reports every day on plans, or supervision, showing who is being taken out, and the most intimate monitoring and oversight has taken place. That is the way it ought to be. That is the way it ought to be left. I believe that to do more would result in despoiling our own opportunity by ad-

ministering the War Powers resolution, which has been of such inestimable benefit to the country, in a way which may get it into disrepute.

That is what I see as the real danger in this kind of amendment, which now seeks to go beyond what ought to be the proper function of Congress, which is really working as it should be working up to now.

So for all those reasons, whatever other Senators may think, I believe it is essential that the Senate show that it, too, has restraint when it comes to the implementation of this new power, which puts us into partnership, for the first time in our history, with the President of the United States on using the Armed Forces in situations which may lead to war.

I beg all my colleagues on the other side who have spoken on this amendment, as author of the war powers resolution, not to miss the forest for the trees. The backs of things have been broken time and again by just such actions. I like the Senator from Iowa (Mr. CLARK) and his attitude, and I like what he is doing. I like the spirit of the committee. But I think this goes farther than we should go if we wish to retain the authority we have today. Let us not break the camel's back.

Mr. HUMPHREY. Mr. President, will the Senator yield me 30 seconds?

Mr. CLARK. I yield.

Mr. HUMPHREY. Why not just withdraw the amendment for a while? We have worked out problems much more difficult than this. There is merit to the arguments made by the Senator from New York, the Senator from New Jersey, the Senator from Arizona, and others. I think there is merit over here. But this is not an irreconcilable problem, and we would be much better off to go into the cloakroom and work out these differences and not do something hastily that we may regret. I appeal to the Senator from Iowa to make this concession, and bring back his amendment at a later hour.

Mr. CLARK. Mr. President, I do not see the amendment as being that major a stumbling block, but I am happy to withdraw the amendment on condition that it be considered later in the day.

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

Mr. CLARK. I yield.

Mr. JAVITS. That is very characteristic of the Senator from Iowa, and I thank him for his consideration.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment and reoffer it at a subsequent time.

Mr. CASE. Mr. President, I ask unanimous consent that the time consumed in this debate after the time allowed on the amendment itself not be charged to either side on the bill.

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

Mr. HASKELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an amendment as follows:

On page 1, beginning with line 5, strike out all through page 4, line 23.

Mr. HASKELL. Mr. President, the purpose of this amendment is to strike out all portions of the bill except that portion that deals with the $100 million for humanitarian aid to be administered through the United Nations or other international organizations, international agreements or voluntary relief agencies.

I do this for several reasons. First, at this moment, the President of the United States has the authority necessary to send Armed Forces to rescue U.S. citizens and their dependents. So the portion of the bill that seeks to give him authority to send troops in there for that purpose is not, in my opinion or in the opinion of legal scholars, necessary at all.

Second, I wish to strike the portion of the bill that gives the President the right to use Armed Forces of the United States to evacuate South Vietnamese and other foreign nationals because I believe that such a broad grant of authority is not desirable at this time.

I recognize that the language drafted by the Committee on Foreign Relations seeks to tie in the evacuation of South Vietnamese nationals with the evacuation of American nationals. Nevertheless, the bill would give the President of the United States a power which, in my opinion, is unnecessary and at best is premature. I would suggest to my colleagues in the Senate that we need to focus on one main thing: The President now has the power to get out United States citizens and their dependents, and needs no further power.

I would suggest that if we want to launch a bloodbath in South Vietnam, the best way to do so would be to send in United States troops to get out South Vietnamese nationals. For that reason, Mr. President, I believe that the amendment striking the authority to evacuate foreign nationals is desirable. I hope that my colleagues will consider it favorably. Should it later become necessary to do something else, we can change the law, but right now the President has all the authority necessary to protect our citizens.

I would also suggest, Mr President, that if we limit this bill to humanitarian aid it will put pressure on the administration to accelerate the removal of our people in South Vietnam.

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

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HASKELL. On the opposition time, or on my time?

Mr. WILLIAM L. SCOTT. Well, I do not believe I have any time assigned to me, Mr. President. Perhaps the Senator will yield briefly on his time.

Mr. HASKELL. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding.

I am sympathetic with the amendment that he offers. I have an amendment myself that I might well offer as a substitute for the one of the distinguished Senator from Colorado. Mine would simply strike out section 4 of the bill, which has to do with using American troops to remove others than American citizens. As I understand the distinguished Senator's amendment, and I have not seen it, but understand it would also strike out the authority for the President's use of our troops to remove American citizens?

Mr. HASKELL. The Senator is correct.

Mr. WILLIAM L. SCOTT. The Senator may well be correct that the President has authority to protect Americans without this bill. But if there is any doubt about it, this bill would give the President authorty to use troops to remove American citizens.

So the only difference in my amendment would appear to be that it does not strike the portion relating to the use of troops for removal of American citizens. It would only strike the portion that would relate to the use of troops for removal of foreign nationals.

I wonder if the Senator would be agreeable to such a substitution?

Mr. HASKELL. I would like to say that I would like to have a vote on my amendment; but should this amendment fail, I would be delighted to cosponsor the amendment of the distinguished Senator from Virginia.

My desire to strike sections 2, 3, 5, and 6, in addition to section 4 that the Senator wishes to strike, stems from the fact first, that the President currently has the authority to go in and get Americans out. We need not say anything more. Sometimes the less said the better.

Second, the $100 million authorized in section 2 is to be used for "humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines." This, in effect, gives the President of the United States the power to give military aid to the Saigon government, and I would not want the President of the United States to do so.

So I think it is desirable to strike sections 2, 3, 5, and 6, as well as section 4, but I certainly agree with the Senator on section 4.

Mr. WILLIAM L. SCOTT. As I understand the Senator, his amendment does strike $100 million in addition to the authority to use troops; is that correct?

Mr. HASKELL. It does indeed. It strikes section 2, which is the $100 million, which gives the President broad discretion to use possibly even military aid.

Mr. WILLIAM L. SCOTT. In view of the Senator's statement, I will not offer this as a substitute, but will attempt to offer it after disposition is made of his amendment.

Mr. HASKELL. Hopefully, Senator, it will not be necessary. Hopefully, my amendment will carry.

I reserve the remainder of my time.

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

Mr. HASKELL. I do.

Mr. BIDEN. I rise in support of the amendment of the Senator from Colorado and to add just a few points, which probably my colleagues on the Commit-

tee on Foreign Relations are getting tired of hearing me reiterate—points which I have repeated during the last 3 weeks in regard to this bill.

I voted against reporting this bill from the committee, and I did so, in large part, for the reasons stated by the Senator from Colorado.

There is no question about the feeling on the part of the members of the committee, on the part of the Department of State and the Defense Department that the President has had and does have power to withdraw under the cover of miltiary force, if need be, American citizens and their dependents now in South Vietnam. That was precisely what was done without any action on our part in Cambodia. President Ford did that, and the Vietnam evacuation would be just a slightly larger action.

Second, there is no question in anybody's mind, whether it be Assistant Secretary of State Habib's, the Ford administration generally, the Foreign Relations Committee or Congress that the bill's section 2, containing $100 million, labeled as a "contingency fund" may not be, but clearly could be, used for military aid to the South Vietnamese Government.

Lastly, there is section 4. It relates to the proscription of how much force and under what circumstances the President of the United States is able to evacuate foreign nationals, specifically South Vietnamese, whom the administration feels are "endangered" and, I believe, some are legitimately in danger. Although drawn tightly, and although it be the intention of the committee to draft it very, very tightly, I think, the section 4 still is too broad, because, as I read that amendment and as we debated that section of the bill, the President, as long as there are American forces, American citizens, located in South Vietnam and in Saigon, could continue to evacuate indefinitely any indefinite number of South Vietnamese.

The Ford administration has indicated to us in committee and in the press and on the floor, that there is an intention to evacuate American citizens as rapidly as possible. Thanks to the leadership of the ranking minority member (Senator CASE), such evacuation movement has been increased significantly over what it was in the last 3 weeks. We would not be anywhere near the present evacuation were it not for the pressure within the committee that was put on. But, nonetheless, as of yesterday, unless something new has occurred of which I am not aware as a member of the committee, the administration talked about keeping in South Vietnam 1,500 Americans or thereabouts that they viewed as "essential."

As I view it, they are "essential" to our presence in South Vietnam primarily to aid in the evacuation of South Vietnamese and to administer any humanitarian aid which we, in fact, would have forthcoming from the United States; 1,500 Americans are a lot of people. When asked when they would all be out, every last American, which is the only time, by the way, under which, under this bill, the administration would no longer have the authority to withdraw South Vietnamese, administration spokesmen stated that they did not know—that was an indefinite period of keeping "essential" Americans there.

Although I ascribe the highest intentions to the administration and I believe that it is not their intent to pull the wool over the eyes of the American people or of the Senate, and I also ascribe the highest motivation to the members of the Foreign Relations Committee in trying to so tightly tie this as to not plunge us into another war in Southeast Asia, let us talk, nevertheless, about what has happened while everyone's intentions have been good.

What has happened is that we still have over 2,500 American citizens, or thereabouts, and their dependents, in South Vietnam. What has also happened is that off the shores of Vietnam has been amassed a large American military force that is sitting there. Let me give the Senate a scenario. What happens if the North Vietnamese get skittish again and they send out a small boat and they end up torpedoing one of our ships sitting out there? Are we, in the Senate, then, going to be presented another Tonkin Gulf resolution? Are we going to say that we have been attacked and we have got to put, you know, our military honor and might on the line? You know, that whole argument heard here in this Chamber in 1964?

So even though everyone's intentions are good, the fact is, Americans are still there and the North Vietnamese have control of the military situation. Whether or not they hold off—continue to hold off—is totally up to them. It has nothing to do with what we are doing or not doing. American citizens are in jeopardy and, at the same time, we are amassing a large military force off the shores of South Vietnam in the name of evacuation, in the name of protecting the Americans, in the name of assuring that no Americans or their dependents lose their lives and limbs there.

It seems to me all we are doing is increasing the risk that that very thing may happen, and that we would be presented with a situation which I would find intolerable, which is that there are Americans being killed, and what do we do. Well, obviously, as ardent an opponent as I have been of our involvement in Southeast Asia, I would be the first to stand up on the floor of the U.S. Senate and say that we must send military force to protect those people, and we would all be in that position, and we would be ramrodded into a situation that nobody intended, not the President, not we Senators, nobody intended, but, nevertheless, we would end up in such a perilous situation.

It seems to me that sections 2, 3, and 4 do the exact opposite of what those who firmly believe and sincerely are trying to convince us is meant to accomplish—that is, to protect American citizens and their dependents.

I submit that the exact opposite is the effect of our passing this legislation.

Let us pass the section relating to humanitarian aid through multilateral organizations. Let us insure that we will use military force to immediately, forthwith, and all the other words you can think of, get American citizens out of South Vietnam. And let us do everything we can in our effort, suggested by Senator HUMPHREY—and it is to his credit that he has been saying it for 3 weeks, along with others—let us try to negotiate for the safety of those Vietnamese we are so concerned about through the organizations that are available, and through diplomatic channels that we could use.

But, I submit, that $100 million in an evacuation contingency fund is not a diplomatic channel. I submit that amassing all our forces off of the shores of South Vietnam is not a diplomatic channel, and I submit as long as the North Vietnamese continue to tighten their military noose around Saigon, and they are. I am not saying this is a consequence of any briefing, but I would guess, in response to the remarks of the Senator from Arizona (Mr. GOLDWATER), they are in a position today to interdict Tansonnhut Airport, they have that capacity today, and he is right, why kid ourselves—they, in fact, can do that, and what do we do except to aggravate it?

Last, and I appreciate the Senator's yielding to me so much time, it seems to me that the turn of events in South Vietnam with regard to the resignation of President Thieu several days ago bodes better for the situation than it was before. What do we do now about taking this action today—in sections 2, 3, and 4—that does anything about the stability of the new South Vietnam Government and insuring a possibility of a negotiated settlement between the warring parties?

The PRESIDING OFICER. All time of the proponents of the amendment has expired, the opponents have 15 minutes.

Who yields time?

Mr. McGOVERN. Mr. President, will the Senator from Minnesota yield me about 5 or 6 minutes?

Mr. HUMPHREY. How about 5 minutes?

Mr. McGOVERN. Very well.

NO GROUNDS FOR RECRIMINATION IN THE VIETNAM TRAGEDY

Mr. McGOVERN. Mr. President, I have read in mounting disbelief the reports of President Thieu's resignation address to the people of Vietnam. It was really, I think, directed to the people of the United States.

Perhaps we must expect some vituperation from someone in Mr. Thieu's circumstances. But there is certainly no requirement that we let pass unanswered his ranting against the people and the Government of the United States.

This is what he had to say:

> The inhuman attitude of the United States is that of a great power fleeing from its responsibilities.

Mr. President, the United States has never had a responsibility to underwrite any regime in South Vietnam—least of all to a government which sought only to undermine and repudiate American policy, as defined by the Paris agreement in 1973.

What does Mr. Thieu have to say about those accords?

I rejected that plan. I said we won't go along with it. I don't go along with any agreement with the Communists in any form whatsoever.

So Mr. Thieu assumed for himself the authority to dictate American policy. Our policy in January of 1973 was a negotiated peace. The policy Mr. Thieu chose was the same policy Prime Minister Khiem announced nearly 2 years ago:

We will not let the Paris agreement decide the fate of South Vietnam. Our army is determined to decide the fate of South Vietnam.

The Thieu regime, therefore, made its own choice to defy the Paris agreement, and to reject a political settlement and to choose a military settlement, and we are now witnessing the results of that decision. And it is total nonsense for him to declare now some imaginary American responsibility to bail him out on a policy that was in direct opposition to the stated American policy of implementing the Paris accords.

I reject as well the assertions that some private commitment to Mr. Thieu somehow changes that situation. Since 1973, it has been the law in this country that there would be no further American involvement in Vietnam. It simply defies the truth to suggest that he has been strung along by private promises of a "vigorous reaction" from the United States should his military endeavors collapse. He has been on notice publicly, the law declares that, as of August 15, 1973, there can be no military involvement of any kind, and certainly Mr. Thieu should be able to understand that.

Worst of all, Mr. Thieu declares:

If you give us the same aid as the other side gives North Vietnam, we would win.

The United States gave Mr. Thieu and his predecessors more than 55,000 American lives; more than 300,000 American casualties; some $150 billion in treasure—a figure which will grow to $362 billion according to the 1973 U.S. statistical abstract when veterans benefits and debt financing are added.

How many Russians or Chinese were killed and wounded in Vietnam? None. And our financial support for the Saigon regime has totally eclipsed outside aid to the North Vietnamese and the PRG.

That has been true even since the Paris agreement was signed. Earlier this year the Foreign Relations Committee asked U.S. intelligence agencies for an estimate of outside aid to both sides. Total military aid to the North Vietnamese and the Viet Cong in 1973 and 1974 was about $730 million. U.S. aid to Saigon was several times that amount.

Further, there is not the slightest evidence that ARVN's military collapse occurred because of a shortage of arms. There are still arms in the pipelines. In fact, since the Paris agreement Saigon's forces have been spending ammunition at a rate of some 20 to 1 over the other side. And there is no shortage even now.

ARVN collapsed because of a lack of will and popular support, not a lack of arms. And Mr. Thieu's opposite claim is an outrageous, self-serving lie.

To finish off the insult, Mr. Thieu's speech was preceded by credible reports that Swissair was requested to fly out of South Vietnam "some personal belongings" of President Thieu—16 tons of gold, valued at $73 million. This action was preceded by a cable from the collapsing regime in Phnom Penh asking their bank in New York, the Irving Trust Co., to transfer a million dollars from the Cambodian Government account to the personal account of the deposed Lon Nol who then purchased a retirement home in Hawaii.

There has been an American failure in Vietnam. But it has not been in getting out. Rather, it has been in embracing too long—indeed, in embracing at all—a dictatorship that has robbed our treasures and defiled our values from the very beginning. And the demise of Mr. Thieu should be seen not as a departure from America's world responsibilities but as a healthy message that our patience is not endless, that our resources are not free for the asking, and that this land is a democracy, where the will of the people does prevail over the demands of petty dictators in other lands.

In the months and years ahead, we will surely reassess our posture in the world. We must, for there has been little real change in the policies which have produced this disastrous alinement in Southeast Asia.

But that examination must be carried out with a focus on the real strength of this country, the influence we do have elsewhere in the world, and the power of our ideals.

And we will not permit it to be polluted by handwringing over the likes of General Thieu.

One final note: It is preposterous for General Thieu to blame his failure on the lack of American arms or American treasure. But it is even more preposterous for some of our own leaders to suggest that it was congressional refusal to pour any more arms into this already lost cause which was responsible for the failure. The architects of the Vietnam policy have no grounds for blaming the failure of that policy on those who have warned for years of the inherent deficiency of the policy and who have correctly predicted its failure.

Mr. President, I ask unanimous consent that a New York Times article entitled "Reporter's Notebook; Cambodia," April 17, 1975, and a Time article entitled "Reporter's Notebook: Cambodia," 1975, be printed in the RECORD.

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

REPORTER'S NOTEBOOK: CAMBODIA

The following dispatch by Sydney H. Schanberg accompanied his account of the battle for Phnom Penh.

PHNOM PENH, CAMBODIA, April 16—Last night, with this city facing imminent capture by the insurgents who surround it, the National Bank of Cambodia sent a cablegram to the Irving Trust Company in New York, asking the American bank, where it presumably has dollar credits, to confirm that it was carrying out an earlier order to pay $1-million to Marshal Lon Nol. The earlier order was sent by letter on April 1, the day that the marshal, Cambodia's former President, went into exile under American prodding.

Perhaps the marshal was worried that if Phnom Penh fell to the insurgents before the transaction was confirmed, he would never get the money.

How did the marshal come by the money? It was always rumored here that he was deeply corrupt and had used American aid to build large bank accounts abroad. But no one could ever pin it down. Maybe Irving Trust can shed some light now.

In any case, it was only one of the many peculiar things that have happened here in the last few days as the insurgents closed in.

THE GILDED EXILES?

Are President Thieu and Cambodian President Lon Nol carefully hedging their bets and gilding their nests for a comfortable exile? That, at least, would be one plausible explanation for some recent negotiations involving members of the Saigon government and Balair, a charter-airline affiliate of Swissair.

Chartered by the West German Red Cross, a Balair DC-8 in late March flew medical supplies into Saigon on a mercy mission. Shortly before the jet was to return to Europe. TIME has learned, Balair agents got a request from the South Vietnamese: Would the DC-8 fly out "some personal belongings" of the presidential family, as well as a few things owned by Lon Nol to Switzerland. The cargo consisted of 16 tons of gold, which has a current market value of about $73 million.

Recognizing that the gold might be part of South Viet Nam's and Cambodia's reserves, Balair refused. It claimed that such a high-density cargo posed dangerous weight and balance problems for the plane. A 16-ton load of gold placed in a 5-ft.-square section of the cabin could crash through the floor and out the fuselage.

The Vietnamese persisted. What if they spread the bullion on pallets so the weight could be distributed? The Swiss again demurred, this time pointing out that Balair had received overflight permission only for humanitarian purposes. Thus when the DC-8 stopped for refueling in Bangkok and Bahrain, the cargo might be inspected. Only then did the Vietnamese back off; they realized that either the Thais or Bahrainis could confiscate the hoard without compensation. At week's end the bullion was apparently still in Saigon—palletized and awaiting a more willing air carrier.

Mr. McGOVERN. Mr. President, I think it is in the best interest of both wisdom and prudence for most of us not to be talking too much about whose fault it was that the policy failed in Vietnam and to get on with the lessons it has to teach us, then try to construct a new foreign policy that faces the realities in the world around us, but which also borrows from them more enduring principles and ideals of this country.

I think that is what the Bicentennial meaning is all about and I do not think this business of trying to blame the Congress or blame the administration serves any useful purpose. We ought not to take the blame for deficiencies of others as revealed in this tragedy in South Vietnam. Let us learn those lessons and then not repeat them.

Mr. President, I thank the manager of the bill for yielding me this time.

Mr. HUMPHREY. Mr. President, I first want to commend the Senator from

South Dakota for his thoughtful statement. He speaks for many of us today in what he has just said.

Mr. President, I rise as representing the majority of the Committee on Foreign Relations to oppose the amendment offered by the distinguished Senator from Colorado.

I do so because the bill that is before us is the product of literally many days of hard work, of deliberation and discussion amongst the members of the Committee on Foreign Relations in an effort to more clearly define and restrict the powers the President shall be able to exercise in the situation that now prevails in South Vietnam.

I would call to the attention of the Members of this body the very excellent report filed by the committee.

On page 3 of that report, it notes:

This bill does not attempt to define the nature or scope of any inherent power the President may have under the Constitution to rescue endangered Americans abroad through use of the Armed Forces. However, it does recognize that, to the extent that such power may not exist, the situation in South Vietnam is of such gravity that specific authorization by statute is the proper course to follow.

In South Vietnam there are many American citizens whose Vietnamese dependents, without the authority of this bill, would be in a grey area relative to any inherent authority the President may have in this field.

The field of evacuation of American citizens.

The Department of State has issued a legal memorandum——

We have to take cognizance of that memorandum because it surely will be one that is carefully reviewed and observed by the President and the Secretary of State. As the report states, that memorandum:

contends that the President has authority to employ the Armed Forces in combat to aid in the withdrawal of American citizens and "a limited number of foreigners (if they) can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort."

Now, Mr. President, we face the fact of that legal memorandum, a document which will be important in terms of executive branch action.

As the report points out:

That assumed authority might be exercised to unforeseen lengths without the legal and political restraints recommended in this bill. Under the peculiar and critical circumstances that exist, the Committee's recommendations to place strict and specific limits on the authority of the President to use our forces in evacuation should be welcomed even by those who oppose any use of American Armed Forces for evacuation purposes.

There is no question that the President lacks authority to use the Armed Forces to engage in the large scale evacuation of foreign nationals under hostile conditions or in a situation where hostilities are likely.

We have noted very carefully in the bill, Mr. President, those restrictions. Those restrictions are found on page 3 under section 4. One of those restrictions is, I think, most pertinent. It says:

United States Armed Forces will not be required beyond those essential to the withdrawal of the citizens of the United States and their dependents; and the duration of the exposure of the United States Armed Forces to hostilities will not thereby be extended.

It goes on to further say that insofar as other foreign nationals that might be evacuated incidental to or in conjunction with American citizens, that "such where U.S. forces are present for the purpose of protecting the citizens for the purpose of protecting the citizens of the United States and their dependents while they are being withdrawn."

What happened in committee in substance, Mr. President, was to try to lay down specific restraints upon the use of Presidential authority, insofar as Armed Forces are concerned, where an evacuation program takes place. No one denies for a minute that the President can evacuate American nationals, and he is doing it now without this law. Every day that is going on. He did it in Cambodia.

But, Mr. President, it is also very likely that there will be a number of Vietnamese who have been closely associated over the years with Americans who will want to be evacuated and who this country would be more than willing to accept.

Therefore, since there is no specific authority under law for those persons, and yet they can be evacuated incidently to American citizen evacuation, we have laid down restraints so that the President cannot expand the number of Armed Forces, for example, to be used; he cannot increase the period of time that those Armed Forces can be used, and if those nationals are to be evacuated they must be evacuated along with and incidental to the evacuation of American nationals.

I personally believe that the amendment, which is undoubtedly designed to restrict the President's power, would actually widen it, because there is a legal memorandum which the President has now from the State Department which says that he has authority over and beyond what this bill provides. This bill would restrict the authority they say the President has now. In other words, this bill is a legislative restraint upon the powers of the President relating to bringing out South Vietnamese nationals in any evacuation program.

This bill is more restrictive than the legal memorandum that the President now has. It is more restrictive than the precedents followed by Presidents in this field.

Therefore, we feel that it is a desirable piece of legislation.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. HUMPHREY. I will yield a minute or two on the bill.

Mr. CASE. I will take 1 minute, if I may.

I just want to underline the argument that the Senator has made. This does exactly that. It circumscribes the exercise of this authority by the President which, in the absence of some action by Congress, might very well be construed, and would be by the administration as it has been in the legal memorandum of the Department of State, to be unlimited. Any gray area that exists would, according to the memorandum, be filled by the President.

Mr. HUMPHREY. Exactly.

Mr. CASE. We should not abdicate our responsibility for controlling the activities of the Executive in this area.

At the same time, Mr. President, we are giving the President some options by way of money so that he may not have to use military force for evacuation. I believe that affirmative grant is a useful thing which this amendment would eliminate.

I hope, therefore, that the amendment will not be accepted.

Mr. HASKELL. Mr. President, I wonder if the distinguished manager of the bill will give me 2 minutes on the bill. I am a little bit at a disadvantage not being able to reply to the eloquent statement of the Senator from Minnesota.

Mr. HUMPHREY. I yield 2 minutes.

Mr. HASKELL. First, Mr. President, I do not consider a legal memorandum to be the same as a statute. Second, I do not read the memorandum quite in the way the distinguished Senator from Minnesota does. I implore every Member of this body, if they only had time, to look at the language of section 4 and see what a mischievous mind can do. I would submit, for example, that if the authority in section 4 were taken to an extreme, if there is one American citizen in Danang, the President would be authorized to send in one division when the real purpose of using Armed Forces would be to take out a lot of South Vietnamese.

Third, I would implore the Members of this body to consider the effect this would have on retribution by the Vietnamese against the people who might have been associated with us if we employ our Armed Forces to try to get them out.

That is all I have to say. I thank the distinguished Senator.

I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the Senator from North Carolina (Mr. MORGAN). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. HARRY F. BYRD Jr.), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from North Carolina (Mr. MORGAN), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), is absent on official business.

I further announce that if present and voting, the Senator from Rhode Island (Mr. PELL), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD)

and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 10, nays 79, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—10

Abourezk	Haskell	Schweiker
Biden	McGovern	Weicker
Burdick	McIntyre	
Gravel	Metcalf	

NAYS—79

Allen	Garn	Muskie
Baker	Glenn	Nelson
Bartlett	Goldwater	Nunn
Bayh	Griffin	Packwood
Beall	Hansen	Pastore
Bellmon	Hart, Gary W.	Percy
Bentsen	Hart, Philip A.	Proxmire
Brock	Hartke	Randolph
Brooke	Hathaway	Ribicoff
Buckley	Helms	Roth
Bumpers	Hollings	Scott, Hugh
Byrd, Robert C.	Hruska	Scott, William L.
Cannon	Huddleston	Sparkman
Case	Humphrey	Stafford
Chiles	Jackson	Stennis
Church	Javits	Stevens
Clark	Kennedy	Stevenson
Cranston	Laxalt	Stone
Culver	Leahy	Taft
Curtis	Long	Talmadge
Dole	Magnuson	Thurmond
Domenici	McClellan	Tower
Eagleton	McClure	Tunney
Eastland	McGee	Williams
Fannin	Mondale	Young
Fong	Montoya	
Ford	Moss	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—9

Byrd, Harry F., Jr.	Johnston	Pell
Hatfield	Mathias	Symington
Inouye	Morgan	
	Pearson	

So Mr. HASKELL's amendment was rejected.

Mr. CLARK. Mr. President.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

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

Mr. CLARK. I yield.

Mr. LEAHY. I ask unanimous consent that Herbert Jolovitz of my staff be allowed to remain on the floor throughout any vote on the Vietnam bill.

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

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

Mr. CLARK. I yield.

Mr. FORD. I would like to ask that Jane McMathias of my staff be allowed the privilege of the floor during discussion of this bill.

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

Mr. TALMADGE. Mr. President, I ask unanimous consent that Stephen Leckar of my staff may have the privilege of the floor.

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

Mr. CLARK. Mr. President, I call up amendment No. 355 and ask that Senator TALMADGE be added as a sponsor.

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

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 1, line 5, after "SEC. 2." insert "(a)".

On page 2, between lines 6 and 7, insert the following new subsection:

"(b) Notwithstanding the provisions of subsection (a) of this section or any other law, no funds authorized to be appropriated under this section may be used to furnish assistance under part II of the Foreign Assistance Act of 1961 or to provide any other military assistance to South Vietnam.".

Mr. CLARK. Mr. President, I ask for the yeas and nays on this measure.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair would like to announce that there are 15 minutes allocated to both sides on this amendment.

The Chair recognizes the Senator from Iowa.

Mr. CLARK. Mr. President, this amendment is an attempt to clarify beyond question the purpose of the contingency fund of $100 million contained in section 2 of the bill. There seems to be some doubt in the opinion of a number of people about whether this contingency fund could be used for military assistance to South Vietnam. To eliminate that doubt, this amendment specifies that the fund cannot be used to provide military assistance to South Vietnam.

Yesterday, before the Committee on Foreign Relations, Assistant Secretary of State Philip Habib was asked if he felt that this legislation, if passed, would give the President the authority to use these funds for military assistance purposes if he felt that it was in the national interest. Mr. Habib answered, "Yes." So there is no question in the mind of the administration that this contingency fund could be used—could be used—for military assistance to the South Vietnamese if, to quote from page 2 of the bill, "the President determines it is in the national interest with respect to dealing with the present emergency in South Vietnam." We ought to face the fact that this $100 million contingency fund does allow the President, if he can in some way tie its use to evacuation or withdrawal, to use this fund for military assistance. This amendment would simply make very certain that it could not be used for military assistance.

Mr. President, why should the Congress make this money available for military assistance? Let us remember that the Committee on Armed Services decided not to provide additional military assistance. We also know——

Mr. NUNN. Mr. President, will the Senator yield at that point?

Mr. CLARK. I yield.

Mr. NUNN. The Committee on Armed Services turned down additional authorization. The Committee on Armed Services did not turn down any appropriation. That was not our function. Last year, the Committee on Armed Sevices authorized $1 billion, of which only $700 million has been spent. A total of 11 members of the Committte on Armed Services—at one vote or another—voted favorably on resolutions that provided amounts varying from $350 million to $534 million on the appropriation.

I think it is a mistake to say that the Committee on Armed Services turned down an additional appropriation. A great majority of the committee did take the position, on one vote or the other, to urge Congress to appropriate additional funds to assist the South Vietnamese. There was a lot of discussion about the appropriate level. There was never a majority vote for any particular level. There were at least 11 Senators who voted for anywhere from $350 million to $534 million in additional assistance.

Mr. CLARK. Mr. President, the Committee on Armed Services did not authorize any additional funds. And the fact that 11 or 14 or 17 members may have voted on one issue or the other, of course, is not relevant to the question of whether a majority voted on any single issue to authorize additional military assistance.

But in any case, the Committee on Foreign Relations—in this bill—should not be in a position of recommending additional assistance that could be used for military purposes. That is not our function. And most importantly, we know that the Defense Department has confirmed that there remains $130 million authorized and appropriated for military purposes that still has not been delivered in South Vietnam.

If there is a need for ammunition, a need for military assistance, this money is available for military aid for the administration to send to South Vietnam.

This bill should not include additional military assistance, and this amendment would insure that it does not.

Mr. TALMADGE. Mr. President, will the distinguished Senator yield?

Mr. CLARK. I yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, we cannot continue to deny the obvious. We must not prolong our involvement in South Vietnam any longer than is absolutely necessary in order to evacuate American nationals and to provide relief in the form of a limited amount of humanitarian assistance to the suffering people of that nation and Cambodia.

We cannot continue our attempt to delay the inevitable. Cambodia has fallen. South Vietnam is in a shambles economically, politically, and militarily.

During our long and arduous trek into and out of Southeast Asia, we have made many mistakes, not the least of which was getting involved in the first instance and then, once committed, attempting to conduct a military campaign with one hand tied behind our back.

While our errors have been perhaps too numerous to count, while the Vietnam era will be a dark chapter in our proud national history, let none among us point the finger of recrimination. Let

no one attempt to fix the blame for who among us lost Vietnam or Cambodia. Vietnam and Cambodia were never ours to lose. Nor, Mr. President, can anyone, friend or foe, argue that the United States has failed to live up to our obligations in Southeast Asia. We have gone the second mile, the third mile, the 100th mile to fulfill our obligations there: 56,000 American servicemen laid down their lives in South Vietnam; 300,000 wounded Americans will bear silent witness each and every day of their lives to the futility of a war we would neither fight nor quit. The families and loved ones of every American who served in Southeast Asia will always recall the fear, uncertainty, and agony of that conflict—never knowing when or if these brave and dedicated men and women would return. The guns and butter spending policy during those war years has plunged ours, the wealthiest and most powerful nation the world has ever known, into economic chaos unequalled since the Great Depression.

Clearly, there has never been, in all human history, a nation that has done as much for a foreign power as the United States of America has done for the Republic of South Vietnam.

Now, Mr. President, after 10 eventful and traumatic years, the end is near. We can finally see with our own eyes the light at the end of the tunnel, heretofore only a mirage in the minds of a few. We cannot allow ourselves to be diverted from our course.

Unfortunately S. 1484, the so-called Vietnam contingency bill, in its present form, would signal a retreat, not from our commitments to the people of South Vietnam, but from our obligation to ourselves. As reported by the Committee on Foreign Relations, this legislation would sink us deeper into the quagmire of Southeast Asia.

I quote beginning on line 7 of page 1 of S. 1484:

> there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam.

The Foreign Assistance Act of 1961 authorizes military assistance to South Vietnam. The language that I have referred to, which is in section 2, permits this money to be spent in the national interest, as the President may determine.

That means that the President could do virtually anything with that money, including further shipments of military aid to South Vietnam. It is an absolute delegation of authority to the President.

That is not only my interpretation, Mr. President. The Foreign Relations Committee report itself states:

> The President would have discretion to use the funds as he sees fit in the national interest.

There is no doubt whatsoever that these moneys could be used to finance further U.S. military aid to the South Vietnamese Armed Forces. Mr. President, no amount of American money and arms can instill in that army the will to fight if the soldiers themselves lack the basic motivation to defend themselves.

Mr. President, what is the situation in South Vietnam today? The President of the country has resigned, presumably to flee. The armies of South Vietnam have collapsed, and in recent weeks the North Vietnamese and their allies have taken billions of dollars worth of military equipment that the United States had furnished South Vietnam. Much of this equipment is still workable. Our planes were abandoned, filled with gasoline, ready to fight. The South Vietnamese did not use them to fight. Instead, they abandoned them. Tanks were ready to fight, but the South Vietnamese did not use them to fight either. They abandoned them, Mr. President.

The armies of North Vietnam are at this hour regrouping just outside of Saigon. Why they have not attacked the city no one knows. Perhaps they want America to send more military equipment to the South Vietnamese so they can take that as well.

In my view, there is no chance whatever for South Vietnam to win a military victory. If more equipment is sent to South Vietnam, it will almost surely fall into the hands of the Vietcong and the North Vietnamese. For what purpose? To turn and use against us?

Spending more American dollars to bolster the shattered and fleeing South Vietnamese Armed Forces would be futile. Concealing the shipment of vast sums of money and military materiel under the guise of humanitarian or withdrawal assistance would be tragic. If humanitarian aid is of pressing importance, and I think that it is, then funds for that purpose should be provided for openly in this legislation. Section 7 of S. 1484, which specifically earmarks funds for the suffering people of the Southeast Asia conflict, would accomplish this. Other funds could also be made available for both humanitarian aid and contingencies which might arise in the withdrawal of American nationals. But, Mr. President, in my judgment, none of these funds should be used for military aid to South Vietnamese forces or payments of any kind to the new government in Saigon, perhaps even a Communist dominated regime.

Most Americans do not want one more cent to be spent for, by, or on behalf of the Armed Forces of South Vietnam. They do not want money intended for the suffering victims of the Southeast Asia conflict to be diverted to the Swiss bank accounts of politicians. Most Americans want—and have the right to expect—an open and straightforward end to our involvement in that part of the world. The time has come to call a halt.

For these reasons, Mr. President, I am a sponsor of an amendment to prohibit the use of funds made available under the Vietnam contingency bill for further military assistance to South Vietnam.

This amendment would not restrict those provisions of S. 1484 which grant the President authority to send in troops or otherwise to evacuate American citizens, American nationals, and certain others that may be endangered. I might add that I only wish that the President had acted much sooner to bring out the American nationals. I feel if there is much delay, they may be the victims of South Vietnamese guns as well as North Vietnamese.

If this amendment is adopted, up to $200 million would be authorized for humanitarian aid. The President would have discretion to spend $100 million for this purpose or contingencies which might arise in the American withdrawal process. An additional $100 million would be authorized to be spent for the sole purpose of humanitarian aid by international relief agencies and other groups which have performed commendably in the difficult days of the recent past.

Such a proposal would, I submit, be entirely within our national tradition of generosity and compassion toward the victims of foreign conflicts and disasters. Our departure from South Vietnam will be honorable and we can leave with the knowledge that we have been true to our promises. No one can ask for more.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, I wish to associate myself with the remarks of the Senator from Georgia. I believe he has expressed it extremely well. I would add only one minor point: The only way we are going to get substantial numbers of endangered South Vietnamese nationals out of that country is through a negotiated settlement. If we now appropriate additional sums for military assistance, certainly we endanger the possibility of a negotiated settlement.

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

Mr. CLARK. I yield.

Mr. STEVENSON. I thank the Senator from Iowa.

Mr. President, this amendment offers something of a dilemma for those of us who have always sought a political or a negotiated settlement to the conflict in South Vietnam as opposed to a military resolution of the conflict.

I agree with what the Senator from Iowa has said. Nothing could more assuredly lead to a bloody Communist military takeover than to continue the policy of military assistance which has already brought the PRG and the North Vietnamese to the gates of Saigon.

It has been mentioned that President Thieu has resigned. But the character of his regime has not changed, and no amount of additional military assistance to that regime is likely to stabilize the military situation in South Vietnam, or to provide incentives to either side to begin a political process. On the contrary, additional military assistance would more than likely provide the north with an additional incentive not to seek a political process, but instead, quickly, to begin the assault on Saigon.

But, having said that, I am concerned that this amendment, if adopted by Congress, could be interpreted as suggesting that under no circumstances would Congress consider any additional military assistance for any government of South Vietnam.

I grant the Senator from Iowa and the Senator from Georgia that it is difficult

now to conceive of circumstances in which Congress might wish to reconsider the question of military assistance. But if, finally, a broad-based government were to be formed in South Vietnam which involved at high levels the non-Communist elements of South Vietnam, and that government——

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. STEVENSON. Mr. President, will the Senator from Minnesota yield me 2 minutes on the bill?

Mr. HUMPHREY. I yield 2 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator.

If, finally, a government of South Vietnam were formed which was composed of and which involved non-Communist elements at the highest level, and that government finally offered to pursue a political solution, negotiations with the PRG and North Vietnam, and then the PRG and the North Vietnamese were to reject that first political opportunity in favor of the military opportunity, it is conceivable that Congress might reconsider.

My suggestion is not that Congress would in those circumstances, reconsider, but to suggest to the sponsors of this amendment that it behooves us in the Senate to make it clear from the record that this is not the definitive, final action on the question of military assistance to South Vietnam. That question will be resolved in Congress, and it will also be resolved as the result of events in South Vietnam and North Vietnam.

I do not at this late date hold out much hope for a political solution. But whatever hope there is we should not neglect. If the administration will not seek that remaining possibility, however slim it is, all the more reason for Congress to seek it.

I think we ought to keep that final answer on military assistance a little unclear at the moment, and suggest that the parties to the conflict would be mistaken if they interpreted favorable action on this amendment as ruling out in all circumstances the reconsideration of military assistance for South Vietnam.

So I would hope that the sponsors of this amendment might agree to that proposition before we vote on it and, with such an agreement, I would like to be added as a cosponsor.

Mr. CLARK. If the Senator from Illinois means that we would agree that it is conceivable at some future time under a different kind of government that military assistance could be at least reconsidered, then I would be agreeable to that interpretation. I think it would take a separate action by Congress at a later time.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

The Senator from Minnesota.

Mr. HUMPHREY. Let me respond briefly, and then I want to yield to the Senator from Vermont.

Might I say I appreciate the commentary of the distinguished Senator from Illinois, but I must say to him if the amendment that is presented by the Senator from Iowa is adopted it rules out any consideration that the Senator from Illinois has indicated because it says:

> Notwithstanding the provisions of subsection (a) of this section or any other law, no funds authorized to be appropriated under this section may be used to furnish assistance under part 2 of the Foreign Assistance Act of 1961, or to provide any other military assistance to South Vietnam.

Mr. STEVENSON. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. STEVENSON. That law does not prohibit, does it, Congress from acting independently by enacting additional legislation at some point?

Mr. HUMPHREY. No, of course not; of course not. It simply means the amendment of the Senator from Iowa applies to the proposed bill before us, S. 1484, but it makes clear at least an expression here that any kind of military assistance is to be denied.

Let me speak very openly about my views on this. I am not for military assistance. I have said so, I have been one articulate spokesman in the committee in opposition to military assistance. But we are talking here about withdrawal and humanitarian assistance, that is what we are talking about. The language is very clear. We establish a contingency fund for use during the fiscal year 1975, and that is up to June 30 of this year, in the amount of $100 million, and "there is authorized to be appropriated not to exceed such sum to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the Foreign Assistance Act of 1961, as amended, as the President determines"—determines within that purview now of humanitarian assistance and withdrawal—and it continues "is in the national interest with respect to dealing with the present emergency in South Vietnam."

What are we talking about here? We are simply saying that we cannot foresee every event. We are making an authorization. The justification for any funds will have to come before the Appropriations Committee, and if the Appropriations Committee feels for a single minute that what we are trying to do is to use moneys as a subterfuge under this bill to get $100 million of military assistance to this government in South Vietnam, of course, the Appropriations Committee would turn it down, I hope, and if it did not, I would be one of the persons here in the Senate to try to lead the fight against such an appropriation.

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

Mr. HUMPHREY. Yes, I yield.

Mr. TALMADGE. Did the Senator not say that he was opposed to further American military aid to South Vietnam?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. That is all this amendment does. It prohibits the language of section 2 of the bill from being used to send further American military aid to South Vietnam.

Mr. HUMPHREY. But in the context of this bill there may be a set of circumstances which, in order to get our people out, you may have to help for a little bit some contingent or some force of Vietnam. They may exact that price. Now, let us just lay it on the line. Therefore, it seems to me, that I would rather give a little more flexibility to the President than to have on my hands the fact that I stood here on so-called principle and said, "Not one dime, you can die, you Americans can die."

Now, the other choice is to send in American forces. I think it is a whole lot better to have no American forces in there and get these people out.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Not just yet.

We are trying in this bill to be sufficiently wise to give some flexibility within strict guidelines and strict limitations. No one in this body can foresee every single thing that is going to happen.

The whole thrust of this bill is one thrust, namely, humanitarian assistance and withdrawal, and the withdrawal program is under severe limitations as to the use of the Armed Forces of the United States. That is number one. We just beat back an amendment that would have changed that.

Second, we have placed $200 million in here for withdrawal and humanitarian assistance; $100 million in the contingency fund to give the President some little flexibility, and the whole purpose—the word "only" is there, only for humanitarian assistance and withdrawal.

It may very well be under some circumstances that somebody may have to have some money for something else besides just being able to give somebody some food or to be able to give some medicine.

I think to interpret this as a military assistance endeavor is entirely out of context with this bill. This is not a desire to extend military assistance. It is only a proposal to give withdrawal and humanitarian assistance.

Mr. TALMADGE. Would the Senator agree with me that further military assistance to South Vietnam at this point would be like going out and buying furniture while your house was on fire?

Mr. HUMPHREY. No, Senator, not completely.

I can find, for example, that there happened to be, let us say, 100 Americans off in some particular area to which we could not get to them, and the Vietcong were there and were going to kill them, and we were able to get some help to a South Vietnam brigade to get them out of there, I think it would be worth it. I cannot predict what those circumstances are going to be.

God only knows I do not want a general military assistance program to any government in South Vietnam as I see any governments there. I fought against this; I voted against it in committee, and I said publicly I am against it. But I want to tell you that the President, as Commander in Chief, has got to have some flexibility here when the purpose is direct, the purpose is not to continue the fighting. We have already made up our mind to get out of South Vietnam. We already have a law that says you cannot have American forces in South

Vietnam, and since we cannot have American forces in South Vietnam——

Mr. TALMADGE. This bill authorizes it.

Mr. HUMPHREY. It does authorize a contingency fund which could possibly be used in getting some help from somebody we helped over these years in order to get some of our American people out.

Mr. LEAHY. Will the Senator yield on that point?

Mr. HUMPHREY. It is a crack in the door, I grant the Senator that, but I think we have got to trust somebody.

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. We cannot run the evacuation program from this Congress, let us face it. We are not in charge of running evacuation programs.

The worst and most we can do is put limitations and we can obstruct the President to a point where we will look ridiculous and I think we have got to have some direction.

Mr. LEAHY. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield to the Senator from Vermont.

Mr. LEAHY. I find myself in a somewhat uncomfortable position, Mr. President, in that I must disagree with the distinguished junior Senator from Minnesota and the distinguished junior Senator from Illinois, both gentlemen with whom I usually find myself far more in agreement than in disagreement.

However, I must associate myself with the position of the distinguished senior Senator from Georgia and with his statements this afternoon on the pending amendment.

Mr. President, I support the amendment of the Senator from Iowa. I appreciate the arguments that the Senator from Minnesota has made on over the inadvisability of absolutely forbidding the use of any funds authorized under section 2 of the bill for military assistance to the South Vietnamese Government.

Mr. President, there is nobody in this Chamber who wants Americans remaining in South Vietnam evacuated more than I do. I have argued for it and fought for it in the Armed Services Committee. The question has been raised, and this is not a philosophical question, as to whether the language of the bill would conceivably permit the President to use the funds authorized for purposes of military assistance to the South Vietnamese. Mr. President, as one who reached the age of majority at the time when the Vietnam debate was first beginning in this country, as one who has watched it throughout that time until now when I sit in the Senate of the United States, I do not want to open the door to that remote possibility even a little.

Mr. President, our Armed Forces are perfectly adequate and prepared to aid in the evacuation of Americans, if that contingency is required. I must say that based on the experiences we have had with the South Vietnamese in the last month, I do not want to have to rely on them to any degree whatever for aid in the evacuation.

Mr. President, I feel that the administration took far too long in beginning the evacuation of Americans from South Vietnam. I am glad that it is now moving apace. If we are in a position where the lives of those Americans are endangered, we have significant armed forces of our own present in the area. They could certainly move in to help in the evacuation of our people without further military appropriations. I do not liken the prohibitions here to sort of a Tonkin Gulf Resolution, but I am very, very concerned about opening the door even a little bit for any further military assistance.

Mr. President, enough is enough. We have over the past two decades given tens of billions of dollars in military assistance to South Vietnam. Billions of dollars worth of that equipment has in the past few weeks been abandoned, most of it intact, to the Vietcong and the North Vietnamese. Frankly, at this time, it is extremely difficult to conceive of any set of circumstances that would warrant our sending more military assistance to a crumbling government.

However, should another government be established in Saigon which would possibly warrant the resumption of military aid—and I cannot foresee such an event—then let the question at that time come specifically before the Congress which could consider it in the light of actual circumstances.

As a member of my generation, Mr. President, I no longer want to give a blank check to any administration on matters of this nature. I support funds for humanitarian assistance in Southeast Asia; I support funds which may be necessary for an orderly evacuation of Americans and endangered foreign nationals. At the same time, I believe we must have an ironclad guarantee that none of the funds will be used under any circumstances to prolong a hopeless conflict.

Mr. NUNN. Will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New Jersey.

Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. CULVER). A minute and a half.

The Senator from New Jersey.

Mr. CASE. Mr. President, I do not need to speak after the Senator from Minnesota has made the whole point and yet I would not want this time to go by with any suggestion that I do not support him fully. I do.

The committee's position was that we should have a contingency fund. If we have a contingency fund, we should have a contingency fund that is flexible enough to allow the President to make any use of it he wants to. That is the purpose of a contingency fund.

We are not authorizing a military assistance, we are not authorizing any kind of a program in any broad sense at all, but on the other hand, unless we want to invade what I think is the proper prerogative of the Executive in this narrow situation, we should not put this restriction upon him.

Mr. BIDEN. Will the Senator yield 1 minute on the bill?

Mr. HUMPHREY. The chairman has allowed me to yield the Senator from Delaware 1 minute on the bill.

Mr. BIDEN. I think much of what both Senators say is absolutely correct.

Even though I am going to support this, I think we should put it in the proper perspective. The whole reason for the contingency fund is to allow the President that flexibility. If we say, limit the President, he cannot use it for military purposes, then the whole rationale for having the $100 million in that contingency fund loses, and if in fact this amendment prevails, I hope those who supported it are honest and straight up enough to turn around and vote it all down.

That is what it was designed to be, there is no other way of talking about it, everyone who talks about it knows that, and let us face it head up.

So I hope we vote this restriction in and then force upon the remainder of our colleagues the realization there is no sense with the $100 million if the President does not have that flexibility.

Mr. NUNN. Mr. President, will the Senator allow me a few minutes on the bill?

I agree with many of the statements made here in the last few minutes, and with my senior colleague from Georgia, on his assessment of the military situation.

I do not think any amendment providing additional aid in this or any other bill is going to save the situation in South Vietnam. But let us face facts, as Senator BIDEN just mentioned. This amendment is an insurance policy for about 1,500 Americans who remain in Saigon and the military men sent to evacuate them.

The whole history of the Vietnam war has been that our country has tied the military's hands. We sent our best young men to die, to be wounded, and to return disabled without backing them up.

Now, at this final hour, it would be supreme irony if we did not give any support to either the 1,500 people who remain there or the military sent to protect their lives.

Those who favor this amendment are mistaken if they believe that we can get those Americans out with no military forces. The South Vietnamese could panic and turn against the Americans; that could happen—I just returned from a Pentagon briefing about the exact situation—Mr. President, there is no doubt in my mind at this moment that the lives of the remaining Americans, the military who may have to be sent in to protect them in evacuation, are in grave danger.

What we are talking about is an insurance fund for the remaining Americans, I, for one, do not intend to vote for an amendment which would diminish in any respect the chance for those Americans who are there carrying out our Nation's policy to be able to survive and to be evacuated.

This is the point. I do not believe our country should end the Vietnam war the same way we fought it in the 1960's; that is, without backing up our American men.

That is the clear question we are faced with.

Mr. GRAVEL. Will the Senator from Georgia yield on that?

Mr. NUNN. I yield.

Mr. GRAVEL. I am thoroughly confused because the Senator from Minnesota made the point, what this money would be used for would possibly shore up South Vietnam troops who might be in a position to secure our people.

Now, the Senator is making the point that what we need is some money to defend our people from South Vietnamese troops who might——

Mr. NUNN. I think that is an important point.

There are two types of South Vietnamese troops there right now, Senator. One, there are some troops that are well-disciplined, continuing to fight and following the orders of their commanders. Two, there is an entirely different group, running around fully armed, with no discipline, no commanders, and no organization whatever. These latter forces could turn on the Americans and try to stop the evacuation.

If we can help with some small degree of assistance—depending on the President's discretion—those troops that are disciplined and following commands, to protect, in some kind of contingency that none of us can visualize, the Americans who are being evacuated from those unwieldy troops who might turn on the Americans, this is what we want to do.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. Will the Senator yield 1 more minute?

The reality is that American lives are in danger. These are American lives that could be taken because we in this Senate cannot anticipate every eventuality. There are roving bands of South Vietnamese troops that are fully armed and are perfectly capable of panicking; they are perfectly capable of saying, "We have seen enough fleeing Americans; we have had enough of the U.S. Congress, and we are going to stop some of them." That can happen. If anyone wants to assume that responsibility on the floor of the Senate, the time now is to vote favorably for this amendment because that responsibility will be assumed.

Mr. President, the current military and psychological situation in South Vietnam is such that the Congress must provide the insurance necessary to protect the lives of those Americans left in Vietnam and the military sent to evacuate them.

No amount of military aid can save Vietnam. For all practical purposes, that government has already fallen. The amendment we are debating—if passed—would take away the President's option to use a limited amount of military assistance to provide an insurance policy for those 1,500 loyal Americans who remain there.

No one disputes that going into Vietnam was a mistake; but when we did, we should not have tied the hands of our military. That has been the entire history of the Vietnam war. Our country has sent our best young men to die, be wounded and disabled, without backing them up. The supreme irony would be for us to fail to support both the 1,500 Americans who remain there and the military sent to bring them home.

There is no doubt in my mind that, at this very moment, the lives of the remaining Americans—and the military who may be sent in—are in grave peril. The American public needs to understand the true gravity of the situation.

We are voting on money that may never be spent; we are voting on a psychological insurance policy for the remaining Americans.

Saigon is full of armed troops who are running around without commanders or discipline. If they decide that they have seen enough fleeing Americans and try to stop the evacuation, there will be a slaughter. On the other hand, there are well disciplined units following orders who are fighting well and who are capable of assisting in an American evacuation. The danger posed by the North Vietnamese military and antiaircraft is grave enough; we need the cooperation of the South Vietnamese military to effect a successful evacuation.

Mr. President, the stark reality is that American lives are in imminent danger. We in the Senate cannot anticipate every eventuality. We have no way of knowing hour to hour, minute to minute, what it will take to insure the safety of the Americans involved in the evacuation.

Any troops sent in to effect an evacuation must have the authority to defend themselves. This limited aid would give the President some discretion to aid the South Vietnamese to the extent he determines is advisable to assist in this evacuation and humanitarian effort. This could help insure the safety of our fellow citizens and the Marines whose mission is to return them safely. I am tired of sending dedicated, loyal Americans to foreign nations without backing them up.

Every member of Congress must decide for himself the amount of insurance we want to provide for the Americans remaining in Vietnam and those who may have to rescue them.

I, for one, am not going to vote to endanger the lives of Americans by cutting off all aid to the remaining South Vietnamese military units who could help protect them, or at least allow them safe evacuation.

I feel we should reduce the number of Americans in Vietnam as rapidly as possible to further reduce the risk. The President must make this decision, however, and he must be responsible for the final judgment on how fast the evacuation can take place without causing the South Vietnamese to panic and stop the evacuation.

If this amendment is adopted, the President's only option will be to protect the evacuation of Americans by a strong reintroduction of American military power. The proponents of this amendment say they oppose additional American military involvement in South Vietnam, yet this amendment would require more military involvement, not less. How many American troops would be required to protect the evacuation if the South Vietnamese turn against the Americans? I submit that it would require at least six divisions. Does any American want that?

I am not going to stand on the Senate floor and vote to endanger the lives of thousands of Americans.

The PRESIDING OFFICER. Who yields time?

The Senator from Minnesota.

Mr. PASTORE. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I am reading the first paragraph. It says specifically:

> There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100 million and there is authorized to be appropriated not to exceed such sum to be used only for humanitarian and withdrawal purposes in Vietnam

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Why do we have to add "in accordance with the provisions of the Foreign Assistance Act of 1961"? Why do we have to put that in at all? That is military aid that is given under previous circumstances. I do not think it lends anything at all. What is more, on the humanitarian aid, according to the foreign assistance program, that would be government-to-government assistance, and with the governments being questionable I do not see why that should not be distributed by international agencies or third parties.

Mr. HUMPHREY. I do want to respond to the very basic question. Might I add that I raised these same questions in committee. This was argued over and over and I was one of the main arguers in committee about this language. It was the belief of the committee, and of the staff that advised the committee, that we needed what we call a point of reference for any kind of contingency fund. There are restrictions under the Foreign Assistance Act of 1961. There are certain guidelines to it.

On the humanitarian assistance, the Senator will note under section 7—Senator KENNEDY and myself have both had bills in for humanitarian assistance—we provide that funds made available under this section shall be furnished under the direction and control of the United Nations, its specialized agencies, or under the auspices of other international organizations.

Mr. PASTORE. Which is a contradiction to the Foreign Assistance Act.

Mr. HUMPHREY. No, it is not a contradiction.

Mr. PASTORE. Of course it is. Under the Foreign Assistance Act, you can give Public Law 480 funds.

Mr. HUMPHREY. Under the Foreign Assistance Act, may I say, we do have international funds that go into international agencies. That is a fact. We have both bilateral and multilateral aid programs, as we call them.

The whole purpose of this first provision that we are talking about, and it has been a very controversial provision, is to have humanitarian and withdrawal programs. We use the words humanitarian and withdrawal purposes, so that

the emphasis of the contingency fund will be upon those two objectives.

I argued in committee, as the Senator from Iowa argued here, that we should not have any reference at all to military assistance. But overwhelming arguments were brought to bear that there may be, under some conditions that we cannot foresee, the necessity for the President of the United States to be able to use some of this money in some form of military assistance to obtain not a military victory, but to get our people out of there, to perform a service of withdrawal.

It seemed to me that after arguing for a week, which I did, finally, that the arguments of the majority prevailed. I am here to defend that argument of the majority.

Mr. PASTORE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I quite agree with the Senator from Minnesota, but on page 7 of the report it says the President would have discretion to use the funds as he sees fit in the national interest.

Therefore, if we are giving him this wide scope of authority, which I am not questioning, why do we have to tie it down to any act which is raising confusion on the floor now? I understand that seems to be the gripe.

Mr. HUMPHREY. I am not particularly interested in having it tied down to the Foreign Assistance Act, but I was overruled in committee on it, to be perfectly frank about it. It seems to me that if that is the argument, I see no reason at all to even have it tied down to it, except as a point of the way it is administered, that is all. The Foreign Assistance Act provides an administrative setup for it.

Mr. PASTORE. If the Senator will take that out, I can see myself voting against the pending amendment.

Mr. HUMPHREY. I do not see any reason——

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. Several years ago, when the incursion into Cambodia took place, the administration cited the Food and Forage Act which permits the military to make advance appropriations without prior authorizing legislation as authority for the expenditure of funds which the Congress had not specifically approved to be spent in Cambodia. Does the distinguished Senator recall that?

Mr. HUMPHREY. I do not recall it, but I accept the Senator's word.

Mr. TALMADGE. Could not the same law apply to permit the expenditure of funds to assist the evacuation of an isolated group of our troops or nationals?

Mr. HUMPHREY. I will be frank, I am not that smart. I do not think I can have that much understanding of a situation that I am not sufficiently or intimately acquainted with.

Under the circumstances which now prevail—when we all know that the U.S. citizens are coming out, when we know there will be more military assistance to Vietnam, when we know there will be no American forces in Vietnam, when we know that the only thing we are trying to do is two things, namely, to get our people and their dependents out on the on hand, and to help suffering people on the other—and by a majority of this committee, by a vote of 14 to 3 after a week of struggling with it morning and afternoon, I thought that the emphasis in section 2 of the contingency fund had merit.

Mr. TALMADGE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. The Senator knows that the President of the United States asked for more than $700 million, the greater portion of it for military aid, as I recall.

Mr. HUMPHREY. All of it for military aid.

Mr. TALMADGE. The committee did not agree to that, did it?

Mr. HUMPHREY. That is correct. It was not before us.

Mr. TALMADGE. It appears to me that the committee has now turned around and authorized $100 million to spend as the President sees fit.

Mr. HUMPHREY. Not at all. It is $100 million as the President sees fit for the purposes of humanitarian assistance and for withdrawal. It is for humanitarian assistance and withdrawal.

Mr. TALMADGE. May I call attention to the committee report, the language written therein by the Senator's own committee?

The President would have discretion to use the funds as he sees fit in the national interest.

Mr. HUMPHREY. But within the framework of this law.

Mr. TALMADGE. This section cites the Foreign Assistance Act of 1961.

Mr. HUMPHREY. This law specifically says that these funds are to be appropriated for and to be used only for humanitarian and withdrawal purposes in South Vietnam. The President can do that as he sees fit. We are not going to say, "Mr. President, you pass out care packages" or "Mr. President, when you evacuate, we will take them out piggy back." We are not saying that. We are saying he can use these funds as he sees fit in the national interest for only the purposes of humanitarian assistance and withdrawal.

Mr. TALMADGE. The Senator failed to mention the language in lines 9 and 10 of the bill where it refers to the Foreign Assistance Act of 1961, as amended. Does that not authorize military aid?

Mr. HUMPHREY. Where is that in lines 9 and 10?

Mr. TALMADGE. Look at line 9 on page 1, "withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961." That is line 1, page 2.

Mr. HUMPHREY. May I say that was put in there strictly for the purposes of administration. If it will help the Senator, and if it will relieve the anguish, pain and doubt in this body, I, as manager of this bill, will remove that language from the bill, as I think it is unnecessary.

Therefore, Mr. President, I offer an amendment to the bill: After the words "humanitarian assistance purposes in South Vietnam" strike the words "in accordance with the provisions of the Foreign Assistance Act of 1961, as amended."

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that it would take unanimous-consent request at this time to offer his amendment.

Mr. McCLELLAN. Will the Senator yield?

Mr. HUMPHREY. Am I not entitled to remove that language?

The PRESIDING OFFICER. The Senate will be in order.

The Chair will advise the Senator from Minnesota that it will take unanimous consent at this time to offer his amendment since the amendment of the Senator from Iowa is pending.

Mr. HUMPHREY. I therefore offer it as an amendment, and I ask unanimous consent that it be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I reserve the right to object, and I ask the manager of the bill what the effect of removing the Foreign Assistance Act of 1961 language would be.

Mr. HUMPHREY. As I understand it—and may I consult with the committee counsel—first of all, what this does is to remove from the bill the requirement that the provisions of the Foreign Asistance Act will govern the use of this $100 million. The $100 million authorized here will be specifically for the purposes of humanitarian assistance and withdrawal under the administrative framework of that act.

It permits the President, however, to determine how best to use that for humanitarian assistance and withdrawal. A great to-do has been made that he is going to use it for military aid. That is not the case.

The PRESIDING OFFICER. The Senator from Iowa is advised that, in this context, it is necessary either to exercise the right to object or not, and no time can be allotted for debate at this point unless it is time off the bill.

Mr. CLARK. Then, I object.

The PRESIDING OFFICER. Objection is heard.

The question occurs on the amendment of the Senator from Iowa.

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

Mr. HUMPHREY. I yield.

Mr. McCLELLAN. Just for the purpose of clarification and understanding, I understood the Senator to say earlier that what persuaded him in the committee, or what has persuaded him today, is that there might be some situations in which we would undertake to get out our own people, in which we would need the assistance of the military in Vietnam.

Mr. HUMPHREY. The Senator is correct.

Mr. McCLELLAN. Therefore, we would not want to withhold from the President

the power to use whatever means were necessary under those circumstances to evacuate our people.

Mr. HUMPHREY. That is exactly right.

Mr. McCLELLAN. If language can be written in the bill so that that is made perfectly clear, that there would be no military aid beyond that, that it would have to be associated directly with that, I would be glad to support it. But I do not want to support military aid for South Vietnam.

Mr. HUMPHREY. The Senator's desire not to support military aid for South Vietnam in no way exceeds my desire not to support it. That is why I insisted in committee it read that the funds be used only for humanitarian and withdrawal purposes in Vietnam. While there is some flexibility, it cannot be used for military aid, as military assistance per se. It can be used only for the purpose of getting people out or for humanitarian assistance.

Mr. McCLELLAN. The only objection I have to that language in the bill is the apprehension that once we give some aid to South Vietnam, there may be no end to it; it may be a continuing thing.

Mr. HUMPHREY. This is only up to June 30, 1975.

I want us to be done with Vietnam. The whole idea here is to give the President some authority to evacuate our people and dependents in such a way as we can do it expeditiously.

Mr. McCLELLAN. I do not think anyone here can envision exactly what may happen, what circumstances and difficulties may arise, in our efforts to evacuate our people completely. I hope nothing would arise that would require us to call upon the South Vietnamese for any assistance by reason of any military aid. That is the apprehension. Perhaps that can be cleared up in some way. The Senator is familiar with the language, and perhaps some appropriate language could be used.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield for a question, before asking unanimous consent?

Mr. HUMPHREY. I yield.

Mr. CLARK. The counsel to the Senate Committee on Foreign Relations has indicated that would give the President broader authority than he presently has under the bill. Is that the intention of such unanimous-consent request?

Mr. HUMPHREY. Not at all. I thought the language they had was desirable, and some thought it was not. Since some felt that the Foreign Assistance Act of 1961 might give the President greater authority than just withdrawal and humanitarian purposes, I am perfectly willing to see this language withdrawn.

The argument that the Senator from Minnesota makes is simply this: That the predicate of section 2 of this bill is solely for humanitarian and withdrawal purposes. The whole purpose of section 2, therefore, is directly related to withdrawal and humanitarian purposes, and the $100 million can be used only for those purposes. How the President uses that $100 million in order to accomplish those purposes is left to his discretion. It is my judgment that the President is going to use that money just as we want it used—namely, to get people out, to feed the hungry, to heal the sick, and to bind the wounds of those who may come out.

As a matter of fact, it will be important, once they are out, that we have some assistance for those who come out as broken bodies, so to speak. That is why this $100 million is there. There is not enough money in other humanitarian assistance funds for the United States, itself, to do some things. This is for distribution by the United States, not the United Nations. We have $100 million for the U.N. in another fund. I am hopeful that we will not cripple the President in this respect.

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

Mr. HUMPHREY. I yield.

Mr. STONE. Can the Senator not visualize the possibility—the contingency, if you will—not merely for withdrawal purposes, but also for humanitarian aid purposes, that there might need to be some temporary, limited military purposes for passing out humanitarian aid?

Mr HUMPHREY. Of course, and that is why this language was put here. I was one of those it was difficult to convince for 5 days in the committee. After the fifth day, after my colleagues had gone over this again and again and we pinned it down, we agreed to this language.

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

Mr. HUMPHREY. I yield.

Mr. STEVENSON. I thank the Senator for yielding.

Mr. President, I think the objection to any approval of additional military assistance is evident. If anything can be learned from the last 10 years of experience in South Vietnam, it is that nothing could more certainly assure a bloody Communist military takeover and more danger to more American lives and South Vietnamese lives than the authority for more military assistance to the Government of South Vietnam.

I ask the Senator from Minnesota this: If the purpose of his modification is to make it clear that the $100 million can be used for humanitarian and withdrawal purposes in South Vietnam and not for military assistance, then would he modify that section to eliminate all the words beginning with "in accordance" and through the balance of that sentence? I think that would make the intention clear.

Mr. HUMPHREY. No. I say most respectfully to the Senator that in this instance, if we have a contingency fund, it speaks for itself.

A contingency fund was debated in the committee, whether we even needed a contingency fund. It was determined by the majority, and I concurred in that, that a contingency fund would be desirable. Therefore, I think we have to leave it up to the President as to how he best uses that contingency fund, within the expressed purpose of the law. The expressed purpose of the law is for humanitarian and withdrawal purposes.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. CASE. I wish to make an observation. We are getting away from the idea that the purpose of the contingency fund is to make it, to the extent we can possibly do so, unnecessary for us to use military force. That is the purpose here. Anything that weakens that contingency fund or its possible use, I think, is a most unwise action.

Mr. HUMPHREY. May I add, and I know that I can be corrected, but I believe I speak in full truth, that the distinguished Senator from Missouri (Mr. SYMINGTON) was one of the strong proponents of this particular provision. At the time that I had moved, by the way, to do away with the contingency fund in the committee, a gentleman in this body who has been one of the most vigorous opponents to military assistance, the distinguished Senator from Missouri (Mr. SYMINGTON), said that a contingency fund is what is needed here.

I believe I am correct in saying that the distinguished Senator from Idaho (Mr. CHURCH) voted for this very provision in this bill. I am simply pointing this out because people who have spent 5 years of their lives in this body against military assistance to Vietnam were people who were actually in the forefront for this particular provision. The Senator from Minnesota came along reluctantly, but feels, after a week of deliberation, that those who advocated it were doing the right thing.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. GRAVEL. It relates to the question posed by the Senator from Georgia (Mr. TALMADGE), and I did not fully understand the answer that was given. That is with respect to the Cambodian incursion which the former President initiated, as I recall. When it came to Congress, it was around a billion dollars, give or take a hundred million dollars or more. That was done unilaterally by the Chief Executive. We then gave him the money. He took it from other areas.

That is essentially what the Senator from Georgia was asking: Why do we need a contingency fund if the President has that kind of power? Why do we have to sanctify this continued folly with one more sum of money? We are not talking about a small sum of money. $100 million is a lot of money for contingency purposes.

I should like to have the Senator's question answered. If the President obviously had the power to do it then, why can he not now?

Mr. HUMPHREY. First of all, those provisions have been changed in the law, and I helped change them. Those provisions for shifting funds from one area to another have been stopped. There is not that possibility under this legislation.

Second, there is no chance for the U.S. Government, under present law, to send Armed Forces into Vietnam except for one purpose—which he has, whether we write this bill or not—namely, for the withdrawal of Americans.

Mr. GRAVEL. Maybe somebody from the Committee on Armed Services can answer that. My understanding was that there is something in excess of $100 mil-

lion in the pipeline for military aid going to South Vietnam.

Mr. HUMPHREY. Of course there is. There is no doubt about that.

Mr. GRAVEL. If that has already been authorized, appropriated, and the money spent, why do we have to talk in terms of more money when, obviously, the money is already there?

Mr. HUMPHREY. That is exactly why this money is not going to be used for military assistance. It may not be used for military assistance. We may have to use this money to get people out of there. It may even have to be used, if the Senator pleases, to help pay to get people out of there.

Mr. GRAVEL. I hope we can use our own Armed Forces rather than paying ransom to our allies to get people out.

Mr. HUMPHREY. Let me tell the Senator, if I have to choose between using further military force and having money to get them out, I would much rather have the money.

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TALMADGE. As I recall, Senator ABOUREZK offered an amendment on the floor last year to change the food and forage law. The Senate decided at that point that the Committee on Armed Services ought to look into the statute. It is still valid law, however.

Mr. HUMPHREY. I have been told by counsel to the committee that the money used in that Cambodian enterprise was under the authority of the Foreign Assistance Act, and that has been changed. I have to rely on counsel.

The Senator from Iowa wanted 2 minutes to summarize his argument.

Mr. CLARK. I think we have to face up to the fact. After all this debate, we must decide whether or not we want to permit the possibility of further military assistance to South Vietnam if the President feels it is essential in the national interest. That is the question.

We cannot have it both ways. We cannot say that it is only for withdrawal and humanitarian purposes and nothing else. It is for that purpose, as the bill indicates, but it also can be used for any other purpose, including military aid to South Vietnam, if the President deems it in the national interest.

The choice is not between this and using American troops—not at all. This amendment does not restrict the ways in which the President can use this for humanitarian or evacuation purposes. The amendment says he can use it for any purpose—to get American citizens out and dependents and South Vietnamese—for any purpose, except military assistance.

I think that Senator GRAVEL made the point very well. Suppose we find ourselves in a situation which the Senator from Minnesota described where a South Vietnamese brigade has to have assistance to help get out South Vietnamese or American citizens. Suppose there is a situation where some military aid to South Vietnam would be beneficial to evacuation. $130 million in authorized and appropriated military-aid funds remains undelivered today. Could not that be used?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. CLARK. Will the Senator give me 1 more minute?

Mr. HUMPHREY. On somebody else's time for a change.

Mr. CLARK. On the bill.

The PRESIDING OFFICER. Time is beginning to ease away.

Mr. CASE. If the Senator will promise to conclude in 1 minute, I shall yield it on my time.

Mr. CLARK. I shall.

The question is whether we want to add to that $130 million of already authorized and appropriated military and funds another $100 million. That is the question.

Mr. President, the only way we are going to get substantial numbers of endangered foreign nationals out of South Vietnam is through a negotiated settlement. If we say here is another $100 million that could be used for military purposes, I cannot see how that would benefit a negotiated settlement. Indeed, it takes us a good deal farther away from it.

I thank the Senator.

Mr. HUMPHREY. Let me say in reference to the amounts of money in the pipeline, most of that is for very heavy sophisticated equipment. It is not about to be ready between now and June 30. I hope to God it is never ready. That should be over.

We are talking about whether we are going to give the President just a little flexibility here for contingencies that we cannot foresee at this hour unless we have the wisdom of Solomon, and I have met nobody in this body who qualifies. We have to give the President some authority to be able to take care of the lives of Americans who are in jeopardy. On the one hand, we want to get them all out in a hurry. On the other hand, we say, "But, Mr. President, you are only going to take them out according to the way we want you to; if you are going to vary a little bit around there, we are going to be mad at you, Mr. President."

I think we have to trust somebody in these circumstances. We are not in a position here today where we can call all the shots. We have to be ready to give the President some means for two purposes: Humanitarian assistance—people are sick, hungry, beaten, bloody. They need humanitarian assistance. That is what this $100 million authorization is for; second, for withdrawal. How they are going to get withdrawal, nobody can yet predict. But we want them out. We want them out in a hurry. That is what we have said here.

I want them out. I will take a back seat to no one for pushing for negotiations, using the United Nations. This has been my whole thrust, my whole purpose, in all of these debates.

It seems to me, Mr. President, finally, that the Committee on Appropriations, which has tremendous sway in this body, will be in a position to judge whether or not any of the money that they are asking for is going to go for any kind of military assistance, and if so, for what kind.

This is humanitarian assistance, and it ought to be voted up or down on that basis.

Mr. LONG. Will the Senator yield?

Mr. HUMPHREY. We have to quit soon.

Yes, I yield.

Mr. LONG. Would it be correct to say that the amendment would leave us in a position to say that if a man who has fought on our side all this time, and his life is at issue, is trying to come to where he can be rescued and bring his children with him, we would be authorized to give him a crust of bread, but if what he needs to get there is a clip of bullets to fight his way to the boat, that would not be available?

Mr. HUMPHREY. That is the Senator's unique way of putting difficult problems in simple perspective and language. I thank the Senator. He is right.

Mr. LONG. Will the Senator explain to me how those in favor of the amendment are going to keep him from throwing that crust of bread at the enemy as a last resort?

Mr. HUMPHREY. That I cannot predict.

Several SENATORS. Vote! Vote!

Mr. HUMPHREY. I am ready to vote. The yeas and nays have been ordered, I believe.

The PRESIDING OFFICER (Mr. BROCK). Is there objection to the request of the Senator from Minnesota?

Mr. CLARK. Mr. President, what was the request?

Mr. HUMPHREY. The request I made for elimination of the words "in accordance with".

Mr. CLARK. Yes, I object to that.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment (No. 355) of the Senator from Iowa (Mr. CLARK). 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 Hawaii (Mr. INOUYE) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 32, nays 61, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—32

Abourezk	Haskell	Nelson
Biden	Hathaway	Packwood
Brooke	Leahy	Proxmire
Burdick	Magnuson	Ribicoff
Clark	Mansfield	Schweiker
Cranston	McClellan	Stevenson
Ford	McGovern	Talmadge
Gravel	McIntyre	Tunney
Hart, Gary W.	Metcalf	Weicker
Hart, Philip A.	Mondale	Williams
Hartke	Moss	

NAYS—61

Allen	Eagleton	Montoya
Baker	Eastland	Morgan
Bartlett	Fannin	Muskie
Bayh	Fong	Nunn
Beall	Garn	Pastore
Bellmon	Glenn	Percy
Bentsen	Goldwater	Randolph
Brock	Griffin	Roth
Buckley	Hansen	Scott, Hugh
Bumpers	Helms	Scott, William L.
Byrd, Harry F., Jr.	Hollings	Sparkman
Byrd, Robert C.	Hruska	Stafford
Cannon	Huddleston	Stennis
Case	Humphrey	Stevens
Chiles	Jackson	Stone
Church	Javits	Symington
Culver	Kennedy	Taft
Curtis	Laxalt	Thurmond
Dole	Long	Tower
Domenici	McClure	Young
	McGee	

NOT VOTING—6

Hatfield	Johnston	Pearson
Inouye	Mathias	Pell

So Mr. CLARK's amendment (No. 355) was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STONE. Mr. President, I ask unanimous consent that a member of my staff, Mary Weaver, be granted the privileges of the floor during the debate on this matter.

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

Mr. HUMPHREY. Mr. President, prior to the vote we were discussing language on line 9, page 1——

The PRESIDING OFFICER. The Senator from Iowa, I think, is seeking recognition.

Mr. HUMPHREY. I did not hear the Chair.

The PRESIDING OFFICER. The Senator from Iowa is seeking recognition.

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

Mr. CLARK. I yield.

Mr. HUMPHREY. I thank the Senator from Iowa.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Will the Senator yield me 1 minute?

Mr. CLARK. I yield.

Mr. HUMPHREY. I am offering an amendment——

The PRESIDING OFFICER. The Senator from Iowa has no time until his amendment is called up.

Mr. HUMPHREY. If the Senator will yield to me for the purpose of offering an amendment.

On line 9, starting with the words "in accordance with the provisions of the Foreign Assistance Act of 1961, as amended," over on page 2, I ask unanimous consent, Mr. President, that that language be deleted from the bill.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Reserving the right to object, I would like to again ask the Senator from Minnesota if that would give the President even broader jurisdiction over the use of these funds.

Mr. HUMPHREY. Less jurisdiction; limiting it entirely now to the purpose only of humanitarian and withdrawal purposes, with the President having discretionary authority of how best to do that.

Mr. CLARK. It seems that to drop that from the bill may give the President even greater authority because he is no longer restricted by the Foreign Assistance Act.

Mr. HUMPHREY. Senator, this bill will stand on its own right under the terms of the legislative history that we are developing here, and I want to make it clear in my colloquy with the Senator from Iowa that the whole thrust of the bill is for withdrawal and humanitarian assistance, and that there is not to be given further authority to the President that would broaden any authority that he presently has under existing law.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I am the one who raised the subject, and I did it deliberately because there is a strong feeling that there should be no further military aid.

The Foreign Assistance Act of 1961 does provide for military aid, and what we are talking about here is confining whatever help may be given only for the purposes of withdrawal and for humanitarian purposes. So actually it strengthens it and does not weaken it, and that is the reason why I made the suggestion that that should be deleted.

Mr. HUMPHREY. Might I say, I believe this fits in much more with the thrust of the argument of the Senator from Iowa than the amendment just considered. The whole purpose here, as the Senator from Rhode Island has indicated, is, rather than having any emphasis of military assistance, to the contrary, to deemphasize it, and only in such unusual and unique circumstances as would be directly and only related to humanitarian and withdrawal purposes.

Mr. CLARK. I withdraw my objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 357

Mr. CLARK. Mr. President, I call up amendment No. 357, which Senator KENNEDY and I are sponsoring.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK) proposes amendment No. 357. The amendment is as follows:

On page 5, line 16, strike out "$100,000,000" and insert in lieu thereof "$150,000,000.".

Mr. CLARK. Mr. President, I ask unanimous consent that Senator BIDEN be added as a cosponsor.

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

Mr. CLARK. Mr. President, this amendment simply increases the humanitarian aid in the bill from $100 million to $150 million. The United Nations and international relief agencies already see a need for over $130 million in humanitarian assistance for Vietnam and Cambodia and the President asked for $250 million in humanitarian assistance for South Vietnam alone in his state of the world message.

An amendment by Senator BROOKE adopted yesterday strengthens the safeguards that the assistance will be distributed by international agencies and associations, and that it will go for humanitarian needs.

There are still problems, obviously, of hunger in Phnom Penh, there are refugees without shelter, out of food, thousands of wounded in need of medical care. So with these tremendous needs in South Vietnam and Cambodia, we ought to increase the amount that may be spent.

Mr. HUMPHREY. Will the Senator yield?

Mr. CLARK. I yield to the Senator.

Mr. HUMPHREY. May I say to the distinguished Senator from Iowa that this amendment is, I think, most commendable.

As the Senator knows, the Senator from Massachusetts (Mr. KENNEDY) had a bill before the committee, S. 1350, for $100 million. I had one before the committee for $200 million, sponsored by Senator MCGEE and myself.

We discussed it in committee and we were not sure what the figure should be because we did not have all the information we needed, but I think this additional $50 million fits nicely into what the facts now demonstrate to be a minimum need.

I have talked to the ranking minority member and the chairman of the committee and members of the committee and I think it ought to be accepted. I want to join the Senator from Iowa in his proposal and we will readily accept the amendment.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, since we have got acceptance, I am not going to risk any further action.

Mr. President, the amendment is to increase by an additional $50 million the authorization in section 7 for an emergency contribution to international humanitarian assistance programs in South Vietnam and Cambodia. This increase is necessary in light of anticipated appeals for assistance, as well as new evidence of growing humanitarian needs.

First, I would like to commend the Committee on Foreign Relations for its positive action in reporting out an authorization for emergency humanitarian assistance to be channeled through the United Nations and its specialized agencies, international organizations, or private voluntary relief agencies.

The $100 million authorization in the pending bill is in line with the legislation (S. 1350) which I introduced a month ago. Since then, however, both in hearings and in reports to the Subcommittee on Refugees, which I serve as chairman, as well as in new appeals made by international agencies, it is clear that this sum is no longer adequate to meet the growing humanitarian crisis in South Vietnam and Cambodia.

To date, there are appeals, which remain outstanding, totaling some $145 million. To an original appeal by the International Red Cross for $5 million, coupled with an additional $30 million on April 3, for emergency relief funds for South Vietnam and Cambodia—the United States, to date, has pledged only $5 million.

In addition, last week, the United Nations Secretary-General Kurt Waldheim reissued his appeal for humanitarian assistance. On March 31—nearly 4 weeks ago—the United Nations issued its first appeal, which was met with silence on the part of the U.S. Government. The Secretary-General has again urgently appealed for contributions, indicating that in the immediate phase some $100 million will be required to meet "essential, and I repeat essential, requirements excluding bulk food supply." To date, the United States has pledged nothing.

Finally, American voluntary agencies have, combined, estimated they can absorb some $10 million in relief funds. Thus, the current appeals for funds for the coming months total approximately $145 million.

However, the Red Cross appeal was for a 3-month period, beginning on March 26. With only 2 months remaining, another appeal will be issued for a similar amount in the coming weeks. Also, the United Nations appeal was similarly for a short duration, to meet "essential needs in the foreseeable future," according to Secretary-General Kurt Waldheim. Additional funds will clearly be required as the situation stabilizes in Cambodia and South Vietnam.

So in the days ahead, Mr. President, we will likely find that the United Nations and other international relief agencies will be in a position to request and to use additional funds—perhaps totaling some $245 million to $300 million. The amendment I have offered with Senator CLARK adds $50 million to the $100 million contained in the committee's bill. It will help us look to the future, even as we address immediate relief needs.

By authorizing $150 million now, to remain available until expended, we will allow our Government to respond expeditiously to new appeals, and to fund our fair share of the international relief effort in Indochina.

Clearly, longer-term relief, rehabilitation, and reconstruction programs for South Vietnam, Cambodia, and Laos, must await the normal budgetary review for next fiscal year. But there are immediate relief needs now, during the remaining months of this fiscal year, and we must act now to insure an adequate response—to help millions of war victims in need throughout South Vietnam and Cambodia.

Just one word further, the request of the United Nations now is only $100 million, the International Red Cross asked for $33 million, the independent church agencies have asked in appeals for $10 million to $15 million. All these appeals are for short-term requests of approximately 3 months.

The administration asked for $250 million for the areas controlled by ARVN, South Vietnam, but it does not include any of the areas below the 17th Parallel now currently controlled by the NRG and they can only be reached by international assistance.

So with this kind of vehicle, which has been included by the Foreign Relations Committee in the bill as an entirely appropriate vehicle, I think it is consistent with our interests as a people in offering whatever help and assistance we are going to provide would go for humanitarian purposes. I think the amendment sponsored here by the Senator from Iowa and myself provides a much more realistic figure. The administration will have to justify the appropriations.

I am glad the Senator from Minnesota and the members of the committee will be willing to accept it. I hope we can act on it right away.

Mr. HUMPHREY. Vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk an amendment. I am joined by Senator CLARK and Senator BIDEN. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 14, after the period add the following: "In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number (not in excess of 500) of personnel determined by the President to be essential to carry on critical functions of the United States Mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act."

On page 3, line 7, insert "other than such essential personnel," after "(3)".

On page 3, line 22, insert "the number of such" after "(c)"; and on lines 22 and 23, strike out "required" and insert in lieu thereof "increased" and insert "and directly connected with" after "to".

On page 4, line 1, strike out "exposure of" and insert in lieu thereof "use of such"; and on line 2, strike out "to hostilities".

Mr. CRANSTON. Mr. President, the purpose of this amendment is to reduce down to the bare minimum the number of American personnel that will remain in South Vietnam. The purpose of reducing the number is to make it as simple as possible to get them out if we eventually find ourselves getting them out under combat circumstances where those engaged in the evacuation may be endangered and those that we are evacuating may be endangered.

Apparently, the present intention is to stabilize the number that will be left in South Vietnam to 1,500 Americans, more or less. I gather that members of the Committee on Foreign Relations have been so advised by the executive branch.

I also gather, however, that the State Department and others in the executive branch have told members of the Foreign Relations Committee and others that all they really need is 500, for all the purposes for which a hopefully permanent group may be able to remain safely within South Vietnam.

If we only need 500, why should we leave 1,500, which simply means that if circumstances really become the worst possible, it will be a more difficult operation to remove them.

Therefore, this amendment would require that we go down to that 500 figure as fast as possible after enactment.

The administration, as all know, has dragged its feet about removing Americans. It has been very slow. I think the delay in the consideration of this measure has finally brought about some leverage that has expedited the departure of some. But day after day the administration, for one reason or another, has been unable to or has failed to meet deadlines they stated they would meet in terms of the number they would extricate on any given day.

This amendment also suggests, although it does not require, that if we find ourselves evacuating Americans under hostile circumstances we seek to do it in what the bill describes as a single operation. This obviously would mean that it would be done in a way the evacuation was done recently from Cambodia, by an airlift. Hopefully, it would be a single move with protected helicopters to land and take out the final Americans, which is the obviously safest way to do it because we then do not have to involve going in on the ground or need to do it by the river and the sea, which is another very dangerous and presently closed route in and out of Saigon.

I would like to ask the managers of the bill one question that is relevant to this matter.

It is my understanding that it is accepted by the Foreign Relations Committee that some number should be left to carry on as long as possible and hopefully on a permanent basis in South Vietnam. But it seems to me that the language in lines 7 and 8 on page 3, subsection 3, which reads that such citizens and their dependents are being evacuated as rapidly as possible is a requirement that the President certify that, and it seems to say we have to get all Americans out, which is not our intention.

I would like to point out that presently, going back to line 7 on page 2, we are using the U.S. Armed Forces. We found them necessary to withdraw citizens of the United States and their dependents. So, in our joining with the President in exercising this responsibility, we require that he certify that such citizens and their dependents are being evacuated as rapidly as possible.

It would seem to mean that we want to get them all out at once. I do not think that is the intention of the Executive. I do not believe that is the intention of the committee. I ask if that is not true. Perhaps whatever the disposition

of my amendment may be, maybe we should modify those two lines, 7 and 8 on page 3.

Mr. JAVITS. It will be noted in lines 7 and 8 the words are "if the President determines that the use of U.S. Armed Forces is necessary to withdraw citizens". It does not say "all citizens." I do not see where, therefore, the word "such" would tie back to anything else.

Let me say this: We cannot be armchair generals.

If the Senator wishes, I will take my own time now because I am opposed to his amendment.

We cannot be armchair generals. We have to provide in terms of policy. We are providing here very sharply in terms of policy for a minimum presence in that country. But it may be necessary, in the President's judgment, to have no presence at all. If the Communists should overrun Saigon as they overran Phnom Penh, my belief is that we probably should follow the same course we followed at Phnom Penh. We might ultimately send people back there, but we would not leave them there right now.

So I do not think we can proceed, except on these basic matters of policy, the amount of money we appropriate, and so forth.

If I may say to my colleague, we continue to exercise a restraint on the President because we continue the provision of the War Powers Resolution that at any time the Senate and the Congress by concurrent resolution may require the President to withdraw any Armed Forces. We retain that authority. It seems to me that the amount of funds involved plus the policy restrictions which are here set forth are an adequate restraint on the President.

Mr. PASTORE. Will the Senator yield?

Mr. JAVITS. I believe the Senator has the floor, but I will yield on my time.

Mr. PASTORE. The thing that bothers me about this amendment is the connotation of it. What we are actually saying is that here is a bill and we are setting up a fund in order to facilitate the withdrawal of American citizens from Vietnam. The reason we are doing that is because their lives are in jeopardy.

We are saying actually, by the amendment of the Senator, that we cannot afford to sacrifice the lives of 1,500, but we can afford to sacrifice the lives of 500. That strikes me as being somewhat incongruous, this idea that permanently we are going to leave people there. I do not think we will leave anybody there if the Communists run in there. I do not see why we should leave anybody there. I think we ought to get out and get out completely.

Mr. CRANSTON. If the Senator will yield, he has placed a connotation on my amendment that is not in the amendment. My amendment accepts the fact that the administration and apparently the Committee on Foreign Relations and, I think, the Senate, believe that some Americans should stay there for humanitarian purposes, or whatever. It is designed that fewer will be there and we will have to use less force to get them out if we have to get them out.

Mr. JAVITS. My reply to that is exactly what Senator PASTORE and I have been saying, which seems to have not registered with the Senator. That is a question at the discretion of the President. The committee does not mandate that any Americans should stay.

Mr. CRANSTON. Neither does my amendment.

Mr. JAVITS. But the amendment limits the number to a specific number of 500 and conditions it on what the Senator calls a single operation. It seems to me that is a directive which would make us try to direct on the ground a condition which we cannot possibly know the dimensions of.

I am one of the most ardent advocates of congressional power over war and over the use of armed forces. I certainly have shown that in many ways, including the War Powers Resolution. But at the same time I think it would be a disservice to the whole idea if we allowed the pendulum to swing so far that we are going to take over the management of tactical operations. It just cannot be done. Though I know the intent is of good will and faith as expressed by the Senator from California, if we get to that position where we will prescribe the number, not in excess of 500, that is where I argue against him. We did not decide that anyone would be left or 1,500 will be left. All we did was prescribe the policy—and we have done that very well, I think—within which the President must operate.

Mr. CRANSTON. I would like to point out that to this extent we can reduce the number of Americans who are in South Vietnam; we can reduce the size of the U.S. Armed Forces required to get them out if we have to do it under hostile circumstances; we can reduce the time period that it will take to get them out, and we can reduce the chances of their being involved in a fire fight with other forces while they are engaged in that evacuation.

I would like to remind Members of the Senate and others interested that for 10 years we have been using the presence of Americans in South Vietnam to justify increasing the size of the American presence in South Vietnam. Time after time we have said that the safety of those there requires that we send more. This Catch 22 vicious circle must be broken. Now is the time when we have the opportunity to finally end that vicious circle. We run a risk of continuing this foolish, self-defeating practice unless we stay alert to the inherent dangers in legislation that is not tightly written—and I believe that this is not tightly written.

I would like to ask the Senator from Iowa if it is not true that the State Department has indicated that all they really need to carry on vitally important work that is presently being engaged in by those there is 500.

Mr. CLARK. I have discussed this question of essential personnel with officials in the Department of State. They are not prepared to limit themselves to any specific figure, but I asked if 500 was a reasonable figure in terms of the mission that remains there—the evacuation, the humanitarian purposes, the operation of the embassy and all other functions—and I was advised that 500 was an approximate figure of the essential personnel.

I am surprised to hear Members of the Senate say that it is not wise to put a limitation on the number of U.S. officials in South Vietnam or Cambodia because that is exactly what we did here in December. In the Foreign Assistance Act, the Congress decided that not more than 4,000 American officials could stay in Vietnam. We said that not more than 200 could remain in Cambodia. So, clearly, there is a precedent—we do have something to say about how many American officials should be involved in those countries.

This amendment does not try to establish Congress as an armchair general, but it does strongly encourage the President to evacuate all but the 500 citizens essential to our mission there.

No one is taking the President's authority away from him. The President does need broad authority, but we are saying, "Let us get down to the essentials." No one claims that a thousand or 1500 people are essential to the operation of our mission. Yet there are now more than 2,500 Americans and dependents in Saigon.

If somebody suggests that we need 600 or 700, I would be perfectly willing to say, "Fine. If that is the essential number, let us go to 600 or 700." But let's not be satisfied with 2,500.

The PRESIDING OFFICER (Mr. TAFT). The time of the proponents of the amendment has expired. The opponents have 15 minutes.

Mr. JAVITS. Mr. President, the situation today in Vietnam, admittedly, is a situation of withdrawal. It is a very different situation from what we passed last year in putting ceilings on personnel who would be present in a given place. The clear declaration of both the administration and Congress is to pull people out. We are now down to the finite details with respect to an amendment such as this.

To the contrary of what my colleagues are arguing, that this leaves a great deal of discretion to the President, I point out that the first sentence of the amendment says that such withdrawal shall, if feasible, be accomplished in a single operation. That is where the "if feasible" comes in.

In the second sentence it says: "other than the minimum number not in excess of 500 personnel determined by the President to be essential on critical functions of the United States," and so forth. There we do have a figure that is not qualified by his discretion, and so forth. It is not just a precatory figure; it is a stated figure, in terms of the minimum number. There are very narrow parameters here.

The administration has made public—I am not going to say what they have done with us in private—figures of 1,200 to 1,500. Be that as it may—and I am not for those figures—we simply have not chosen to give them a stated figure in view of the flexibility which is required in this kind of delicate operation which we are describing here, where the policy, we feel, has already been shown

in Cambodia, that if Saigon is going to be overrun, we are going to pull all our people out, and it is admitted that it is to be done in one operation.

What concerns me about this amendment is that we are in a situation in which this kind of discretion, where narrow parameters are called for; that we are trying to write the ticket ourselves. I am interested in this aspect because of its bearing upon the whole question of whether Congress will deal with its role under the war powers resolution and what role this bill gives Congress in respect of the use of the Armed Forces of the United States.

I point out that what has been referred to in the argument on the amendment is found at page 4, lines 13 to 15, inclusive, which simply restates the war powers resolution and says:

> Such forces shall be removed by the President if the Congress so directs by concurrent resolution.

It does not require the President's approval—if we so act. That is critically important, because this amendment is based upon the theory that, somehow or other, the President is going to try to leave the maximum number of Americans there, as a kind of tripwire for massive intervention of the Armed Forces of the United States. That is what it is all about; that in order to accomplish a prohibition, this limitation is sought to be imposed.

That is reading between the lines, but that is my belief as to what dictated this amendment, and that is why I disagree with the amendment.

In a delicate situation such as this, just as we want the President to have confidence in us, in sharing the responsibility for foreign policy, we have to have some confidence in him, especially as we have a residual power, which I have just read, so that if the situation really threatens to get out of hand, we can make him pull back; and that is by law, not by interpretation of the Constitution or anything such as that. It is by law, incorporated in the war powers resolution.

Because of the delicacy of the situation, the uncertainty of what may result, whether it needs to be 502 or 498. I think we are prejudicing ourselves if we get down to this kind of specificity and restriction, within the frame of reference in which we are operating today. I do not believe it is necessary.

For those reasons, for myself, I oppose the amendment.

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

Mr. JAVITS. I will yield, but first I yield to the Senator from Alabama (Mr. SPARKMAN), who wishes to be heard at this time.

Mr. SPARKMAN. Mr. President, I have discussed this matter with Senator JAVITS. We understand the position, and I agree completely with the arguments he has made. It seems to me that they are good and valid arguments against this amendment, and I hope the amendment will be defeated.

Mr. CRANSTON. I ask the Senator from New York this question: How does the situation in South Vietnam differ from the situation that prevailed in Cambodia some months back which led to the Senate overwhelmingly voting restrictions on the number of personnel that could be in Cambodia, the matter referred to by the Senator from Iowa?

Mr. JAVITS. The situation differs as radically as the situation in Cambodia differed from those months back. The enemy, as it were, is at the gates. I am not using those terms invidiously, but that is the situation. Therefore, a certain amount of discretion and flexibility is necessary—that is all I am saying—at this particular moment, with a situation of the gravest peril knocking at the door of Saigon.

I believe we have restricted it in a very intelligent way, and it is unwise in this situation to restrict it more. That is essentially my argument. I do not think any risk is being run, even with respect to those who entertain the conspiracy theory, because of the final tether we have on this whole proposition, without necessarily the President's concurrence.

Mr. CRANSTON. Mr. President, will the Senator yield me 1 minute on the bill?

Mr. JAVITS. I yield.

Mr. CRANSTON. When we placed the restrictions on the manpower that could be in Cambodia, that envisaged exactly what eventually happened there. I do not offer this amendment because of any conspiracy theory or any suspicion that the President is deliberately going to use a tripwire policy to try to justify going back in with massive military aid. I have no such suspicions about the President's behavior, although I note that we do use a tripwire theory in Europe at the present time and perhaps elsewhere.

The amendment is simply offered for the purpose of making it easier to get Americans out, if we reach the point where we have to get them out under very extreme, difficult, hostile, firepower circumstances.

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

Mr. CRANSTON. I yield.

Mr. NUNN. For the purpose of clarification, does this include military troops that may have to be sent in to assist in an evacuation?

Mr. CRANSTON. The President would still have the power to send troops in, but the people who remain at the Embassy and are there simply for evacuation purposes would be limited to 500. If the President had to send troops in, he could do so under this amendment.

Mr. NUNN. I thank the Senator.

Mr. CLARK. Will the Senator from New York yield for a 30-second question?

Mr. JAVITS. I yield.

Mr. CLARK. Is the Senator under the impression that it would be essential for more than 500 people, or more than a thousand, or more than 1,500 to stay in South Vietnam?

Mr. JAVITS. I have no idea what the number would be other than the strict 500. I know it is not going to be in excess of the order of magnitude we are talking about, to wit, 1,000 or 1,500. I am confident it will be less. But I am concerned about our getting into fixing this specific number in such a liquid and dangerous situation. If it is 502, I want the President to be able to leave them there. If it is 498, great.

I am concerned about our exercising our authority, which we now have, in a war of this character in this dangerous situation. I think it could react against us in terms of what is my interest, and I believe that of my colleague as well, to retain the responsibility which is represented by this partnership.

It is a matter of degree. I am not saying, "You have done some terrible thing, you are trying to upset the world." It is a matter of degree. I come out on the side against them because of that argument I have just made.

Mr. CLARK. Would the Senator oppose a higher figure, one which we would both agree would be adequate—1,000, for example?

Mr. JAVITS. I think we have in the bill the real mandate of Congress, together with the strength, that we want these people withdrawn quickly and we want only the very minimum left. It seems to me, therefore, that if we do not say it in so many words—I shall search through the bill—I should be willing to consider a general statement like that, which is really one of intent: that we want only the barest minimum left which are essential to the functions which remain to the United States to perform in that area.

Personally, I certainly see no objection to that. What gets me is this matter of trying to latch it down to 500. Suppose it is 501 or 2 or 3? We are in trouble.

Mr. SPARKMAN. Will the Senator yield to me briefly?

Mr. JAVITS. Yes, I yield.

Mr. SPARKMAN. In the bill, we do not state a specific number. In the report, we stated, I think in good language on page 3:

> Reduction in the number of Americans should proceed with an urgency in keeping with the critical military situation facing the current South Vietnamese Government, so that the number remaining will not exceed that which could be evacuated in a single operation. The Committee is not satisfied with the rate of withdrawal so far and is taking steps to be kept informed of the situation on a daily basis.

We purposely avoid numbers. I do not believe we should play with numbers. Of course, these people are not military people, necessarily, but I have always heard that one should never give secrets away to the enemy. Why should we set a number there that they can watch for and shoot at? I was not speaking literally on that, but it could be.

I think the way we have couched it in the bill and in the report on the bill is the best way to handle it.

Mr. CRANSTON. Will the Senator yield?

Mr. JAVITS. Surely.

Mr. CRANSTON. I wish to respond by stating that I think the committee did very fine work in that section of the report, but we have had a lot of experience with reports being ignored by the executive branch and sense-of-Congress resolutions being ignored by the executive branch.

To sum it up once again, the whole purpose was to get down to the number that is essential there from the administration's point of view, but most easily evacuated. I have said it all.

Mr. JAVITS. Mr. President, in an endeavor to resolve this matter, in view of the statement of the chairman, I wonder if it might not be possible to redraft this amendment to meet the views of our colleagues? All we would have to do, really—and I have not checked out the references after the first sentence—so that they can be made to conform with the report, is to leave out the words "not in excess of 500." If we leave that out, it will say about what the report says. Then the ensuing references can be adjusted accordingly. Then we would be carrying out what the committee intends. Personally, I can see no objection to that.

Mr. CRANSTON. I am delighted to modify my amendment in accordance with the proposal by the Senator from New York.

The PRESIDING OFFICER (Mr. TAFT). The amendment will be so modified.

Mr. JAVITS. Mr. President, I think we need a quorum of about a minute to check out the other language there. I ask unanimous consent that there be a quorum call without the time being charged to either side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. 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. JAVITS. Mr. President, I believe there is one other change required, which I understand the Senator from California (Mr. CRANSTON) is willing to make, and that is in reference to the change on page 3, lines 22 and 23, to strike out that part of the amendment which reads "strike out 'required' and insert in lieu thereof 'increased'."

Mr. CRANSTON. Mr. President, I so modify my amendment, and I thank the Senator from New York for helping work out an amendment that is acceptable.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. JAVITS. Mr. President, with those modifications, the amendment is satisfactory.

Mr. SPARKMAN. Mr. President, the amendment as modified is satisfactory to me.

Mr. CRANSTON. I thank the chairman.

Mr. CRANSTON's amendment, as modified, is as follows:

On page 2, line 14, after the period add the following: "In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States Mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act."

On page 3, line 7, insert "other than such essential personnel," after "(3)".

On page 3, line 22, insert "the number of such" after "(c)"; and on lines 22 and 23, insert "and directely connected with" after "to".

On page 4, line 1, strike out "exposure of" and insert in lieu thereof "use of such"; and on line 2, strike out "to hostilities".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California, as modified.

The amendment, as modified, was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 364

Mr. WILLIAM L. SCOTT. Mr. President, I call up my amendment No. 364, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WILLIAM L. SCOTT) proposes an amendment numbered 364.

Mr. WILLIAM L. SCOTT's amendment (No. 364) is as follows:

On page 3, beginning with line 9, strike out through line 7 on page 4.

On page 4, line 8, strike out "SEC. 5" and insert in lieu thereof "SEC. 4".

On page 4, line 16, strike out "SEC. 6" and insert in lieu thereof "SEC. 5".

On page 4, line 24, strike out "SEC. 7" and insert in lieu thereof "SEC. 6".

Mr. WILLIAM L. SCOTT. Mr. President, this is a very simple amendment. It would strike out section 4 of the bill and renumber the succeeding sections.

Section 4 of the bill, under the conditions set forth in the section, provides for the use of American troops to assist in bringing out foreign nationals.

Mr. President, there was some question expressed on the floor as to whether the President has authority under existing law to protect American nationals. Certainly I favor section 3 of the bill, which resolves any doubt as to the President's authority in favor of protecting our own citizens by the use of American troops. But I have definite reservations about the use of our troops in South Vietnam for the purpose of assisting in the evacuation of South Vietnamese.

We had had a long, drawn out conflict in Vietnam—a conflict that has divided our Nation considerably, a conflict that I feel we do not want to become involved in all over again.

Some years ago, I understand that Congress passed what is known as the Gulf of Tonkin resolution, and that at that time it was not sufficiently understood what it might lead to. I would hate for us, by the passage of this bill, with particular reference to section 4, to authorize the reintroduction of our troops into South Vietnam.

The amendment attempts to meet such objections, on page 4, by saying:

Such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

But how big an area are they talking about in the bill? Is that all of South Vietnam, or an area the size of a football field? Are we thinking about one American citizen and a thousand Vietnamese citizens? What period of time are we discussing here? Is this to go on for the remainder of the month of April, or through May, June, and July? How long a time are we talking about?

It seems to me that this is a very, very, very general grant of authority. We do not even know how many South Vietnamese are to be withdrawn. I realize that this is a foreign affairs bill, and I am not a member of the Committee on Foreign Relations. Yet in the Judiciary Committee we are concerned with matters of this nature, having jurisdiction over immigration, and we talk about the parole authority of the Attorney General in connection with paroling people into this country in suspension of the immigration laws. We have had State Department officials, the CIA, and Justice Department officials come there and talk with us about this matter. To date, they have not told us how many South Vietnamese are to be withdrawn. Frankly, I do not believe they know how many are to be withdrawn.

They speak about the risk to the South Vietnamese if and when their country is overrun from the north. I have a great deal of humanitarian sympathy for the South Vietnamese. But at the same time, I feel we must think about what is best for this country first. We certainly do not want more American lives lost in aiding these people from South Vietnam. We have spent a large number of American lives and a considerable amount of American money in this effort to help free a smaller nation from Communist aggression. I just do not want to see a reintroduction of American troops into South Vietnam.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAM L. SCOTT. I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I have just asked the Senator from New Jersey (Mr. CASE) if I could continue the argument, since he is the ranking minority member of the committee and I am just acting.

I consider it really a privilege to argue this particular point. I believe it should be argued; it raises a very essential point about this bill.

The question is, Should there be any foreign nationals admitted under cover of this bill? My answer is decidedly yes, for these reasons:

First, the Senator talked about humanitarian sympathy. There is a real curbstone expression that these Viet-

namese do not want sympathy, they need cash, and their "cash" means saving their skins by getting out of Vietnam.

The United States, if it has any obligation of a moral character, has an obligation to those whose lives are really in jeopardy and who had relations with us in the sense of working for us, or dependents of those who worked for us and are now in peril, perhaps graver than even Americans, though our first solicitude, obviously, has to be for our own citizens, the Americans.

Second, the description "foreign nationals" includes not only Vietnamese, but also includes some 1,200 foreign nationals who are in embassies, consulates, et cetera, in the Saigon area, and certain members of the international team that has been functioning for the United Nations there. But leaving that aside, and assuming that the Senator would certainly be ready to see the United States look after its duties to other foreigners, we are talking about South Vietnamese.

As I say, I think it is our primary moral duty to do what we can—and I shall demonstrate in a minute that that is what we are doing—consistently to do what we can, in accordance with our primary responsibility, to withdraw Americans.

As to the second question the Senator raises, as to the number and duration, the duration is expressly looked after by the provisions of this same section which is sought to be stricken. It is dealt with in paragraph 2, which restricts the use of our Armed Forces beyond those essential to the withdrawal of citizens of the United States and their dependents.

We just adopted another amendment a moment ago, Senator CRANSTON'S, which limits those Armed Forces to the barest essentials absolutely required with respect to the withdrawal of Americans. Now if, under cover of that kind of security, it is possible to take out those whose lives are at risk because of their service to the United States, no matter how wise or unwise our presence there was, it certainly seemed to me that that is the most elementary aspect of the moral responsibility which we have.

Second, at the top of page 4, lines 1 to 3:

> The duration of the exposure of United States Armed Forces to hostilities will not thereby be extended;

And, third, the next subsection:

> Such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn

it does not deal with ongoing protection for those who are left.

Finally, the Judiciary Committee has some handle on this. It has itself accepted, and it could have stopped the Attorney General if it wished, the figure of 130,000 evacuees and, in addition, the amounts involved here which we are putting up are limited, especially in view of the top priority which is given to American personnel being evacuated.

So the decision for the Senate is do we have any concern, do we want to take any concern, for these Vietnamese and, in my judgment, that really is the elementary question which the committee and I—and I do not think there was any difference in the committee, even by Senator CLARK and others who had different views from some of the rest of us in coming out—in feeling that certainly is what we ought to do.

So I think the basic decision to be made by the Senate is this moral question, and on that I and the committee came down decisively on the side of section 4 with all the restrictions but, nonetheless, accomplishing the fundamental point of endeavoring, and I emphasize that word, to take some account of those Vietnamese who had worked for or worked with us.

I yield.

Mr. GRIFFIN. Mr. President, I commend the Senator for his argument and I wish to associate myself with it.

I believe that aside from the moral obligation we owe to some of these South Vietnamese, we might also think at this time in terms of what the adoption of such an amendment would do in terms of getting the remaining Americans out of South Vietnam.

It is appropriate, of course, that there is no particular number of South Vietnamese we are committed to take out and, obviously, the number is necessarily going to be limited because of the restrictions and limitations which have been deliberately placed in this bill, as explained by the Senator from New York, but, at the same time, if we were to abruptly and callously—I hate to use that word, but that is the way it would seem to me, to callously—cut off any hope whatsoever that any South Vietnamese could get out, that we would help them get out, South Vietnamese who have demonstrated great friendship and assistance in the support of the policies of this country, whether right or wrong, that that could very well have an adverse effect upon the ability to get the remaining Americans out.

I very much hope the Senator from Virginia might withdraw his amendment or, if he does not see fit to do that, that it will be voted down. I am sorry to disagree with him.

Mr. SPARKMAN. Mr. President, I urge the Senate to reject this amendment.

The committee has recommended a very tight bill. Section 4 authorizes the President to use the armed forces in evacuating South Vietnamese, under strict conditions, and only incidental to the rapid evacuation of Americans. The Senator's amendment would strike this section from the bill. Adoption of his amendment would leave a situation where the President would look to whatever inherent powers he has to use our forces to bring out Vietnamese. What are those powers?

The State Department has told us what the executive branch thinks they are. The State Department has said that the President may use U.S. forces in combat:

> . . . where a limited number of foreigners can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort.

The President is the one who will determine what will materially change the nature of an evacuation operation. In Cambodia we saw an indication of what that interpretation of the President's inherent powers might lead to in Vietnam.

In that evacuation operation, the President informed the Congress, 82 Americans and 194 foreign nationals were evacuated. The South Vietnamese evacuation operation, because of the much larger number of Americans to be taken out, will require a military operation much larger than that used in Cambodia. The potential for expansion, within the State Department's criteria of using our forces in a combat situation to bring out Vietnamese as long as such a course does not materially change the nature of the evacuation operation, is very great.

The Senator from Virginia would let the President set the limits to his authority to bring out Vietnamese. The committee believes that Congress should establish the limits for any such authority.

The committee bill imposes severe limitations on the authority allowed to bring out Vietnamese along with Americans. If Congress does not impose restraints on the use of the Armed Forces, the President may employ our military forces in actions which go far beyond those allowed under the committee bill. If Congress does not impose controls, the President can argue that Congress has acquiesced in his claim to inherent authority. This would be a dangerous mistake for Congress to make, a precedent that would come back to haunt the legislative branch in the future.

The committee's restrictions are designed to tighten the restrictions on the President. The Senator's amendment would have the Congress stay silent, leaving the matter to the President. I hope that it will be rejected.

I regret that the Senator from Virginia has seen fit to introduce this amendment. I am confident that had he been sitting on the Committee on Foreign Relations over the weeks we were working on this when we drew this part of the bill, he would have seen it as we did.

I do not know of any particular provision in the bill that we worked harder on than this. We felt that, we knew, there were a good many—I do not know how many, I think some of the figures which have been given have been entirely too large—but certainly a goodly sized number of Vietnamese who had worked with our people, and many of them may be in danger.

We felt compassion for those people who had been working closely with us. This part of the bill will help bring out at least some of them along with the Americans. But in allowing that, we wrote in some very severe limitations—conditions that have to exist.

That is not something that the President can just do what he pleases with. The authority is very limited.

Another thing. The State Department has put out a legal memorandum which says, in their conception, the President has this power. I do not admit that he has it, but there have been good legal

minds in the Department of State which say that he does have this power.

But we have required that the President would have to comply with the very strict limitations that we have written into the bill. I believe that the Senator from Virginia would actually prefer to have it the way we have it written than the way it would be if his amendment prevails. I hope he will withdraw the amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the remarks of the distinguished chairman of the Committee on Foreign Relations. Certainly I am not going to withdraw the amendment, so we do not want to be under any illusions with regard to that.

I think this is the most important portion of the bill, that we not have our troops recommitted to Vietnam, and this is not a new matter to me.

The distinguished Senator from New York, I believe, indicated that I did not sit on the Committee on Foreign Relations, or the distinguished chairman did and, of course, he is right.

However, I did serve in the House for 6 years when we went through part of the agony of Vietnam, and I do serve on the Committee on Armed Services as well as the Judiciary Committee of the Senate where these matters have come before us.

I have been in Vietnam, and I have seen some of the conditions that exist in Vietnam, so it is not a novice who is offering the amendment.

I realize that reasonable people can disagree on almost any matter that comes before the Senate. But we talk about evacuating the South Vietnamese, and my amendment does not put a restriction on evacuation of the South Vietnamese. It merely says that it eliminates the portion authorizing the use of our troops.

I think I can say that the purpose of the amendment is to deny that authority to the President. I think when we have debate we build some legislative history, and the clear intent of this amendment is to keep us from reintroducing our troops into Vietnam except for the protection of American citizens. We clearly distinguish between American citizens and Vietnamese or other nationals.

If there are other nationals that need to be evacuated, if the British have some people over there, they have British planes they can send in there to get their nationals out, and so do other countries of the world. For us to risk further involvement in Vietnam so that we can bring foreign nationals, non-Vietnamese, out, in my opinion, should not be done.

I think on a matter such as this we should have a rollcall vote, the Senate exercise its will as to whether it wants to authorize the President to use our troops in South Vietnam for any purpose other than to protect our own citizens.

I think it is a very clear issue.

We can debate the various sentences that are in this, but basically, and I think that has been expressed either by the distinguished Senator from New York or the Senator from Alabama, this is a question as to whether we wish to permit the use of American troops to bring out foreign nationals from South Vietnam.

It is a simple amendment. I do not want to do that.

Mr. JAVITS. Mr. President, I think we are ready to vote, if the Senator from Virginia is ready.

Just to sum up the argument on the moral issue, the committee feels that this is only fair and just so long as it does not involve us in the use of armed forces above or beyond an area in strength or in duration of time what is essential—and we have now tied that down very tight—to the withdrawal of Americans themselves.

It seems to me it would really be shocking to espouse what the Senator from Virginia asks us to espouse, which is the negative, for the reasons that Senator GRIFFIN and Senator SPARKMAN have argued so eloquently, and that is what we are being asked to do by this amendment.

We are not being asked to refrain from further involvement of the Armed Forces of the United States. There is none. But we are being asked arbitrarily and negatively, notwithstanding that these Vietnamese could be brought out in some number without any additional risk on our part, not to do it. It seems to me the connotations of that are devastating in moral terms and in terms of the effect upon the South Vietnamese themselves.

If we talk about our standing in the world, what kind of attitude do we have toward people, whatever may be their color and whatever may be their creed, if, with no skin off our backs whatever, we negatively say that we will not take them out?

Mr. President, I can hardly conceive of us doing that. I appreciate the issue which the Senator has allowed us to vote on and I hope the Senate will see its duty as clearly as we see it in the committee.

I am prepared to yield back the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, I conclude by indicating that this is not a question as to whether we will evacuate the South Vietnamese or not. It is whether we will use our troops in the evacuation.

The Assistant Secretary of State for Far Eastern Affairs has told us that there is authority in the Attorney General to do this sort of thing and to bring them to the United States, if necessary.

General Chapman, the Commissioner of Immigration and Naturalization, tells us that such authority exists without any further authorization of the Congress.

So we are not talking about evacuation; we are talking about the use of American troops to help evacuate some nationalists.

I do not believe it should be done and I am glad that the Senator from New York is willing to yield back his time. I will be glad to yield back my time.

Mr. JAVITS. I will in a moment, but if I may, I will yield myself 1 minute, because I do not want to be committed on the record to this construction of law that the President is entitled to use American troops for the purpose, even if it tied in with the withdrawal of Americans or foreign nationals. In my judgment, he is not. That is not a constitutional right.

What is being discussed here is the law which permits these people to be paroled into the United States. There is no question about that, he has that power, but as to going into Vietnam to bring out foreign nationals, no, he does not have that power under the law or under the Constitution.

He has to get the authority of the Congress, and if we want that done, and I believe we certainly should do it, we need this section in the bill.

Mr. ROTH. Will the Senator yield for a unanimous-consent request?

Mr. JAVITS. Certainly.

Mr. ROTH. Mr. President, I ask unanimous consent that Charles Morison of Government Operations be granted the privilege of the floor for the remainder of the consideration of this bill.

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

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

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

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Virginia (Mr. WILLIAM L. SCOTT). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Hampshire (Mr. MCINTYRE), are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 12, nays 80, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—12

Abourezk	Haskell	Scott, William L.
Biden	Helms	Weicker
Burdick	Laxalt	
Byrd, Robert C.	McClure	
Hartke	Schweiker	

NAYS—80

Allen	Clark	Hart, Gary W.
Baker	Cranston	Hart, Philip A.
Bartlett	Culver	Hathaway
Bayh	Curtis	Hollings
Beall	Dole	Hruska
Bellmon	Domenici	Huddleston
Bentsen	Eagleton	Humphrey
Brock	Eastland	Jackson
Brooke	Fannin	Javits
Buckley	Fong	Kennedy
Bumpers	Ford	Leahy
Byrd, Harry F., Jr.	Garn	Long
Cannon	Glenn	Magnuson
Case	Goldwater	Mansfield
Chiles	Gravel	McClellan
Church	Griffin	McGee
	Hansen	McGovern

Metcalf	Percy	Stevenson
Mondale	Proxmire	Stone
Montoya	Randolph	Symington
Morgan	Ribicoff	Taft
Moss	Roth	Talmadge
Muskie	Scott, Hugh	Thurmond
Nelson	Sparkman	Tower
Nunn	Stafford	Tunney
Packwood	Stennis	Williams
Pastore	Stevens	Young

NOT VOTING—7

Hatfield	Mathias	Pell
Inouye	McIntyre	
Johnston	Pearson	

So Mr. WILLIAM L. SCOTT's amendment (No. 364) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

Mr. GOLDWATER. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on passage of S. 1484 occur not later than 4:30 this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR CONSIDERATION OF S. 1483, EMERGENCY HOUSING ACT of 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the final vote on S. 1484, the Senate proceed to the consideration of Calendar No. 81, S. 1483, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Does the distinguished majority leader include in his unanimous-consent request that rule XII be waived?

Mr. MANSFIELD. Yes.

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

Mr. MANSFIELD. I thank the Senator from Arizona.

VIETNAM CONTINGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

Mr. GOLDWATER. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment as follows: On page 6, line 12, after the word "out" insert the following: "in satisfactory detail".

Mr. GOLDWATER. Mr. President, for the information of my colleagues, I intend to withdraw this amendment after a brief discussion having nothing to do with the amendment itself.

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators participating in conversations will remove themselves to the cloakroom.

Mr. GOLDWATER. Mr. President, during the debate on the war powers resolution last year, I opposed it for many reasons. Some of them are becoming obvious today. What I have to say, I say with all due respect to the Senator from New York, who I believe is as worried about some of the things that have happened as I am and about whose sincerity in authoring this legislation and successfully passing it through the Senate I have no doubts. I think it was a very healthy part of our history that we have had this debate, and I hope we can continue on this debate after we are able to see the shortcomings of the legislation that we are beginning to bring out today.

In fact, Mr. President, we have not talked much about war powers in this debate so far. It has evolved into a humanitarian debate. It is rather surprising to hear some of my colleagues who are perpetually in favor of more humanitarianism arguing against the same kind of conduct with respect to the people in South Vietnam, for whose misery I think we can take a good bit of responsibility.

To top it all off, I understand that this afternoon—and I do not think this has much relation to war powers—we gave a sizable sum of money to the United Nations to spend. I would much rather have seen that money go to the disbanding of the United Nations or moving it, because I do not look on that body as being a particularly trustworthy body or an effective one. But that is beside the point.

Mr. President, until 1973, Congress had never written into law any legislative policy restrictions governing the waging of war. U.S. Presidents have deployed troops into crisis areas and used force or the threat of force on more than 200 occasions since the founding of the Republic without any prior declaration of war. These were U.S. defensive reactions to foreign threats to our citizens, property, or security.

For example, American gunboats protected American shipping in the Atlantic and Mediterranean and made several landings on foreign soil to protect American lives and property during the early 1800's. These 19th century protective actions had extended to the Pacific by the 1850's, culminating in the 5,000 troops sent by President McKinley in 1900 to defend the American Legation in Peking.

In the early 1900's, American forces repeatedly protected U.S. property in Panama and other Caribbean areas, landed at Beirut to protect the American Consulate—1903—assisted in evacuating U.S. nationals from Korea—1904—and made several landings in China to protect Americans during periods of unrest. In 1927, for example, this country had 5,670 troops ashore in China.

Prior to our official entry into World War II, President Roosevelt sent troops to occupy several former British military bases along the Western Atlantic and to occupy Greenland and Iceland. U.S. marines aided in the evacuation of 2,500 Americans in the Communist besieged city of Shanghai—1949—and U.S. naval units were employed in evacuating U.S. civilians from the Tachen Islands—China—from 1954 to 1955. A Marine battalion also evacuated 1,500 Americans from Egypt during the 1956 Suez crisis.

President Eisenhower sent 5,000 marines to Beirut to protect American lives in 1958 and, in 1965, President Johnson sent 9,500 troops to the Dominican Republic to protect Americans, and other nationals as well.

This brief and incomplete summary is sufficient to demonstrate a consistent and growing practice by which U.S. Presidents have responded to foreign threats with whatever force they believed was necessary, and technologically available, in the setting of that particular moment in history.

Mr. President, I recite this history not to bring anybody up to date, because I believe this is rather standard knowledge among all Members of the Senate, but just to point out that, historically, our President has been the one to make up his mind relative to the protection of American lives and American properties overseas.

What we are primarily concerned with in this debate, in my opinion, is a repetition of what history has been filled with in the past—a threat to American lives, American property, and American freedom overseas. We are debating whether or not we will allow troops to be used in the evacuation of American nationals; and I suspect that here and there during the debate, this extends also the evacuation of South Vietnamese toward whom we feel some responsibility.

My point in bringing up this matter at this time is to keep the war powers resolution in any debate that comes up on this subject, in the hope that at some time in the future this matter can be presented to the American people in the proper form of a constitutional amendment.

This was the main thrust of my argument against the war powers bill, that it was disturbing the Constitution by legislative action. I do not believe that that should be done. Nevertheless, I think this comes at a very good time in our history. It is pointing out, I think very graphically, to the American people that in the opinion of this President—and I have to agree that he is right under the law—he cannot protect American lives and property overseas any more without the authority of Congress or the Senate.

Now, that brings us to the present debate. The debate has been going on for 2 or 3 days and we have been evacuating for that long, at least. In my opinion, by this time 3 days from now, all Americans who want to leave Saigon will have been taken from Saigon. In addition to that, we will have moved a large number of South Vietnamese—it is impossible to judge just how many. So do we find the President in violation of the War Powers Act? In my interpretation of the act, I think he has that power up to a certain point. I may be wrong on that. But if he has been operating outside the law to do what, historically, an American Presi-

dent has been looked to to do, then I think we have to take another look at this whole thing and do it rather fast.

Mr. President, we have recent congressional actions in this. One is the War Powers Act.

This historical construction of the Constitution was unilaterally changed by Congress which in 1973 enacted over the President's veto, House Joint Resolution 542, the war powers resolution.

This resolution claims for Congress dominance over the entire field of troop commitment and deployment. The operative sections are triggered by the introduction of American forces, without a declaration of war. First, into hostilities or imminent hostilities; second, into the territory, air space, or waters of a foreign nation, when equipped for combat; or three, in numbers which substantially enlarge U.S. forces equipped for combat already located in a foreign nation, such as NATO areas. When military forces are introduced in one of these situations, the President must report on it to Congress within 48 hours and periodically thereafter.

I think in this that the President has acted within the law and the intent of the law. I have some question as to whether he has acted within the complete meaning of the law, because we do have men in American uniform operating in South Vietnam, in Thailand, and, I suspect, elsewhere. I also suspect that they are bearing arms, not necessarily for hostile action, but for protection.

Then again, we can get into very small definitions as to when a weapon becomes defensive or offensive. This could make the President in violation of the law or in keeping with the law. I think this is something that, as we go along, we must consider and discuss from time to time. I hope that we are able to do that.

The President cannot use the Armed Forces for more than 60 days unless Congress grants specific authority. He is allowed an additional 30 days only if the safety of U.S. troops demands their continued use in the course of removal.

I think in this particular part of the law, he is probably safe, because we have no concentration of troops in South Vietnam. We have air forces in Thailand. But if we have to send troops to protect air crews and so forth that are operating out of Tansonhut, then the question comes up as to how long he can use these troops to protect the safety of men already stationed in that particular part of the world.

At any time before the 60-to-90-day period is up, Congress is permitted to order the withdrawal of U.S. forces. The law provides that the President must obey such a congressional directive.

Mr. President, this is a very important part of the war powers legislation and, as many of us do, we try to put ourselves in the other fellow's position. I have often put myself in the position of a potential enemy of my country, and I would say that I would be perfectly patient and wait for a 60-to-90-day period to be up and then, by exercise of the influence of the media and other institutions in this country, be able to terminate the war in this body. I think we might accomplish the same thing in another way if we are determined to keep Congress in the whole field of warmaking power.

There are other restrictions. Also, in 1973, Congress enacted a ban on the use of any funds to finance the involvement of American military forces in hostilities in or over or from off the shores of North and South Vietnam, Laos, or Cambodia. In addition, Congress enacted a provision requiring the withdrawal of NATO forces proportionate to the balance of payments deficit caused by stationing our troops in Europe.

Congress has asserted primacy over constitutional powers which until now the Supreme Court has been reluctant to rule on, but which the course of history has resolved in favor of the President. It is believed—not by all, of course—that these congressional restrictions upon the President's separate powers are unconstitutional, short of a constitutional amendment.

Mr. President, I have prepared a discussion of the constitutional points and I ask unanimous consent that they be printed in the RECORD at this point in my remarks.

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

CONSTITUTIONAL ISSUES

A. SOURCE OF PRESIDENT'S POWERS

1. The first sentence of article II of the Constitution reads: "The Executive Power shall be vested in a President of the United States of America." This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized in the law of nations, as a right of the Executive.

2. The President also is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of Executive power by John Marshall and interpreted it to mean that the President has "*primary* responsibility for the conduct of foreign affairs."

3. Section 3 of Article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statute and treaties, but also of "the rights, duties, and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the Government under the Constitution."

4. Section 2 of Article II designates the President as "Commander-in-Chief." This power has been defined by legal scholars to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns."

B. CONGRESSIONAL POWERS DISTINGUISHED

Congress controls the size and strength of the Armed Forces, and the amounts and kinds of weapons which are in the military arsenal. Congress can approve or reject treaties or area resolutions with defense implications.

But once Congress makes its decisions of how many men shall be enlisted, or what arms provided, the President may station those forces and deploy those arms in such parts of the world as he determines appropriate in the national defense.

Contrary to popular misconception, the declaration of war has never been the only way by which this or other nations go to war. The Constitution does not say that "no military forces shall be used unless Congress enacts a declaration of war."

In fact, the Founding Fathers were aware that 37 out of 38 wars in the 18th century, which preceded the Constitutional Convention, began without any declaration. The Framers also knew that 17th and 18th century writers on international law made a distinction between "offensive and defensive" wars. A declaration was required only for "offensive" war.

Mr. GOLDWATER. Mr. President, I said at the outset that I intend to withdraw this amendment. I shall not withdraw it until I yield to my friend from New York, who, I hope, will accept this in the spirit in which it is offered, the spirit in which he offered the whole resolution to begin with. Some of the shortcomings that I foresaw in the enactment of that have crept onto this floor today. I think the Senator will have to agree, as will others, that such a discussion or such a suggestion as has been made on the floor of the Senate, that the President be made to divulge the complete details of an evacuation plan and, I should think, stemming from that, the complete details of any military action that might be contemplated in the future by the President, indicates something that we did not think would come up. But it has come up.

I suggest that with such an inflammatory subject as war or the threat of war or evacuation, for example, which certainly carries with it the threat of, not necessarily war, but armed action, Congress is just not constituted properly and carefully to consider it. There is too much to consider in this whole action that is involved in politics, involved in nationalities, involved in our personal feelings. I have offered this discussion this afternoon only as a person interested in the problem and in the hope that, in the coming months and years, we can continue to discuss this.

I am glad to yield to the Senator from New York.

The PRESIDING OFFICER (Mr. BAKER). The Chair will advise the Senator from Arizona that we are proceeding under controlled time and the 15 minutes of the Senator from Arizona has expired. The Senator from Alabama has 15 minutes.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. SPARKMAN. Yes.

The PRESIDING OFFICER. The Chair will correct the statement he just made. There is a 4:30 limitation on debate. Therefore, the time remaining to the Senator from Alabama is 12 minutes.

Mr. JAVITS. I shall only take 2 minutes and Senator GOLDWATER is going to withdraw his amendment. Then Senator ROTH wishes to speak.

I rise only to note that we have taken account of the legal points Senator GOLDWATER has made. They are fully covered in appendix A. I ask unanimous consent that appendix A from the committee report may be printed in the RECORD as part of my remarks.

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

APPENDIX A

U.S. SENATE,
OFFICE OF THE LEGISLATIVE COUNSEL,
April 15, 1975.

Memorandum to: Senate Committee on Foreign Relations.
Attention: Norvill Jones.
From: Michael J. Glennon, Assistant Counsel.
Subject: Constitutional and statutory authority of the President to evacuate citizens of South Vietnam from South Vietnam.

You have asked our opinion (1) whether the President has the power under the Constitution, independent of any congressional authorization, to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam, and (2) whether such authority may be inferred from any statute.

1. CONSTITUTIONAL AUTHORITY

We have concluded that the President has no constitutional authority to do so if such use would introduce United States armed forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

The congressional understanding of the scope of the President's constitutional power in this area is set forth in section 2(c) of the War Powers Resolution. That section provides as follows:

"(c) The constitutional powers of the President as Commander in Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."

It is a question of fact whether such use of the armed forces would introduce them "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." In the event such conditions do obtain, the Congress has expressed its belief that the Constitution requires either a declaration of war of specific statutory authorization for the President to use the armed forces for a purpose such as the one stated above.

The legislative history of the War Powers Resolution suggests that, notwithstanding the use of the word "only" in that subsection, a limited constitutional power may exist on the part of the President to introduce the armed forces into such situations in order to evacuate citizens of the United States.

However, nothing in the legislative history of the War Powers Resolution would indicate that this power was contemplated to extend to citizens of foreign countries.

Moreover, an argument that such a power exists notwithstanding the congressional understanding to the contrary, would be without constitutional support. A settled, unchallenged course of Presidential action may over the years raise a presumption that a constitutional power exists. In this instance, however, the course of action, insofar as it has been constitutional, has been characterized by uses of the armed forces connected with and required for the protection of an immediate, identifiable interest of the United States, as in the case of citizens of the United States or members of the Armed Forces threatened by hostilities. To the extent that the use of the armed forces is for the protection or vindication of a more remote interest, and to the extent that that use is undertaken without congressional concurrence, such use may be viewed as being beyond the President's constitutional power.

Accordingly, it is the opinion of this Office that, absent a declaration of war or specific statutory authorization, the President may not constitutionally use the armed forces of the United States to evacuate citizens of South Vietnam from South Vietnam if such use would introduce such forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

2. STATUTORY AUTHORITY

We have concluded that the President has no statutory authority to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam if such use would (a) introduce those forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

Section 8(a)(1) of the War Powers Resolution prohibits the inference that a statute allows the introduction of the armed forces into situations involving hostilities unless the statute in question (1) "specifically authorizes the introduction" of those forces into such situations, and (2) "states that it is intended to constitute specific statutory authorization within the meaning of" the War Powers Resolution. Section 8(a)(1) provides as follows:

"SEC. 8. (a) Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred——

"(1) from any provision of law (whether or not in effect before the date of the enactment of this joint resolution), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this joint resolution;"

There is no statute which specifically authorizes the introduction of the armed forces of the United States into hostilities in South Vietnam, or which states that it is intended to constitute specific statutory authorization for such introduction within the meaning of the War Powers Resolution.

On the contrary, at least seven different statutes have specifically prohibited the use of funds for various military purposes in South Vietnam. (See appendix.)

Accordingly, it is the opinion of this Office that the President is without statutory authority to use the Armed Forces of the United States to evacuate citizens of South Vietnam if such use would (a) introduce such forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

Mr. JAVITS. I point out that the question asked is whether a limited constitutional power may exist on the part of the President to introduce armed forces in such situations in order to evacuate citizens of the United States.

The second point is that the legal analysis concludes, and I concur with it, that it is the opinion of Office of the Legislative Counsel that the President is without statutory authority to use the Armed Forces of the United States to evacuate citizens of South Vietnam if such use would introduce them into hostilities or into imminent danger of hostilities.

That is the state of the law. As to the practice, the war powers resolution works automatically in order to assure that an incident in which the President does have power—and I thoroughly agree with that—does not develop into a war, does not slip out of our hands, so that we can stop the use of forces at a given time, even in less than 60 days.

Mr. President, this experience is very revealing as to how the war powers resolution works. I think the committee has taken the right attitude respecting it. We wish to share the power; we do not wish to arrogate it.

I am obliged to the Senator from Arizona.

The PRESIDING OFFICER (Mr. BAKER). Who yields time?

Mr. GOLDWATER. Mr. President, will the Senator yield me a few seconds to withdraw the amendment?

Mr. SPARKMAN. What is the situation, Mr. President?

Mr. GOLDWATER. I wish to withdraw the amendment. Will the Senator yield to me 30 seconds?

Mr. SPARKMAN. I will give the Senator 40 seconds.

Mr. GOLDWATER. I do not need that much. I am a conservative.

Mr. SPARKMAN. I am not sure just how liberal I am in this instance.

Mr. GOLDWATER. Mr. President, before I ask unanimous consent to withdraw the amendment, I call the attention of my colleagues to the fact that the answers my friend from New York alluded to will not apply to these points, because these are brandnew points; and I might say the other question was not answered properly at the time.

Mr. President, I ask that my amendment may be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ROTH. Mr. President, will the Senator from Alabama yield me 10 minutes?

Mr. SPARKMAN. Mr. President, I yield the Senator 7 minutes on the bill.

Mr. ROTH. Mr. President, I am deeply concerned about the meaning of recent events for the United States and her future. The Vietnam war is without question one of the greatest tragedies in our 200-year history. It is tragic because we lost 50,000 American lives and vast amounts of our hard-earned resources without bringing freedom to the people we sought to aid. It is tragic that it deeply divided our Nation—father against son, people of goodwill against each other—and left scars on our Nation that will take years to heal. I believe it is especially tragic because it has cast doubt in the minds of millions of Americans on the viability of our democratic system, as well as cast doubt throughout the world and among our allies on our will to carry the torch of freedom.

I am saddened to hear that there are those in the Halls of Congress who would lift not a finger to help evacuate those loyal Vietnamese who fought bravely and courgeously on our side. Surely, South Vietnam has its share of corruption and war profiteers as we in the past have had here, but we should not condemn thousands of loyal, patriotic Vietnamese for these. It should be remembered that more than 250,000 South Vietnamese have sacrificed their lives in this struggle. It also deeply concerns me that some are unwilling to provide even minimal military supplies for the sole purpose of

negotiating a safe evacuation that might save thousands of human lives. Sometimes as I watch the Congress it appears as if we are in a race to see who can do the most to disavow any responsibility or compassion for the plight of the South Vietnamese. Undoubtedly, this is the popular thing to do today, but the real question is whether or not it is morally right. Who in the future will trust or believe us if we now appear not to care in the slightest degree what happens in South Vietnam? What European, Israeli, or Japanese will trust us in the future if we fail to carry out our remaining moral obligations? We should not forget that events change rapidly in this world and the time may again come that we need loyal allies.

Make no mistake, I am opposed to any major rearmament of South Vietnam, nor would I support American reinvolvement. The cause of freedom would be ill-served by an America torn spiritually and physically for a lost cause. All we can do now is to help alleviate the suffering and evacuate those who face possible death or torture for being friends and allies.

I cannot speak out today without also stating my deep disaffection and anger at the lack of goodwill and aid on the part of the United Nations. For an international organization established for such noble purposes, it has turned into a dreary irresponsible institution, unable even to act in times of humanitarian need. I must also say to those nations who are now so quick to criticize our current lack of military support, where was their support in years gone by?

What is past is past. The important question is where we go from here. I support this bill to provide for humanitarian assistance and limited evacuation authority, and I believe it should be passed without further delay. I deeply regret that Congress has set this bill aside the past 2 days. Is this responsible leadership? We are fiddling while Vietnam is burning. Lives and hopes hang in the balance and we should decide one way or the other what we are going to do.

To reassure the free world of our leadership, we need a new reassessment of our foreign policy and a rededication to the cause of peace and freedom. Americans have become deeply disillusioned with our foreign policy, and disillusionment breeds further weakness when we need to be strong. We need a national foreign policy that a majority of Americans can and will support. Only in that way can we serve the cause of freedom and our own best interests; only in that way can we be credible to our allies and restore our own self-confidence.

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

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I send to the desk amendment No. 354 as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At the end of the bill add the following new section:

SEC. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary and Armed Services of the Senate a report describing his general plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CLARK. Mr. President, there was some disagreement on the specific language of this amendment earlier today. We have now reached an agreement. The amendment contains a requirement that the President send Congress a general plan for withdrawal from Vietnam of the persons described in sections 3 and 4 of this bill. I think it is self-explanatory, and all of the Members concerned about the language of the amendment have agreed on the modification. However, I would like to ask the Senator from New Jersey a series of questions.

Would you agree, Senator, that the general plan submitted by the President, in order to be useful, should contain an indication of the nature of any military action which might be contemplated. For example: whether a beachhead was to be established and maintained by U.S. ground forces in the face of hostile fire; or, whether the forces involved would involve a company, a regiment or a division; or, whether Air Force units would only fly protective cover or whether the plan would include strikes for the purpose of suppressing anticipated hostile fire.

Would you think these would be reasonable examples of what we might expect to be included in a report from the President?

Mr. CASE. Yes, I would agree.

Mr. CLARK. Even if we do not state specifically what we expect in a report, would you nevertheless agree that the report should indicate the categories and the numbers of persons whom the President might hope to rescue with a proposed operation?

Mr. CASE. I would think it ought to do so. On the other hand, is the Senator from Iowa suggesting that the President should be required to transmit to the Congress proposed rules of engagement or precise operation plans?

Mr. CLARK. No. We are not asking for those kinds of details or for any other information which might endanger the lives of Americans—either the rescuers or potential evacuees—if disclosed.

Mr. CASE. Would the requirement for the President to submit a report imply any advance veto power on the part of Congress?

Mr. CLARK. No, it would not.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, we are ready to accept the amendment, and move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

The amendment was agreed to.

Mr. CASE. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 1, line 9, strike out "in Vietnam".

On page 2, line 5, after "section 36" insert a comma and "37(b) (third sentence),".

Mr. CASE. Mr. President, the purpose of this amendment is to make it clear that the money in the contingent fund may be used for humanitarian and withdrawal purposes, not only in South Vietnam, but also afterward, if people leave there and need help in connection with evacuation. I think the purpose is very clear, and unless there is some objection, I move the adoption of the amendment.

Mr. SPARKMAN. Mr. President, I am in favor of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey (Mr. CASE).

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I ask that the Senator from Oklahoma (Mr. BARTLETT) be recognized to offer an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BARTLETT. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Add a new section at the end as follows:

"SEC. . As the situation in Vietnam has deteriorated, there has been a sharp increase in the number of deserters from the United States military who have turned themselves in wanting to be evacuated from Vietnam to the United States. It is the sense of the Congress that although these men turned their backs on the United States in its hour of need, basic humanitarian instincts dictate that we not turn ours. However, it is also the sense of the Congress upon return to the United States these men be promptly turned over to the proper authorities for prosecution in accordance with law."

Mr. BARTLETT. Mr. President, I was interested to find out today that many of the soldiers who deserted the American military while serving in South Vietnam are literally "coming out of the woodwork" trying to leave Vietnam and return to the United States.

Although these are men who turned their backs on the United States. I do not suggest that we reciprocate by turning ours.

However, it is interesting that these men who refused to fight to stop Communist aggression are now doing everything they can to avoid the possibility of living—or dying—under a Communist regime.

No doubt, these men will take their chances through out court system versus their prospects under communism.

Even though these men are deserters, they are Americans; and basic humanitarian instincts dictate that we not abandon them as they did us.

However, upon their return to the good old U.S.A., I hope no one has the

gall to suggest any blanket amnesty or alternate service outside our court system for these men who refused to serve. They have apparently violated the law. They refused President Ford's request that they return to the United States, and now they should be prosecuted through the courts as any other person who is suspected of violating our law.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, may I ask a question? I understand there is a yea and nay vote at 4:30 on this bill. Does the Senator desire a separate vote on his amendment?

Mr. BARTLETT. Mr. President, if it is acceptable with the Senator I will be happy to withdraw the request for the yeas and nays.

The PRESIDING OFFICER. Does the Senator make a unanimous-consent request to vacate the yeas and nays?

Mr. BARTLETT. I do.

The PRESIDING OFFICER. It is withdrawn.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I speak in support of the pending bill, S. 1484, as reported by the Committee on Foreign Relations, providing additional humanitarian assistance for South Vietnam and Cambodia, and a contingency fund for the President's use in withdrawal from South Vietnam.

Today there are new opportunities for peace and reconciliation in South Vietnam—opportunities the President must and can seize, and which the Congress must fully support. I believe the funds authorized by this bill will serve these ends. They will provide the President with new tools which he can use for peace, as well as new funds to help heal the wounds of war in both Cambodia and Vietnam.

Clearly, a final, tragic drama is unfolding today in Indochina, and we have reached a crucial watershed point in our relations with the peoples and governments of the area. The resignation of President Thieu provides a new opporfor our Government to finally focus our entire effort in support of a new government in Saigon that will encourage a diplomacy of reconciliation, rather than pursue a policy of more war. We can help a new government negotiate a settlement which will allow the Vietnamese people a chance to see an end to the fighting.

Now, as never before, we must search for a policy of national unity and purpose that will give meaning to America's moral commitments in Indochina. In some quarters, including the highest officials of our Government, we are told that the American people are withdrawing from the daily onslaught of disaster headlines, and that America has lost its concern for others. There is a sense of pessimism and foreboding, that America is returning to isolationism and "fortress America"—turning our backs upon the rush of events in the world.

Mr. President, I, for one, do not believe this is true, and I think our action here today will prove that it is not.

From calls and letters and appeals which I have received from all over America, I have felt that the mounting human tragedy in South Vietnam and Cambodia has brought forth a deep and despairing sense of helplessness among the American people. Never have we faced a more serious or troublesome crisis of people than that gripping millions of people in South Vietnam and Cambodia. And one thing is clear today. How we resolve the human crisis in these countries will not only influence the fate of millions of war victims who cry out for peace and relief—but it will also determine our country's future relations with the people of Indochina for decades to come.

The American people want to know what our Government is doing now, and what it is prepared to do in the future, to help meet the growing human needs of the people of Indochina. This concern does not reflect isolationism or noninvolvement. Rather, it reveals a profound sense of commitment and concern that simply has not yet found expression in our Government's policy.

For too many weeks our Government has stood paralyzed, as events in Vietnam have rapidly overtaken whatever small decisions our Government was making to assist the millions of orphans and refugees and war victims in South Vietnam and Cambodia. Even as our diplomacy has floundered, so, too, has our humanitarian response to massive human needs.

But this is not a time for paralysis and indecision and inexcusable delays over the simple issue of providing emergency humanitarian assistance. It is not too late for us to take bold action to meet our obligations to the people of Indochina. It is not too late for our diplomacy to secure a period of peaceful transition that will encourage reconciliation, rather than prolong the violence.

I believe the provisions of the bill before us will help achieve these ends.

First, the bill provides a contingency fund which the President can use to support the evacuation of Americans, and to pursue peace and reconciliation in South Vietnam. Events in Saigon provide the President with fresh opportunities to this end.

American citizens and their dependents are being evacuated, and Vietnamese nationals with relatives in the United States are being provided opportunities to join them. The funds authorized in this bill will support this process.

But there is also an opportunity to achieve a settlement, or transition, that will end the daily bloodbath and reduce the possibility of violent reprisals when hostilities cease. In the judgment of well-informed, respected non-Communist Vietnamese in Saigon and in the United States, a negotiated transition will permit an honorable peace.

Only through such diplomatic initiatives—by communicating with all parties concerned, and seeking the good offices of the United Nations and other countries—can we facilitate the movement and protection of refugees and threatened populations in all areas of South Vietnam. Instead of wringing our hands over this issue, or pretending we can fly this problem out of Vietnam, we must immediately pursue those diplomatic agreements and understandings that will help secure the free movement and protection of the civilian population. Such agreements and understandings followed the first Indochina war, and similar civil wars in recent years—from Algeria, and Nigeria-Biafra, to Bangladesh.

Hopefully, President Ford will seize the new diplomatic opportunities that are now at hand. Hopefully he will use the vast resources of this Nation to promote a negotiated end to the conflict, which will not only bring peace and relief to the battered people of Vietnam, but will also give meaning to the valor and heroism of the American sacrifice in that country.

We are at a crucial juncture in our involvement in Vietnam. There is now a clear option for peace. And it would be unacceptable for our country to continue mortgaging both reconciliation in Vietnam and the personal safety of our nationals and allies for the sake of a new Saigon government intent upon continuing the war.

Second, this bill will provide urgently needed funds for emergency humanitarian assistance in South Vietnam and Cambodia, along the lines of the bill, S. 1350, which I introduced on March 26. For even as the conflict begins to end, massive humanitarian problems remain for millions of war victims and others in need. The end of a war which we have fueled for so long at such great cost—and the end of one government which the United States has attempted to support—does not end our Nation's obligation to the people.

Developments today in South Vietnam and Cambodia should call forth from our Government new efforts to provide humanitarian assistance to a people so obviously and so desperately in need.

The funds authorized by this bill will finally carry out the long intent of Congress for internationalizing humanitarian assistance to millions of war victims in South Vietnam and Cambodia. Those international channels are there, in place, and in the field. UNICEF, the International Red Cross, and some foreign voluntary agencies and medical personnel, are still in Cambodia. The United Nations High Commissioner for Refugees, UNICEF and other voluntary agencies are working on both sides in South Vietnam. All these agencies are ready and willing to help, if only given the funds.

The International Red Cross, on April 3 issued an appeal for $30 million in emergency funds for Indochina, particularly for Cambodia. After weeks of dragging our feet, and only after strong congressional pressure, has the Department of State informed me that it will provide a $5 million contribution. This should be only our first, of several, contributions to help the work of the Red Cross. They can, and will, do much more

if only they are given our assurance of greater support.

And just last week, United Nations Secretary-General Kurt Waldheim reissued his appeal for humanitarian assistance. On March 31—nearly 4 weeks ago—the United Nations issued its first appeal, which was met with silence on the part of the U.S. Government. Today, the Secretary-General has again urgently appealed for contributions, indicating that in the immediate phase some $100 million will be required to meet "essential, and I repeat essential, requirements excluding bulk food supply."

The bill before us will permit our country to finally act to support these important humanitarian requirements of all people in need in Indochina.

Mr. President, I strongly feel that the "moral commitment" we so often hear the President refer to in Indochina, is not a commitment to any army, or to this or that government, or to this or that official or political faction. Rather, our true remaining obligation is with the people of the area—to the millions of refugees and other war victims who need our help, our concern, and our immediate humanitarian assistance. I believe the American people are prepared to accept these obligations.

On balance, I believe this bill serves these ends, and I urge its adoption.

Mr. BIDEN. Mr. President, if we were meeting in this Chamber 200 years ago, someone would say that "these are times that try men's souls."

It is 1975, however, and not 1775.

And this Chamber has been the scene of many fierce debates about the region of the world that preoccupies us today.

Asia has not been one of our conspicuous successes overseas, during our Nation's history.

To paraphrase someone else, it seems that when Asia sneezes, America catches cold.

Among my illustrations are:

Perry's excursion into Japan in the mid-19th century;

Our acquisition of the Philippine Islands;

The need to rescue endangered Americans from China during the Boxer Rebellion; and

Our war with Japan.

Since the end of World War II, there has occurred a succession of unhappy events, including:

Seizure of China by the Communists;

The war in Korea that spawned such nasty domestic political consequences; and

Indochina, where hopefully, we can avoid a similar reaction at home.

It seems that in respect to Asia, our foreign policy has been one of magnificent obsessions and lost causes.

Today, we are discussing the shambles that is Vietnam, and an involvement with that country, as well as Laos and Cambodia, that six successive Democratic and Republican Presidential administrations have been associated with in varying degrees.

We now may be—I hope—writing a final chapter in the book of Indochina.

And I hope we can keep things in perspective.

In my judgment, there is occurring no "fading of America," as some commentators are trying to call it—no time for pretentious talk of "watersheds" and "tides of history" running against us as a Nation.

As I read the news dispatches, the need is not to reassure other nations that we are not withdrawing into a shell.

The need is that we should have more confidence in ourselves.

We should not exaggerate our successes—and at this critical junction, we should not exaggerate our failure in Indochina.

A man with a flair for epigram and sound generalizations said at a time when his country was under stress:

> If we permit a quarrel between the past and the future, we will imperil our future.

That man was Winston Churchill.

I believe that today in the Senate we can simply say in respect to Indochina: "Enough," and proceed with our work.

And in so doing exercise the statesmanship that Talleyrand defined as "The art to foresee the inevitable and to expedite its occurrence."

And we do have work to do in the world.

We who view with apprehension the bill before us today are not "isolationists."

Even if I wished to be—which I do not—it could not happen—if for no other reason than our commercial interests abroad—at the beginning of last year, the total of accumulated book value of U.S. investments abroad totaled $173 billion, including the Latin American nations and Canada, and our total dollar exports in 1974 amounted to $98 billion.

I believe that it is cold and rough out there in the back alleys and the chancellory offices of the world.

We need to keep a strong defense.

We need to keep troops abroad where our primary interests are.

We need to proceed with caution with arms-control negotiations at the forthcoming SALT talks.

We need to keep in mind that the terrible tragedy that has befallen Cambodia and Vietnam is in considerable measure the result of gross abuses by the Communist powers.

Let us make no mistake—I do not keep company with those who shout that this conflict is "America's war."

Our policy in Southeast Asia was mistaken; this policy stubbornly persisted in long after it should have been discarded.

But it takes two to tango—in fact, in this case three—the Soviet Union and China were running their "proxy" war.

As I said earlier, I hope that today we can focus on this bill—without any Cassandra-like wringing of hands that we are doomed to extinction as a big power.

We should, as judges remind lawyers, stick to the case.

What happened?

What led us from Lexington and Concord to Saigon?

What led us from Independence Hall to Indochina?

Perhaps, as an explorer once said about Mount Everest, because it is there.

And the bill before us today poses still another question.

How do we avoid a recurrence of our misadventures in Indochina that resulted in the death of 56,000 American servicemen and an estimated expenditure of $150 billion?

My apprehension is that this bill has a potential of beckoning us back into Vietnam.

The State Department's emissaries who have come before us in the Foreign Relations Committee have not quieted the apprehension of this Senator, myself.

Therefore, I oppose the bill in the form it was reported from the Foreign Relations Committee on April 18, 1975.

My decision was not one taken lightly, or in haste, in part because those on the committee who voted for the bill are men for whom I have both a high regard and deep respect.

Nevertheless, the bill is flawed.

It does not assist one bit in evacuating Americans from the Saigon war zone.

The President already has that authority under the Constitution—an authority exercised in the past by other Presidents who sent troops to rescue endangered Americans in Japan, China, and Nicaragua.

And the bill's authorization for American troops to reenter Vietnam, albeit to assist in evacuating Americans now there, generates apprehension on my part that the book may not yet be closed on our military involvement in Vietnam—a faulty commitment that already has cost the lives of 56,000 American servicemen and $150 billion of American treasure.

What is the primary—in my view, the only—objective of the U.S. Government at this moment?

It is, or should be, the evacuation of all Americans and their dependents now in South Vietnam, mostly in Saigon.

The exact number is not known, but it totals several thousand.

But the bill complicates the matter of evacuation; first, because it would also authorize evacuation of "endangered foreign nationals" unspecified as to numbers and identity.

I do not believe the United States has an obligation, moral or otherwise, to evacuate foreign nationals—other than perhaps an estimated 1,800 diplomatic personnel assigned to foreign embassies in Saigon.

The United States has no obligation to evacuate 1, or 100,001, South Vietnamese.

As I read the language of the bill, the evacuation of Americans in South Vietnam conceivably could be endangered because of the provisions also permitting the evacuation of untold numbers of foreign nationals.

The President's representatives inform us that as many as 175,000 South Vietnamese are considered eligible for evacuation.

Second, a majority of the committee made every good-faith effort to restrict the employment of Armed Forces of the United States, should they be sent to South Vietnam to evacuate both Ameri-

can citizens and their dependents and foreign nationals.

Nevertheless, the language is insufficiently precise to allay my apprehensions.

In blunt terms, the President should have evacuated all Americans by now—he has the ships and the planes at his disposal, and the money.

Not to have done so suggests he either cannot control his representatives in Saigon or that Americans there are, in effect, held "hostage" to accommodate other aspects of administration policy relating to Vietnam.

This bill does not afford the President authority that he does not already have to proceed with complete evacuation.

Moreover, the mechanics of the evacuation itself, as described to us directly by Assistant Secretary of State Habib on April 17, 1975, in executive session of the committee, does not inspire confidence and, consequently, heightens the apprehensions I have earlier stated relating to the bill's authorization for American troops, in untold numbers and for an unspecified period of time, to return to South Vietnam.

For example the committee was given one table, compiled by the State Department, purporting to identify by numbers various categories of persons now in South Vietnam who would be eligible for evacuation—U.S. nationals and their dependents, USAID personnel, defense contractors and their dependents, purportedly endangered South Vietnamese and their dependents, et cetera.

The figures in the table did not stand up under questioning.

The numbers who are now being evacuated from the Saigon area changed—increasing as well as decreasing—with each inquiry by committee members and with each telephone call to the State Department for clarification and, in one instance, to Saigon itself.

Colleagues on the committee disagree with me, but I do not believe that at the time the committee voted favorably on this bill that an evacuation plan existed—or, if one existed, it certainly was not presented to the committee in a fashion that satisfied my definition.

Even accepting the broad outlines of the bill, it is deficient in that it does not require a daily accounting to the Congress of the progress of the evacuation—no complicated tables, with subcategories and subtotals, but simply a clear concise reportage stating the number of persons evacuated by plane and ship each day from South Vietnam.

I suggested certain language changes in order to circumscribe the authority in the bill relating to evacuation and foreign nationals.

I am sorry these were not adopted.

I also offered a simple Senate joint resolution reaffirming the President's authority under the Constitution to evacuate endangered American citizens and that such evacuation proceed promptly. I regret it was defeated.

To reiterate my position, the Senate should take three actions:

First, call to the attention of the President that he already has the authority to evacuate endangered Americans and their dependents in South Vietnam.

Second, encourage the Ford administration to help seek a negotiated settlement relating to the safety in place of endangered South Vietnamese.

Third, provide humanitarian aid to Cambodia, where the war has ended, but withhold humanitarian aid to Vietnam, wherein the conflict continues, because such funds could conceivably free North Vietnamese moneys for additional military arms and supplies—moneys it now uses for relief of the war needy within areas that it controls.

The time has come—perhaps it is past—for a swift uneventful evacuation of all Americans from South Vietnam before a situation develops wherein it would take large numbers of American troops to bring out our citizens.

My resolution was intended to accomplish that purpose.

Unfortunately, it was defeated by voice vote.

I hope that the military provisions of this bill will, however, be deleted.

Mr. MUSKIE. Mr. President, I shall vote for this bill because I think it represents a reasonable response to the dangerous, volatile situation which prevails in the Saigon area today.

The bill authorizes the use of American forces, if the President deems it necessary, to assist in the evacuation of remaining U.S. citizens in South Vietnam along with their dependents. It also authorizes the use of such troops for the withdrawal of such foreign nationals as may be brought out with U.S. citizens. It provides $100 million to be used for these purposes. It provides another $100 million for humanitarian assistance to be channeled through international organizations.

The use of American forces for evacuation purposes has raised grave questions in all our minds, and many of us have quite properly urged the President to evacuate American citizens and their dependents as rapidly as possible so as to minimize the need for any U.S. military operation. I am satisfied that the administration is following this course, and I urge the President to continue this rapid withdrawal until all U.S. officials and other Americans who wish to leave are out of the country.

Should the President decide in future circumstances that he must use American forces, I am satisfied that there are adequate safeguards in the bill to prevent any situation from developing in which Vietnamese attacks on our forces could serve as a pretext for a larger U.S. military intervention. Clearly, we have come to the end of that road, and I simply cannot believe that the President would consider using the authority given him under this bill to reintroduce a significant American military presence in the last stages of this tragic war.

The safeguards are as follows: If the President wishes to use our Armed Forces, he must submit a report to the Congress as required by the war powers resolution and he must further certify to Congress the following: First, that there existed a direct and imminent threat to the lives of American citizens and their dependents; second, that every effort was made to terminate that threat by diplomatic means; and third, that American citizens and their dependents are in fact being evacuated as rapidly as possible.

While engaging in such an operation, our Armed Forces would also be authorized to assist in the evacuation of foreign nationals, but also under carefully circumscribed conditions: First, that every effort had been made to terminate the threat to such foreign nationals by diplomatic means; second, that a direct and imminent threat exists to their lives; third, that U.S. forces would not be required beyond those essential to the withdrawal of U.S. citizens and their dependents; fourth, that the duration of the exposure of U.S. forces to hostilities would not thereby be extended; and fifth, that such withdrawal would be confined to areas where U.S. forces are present for the purpose of protecting U.S. citizens while they are being withdrawn.

The purpose of these safeguards is to insure that any evacuation of foreign nationals be limited in scope—involving only such numbers as can be accommodated as part of the withdrawal of U.S. citizens and their dependents. Moreover, the bill requires that Americans be withdrawn as quickly as possible once our armed forces are employed, so that remaining U.S. citizens could not be used as an excuse to mount a massive evacuation of Vietnamese nationals. I oppose any large-scale evacuation which I believe would be extremely dangerous and administratively impossible in present military circumstances.

Mr. President, I hope that the use of American troops will not be needed. Circumstances would have to be extremely threatening to the lives of American civilians to justify their use, and it is not at all certain that the involvement of U.S. troops would insure the security of our citizens. We are talking about a very complex and dangerous situation.

But I believe that Congress should give the President the specific statutory authorization under the war powers resolution which he needs to consider the option of using U.S. troops. The bill before us is narrow and limited in scope, but it does add constructively to the President's flexibility in this crisis. I trust him not to abuse the authority so provided. I will therefore vote for the bill.

Mr. HASKELL. Mr. President, in voting against final passage of S. 1484, the Vietnam Contingency Act, I want to make clear my desire that the United States proceed with the evacuation of American citizens and their dependents as expeditiously as possible.

I hope that my friends and colleagues will not construe my vote as one signifying a desire to sacrifice the life of another single person. Nor is it my desire to halt the flow of desperately needed humanitarian aid to those who are homeless, sick, or disabled due to the continued conflict in Cambodia and Vietnam.

My view of the current situation was expressed in the debate earlier today when I offered an amendment to delete all but the humanitarian assistance portion of the bill.

As has been reiterated time and time again during the course of debate on S. 1484, the President clearly has the authority to do whatever is necessary to evacuate American personnel from Southeast Asia. I do not oppose the use of Armed Forces if they are clearly essential to evacuating remaining American citizens from endangered areas. This legislation is not necessary to protect that authority.

The bill authorizes the introduction of an unspecified number of troops for an unspecified period of time to evacuate an unspecified number of Americans and foreign nationals. In my view, under S. 1484, the President could determine that three or four divisions of troops are necessary to secure the evacuation of a lone American alleged to be in some remote city. While securing the area, those troops would thereby be authorized to use whatever force is necessary to take along an indeterminate number of Vietnamese. I believe the natural reaction to the use of such force will result in the bloodbath we have all been fearing. I do not believe those persons are in any danger of being harmed without the use of American troops.

The situation in Southeast Asia is far too unsettled to warrant passage of S. 1484 today. It is not essential to the protection of our citizens. It is full of loopholes and may well set in motion events which we will live to regret.

I ask unanimous consent that there be printed in the RECORD a communication from the American Friends Service Committee. The cable dated today sets forth the situation in South Vietnam. The recommendations for action are those I can endorse.

I would remind my colleagues that the AFSC has been accurate on matters in South Vietnam for over a decade.

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

IMMEDIATE MESSAGE TO KEY CONGRESS PEOPLE

American Friends Service Committee received cable from our staff in Saigon this a.m.:

"We have some fear that the Embassy may be delaying the evacuation as an excuse to bring in Marines as protection for American lives. Too many American Embassy personnel are staying to make things look normal here, though they aren't necessary. When the inevitable confrontation comes, they are insuring that there will be panic and disorganization, and, once again, U.S. soldiers on Vietnamese soil.

"We feel the entrance of U.S. Marines is useless and dangerous. Shooting a path through the enemy really means killing Saigon civilians, not Communists—shooting the people we have been saving, as it were.

"As for evacuating 200,000 Vietnamese, we can't imagine how. They would like to ride out free on the coattails of American marines, but it would be double the nightmare we experienced in evacuating Danang. There would be absolutely no way to limit the number of Vietnamese who were evacuated, and there would be no way whatsoever to control it.

"The 200,000 people whom Ford wishes to evacuate are not necessarily in any danger. There is indeed good news coming out of Danang and Quang Ngai. There is a 9 P.M. curfew in Danang but people take it casually and the Provisional Revolutionary Government guards are easygoing.

"As for the numerous scare stories, including Kissinger's own, we have heard them all, too, and haven't had one eye-witness substantiation. Almost invariably the person spreading the story left before the alleged incident took place. For example, one woman said the PRG were shooting all police in Quang Ngai. When questioned, she admitted she had left early on Monday, before the PRG came in. But she and her neighbors who were policemen believed this would happen. The U.S. Embassy has launched a comprehensive campaign of atrocity stories to feed to the press.

"The real need now is for a political solution inside Saigon. Fighting would stop everywhere. People would be allowed to move back to their homes. A long-term solution could then be worked out.

"As for us, we are quite determined, no matter what, that we will not be evacuated by Marines and hopefully will not have to leave at all. A political settlement would insure the safety of all."

The American Friends Service Committee believes a political settlement is still possible:

(1) Evacuate today and tomorrow all Americans "essential" only to a war effort and not to a political solution, i.e. all Defense Attache Office and military contractor personnel. Only a few dozen Embassy staff need remain.

(2) Congress should vote against any bill authorizing re-introduction of U.S. troops. This would only stall a political settlement by holding out false hopes to Thieu's successors that U.S. bombers will soon return to bolster their fight. The war is going to end soon but whether it ends through a political settlement or with U.S. Marines engaged in a bloody shoot-out will shape the course of U.S. foreign policy debate in the coming years.

BOB GRAY,
Associate Executive Secretary.
MARTIN TEITEL,
Director of Asia Programs.

Mr. BURDICK. Mr. President, I shall vote against this bill. I would have supported the bill had it been confined to providing humanitarian aid administered by independent agencies.

The War Powers Act provides all the authority needed at this time. Under that act the President can do what is necessary to remove all American nationals and their dependents. The authorization of any additional military force is fraught with danger of further involvement. It is time to close the books on this unfortunate chapter in our history, and I am concerned that this bill may not do so.

Mr. BAYH. Mr. President, I rise today to support passage of S. 1484, the Vietnam Contingency Act of 1975. As I vote for this measure, however, I am saddened, as I am sure is every Member of this body—saddened that 20 years of American policy toward Indochina could not produce something better.

Today we are acting out one of the last scenes of a great tragedy covering more than two decades. The monumental scope of the tragedy in terms of human suffering has been brought home to us again during the last few weeks as we witnessed the collapse of South Vietnamese forces at a speed which shocked even the most pessimistic among us.

It is now our somber responsibility to close the book and take action to provide for the safety of American citizens remaining in Vietnam and to do what we feasibly can to ease the pain and the hardships which have befallen the Vietnamese people. I believe that this bill is necessary to fulfill that responsibility.

In S. 1484, Congress is for the first time exercising its power under the War Powers Act, perhaps the most important piece of legislation enacted during the 93d Congress. As the situation stands today, the President has broad powers to commit U.S. troops to protect American lives. By acting under the War Powers Act, however, Congress can set guidelines and limitations for such a commitment. It is a fitting and proper role for Congress to play, a role which many in this body worked years to secure.

It is clear, Mr. President, that if there is no other way to evacuate our citizens from Vietnam, it will be the duty of this Government to send troops to effect their withdrawal. This bill will help insure that any such use of troops is necessary and limited to the goal of evacuation. Under its terms, if the President finds it necessary to use the Armed Forces, he must certify that—

First, there existed a direct and imminent threat to the lives of American citizens and their dependents;

Second, every effort was made to terminate the threat to American citizens and their dependents by the use of diplomatic and any other means available other than Armed Forces; and

Third, American citizens and their dependents are being evacuated as rapidly as possible.

Further, the bill stipulates that troops may be used only "in a number and manner essential to and directly connected with the protection of . . . United States citizens and their dependents while they are being withdrawn."

In addition, this measure will provide guidelines for the use of American troops in the evacuation of South Vietnamese. I believe very strongly, Mr. President, that we have a moral obligation to provide aid and asylum to many Vietnamese whose lives are endangered, because of their association with the United States. For this reason, I joined with a group of my colleagues in the Senate in writing to the President 2 weeks ago to request that plans be formulated for a swift and orderly evacuation for those Vietnamese who are imperiled. As a practical matter, however, we must recognize that we are strictly limited by what we can do without a massive commitment of American troops to hostilities if evacuation of South Vietnamese is forcibly opposed by the North Vietnamese. S. 1484 recognizes this reality and permits American Armed Forces to evacuate South Vietnamese only as an incident to the evacuation of U.S. citizens. I am very hopeful that efforts to negotiate a ceasefire will be successful and thus allow a peaceful and orderly withdrawal of South Vietnamese who are endangered. We have been assured by the administration that such negotiations have been given top priority.

To accomplish withdrawal and humanitarian programs, the bill provides for a $100 million contingency fund. The President can use these funds as he see fit, and it is hoped that the bulk of the money will be utilized for humanitarian

relief. Although the possibility that the funds might be used for military aid has given me considerable pause, I have determined that the critical circumstances confronting the American community in Vietnam justifies our granting such broad discretion. We are facing extremely volatile conditions, and if the President decides that using part of this contingency fund for military assistance is necessary to provide stability in order to accomplish evacuation, I will not quarrel with his determination.

Finally, Mr. President, S. 1484 will provide $150 million for strictly humanitarian relief. I think all of us agree that we have a responsibility to provide all the aid we can to help the victims of this long and brutal war. Millions have been driven from their homes and are without adequate food, shelter, and medical attention. We cannot ignore their needs. At the same time, we must be realistic in choosing the means by which we provide aid. American agencies are no longer effective in Vietnam and their personnel will soon be withdrawn completely. The job of distributing the badly needed aid can now be accomplished only by international agencies such as the United Nations, the International Red Cross, and the voluntary agencies. I am pleased that under S. 1484, it is these agencies which will be called upon.

We are all hopeful, Mr. President, that the only provisions of this bill which it will be necessary to implement are those which deal with humanitarian assistance. If evacuation of Americans is properly expedited, there should be no need for a last minute commitment of American troops with all its incumbent dangers.

I have been concerned by the slow pace of the withdrawal of U.S. citizens and their dependents over the last 2 weeks. We have, however, been assured by the administration that the evacuation will be quickened and that in a matter of hours all but essential U.S. personnel will be out of Vietnam. I trust this is true, but I want to make perfectly clear that the limited grant of authority to utilize troops contained in this bill does not constitute any stamp of approval for foot-dragging in the matter of evacuation. It remains incumbent upon the administration to do everything possible to remove U.S. citizens at the earliest opportunity. If the administration fails in this task and creates an artificial necessity for the introduction of American Armed Forces, it will be held accountable by Congress and, more importantly, the American people.

Mr. President, I believe this is necessary legislation, but as I said in opening my remarks, I am sad at the existence of these facts necessitating it. We all wish that this tragedy of Vietnam would not have developed as it has. Yet tragic events have unfolded, despite our wishes to the contrary, and we must face facts. The only thing that could add to this tragedy would be our failure to learn from what has taken place.

It is time that we recognize that our policy in Vietnam has contained unfortunate errors. We must now begin to incorporate the lessons learned from these errors into the formulation of a new, more realistic foreign policy.

President John F. Kennedy once said that an error does not become a mistake until you refuse to correct it. We made an error in Southeast Asia. We failed to correct it before it became a mistake. It would be stupid and totally indefensible if we now fail to learn from our mistake, or having learned, if we now fail to apply our knowledge to develop a new approach to American foreign policy. As great as America is, Mr. President, it cannot bear many more mistakes such as those which have led us to this Chamber today.

I hope that as we take this action today, we will take stock of ourselves and of what has happened. In enacting this legislation, we have acted wisely. We must act with similar wisdom in moving forward from Vietnam and redefining our national interests, abilities, and obligations in a world which has drastically changed since our first involvement in Southeast Asia.

Mr. MORGAN. Mr. President, we are now debating the question of aid to South Vietnam for perhaps the last time. In recent weeks as the fate of our ally approaches, both the executive and legislative branch have engaged in a process of pointing the finger of blame. Many articles have been printed in the RECORD giving the legislative point of view. On March 31, 1975, Mr. John D. Lofton, Jr., had an article in the Philadelphia Inquirer in which he gives a point of view which should be available for historians' consideration in the years to come when they can more objectively view the crisis.

I ask unanimous consent that his article be printed in the RECORD.

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

CONGRESS IS RESPONSIBLE—VIETNAM IS BEING DESERTED

(By John D. Lofton, Jr.)

WASHINGTON.—As the Congress prepares to stab our South Vietnamese and Cambodian allies in the back, the accessories to this horrible crime are already attempting to wipe their fingerprints off the murder weapon. But their fatuous and self-serving arguments simply will not wash.

An example of the kind of cover-up I'm talking about is a letter from the legislative representative of the ultraliberal Americans for Democratic Action, John Isaacs, to Defense Secretary James Schlesinger.

In his letter, Isaacs—himself indulging in McCarthyism—accuses Schlesinger of "McCarthyite tactics" for having the temerity to call a spade a spade. For having quite correctly fingered Congress as being to blame for the deteriorating military situation in South Vietnam, Schlesinger is denounced for his "panic-stricken attempt to find a scapegoat."

In Isaacs' words, the successes of the Communists in South Vietnam demonstrate clearly "the failure of the administration's much-heralded Vietnamization program to build up an effective South Vietnamese fighting force."

Now, these types of rationales for the sell-out of our allies ought to be recognized for exactly what they are: blatant lies designed to confuse the American public and obfuscate the issue of who is really to blame for turning South Vietnam and Cambodia over to the Communists.

To begin with, President Nixon's policy of Vietnamization never envisioned a South Vietnam able to defend herself without the necessary equipment.

As Mr. Nixon himself repeatedly pointed out, one of the two principal components of Vietnamization was always "the strengthening of the armed forces of the South Vietnamese in numbers, equipment, leadership, combat skills and overall capability."

Secondly, even among those who have opposed the war in Vietnam, there is the admission that it is indeed the Congress who is administering the coup de grace to the South Vietnamese by denying her the supplies necessary to defend herself.

After a trip to Vietnam earlier this year, Rep. Leo Ryan of California—a liberal, anti-war Democrat—declared: "If the Congress makes further cuts in U.S. assistance programs, it should be done with the realization that the action will weaken the military capability of the South Vietnamese to a dangerous level. The result will probably be a Communist takeover."

Contrary to its condition in the early 1960s, Ryan found the South Vietnamese army to be "an effective fighting force" but he points out "its ability to defend the South is being hindered by lack of material."

Sizable amounts of equipment lie idle, Ryan reported, "because of a lack of ammunition and/or fuel, thus preventing any counterattacks.

Another visitor to Vietnam earlier this year was Sen. Sam Nunn, a moderate Democrat from Georgia. In his report, Nunn notes "since the reduction of U.S. aid, the military initiative has shifted to the North Vietnamese with South Vietnam now on the defensive."

This sharp reduction in aid, says Sen. Nunn, "has reduced firepower, reduced available air support, and reduced mobility for the South Vietnamese forces."

The drawdown on available stocks of such things as ammunition, fuel, spare parts and medical supplies has "already had a negative psychological effect," says the senator, "and, if continued, will inevitably destroy the initiative and aggressiveness of the South Vietnamese forces."

So, when Defense Secretary Schlesinger, President Ford and others, point their fingers at Congress as the culprit responsible for selling South Vietnam and Cambodia down the river, they are not looking for scapegoats or resorting to McCarthyism.

They are in fact telling it like it is. And for this they are to be commended.

Mr. ABOUREZK. Mr. President, I am voting against this bill for two very basic reasons. First, the President has already indicated by his actions in the Cambodian evacuation, that he has the necessary authority and funds to remove every single American and South Vietnamese national whom he deems eligible. It is my understanding that Assistant Secretary of State Philip Habib told a number of Congressmen yesterday that additional aid was not necessary to complete the evacuation process.

Second, I believe that providing aid for humanitarian purposes as presented in the language of this bill is errant and misguided. I have long been a supporter of providing additional humanitarian aid to South Vietnam, but not in the fashion which it has been presented in this bill. In my opinion, the President can use this money in any way which he sees fit. Obviously, this can include military aid—something to which I am most vehemently opposed. What I want to see is an up or down vote on strictly humanitarian aid—not something wrapped up in legislative jargon which can be used to buy more weapons and to land more American troops in South Vietnam the day after it is signed into law.

I remain firmly convinced that to give

the President any additional authority to use troops in South Vietnam for whatever purpose could turn out to be an unmitigated disaster. I want no part of the responsibility in this regard, and I sincerely hope that my fears are unwarranted.

There is no question that every last American could have been removed by now, if only the administration would have given the word. As it is, we still have 1,500 Americans over there and with each passing day, the danger of introducing the entire American arsenal and thousands of American troops becomes more of a possibility.

We are treading on very treacherous ground. I believe that we are doing so needlessly. Rather than providing the President with unneeded authority to evacuate Americans and South Vietnamese, we should be talking to the officials of the PRG and others who will be forming the new government in South Vietnam.

Mr. STEVENSON. Mr. President, I would support a measure which aided the evacuation of United States and South Vietnamese citizens from South Vietnam. But I fear that this legislation will cause greater peril for the South Vietnamese and the Americans remaining in South Vietnam.

The President now has all the necessary authority for the evacuation of Americans and South Vietnamese in conjunction with the evacuation of Americans. In fact, he is exercising that authority in South Vietnam now and did so earlier in Cambodia.

This legislation grants no authority that the President requires and risks ending any remaining possibility for a negotiated settlement. The only certain way of ending the danger for Americans and South Vietnamese alike is by ending its cause, the war and the possibility of reprisals. This legislation purports to authorize assistance for humanitarian and evacuation purposes, but it undeniably authorizes $100 million which could be used for additional military assistance for the Government of South Vietnam. The Assistant Secretary of State, Mr. Habib, has acknowledged as much.

The Government of South Vietnam remains the regime of General Thieu, even after his resignation, a regime with which the PRG and the North Vietnamese will not negotiate. A negotiated settlement, even if it amounted to a negotiated transfer of power to the PRG is the one means of obtaining the evacuation of all Americans and amnesty for the hundreds of thousands of South Vietnamese who cannot be evacuated and will remain behind, with or without such legislation.

Regardless of the intentions of the Congress and the President, I fear that this legislation and its authority for additional military assistance for the government of President Huong will eliminate whatever chance remains at this late hour for a political settlement. It may encourage the North Vietnamese to move quickly and by force to seize Saigon, assuring a bloody Communist takeover. If that happens, the dangers for Americans and South Vietnamese nationals will be increased, as will the danger of reinvolvement by U.S. forces in the conflict.

It would have been better to have adopted the amendment offered by Senator CLARK and made it clear that no part of the $250 million authorized in this legislation could be used for additional military assistance for the South Vietnamese. Some $130 million is already appropriated for such assistance, and that should be more than enough. It would have been better if the Senate had also made it clear that a decision against additional military assistance was not final. We might have said that if the South Vietnamese were finally to create a popular government and then the opportunity for negotiations was spurned by the Communists in favor of a military takeover, the Congress might then authorize additional military assistance. With such a formulation the Senate would have encouraged North and South to begin negotiations, but that was not to be. The Clark amendment was defeated.

I fear now that this prospect of additional military assistance for the Huong regime, combined with the presence of U.S. forces off the coast and in Thailand and the collaboration of Ambassador Martin and President Huong, will be perceived by the PRG and the North Vietnamese as a continuation of the policy which has already brought them to the gates of Saigon. Such a perception could move them rapidly inside.

It may have been too late to abandon the futile pursuit of a military solution or "stabilization," as it now is called, in favor of a political solution. But it was not too late to try. Nothing would have been lost by signaling the end of military assistance for a regime which cannot win, cannot make peace, cannot govern. I respect the intentions of the authors of this bill, but I fear their intentions will be misinterpreted and that, if enacted into law, lives will be lost. The North Vietnamese will be encouraged to begin quickly the assault upon Saigon. Tan Son Nhut Airport will soon come under heavy fire. Vung Tau will be cut off from Saigon. And the lives of Americans and South Vietnamese will be endangered even more.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The hour of 4:30 having arrived, the question is, Shall the bill pass?

Mr. SPARKMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Louisiana (Mr. JOHNSTON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 75, nays 17, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—75

Allen	Garn	Moss
Baker	Glenn	Muskie
Bartlett	Goldwater	Nelson
Bayh	Griffin	Nunn
Beall	Hansen	Packwood
Bentsen	Hart, Gary W.	Pastore
Brock	Hart, Philip A.	Percy
Brooke	Hathaway	Proxmire
Buckley	Hollings	Randolph
Bumpers	Hruska	Ribicoff
Byrd,	Huddleston	Roth
Harry F., Jr.	Humphrey	Scott, Hugh
Byrd, Robert C.	Jackson	Sparkman
Cannon	Javits	Stafford
Case	Kennedy	Stennis
Chiles	Laxalt	Stevens
Church	Leahy	Stone
Culver	Long	Symington
Curtis	Magnuson	Taft
Dole	McClellan	Talmadge
Domenici	McGee	Thurmond
Eagleton	McGovern	Tower
Eastland	Metcalf	Williams
Fannin	Mondale	Young
Fong	Montoya	
Ford	Morgan	

NAYS—17

Abourezk	Gravel	Schweiker
Bellmon	Hartke	Scott,
Biden	Haskell	William L.
Burdick	Helms	Stevenson
Clark	Mansfield	Tunney
Cranston	McClure	Weicker

NOT VOTING—7

Hatfield	Mathias	Pell
Inouye	McIntyre	
Johnston	Pearson	

So the bill (S. 1484) was passed, as follows:

S. 1484

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 "Vietnam Contingency Act of 1975".

SEC. 2. There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100,000,000 and there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam. Such amount shall be available without regard to the provisions of sections 36, 37(b) (third sentence), and 38 of the Foreign Assistance Act of 1974.

SEC. 3. (a) If the President determines that the use of United States Armed Forces is necessary to withdraw citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are

being withdrawn. In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 4. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(a) every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(b) a direct and imminent threat exists to the lives of such foreign nationals; and

(c) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the withdrawal of citizens of the United States and their dependents; and

(d) the duration of the use of such United States Armed Forces will not thereby be extended; and

(e) such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

SEC. 5. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of section 5(c) of the War Powers Resolution, and as provided by such section 5(c) such forces shall be removed by the President if the Congress so directs by concurrent resolution.

SEC. 6. The provisions of section 3(a) of this Act may be construed to be in derogation of the prohibitions contained in section 839 of Public Law 93-437, section 741 of Public Law 93-238, section 30 of Public Law 93-189, section 806 of Public Law 93-155, section 13 of Public Law 93-126, section 108 of Public Law 93-52, and section 307 of Public Law 93-50, only to the extent necessary to give effect to the provisions of section 3(a).

SEC. 7. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. To insure that the assistance is provided to such persons throughout both countries and through channels acceptable to all parties, the assistance authorized by this Act is to be provided under the direction and control of the United Nations or under the auspices of voluntary relief agencies.

(b)(1) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam and Cambodia, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000 for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia.

(2) Funds made available under this section shall be furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies; *Provided*, That distribution or provision of any services, commodities, goods, materials or other relief supplies made available pursuant to this section shall be made only under the direct supervision and control of representatives of such international organizations or voluntary relief agencies.

(3) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(A) the amount of each type of economic assistance provided under this Act;

(B) the expected recipients of such assistance;

(C) the names of all organizations and agencies involved in the distribution of such assistance; and

(D) the means with which such distribution is carried out.

(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided*, That such assistance is requested by the Government of Cambodia.

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day, with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

SEC. 9. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairman and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

SEC. 10. As the situation in Vietnam has deteriorated, there has been a sharp increase in the number of deserters from the United States military who have turned themselves in wanting to be evacuated from Vietnam to the United States. It is the sense of the Congress that although these men turned their backs on the United States in its hour of need, basic humanitarian instincts dictate that we not turn ours. However, it is also the sense of the Congress upon return to the United States these men be promptly turned over to the proper auhorities for prosecution in accordance with law.

Mr. CASE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1484.

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

Mr. ROBERT C. BYRD. Mr. President, I voted for passage of S. 1484, the Vietnamese Contingency Act of 1975, despite misgivings with section 4 of the bill which authorizes the President to use the Armed Forces of the United States to assist in the evacuation of endangered foreign nationals from South Vietnam.

I do not believe that U.S. troops should be endangered in the process of protecting the evacuation of other than U.S. citizens from South Vietnam. I am also concerned that the utilization of U.S. Armed Forces during such an evacuation not lead to an ongoing U.S. presence in South Vietnam or to a higher level of possible armed combat than would occur if American troops were used solely to protect an evacuation of U.S. citizens.

Section 4 specifies that for the purpose of protecting the evacuation of foreign nationals there may not be used more U.S. Armed Forces than would have been necessary to protect an evacuation of only U.S. citizens. The President must also certify to the Congress that the duration of the exposure of U.S. Armed Forces to hostilities will not be extended by such action and that the protection of the evacuation of foreign nationals may only take place within those areas of withdrawal where U.S. forces were present for the purpose of protecting the evacuation only of U.S. citizens.

It is also pertinent that section 6 of the bill prohibits the use of appropriations for military actions in South Vietnam for purposes other than the evacuation of U.S. citizens, as stated in section 3(a) of the act.

With these restrictions, and with knowledge that any use of U.S. Armed Forces beyond these tightly drawn limitations could cause the Congress to effectuate an immediate withdrawal of

U.S. forces from South Vietnam under section 5 of the act by concurrent resolution, I voted for the bill—despite my concern over section 4, with the amendment by Mr. Scott of Virginia would have deleted and for which amendment I voted.

With the rapidly deteriorating situation in South Vietnam, it is imperative that U.S. withdrawal of American citizens in Vietnam be effectuated as quickly as possible before the use of U.S. Armed Forces may become necessary. If and when such a military presence should become necessary, the Congress, in passing this legislation, is not granting a carte blanche to the President for the use of U.S. troops, but rather is authorizing such action primarily to protect American lives, and it should not be construed in a manner which could actually endanger more American lives or renew an American presence in South Vietnam which the American people and the Congress have already spoken to in the past.

I think I should also state for the record my feeling concerning additional military aid for South Vietnam, even though that subject is not encompassed in the bill just passed. Congress appropriated $700 million several months ago for military aid to South Vietnam in this fiscal year, the last $175 million of which was not finally obligated by the administration until April 1—3 weeks ago. Up until 6 weeks ago, the South Vietnamese held the central highlands and the northern coastal cities, and, at that time, I saw no justifiable reason for appropriating more military aid in fiscal year 1975 for South Vietnam. Then came the unilateral decision by President Thieu to withdraw from some of the areas less capable of being defended—areas not considered strategically important to the defense of South Vietnam.

The withdrawal was inadequately planned and poorly implemented, and the withdrawal became a tragic and panicky retreat. Refugees by the hundreds of thousands filled the highways leading toward Saigon, impeding the movement of the military forces. The South Vietnamese military forces—in their haste to retreat—abandoned guns, helicopters, fixed-wing aircraft, ammunition, and other military equipment and materiel, estimated at $1 billion. Especially in view of this situation, I did not feel that additional dollars in military aid should be appropriated.

Within the last 10 days, however, as the battle has closed in on Saigon, the South Vietnamese forces have fought courageously against growing odds and have demonstrated better military leadership in the field. At the same time, the situation involving the evacuation of American citizens from Saigon has worsened. Therefore, in the light of these more recent developments, I stated a week ago, that I would be willing to vote for some additional fiscal year 1975 military aid funds for South Vietnam. Even at this late date, if the opportunity should present itself, I would vote for some additional funds for ammunition, medical supplies, et cetera, for the South Vietnamese.

I would do so for the following reasons, as I publicly stated a week ago:

First. The voting of additional funds for military aid would have an immediate psychological effect on the South Vietnamese and would lift their morale, thus making it at least conceivably possible that they could hold out long enough to get some kind of negotiated political settlement rather than be overrun by the North Vietnamese Communists, who still appear to be intent upon imposing a military solution rather than a political solution on South Vietnam.

Second. I believe that the possibilities of successful evacuation of American citizens from South Vietnam—without exposing American military forces to combat—would be thereby enhanced.

Third. In view of the fact that the South Vietnamese forces are now fighting courageously to remain free of Communist domination, I feel that we at least ought not deny them the final means to exist and to achieve that end. They long ago put their future, to a certain extent, in our hands. They have been an ally of ours for many years, and they are still an ally. Our country lost over 50,000 lives in South Vietnam and the South Vietnamese have given an even greater number. Whatever the final outcome in South Vietnam, I feel that it should be the result of the will and the ability of the South Vietnamese—but not the result of our failure to provide them with the means to fight for their precarious freedom.

One of the most tragic mistakes of history was the military involvement of the United States in a ground war in Vietnam, especially under all of the circumstances and conditions surrounding our entry into that conflict.

We have no legal commitment to supply additional military aid. The American people have certainly made a supreme sacrifice over the tragic years during which American military forces were involved in Vietnam. Congress has not been niggardly in its appropriation of funds. In addition to the 56,000 American lives lost, there have been over 300,000 casualties, $150 billion have been appropriated by Congress, and our country has not only suffered economically, but our Nation has also been painfully divided.

So, as to the question of a small additional amount of military equipment and ammunition for South Vietnam, it is not that the American people have not already given and given and given, and sacrificed greatly. The question of military aid may very likely become moot within the next few days—or weeks at most—and, indeed, if it is ever appropriated, events in Vietnam may overtake the arrival there of any additional military assistance.

Yet, deep in my gut is the feeling that we ought not turn our backs absolutely on the South Vietnamese in their moment of greatest extremity, by saying that we will not appropriate an additional dollar for even the most meager amounts of ammunition and the wherewithal for them to continue their fight for at least some modicum of freedom from a Communist military takeover. For these reasons, I voted against the amendment today which provided that none of the money appropriated in S. 1484 can be used for military equipment for South Vietnam.

Mr. MORGAN. Mr. President, we have just completed voting on a major piece of legislation which I think is very important to the world, not only now but for the future as well.

For the record, I should like to explain my vote on that issue.

I voted for the issue somewhat against my better judgment. I thought the bill was unnecessary, because I think the President already has the authority that was granted to him in that bill. If he does not, he is exercising that authority at the encouragement of the Senate Committee on Foreign Relations. I believe that money is already available in the Department of Defense to carry out the evacuation, as is evidenced by the fact that it is being carried out.

The question of humanitarian aid gave me some concern. If there is room for humanitarian aid, I think the State Department already has those funds, or had funds available. Also, I was hesitant to vote for any bill that would commit funds to the United Nations, to be administered by that body, for humanitarian aid, when it has so callously demonstrated its disregard for humaneness in that area of the world.

Notwithstanding those facts, I voted for the bill because I felt that if in any way the passage of this bill could possibly help relieve any of the suffering in Indochina, I was willing to risk that part of the funds appropriated and to grant any additional authority that might have been contained in it.

Mr. TUNNEY. Mr. President, today I was regrettably forced to cast my vote against final passage of S. 1484—the Vietnam Contingency Act. I say regrettably because I firmly support both the safe evacuation of Americans from South Vietnam and the provision of additional humanitarian assistance through international and private organizations to all areas of Indochina.

However, Mr. President, I am concerned about the broad discretionary authority that this measure would grant the President. It has been suggested that the $100 million authorized in section (1) of this bill could be used not only for humanitarian assistance or for supplying American forces in the event of an evacuation, but that these funds could also be used to supply additional military assistance to the Saigon government. We have, in fact, heard reports that Assistant Secretary of State Habib has admitted the possibility.

The President clearly has the authority now under the Constitution to rescue endangered Americans anywhere in the world. He does not need this bill as a congressional imprimatur for evacuation from embattled Saigon. As for humanitarian aid, I believe the Congress is willing to enact additional refugee assistance in a separate bill. I stand ready to support such an effort.

But to grant such discretionary authority to gain such assistance is self-defeating. The dangers involved in such a course are too great to be ignored. I

have repeatedly voiced both my opposition to further military assistance, and my fear that any hasty action taken by this body could result in a repetition of the Tonkin Gulf resolution. Accordingly, I supported an amendment by Senator CLARK, which was designed to guarantee that this act would not result in backdoor military assistance to Saigon. That amendment failed, and with it went our assurances against any American reinvolvement. I cannot, therefore, in good conscience vote for a measure, the end result of which could very well be to prolong this tragic conflict.

EMERGENCY HOUSING ACT OF 1975

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of S. 1483, which the clerk will state by title. ing production rat of less than 1 million

The legislative clerk read as follows:

A bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

The Senate proceeded to consider the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. 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. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 1483 and all amendments thereto, the following staff members of the Committee on Banking, Housing and Urban Affairs have the privilege of the floor: Jerry Buckley, Tommy Brooks, Robert Malakoff, Carl Coan, Kenneth McLean, and Randall Higgins.

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

VIETNAM AND FOREIGN POLICY DECISIONMAKING

Mr. HARTKE. Mr. President, the situation in Vietnam is coming to an end, we hope.

The end of the tragic era in American history associated with our ill-fated involvement in Indochina is drawing to a close, and one which we can look forward to with no repetition.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that the Senator may be heard by those who wish to listen?

The PRESIDING OFFICER. The Senator from Indiana will suspend while we have order in the Senate.

The Senate will be in order.

The Senator from Indiana.

Mr. HARTKE. Mr. President, no American can feel anything but an overwhelming sense of grief—grief for the thousands upon thousands of American families whose young lost their lives or were permanently maimed, psychologically as well as physically; grief for the tens of thousands of Vietnamese and Cambodian families who mourn their dead and wounded; grief at the sight of the homeless, the frightened, the abandoned; grief for the wounds, that have only now begun to heal, to our own body politic; and grief at the misery, the disappointment, and the anxiety experienced by so many Americans in the present economic crisis that is so much a part of our Vietnam legacy.

We cannot turn back history. We must live with our mistakes. We must live with our grief.

This must be a time for thoughtful introspection on the part of every American inside the Government and out.

There is much to be learned from this tragedy. Because we have become a people dedicated to the present, too unreflective of the past, we must not allow this watershed moment in our Nation's history to slip into obscurity of yesterday's news. Every national experience, good and bad, should arm us for the great decisions of tomorrow.

The response by too many Americans is to withdraw into the relative security of our own national borders, and to give up foreign adventures as predestined misadventures. Reality is not so simple as to allow that. It is just as important not to respond with an accusatory finger. Indochina must not become a national obsession; it must not become the pretext for witch hunts on either side. We have reacted too often to the frustrations of foreign policies gone awry by seeking to place blame on individuals. We did this after the Second World War, we did this after the Communist victory on mainland China, we did this after Korea.

Rather, we must resolve to analyze the process by which America became involved in this disastrous enterprise. We must try to fathom what lessons it holds for the future—not in specifics, for history truly does not repeat itself, but in generalities. We must resolve to discover what, if anything, in the institutions and procedures of our policymaking led to the consequences we now witness, consequences neither unforeseen nor unforeseeable.

It must become a context within which we define and, to the extent necessary, redefine America's role in the world. A time to develop a philosophical framework that will guide us through the tortuous paths of the future. We cannot simply shrug our shoulders and let the moment pass. We cannot clench our fists and give vent to our frustrations in anger. Out of the misery, the tragedy, the grief, something positive, something constructive should be made to emerge. The lives and limbs of American young and the young of the Southeast Asian peoples are gone forever. This loss, if it is not to have been in vain, must stand as a stark reminder to future generations of the price we pay for mistakes in foreign policy.

The role of Congress in foreign policy formulation has declined steadily during the 20th century. This trend is a reflection of many factors, not the least of which is a succession of extremely strong Presidents. During the first three decades of this century there was fundamental disagreement between Congress and the Executive over the nature and scope of American interests abroad. It was this disagreement that was the impetus for the consolidation of Presidential power. On the whole, Presidents like the two Roosevelts and Wilson were more concerned with the growing interdependency in world politics and economics than was Congress. Out of their specific attempts to circumvent Congress on particular issues, the dominant Presidential role emerged.

The paramountcy of the President in foreign policy was increased substantially with the advent of the nuclear age. Faced with the prospect of a nuclear war, that even before the development of ICBM's would be fought and won within a few days, the emphasis in foreign policy centered around speed of action and reaction. Clearly, in those terms, Congress could not compete with the President. Rapidity of decisionmaking appeared as the essential ingredient for survival, let alone success. Within the narrow parameters of nuclear war, this is still true.

However, somewhat illogically, the necessity for immediate and decisive action in the face of a nuclear threat translated itself into an Executive monopoly, for all practical purposes, in matters of international affairs. The Executive did not bypass Congress altogether—although through the development of the "executive agreement" the constitutional requirement of senatorial advice and consent for treaties was minimized. Many Members of Congress allowed themselves to become convinced by the essentially elitist argument that foreign policy was too specialized, too technical, and too sensitive to be amenable to democratic processes. The result of these complementary tendencies created a basically "rubber stamp" Congress.

The sad result has been foreign policy evolved within the bowels of the executive branch without the benefit of serious national debate in the congressional forum. The President together with his advisers in the White House and the State Department was never really forced to rationalize or justify the Indochina policy in realistic, meaningful terms. Therefore, the inherent tendency of bureaucratic institutions to develop their own particular set of values, assumptions, and momentum was given full rein. The only checks and balances operative were between competing executive departments and agencies. Congress was effectively excluded from this debate, although it might be more accurate to say that Congress largely excluded itself.

Only toward the end of the Vietnam war was American policy closely scrutinized by Congress as a whole; the executive reacted in a scandalized fashion as if its rightful prerogative were being invaded by nouveau upstarts. When I, and a few colleagues, raised serious questions and indicated our dissatisfaction with the course of American policy back in 1965 and 1966, we were met with incredulity and suspicion. Executive monoply of foreign policy had progressed so far that the assertion of a constitution-

ally conferred responsibility by some Senators was thought not quite patriotic. This was the apogee of Presidential arrogance. More disconcerting, was the general lack of response within Congress. In fact, rather than lead the way, Congress did not begin to assert itself until the popular reaction against the war had reached an almost fever pitch.

American Southeast Asian policy was debated and analyzed only de facto. The democratic process was not applied to the single most important set of policy decisions of the last generation. I will not argue, as, indeed, no one can, that had our involvement in Vietnam been the subject of an extensive national debate. the course of history would have been different. I like to think it would. The people, through the agency of their elected Representatives and Senators, never addressed themselves to the issue of sending tens of thousands of our young citizens to their death. While Congress frittered away its time and energy debating the essentially academic question of whether this was, in a technical sense, a war and, therefore, subject to congressional approval, we fought one of the major wars in our Nation's history on the sole initiative and authority of the President.

The idea behind democracy is fairly simple and should need no reiteration. Policies, without regard to whether they are primarily foreign or domestic in their implications and effects, are to be decided by the people who constitute the political community, or by their representatives if that community is too large to practice direct democratic government. To the best of my understanding, there is nothing inherent in the theory of democracy as it has evolved in the 25 centuries from the time the Greeks invented it to the time it was incorporated by Jefferson, Madison, and others in our basic documents, that differentiates between foreign and domestic policy, reserving one for the democratic process and excluding the other.

There is no denying the validity of the argument that Congress is by the manner of its arrangement ill-suited to implement and execute foreign policy. The Constitution recognizes this; and, I am sure, every Member of Congress agrees. That is not the issue. Although it is sometimes difficult, we must distinguish between the formulation of foreign policy and the execution of foreign policy. It is in the former that Congress and the democratic process are essential. And it was in the formulation of Indochina policy that Congress played so negligible a role.

If there is a single most important and profound truth in the awful experience of Vietnam, it is the results of negating democracy in foreign policy. It is absolutely essential that public policy, whether foreign or domestic, must undergo public scrutiny. When the United States commits itself in the future, it must be in the full knowledge and understanding of what those commitments involve. This is a practical and a philosophical necessity. Philosophically, it means being true to ourselves and to the brilliant concepts upon which the Nation is built. Practically, it means avoiding the sense of betrayal and alienation that occurs when the people find themselves committed to a cause they neither understand nor had any part in determining. Consent of the governed is the prerequisite for successful democracy.

It needs to be made abundantly clear that the revitalization of democracy in the formulation of foreign policy is not a prescription for America's retreat from the world. The American people and the Congress are certainly not provincial or parochial. Having placed men on the Moon, we can hardly now see ourselves standing alone in "splendid isolation" from the rest of mankind. It is time that we reassert the principle that men are the best judge of their own interests, and if they must live with decisions they ought to be decisions in which they participated.

I think the American people have expressed their dissatisfaction with our policies in Indochina on the merits of the case. To withdraw from that sad corner of the world where enduring American interests are so exceptionally hard to discover, signals no generalized withdrawal, no disregard for formal allies or openly arrived at covenants. What is the proper and precise role for America in the world of tomorrow is a question that needs to be answered—but in a democratic fashion.

I do not wish to extol the virtues of Congress beyond what it can rightfully claim, for our faults are many and obvious. But in a very real sense, Congress provides a neutral ground for the debate of foreign policy. Executive agencies develop, over time, their own commitments and values. The very things an outside observer would question are so deeply ingrained that they are taken for granted. Because Congress is composed of so many divergent points of view, including that of the Executive, these tend to neutralize each other, leaving no predisposition in one direction or another. It is not superior wisdom that Congress possesses—except that it is closer to the people and reflects their wisdom more accurately—but superior neutrality in any national debate over the nature, direction, and content of foreign policy.

DEPARTMENT OF JUSTICE

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that a nomination at the desk, reported earlier today, pertaining to the office of U.S. district attorney for the district of Utah, be called up and that the Senate proceed to its immediate consideration.

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

The nomination will be stated.

The assistant legislative clerk read the nomination of Ramon M. Child, of Utah, to be U.S. attorney for the district of Utah.

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

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

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

ORDER FOR CONVENING OF THE SENATE AT 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow, it convene at 10 a.m.

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

ORDERS FOR RECOGNITION OF SENATOR TAFT AND SENATOR STAFFORD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the distinguished Senator from Ohio (Mr. TAFT) be recognized for not to exceed 15 minutes.

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

Mr. ROBERT C. BYRD. I ask unanimous consent that following the order for the recognition of Mr. TAFT tomorrow, the distinguished Senator from Vermont (Mr. STAFFORD) be recognized for not to exceed 15 minutes.

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

ORDER FOR CONSIDERATION TOMORROW OF S. 1483, EMERGENCY HOUSING ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for recognition of Senators on tomorrow, the Senate resume consideration of the now pending measure, S. 1483.

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

THE U.S. COMMITMENT TO ISRAEL

Mr. MORGAN. Mr. President, the disastrous events of recent days in Southeast Asia have caused me to become increasingly concerned about the "drift" of our foreign policy and the future of our commitments abroad.

We hear talk of "reassessment" at the highest levels of our Government, including the White House. And I cannot blame our allies for wondering whether this "reassessment" will ultimately be at the expense of their stability and continued security.

I wonder also. I want to go on record now as saying that I do not believe that the word "commitments" has become obsolete, and I do not believe that abandoning our allies should become the trend of our foreign relations.

I am particularly concerned today about keeping our commitments to the State of Israel and it is for this reason that I now ask unanmious consent to have printed in the RECORD a statement which I made earlier today on this subject.

There being no objection, the state-

ment was ordered to be printed in the RECORD, as follows:

ON MAINTAINING THE U.S. COMMITMENT TO ISRAEL

The series of events that have unfolded in recent weeks in Indochina, in the Middle East, in the Mediterranean—all have brought the word "commitment" into extraordinary prominence at home and in many areas of the world. Closely associated with commitment is the prestige of the United States and the credibility of American foreign policy.

In these troubled times, we face in the United States a sense of fear, scorn, or suspicion on the part of many toward U.S. commitments abroad, and with it, a desire to withdraw from the world. Abroad, we face mistrust or doubt among our allies, and what appears to be increased determination on the part of our adversaries.

The Director of the prestigious International Institute of Strategic Studies recently concluded that "the crumbling in Southeast Asia does not justify the view that the United States would give up commitments elsewhere that it considers vital to its interests. U.S. credibility depends less on Vietnam than on the problems within the United States to conduct a foreign policy." This statement gives me cause for profound concern. I have noted a conspicuous trend of late, expressed by various spokesmen for both the executive and legislative branches of our Government, advocating a complete revision of our commitments abroad. I urge extreme caution in this matter, because there is a very grave potential for recklessness in hastily casting off commitments that may affect our vital interests. A commitment is not a diplomatic bandaid; it is a solemn undertaking. If we are not careful, we shall be left with one very permanent obligation: namely, eternal dishonor.

I have a particular concern at this time for the Middle East—an area in which the United States holds vital interests and where it is imperative that our Government maintain a clear and unambiguous position and policy. These interests include continued access by ourselves and our Allies to the region's oil resources; use of the land, sea, and air routes, and transit facilities of the region; the strengthening of economic ties with Middle Eastern countries and access to their markets for U.S. trade and investment; the prevention of an external power establishing a predominant political and military presence in the region.

The United States also has a long-standing commitment in the Middle East—the survival of the State of Israel. I strongly believe it serves the best interests of the United States to provide Israel with the economic, military, and political support necessary to deter attack and to keep alive the search for a just and lasting peace in the area. The Israelis themselves possess the will to survive. And they have never asked that American troops be sent to defend their country—they only have asked for the means for survival.

From recent statements, I fear there are some people who are morally mortgaging themselves and who would deprive Israel of the power to defend itself. The search for peace in the Middle East will not be served by forsaking our commitment to Israel. Rather, I feel that any reduction—let alone cessation—of U.S. aid to that country would be interpreted as a sign of American weakness, and would encourage intransigent attitudes toward any settlement by the Arabs.

Thirty years ago, American public opinion was appalled by the evidence uncovered by Allied forces of what had happened to the Jews in the Nazi death camps. Under Hitler, the Jews had been doomed no so much because there had been no escape, but because there had been no refuge. Jewish people everywhere looked for a homeland to which the refugees and the persecuted could go. For understandable historical and religious reasons, many Jews looked to Palestine. The American people overwhelmingly endorsed the concept that Palestine be established as a Jewish commonwealth, integrated in the structure of the new, postwar democratic world.

When the State of Israel was formally proclaimed on May 14, 1948, it was immediately recognized by the United States. Israel, therefore, became the repository for all the unrealized hopes of the six million Jews who had perished at the hands of the Nazis.

In reflecting upon this occasion, I cannot but feel certain that if we forget the unique lessons of the Nazi Holocaust, we will surely repeat the blunders of yesterday. It was when it appeared that the world didn't care that the Nazis knew they had a free hand.

Since 1948, Israel has been engaged in a fight for national survival. Commencing at the time of its inception, four full-scale wars have taken place between Israel and its Arab neighbors. Yet, possessing a unity of national purpose, this unique country remains one of the most democratic lands in the world and, among its citizens, there is a diversity of backgrounds, ideas and outlooks.

Despite the ever-present sense of encircling danger, however, there is no confusion or despair. Nor is there any sense of panic in the face of the constantly voiced threat of annihilation by its neighbors.

The American commitment to Israel's survival has been affirmed by six Presidents and thirteen Congresses. The United States helped sustain the new State of Israel in its formative years. In 1950, the United States joined the United Kingdom and France in issuing a Tripartite Declaration, guaranteeing the territorial integrity of Middle Eastern countries.

In 1955, President Nasser of Egypt announced his acceptance of Soviet weapons to strengthen his military forces against Israel. The following year, a second Arab-Israeli war ensued, and the Arabs were defeated. Thereafter, Soviet arms poured into Egypt and into Syria. Prime Minister Ben-Gurion in 1963 pressed in vain for a United States-Soviet guarantee of Israel's frontiers. He subsequently requested a mutual defense accord between Israel and the United States.

Although President Kennedy rejected such a pact, he did pledge U.S. economic and arms support in the event of Arab aggression. As the war clouds once again gathered, President Johnson said in May, 1967 that the United States was "firmly committed to the support of the political independence and territorial integrity of all nations in the area. The United States strongly opposes aggression by anyone in the area, in any form, overt or clandestine." He also stated: "Israel will not be alone, unless it decides to go alone." In June of that year, the third Arab-Israeli war took place.

We all know that the Soviet Union has given determined political and—to the extent that Soviet interests were served—military support to the Arab states since 1955. It intends to maintain its presence in the Middle East. The Soviets had conspired with Syria in 1967 to urge Nasser into foolhardy adventurism prior to the June war.

After that war, they continued to arm on a massive scale Egypt and Syria. From all appearances, they were cognizant of the coordinated surprise attack by Egypt and Syria upon Israel in October 1973. Israel again prevailed in that fourth Arab-Israeli war—and the United States, alone of the Western powers, maintained its commitment by providing the means for Israel's survival.

We all keep alive the hope that a true settlement may finally be achieved between Israel and its Arab neighbors. Secretary of State Kissinger's efforts in the step-by-step negotiations between Israel and its Arab neighbors since the cease-fire in November, 1973 are to be commended. The fact that his most recent journey in March of this year did not result in achieving a further step in the direction of a permanent settlement should not cause a major revision of U.S. policy toward Israel.

Secretary Kissinger declared in 1969 that the United States "will not negotiate over the survival of Israel." He said: "This would be an act of such extraordinary cynicism that the world would be morally mortgaged if it ever happened. But it won't happen."

When he returned from his trip to Egypt and Israel in March of this year, he said he did not think any administration would let Israel "go down the drain." But he did say that the Israelis were questioning the durability of U.S. assurances.

I strongly urge that there will be no erosion of America's long-standing commitment to Israel. Israel is a real democracy that shares the basic principles, morality, and free way of life of the United States. I consider that a strong Israel is an asset to the United States in this vital region. I cannot agree with those who state that our support for Israel—even though morally justifiable—has created a barrier between the United States and the Arab world. Evidence would suggest otherwise.

The United States has not been barred from the Middle East as a result of the support for Israel by various administrations. In fact, the Arabs have realized that the United States is a factor and plays a leading role in any effort to achieve a just and lasting political settlement of the Arab-Israeli conflict.

The Soviet Union continues to supply vast amounts of arms to the Arab states. The Arab states also are acquiring arms through a coordinated procurement program which had been worked out at the Rabat Conference last fall. They appear to have greater political unity than ever before. They possess the power oil embargo as a weapon.

There are those who prefer to believe that American problems in the Middle East will simply evaporate if only the Arab-Israeli problem would disappear. I believe this to be an erroneous view. The Middle East is a Gordian Knot that must be untied, not cut. The forces of instability are endemic in the region and I can say, without reservation, that the existence of Israel has been a factor of stability and has precluded disintegration.

The United States cannot turn its back on Israel merely because the situation is difficult and complex. We have considerable stakes in the Middle East—economic, strategic, and political. There is also a moral stake in the region—one which I value very highly—and that stake involves our commitment to Israel. It is a question of honor, as well as pragmatism. In the words of William Shakespeare: "If it be a sin to covet honour, Then I am the most offending soul alive!"

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. RANDOLPH. Mr. President, I genuinely commend the able Senator from Wisconsin (Mr. PROXMIRE) for coming to the floor of the Senate as the manager of a very important measure. I compliment the Senator from Texas (Mr. TOWER) who represents the minority in handling this measure. Although the Senator from Texas has reservations re-

garding this legislation, he joins in the vital endeavors to increase the opportunity for homeownership in the United States of America.

As the debate formally begins on the Emergency Housing Act of 1975, I feel it is appropriate for the RECORD to reflect the sense of urgency expressed to me yesterday during a hearing in the Committee on Public Works, when leaders in the construction and building trades testified. They stressed the critical need for programs which can be brought into being, partially with the initiative of Congress, to return tens and hundreds of thousands of workers in gainful employment in the construction industry and to aid housing development. It was emphasized in our hearing yesterday that the Federal deficit continues to mount, not only because of the program expenditures that are made, but also because of the lost revenue attributable to our alarming unemployment levels. We must recognize that overwhelmingly, people would rather be at work than on some type of unemployment program or on welfare rolls.

It was revealed in testimony yesterday—and it is important that the RECORD reflect this—that unemployment in the Rochester, N.Y., area is at 61 percent for the construction and building trades; in Miami, 49 percent; in Phoenix, 40 percent; in Cincinnati, 32 percent; in St. Paul, 37 percent; in Newark, 32 percent; in St. Louis, 24 percent; in Milwaukee, 23 percent, and in Philadelphia, 20 percent. These unemployed workers—and many of them were at our hearing—are people who want to do the very job which is envisioned in the proposed legislation. Their union representatives endorsed strongly the pending measure to create the opportunity for homeownership at reasonable interest rates and cost.

Mr. President, stimulation of the housing industry is vital to the continued welfare and stability of our Nation. Our society is strengthened when citizens have the opportunity to own their own homes. The Emergency Housing Act recognizes this fact. Thus, I commend those who bring this measure to the floor of the Senate. I trust that it will be passed expeditiously. We will make a further contribution to having people gainfully employed and, at the same time, revitalize the housing industry in the United States and build a better America.

Mr. PROXMIRE. Mr. President, the pending bill is, in my view, the No. 1 "put our people back to work" bill that Congress will have an opportunity to act on.

I think all of us are aware that we face a very, very serious economic recession. In the housing industry, it is not a recession, it is a depression. Two weeks age Friday, it was disclosed that unemployment in March in the construction trades was 18 percent on a seasonally adjusted basis—much higher in some parts of the country; tremendous unemployment.

This bill will be highly stimulative. It will provide, in our judgment, some 400,000 new housing starts that otherwise we would not have. We calculate that as being 800,000 jobs, because there are about 2 man-years of work in each house constructed.

Now, it is rare that we find a stimulation of the economy that is that substantial, and that clearly will not be inflationary. But this will not be inflationary. It will not be inflationary because we have heavy unemployment. We are putting idle men to work. We have the idle resources. We have a great deal of lumber and cement and all the other building materials. As a matter of fact, unemployment in lumber is even higher than it is in the construction trades.

Furthermore, Mr. President, this is a bill that I think almost all Senators can support, regardless of their philosophy, because it has a favorable budget impact. I repeat, a favorable budget impact. We calculate that the bill will cost less than a billion dollars, that it will stimulate about $12 billion of activity in the economy—in other words, increase the gross national product $12 billion. The calculations by economists indicate that when we stimulate $12 billion of activity, net Federal revenues will increase by $2 billion. So the net effect on the budget will be positive. There will be a lower, rather than a higher, deficit after this program passes.

Mr. President, I also emphasize that this is a bipartisan bill. All the Democrats on the Banking Committee voted for it. Two of the five Republicans voted for it. It was reported out of the Banking Committee by a 10 to 3 vote. Senator EDWARD BROOKE, who cannot be here, was one of the supporters of the bill, and he is the ranking Republican on the Senate Subcommittee on Housing. He voted favorably for the bill.

The bill, in addition to stimulating the economy, will also provide Federal assistance to help develop standards for energy conservation in commercial and residential buildings. It also will provide emergency extensions for existing housing programs about to expire.

The bill has four titles.

The bill contains four titles. Title I would establish a permanent program for stabilizing the boom-and-bust cycle of residential construction. Under this title, mortgage credit would be made available at a maximum rate of 8 percent through the Government National Mortgage Association and the Federal Financing Bank whenever the housing starts fall below an annual rate of 1.6 million for 4 consecutive months. The special mortgage credit would be discontinued whenever housing starts rose above an annual rate of 1.6 million for 4 consecutive months.

I point out that we are now at a housing production rate of less than 1 million starts a year. Back in 1968, I got an amendment adopted to the 1968 Housing Act that provided housing goals that are now the law of the land. Our housing goals over the 10-year period beginning in 1968 should be 2.6 million starts a year, or 26 million housing starts during that period. We are only producing about a third of those houses now. Obviously, if we get back to the 1.6 million, we still have only a moderate improvement in terms of where we should be when we recognize the need for housing.

Title II would establish a temporary emergency interest reduction program designed to increase the low level of housing starts and thus create jobs. Under this title, a middle-income home buyer would be given an option of selecting a program offering a 6-percent mortgage loan for a period of 3 years, which would gradually rise to a market rate over the next 3 years, or an alternative program offering a $1,000 grant to be used to pay part of the downpayment.

Here is where the stimulus would be, because the present mortgage rate, on the average, in the country—it is lower in some areas—is about 9 percent. That is punishingly high. That prices literally millions of families out of the market. When we lower it to 6 percent, it means that several hundred thousand families that cannot now afford to buy a home, can make the monthly payments at a 6-percent rate. The bill would provide home buyers with the option of a 6-percent mortgage loan for a period of 3 years, which would gradually rise to a market rate over the next 3 years, or an alternative option of a $1,000 grant. The latter option was championed by the distinguished Senator from Massachusetts (Mr. BROOKE)—to be used to pay part of the downpayment.

Assistance would be limited to 400,000 units with appraised value not exceeding $38,000—or $42,000 in high-cost areas—and would expire when housing starts exceeded an annual rate of 1.4 million starts for three consecutive months, or on June 30, 1976, whichever is earlier.

This bill, Mr. President, is designed to meet the objections of the administration when they argue—and I can understand their argument—that if we adopt a housing program that provides for 6 percent mortgages without limit, it means that the Federal Government is assuming an enormous burden over perhaps a 30-year period, because it might take that long to pay off some of these mortgages. What we do in this bill is to provide that the difference between the 6 and 9 percent will be subsidized for only 3 years. After that the interest rate will gradually rise to the market rate during the last 3 years. That is fair to the home buyers because his money wage will almost certainly rise over the 6-year period. It is, of course, the money wage out of which he has to pay the monetary charge.

This is a bill that is moderate. It has definite limits. The limits are 400,000 housing starts—not 1 million or 2 million or 3 million, or an endless amount, as the years go on—just 400,000. It is limited in terms of the impact on the Treasury, because it has this phased income to the market rate of interest over a period of 6 years.

The first title, which amends the Emergency Home Purchase Assistance Act of 1974, the 8-percent mortgage interest title, under present circumstances, with interest rates at their present level, would cost the budget nothing at all. Zero cost. It would provide stimulus at zero cost, because the Government can borrow money, of course, at an average of close to 7 percent and they can lend at 8 percent and pay the costs.

Title III would establish a building energy conservation standards program under the Secretary of Housing and Urban Development, who would be authorized to establish energy conservation standards for new residential and commercial structures. Once the energy standards were developed and promulgated by HUD, the responsibility for implementation and enforcement would be under the various States. Any State failing to adopt and enforce such standards would be barred any further Federal construction assistance.

The administration has made a very helpful and useful contribution here. They favor a substantial part of this program. I think it can result not only in improving housing for many Americans—many hundreds of thousands of Americans—but also in reducing the energy drain, the waste that we now incur in heating and air-conditioning houses that do not conserve energy use.

Title IV contains miscellaneous provisions to extend and broaden the Federal rental and homeownership assistance housing programs and the section 312 rehabilitation loan program. These amendments would all apply to existing programs to make more housing available for low- and moderate-income families.

Mr. President, the most important provisions of this bill are contained in titles I and II, where Federal assistance is made available to reduce the cost of housing to middle-income families in order to stimulate residential construction when such construction reaches the intolerably low levels it has reached at the present time.

Both titles have triggers that cut off the programs, so that they do not go on indefinitely. I think it is very important, from the standpoint of being aware of the dangers that inflation may arise again in 3 or 4 years, to understand that we have cutoff provisions. In the past, we have not had this in housing programs, or other programs. But we now have, for the first time, a countercyclical provision, designed to stop the programs once the economy gets moving.

Titles I and II are designed to help stabilize the boom-and-bust cycle of housing starts, which has been the historical pattern of homebuilding for decades. Because the "bust" wave of the cycle occurs for two different reasons—one because of mortgage credit shortages and the other because of a slump in the economy—two separate programs are designed.

Title I provisions are designed to help increase production when the cause of the housing slump is a serious shortage of reasonably priced mortgage credit. The remedy is to make available through the resources of the Federal Government's borrowing capacity a supplementary supply of mortgage credit at an 8 percent rate, which is high by historical standards but which a reasonable number of middle-income families could afford.

I think right now we can see that. After all, the rate is 9 percent. If we get it down to 8 percent, that is a full percentage point difference, and our calculations are that literally hundreds of thousands of additional families would be able to buy at that more moderate rate. Thus, enough housing starts would be stimulated to blunt the serious effects of a devastating housing slump. The program would be triggered whenever housing starts dropped below 1.6 million at an annual rate for 4 consecutive months and would remain available until the level of starts rose to 1.6 million or more for 4 consecutive months. This would be a permanent program put in place at this time to be ready to be used at the next mortgage credit crisis, which has plagued housing so many times over the past 20 years and which is likely to happen again unless there is some extraordinary restructuring of our financial system to avoid future mortgage credit crunches.

Title II provisions are designed to help increase housing production when the cause of the housing slump is the depressed state of the economy, which is the situation right now. Under these conditions mortgage credit is available in plentiful supply but the lack of confidence in the economy, as well as the lack of purchasing power, seriously reduce the demand for housing. The remedy proposed by this title is to provide incentives for home buyers by making 6 percent mortgage credit available or by providing a cash downpayment grant of $1,000 to middle-income borrowers.

We find that there are tens of thousands of people who are able to meet the monthly payments, but, for one reason or another, simply do not have the cash, the amount they need for a downpayment. Those people would have the option of choosing the $1,000 grant instead of the lower interest rate.

The Federal expenditure for such benefits is an excellent investment for our Government. The resulting increased income through income tax returns and through the reduction of unemployment compensation payments would be several times the amount of spending made by the Government under this program.

Mr. President, I do not need to tell this body how serious an unemployment rate of 8.7 percent is, not only to the economy of our Nation, but to the lives of the unemployed people and their families. With unemployment compensation and supplemental union benefits about to run out the worst is yet to come. Time is running out, and action is urgently needed to get people back to work.

Everyone agrees that housing is the industry hit hardest by a serious recession.

I might call to the attention of the Senate the fact that about a month or so ago Henry Ford, chairman of the Ford Motor Co., and Leonard Woodcock, president of the United Automobile Workers, testified before our committee.

I asked Mr. Woodcock, "What is the most useful action that Congress could take as far as the automobile industry is concerned?"

Frankly, I expected him to talk about easing environmental protection standards, or easing the tax burden, or something of the kind. But he said, "The most useful thing Congress could do would be to take action in the housing field." He said, "This is the crux, the heart of our problem."

I thought, coming from a man whose entire responsibility was with respect to automobile workers, this was a remarkable farsighted and helpful observation.

I think it is true that this is an industry which, when it goes down as decisively as it has, throws millions of people out of work, not only in housing but in the areas that supply housing: the furnishing of houses, landscaping, and the many other things that go into home buying. If we can stimulate housing and related industries, it will make a very great difference to our national economy.

Housing construction is also generally believed to be the best vehicle to get us dollars spent by our Government would yield great results in stimulating an industry that can serve the dual role of meeting both the crisis of recession and the crisis of a rapidly rising housing shortage. We have the manpower, the materials and the mortgage credit; but in our current recessionary climate people of moderate means lack the confidence and the ability to buy the homes. Our bill would provide the stimulation to this market through low-interest rate loans or a $1,000 credit, to bring back into the market this large segment of our economy who need housing badly at this time. Once we can start housing construction through Government assistance, the program will be self-generated, and others will come back into the market without any additional Federal aid. The ripple effect of home construction spending in our economy is well known. There is no better way to spend Federal tax dollars to create jobs—and no more urgent job to be done. Housing starts are running below a million units a year—about one-third the goal specified in the 1968 Housing Act. Millions of American families want to buy homes but cannot do so because of the high interest rates. The legislation before us will provide the answer to this problem.

Mr. President, we have been holding hearings in the Appropriations Committee's Subcommittee on Housing, of which I am chairman, during the last few days, at which the new Secretary, Mrs. Carla Hills, has appeared.

HUD's expectations are that we are not going to come even close to attaining the national goal of 600,000 Government-assisted housing starts. As a matter of fact, we will achieve very few housing starts during the coming year.

That is one reason that necessitates this measure at this time. Another reason is that it has seemed to come back after relatively brief periods.

There are many indications that long-term interest rates are unlikely to decline much farther than they already have. There are some indications that they may even be starting to rise again. If that is the case, it would be very unlikely that housing would lift much above 1 million housing starts, and would remain at the present depressed level for many, many months to come.

I recently asked Dr. Henry Schechter, the housing specialist at the AFL–CIO, who worked for a number of years at the library of Congress, his opinion regarding the future. He indicated that

he felt it was unlikely that housing starts would increase significantly during the coming year—unless Congress takes the kind of action indicated in this bill.

Mr. TOWER. Mr. President, not since World War II have we seen such a dearth of activity in building housing. I shall not recount for you the depressing array of facts and figures dealing with new starts, unemployment, permits approved, and so forth—we are all too familiar with them.

Rather, I should like to express some concerns I have about what role the Federal Government should play in the housing industry. Let us briefly go back to January 1974, just a little over 1 year ago. To assist the industry, $6.6 billion was made available to the GNMA tandem plan for mortgages at 8¾ percent.

In May, because interest rates were rising and thrift institutions were starting to lose funds, several billion dollars more were made available through the GNMA programs and through the Federal Home Loan Bank programs. These funds were also made available at below market interest rates. A few months later, in August, we passed the 1974 Housing Act which granted more assistance. We increased the mortgage amounts for FHA-VA mortgages and increased the amount a savings and loan association could loan on a mortgage. In November, because of the massive outflow of funds from thrifts, we passed the Brooke-Cranston bill. It provided for $7¾ billion in mortgage money to be made available at below market interest rates. These have ranged from a high of 8½ percent to the present 7¾ percent.

You can make home buying as attractive as possible—with discounts, subsidized interest, taxes paid for 1 year—but the consumer is not going to purchase unless he knows he will have an income that will enable him to afford the house. Add to this the energy crisis and rising prices and I think you could readily explain the lack of sales in recent months. I think that even if interest rates were subsidized to 5 or 6 percent, we would have seen a similar scene.

So in spite of all the billions of dollars in Federal assistance, these programs failed to put the brakes on the downward slide of housing starts. Each program was billed as an "emergency shot-in-the-arm" effort, and each has failed to produce the desired effect.

As a last gasp effort, we approved another housing assistance program in the recently passed tax bill. We provided that a buyer of a new house could receive a tax credit of 5 percent of the purchase price, up to $2,000. It is too early to tell what effect this incentive will have, but some reports are crediting it with a spurt in the number of those looking at new homes in the last couple of weeks.

Mr. President, I seriously question what effects this bill will have. I think that all of us are working toward the same end. In the long run, we want a stable supply of mortgage credit at reasonable rates. What disturbs me is that some propose we do this through governmental intervention. I think that there is a definite role for the Federal Government to play in the housing industry. For the most part, however, it should be restricted to providing housing for lower income families.

I will even concede that under certain circumstances, Federal assistance should be made available to middle-income families to purchase a house. This should occur not so much to help the middle-income family as it is to correct the unemployment that exists in the industry. For over a year now, we have been looking to the Federal Government for assistance in this area. Little success has been achieved. We are now proposing to provide even more Federal assistance. Although the cost of such assistance concerns me, I have cause for greater concern because of the pattern that is being set.

It appears that, whether we like it or not, some would "governmentalize" the housing industry in order to insure an adequate supply of mortgage credit at reasonable rates. I submit that such an approach would prove to be destructive to the industry. It is a competitive industry and is already overburdened with Federal requirements. More Federal intervention could only increase the costs which are ultimately passed on to the consumer.

I should think that the better approach would be for the Federal Government to insure that the conditions are proper so that the private sector can provide an adequate supply of mortgage credit at reasonable rates. It should not crowd out the private sector in financing middle-income housing. We must stop our piecemeal efforts to assist the housing industry. We must start looking at and treating the causes of the fluctuations in the mortgage market, rather than continually reacting to the symptoms.

Now, Mr. President, I reluctantly oppose S. 1483 and, I think, it is the first time since I have been a member of the Housing and Urban Affairs Subcommittee that I have failed to support a major committee bill on housing. As I say, I do so reluctantly.

I do not believe that this bill will cure the evil that it seeks to remedy, and I feel rather sure—I do not have cost figures on this yet, I hope to provide those before this debate is concluded—that it is going to prove to be too costly and inflationary.

One thing we should understand is when we put extra money into housing, we have to get that money out of the debt market. When the Federal Government goes into the debt market it is competing for funds that might otherwise go into thrift institutions and eventually into conventional mortgages.

So I wonder if we are not perpetrating something that might actually be exacerbating the problem that we perceive here.

Therefore, I must oppose this measure in its present form. I believe that the chances are great that the bill will be vetoed if it goes to the President in its present form, and it may prove that what we are doing here then has turned out to be an exercise in futility.

I am very reluctant to oppose the measure, Mr. President, but, under the circumstances, I feel compelled to do so.

Mr. PROXMIRE. Mr. President, the Senator from Texas has been a very diligent, cooperative and intelligent member of the committee and—he is the ranking member of the committee, as a a matter of fact, and—he has been on the Housing Subcommittee for many, many years. He has always been most constructive, thoughtful and helpful.

It is unfortunate that he disagrees with us on this particular bill. But I must respond, at least in part, to his observations.

No. 1, we have not had any real help for people who cannot afford to buy their own homes for a long time now. The administration cut off publicly assisted housing programs in effect in January 1975. That is more than 2 years ago, and for more than 2 years there has been no real program to help the people, whether they need public housing, whether they are poor and want to buy homes on the basis of the 235 program, or to lease under the 236 program. There just has not been an effective housing program in operation since 1972.

It is true the administration has been developing a new program. But it is just as if an automobile manufacturer decided that he would come out with a new model, but had not produced the old model for 3 years.

Now, the administration has testified before our Appropriations Subcommittee that it will be 18 more months before their new section 8 program, which is supposed to be the heart of their subsidized program for the poor, really takes any effect and, as I pointed out, they expect in the next year to have only one-third of the 600,000 housing goal that we provided for publicly assisted housing.

As far as the argument of the distinguished Senator from Texas is concerned that Congress and the administration have provided a whole series of subsidies, and so forth, and that they simply have not done the job, and it is time to turn away from this approach—the fact is we have not had anything of the kind that we are discussing now, the bill that is before us at the present time. We have not had any 6 percent or even 8 percent mortgage interest rate program in the past. We have had programs that have tried to provide more funds for the savings and loans but at the very, very high mortgage rates that prevailed and, as I point out, are still above 9 percent on the average in our country, and it is simply too high for 70 percent of the people in America to be able to buy a new home on the basis of average income if they allocate 25 percent of their income to housing.

The main argument against the distinguished Senator from Texas, of course, is results. If we were in a situation where we had 2 million housing starts a year or 2.5 million housing starts a year, of course, there would be no strong argument for the bill. But we are at a point where we have less than 1 million housing starts a year. We had that in December, we had that in January, we had that in February, we had that in March, very little prospect of much improvement unless we take action.

The notion that there is going to be

an adequate supply of credit would somehow be very logical if we could assume people are going to be able to pay 9 percent interest. Then we do have an ample supply because the savings and loans do have far more funds than they had in the past.

But the very strong likelihood is that interest rates are not going much lower than that, and they have turned up a little bit in recent weeks, maybe they will go down again, but it is very unlikely they will go below 8.5 percent in this country. Unless they do that, we will have a paralyzed, depressed housing industry and we are going to have a deep recession in our economy from which we are just not going to recover effectively.

Mr. HUMPHREY. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. HUMPHREY. Mr. President, I merely——

Mr. PROXMIRE. Incidentally, I might point out the Senator is chairman of the Joint Economic Committee and has been in the Senate off and on since 1948, has been a great champion of housing and is expert in many phases of our economy.

Mr. HUMPHREY. I thank the distinguished chairman of the Banking, Housing and Urban Affairs Committee.

Let me say, we are not only discussing here the details of the Emergency Housing Act of 1975; we are, in fact, trying to arrive at a national housing policy that will assure the American consumer of housing that credit will be available at reasonable rates of interest.

This bill has in its first title a sort of countercyclical procedure so that when construction of housing units is above a certain level, the normal market rates prevail. But, if they fall below the established level for 4 consecutive months, then there is a Federal action to make sure that interest rates do not go above 8 percent.

Even at the 8 percent level, however, it is a rather high interest rate for housing as far as I am concerned. Housing is a long-term investment, and most housing is purchased by young people at a time in their life, may I say, when an extra point in interest means a great deal to them in terms of their available income for other necessities of life.

The second feature of this bill which I think is extraordinarily desirable is in title II. This title provides emergency assistance for middle-income housing. It will provide an interest subsidy on the one hand, or the option of a $1,000 credit on the other.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. The distinguished Senator from Texas brought out the fact that we passed a tax credit that goes up to $2,000 on some housing and that some people felt that was useful. I did not feel it was particularly desirable action. But it is the law of the land.

But what this does is provide front end money.

Mr. HUMPHREY. Exactly.

Mr. PROXMIRE. They get a thousand dollars now, not in 1976 when they file their 1975 return, as a credit somehow. They get it right now.

So they have the money available to make the down payment at the essential time, for many people, if they are going to be able to buy a home.

Mr. HUMPHREY. And, it will be available on the basis of the volume of housing starts. There is a figure that relates assistance to the number of houses under construction in any given period of time.

Mr. PROXMIRE. Which is quite a low level, it is a conservative provision.

Mr. TOWER. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. TOWER. I noted with interest what the distinguished Senator from Minnesota said, and he is right, that it is largely young people, young couples that buy houses and a 1-percent reduction in interest rates means a great deal to them.

I wonder if the distinguished Senator from Minnesota and the distinguished Senator from Wisconsin would join me in supporting an amendment that would repeal the Davis-Bacon Act as it applies to residential construction that is federally funded, because Davis-Bacon is estimated to add as much as 15 percent to the cost of housing. It seems to me that this would be a constructive step to take to lower the cost of housing. If housing costs were lowered, we would not need continuous Federal subsidization of interest rates.

Mr. HUMPHREY. Might I say, that I have never known a country that got well-off by paying its people less. But, of course, the Senator may have a formula I did not become acquainted with either in economics or in pharmacy.

I think formulas that lower incomes, at a time when everything is going up in price, steers a short course, may I say, toward economc disaster.

Mr. TOWER. If we could build 15 percent more houses, we could hire more people to build those houses. We could increase employment in the housing industry, and more people could buy houses because the price would be lower.

Are we trying to stimulate housing production, while at the same time not being concerned about the cost of that housing?

The fact of the matter is that in a small town in Texas, what Davis-Bacon means is that one applies the highest union negotiated rate to home construction in many cases even a hundred miles away.

Mr. PROXMIRE. Will the Senator yield?

That is a very, very red herring. In fact, it is crimson and dripping with blood.

Mr. HUMPHREY. May I say—it has been out of the refrigerator quite awhile, too.

Mr. PROXMIRE. We merely smell it.

Because 80 percent of home construction is nonunion.

Mr. HUMPHREY. Exactly.

Mr. TOWER. Because of the manner in which the Davis-Bacon Act has been administered, builders often have to pay the union-negotiated rates in a city 100 miles away.

Mr. PROXMIRE. Someone might get a little more money, but the main reason the construction wage figure is out of sight and the hourly pay is too high is because, on the average now in this country, even in fairly good times, construction workers work only 1,400 hours a year, not the 2,000 most people work.

Why? Because the boom and bust operation in housing, if we can stabilize, like in this bill, so they can expect to work 40 hours a week, 50 weeks a year, their wages would stabilize, because they say in order for them to make out at all——

Mr. HUMPHREY. Exactly right.

Mr. TOWER. I think I have answered that if we reduce costs in building our houses, we can build more houses. More people will purchase homes and more employment will result in the housing construction industry.

Mr. HUMPHREY. May I say most respectfully, that there are a lot of places in this country, in fact the vast majority of places, where Bacon-Davis does not apply at all in the housing construction field.

If we want to argue Bacon-Davis, we can set that up as a special piece of legislation. In fact, we seem to do that regularly, and those who seek to repeal it each year get a few less votes. But, I most admit that they do have one sterling quality, perseverence. There is a survival instinct, even if it is not a success instinct.

I respect people that persevere. I even respect them more if they survive through it, but that still does not mean they are right.

Let us talk about housing, now that we have disposed of this argument.

What is needed in this country is a recognition of a national housing policy that will assure citizens of this land who seek to own homes a chance to do so under conditions that they can afford. The one thing everybody testifies to as the major detriment or impediment to housing construction is the extraordinary increase in interest rates on home mortgages.

And, whenever the credit crunch comes, it seems as if the housing industry is the first to get bent out of shape.

What this bill seeks to do, and what I commend the Senator from Wisconsin in being able to do in this bill, is get away from this boom-and-bust business that has so dominated the nature of this activity. One year, they get up to 2 million units and then it drops way down again. The Federal Reserve Board tightens a little on the money, the interest rates start to go up, and right away the industry falls flat on certain parts of its anatomy. This all adds seriously to the distress and trouble of this economy.

More important than anything else is some sense of stability, a policy. As I see it, what we are trying to do in this legislation is get a policy. And, in title I of the legislation, we seek to get away from the boom-and-bust, the cyclical behavior, that has been going on for years.

There is a countercyclical method provided in this legislation. In simple terms this means that when housing construction is over 1.6 million units, I believe it is, in the bill, then the prevailing market rates in the money market prevail for mortgage, but when it is below 4 consecutive months, then the Federal

Government will see to it the interest rate is not beyond 8 percent.

Mr. PROXMIRE. Will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. The one great advantage of that is that under almost all circumstances there will be no effect on the budget at all because the Federal Government can borrow at below that 8 percent.

Mr. HUMPHREY. The Senator is correct.

Mr. PROXMIRE. I do not know why the Republicans do not embrace this and love it, it does not cost anything, all in the private sector, that is where the money will be spent and raised.

Some of them do, but not enough.

Mr. HUMPHREY. I can only say that some—but none of those presently on the floor—but some Republicans are like the old French kings: They never learn anything, they never forget anything, so they have a little trouble making changes in their minds.

But there are none that I know of who are present right now to which to apply to those standards.

What I think is important here, in all seriousness, is the necessity of recognizing that there is no way out of a national recession when you have a housing depression. In the report of the committee on the need for this legislation are facts that are startling, and, may I say, shameful: the high rate of unemployment against the skilled craftsmen in our building trades; the low number of new housing starts; the large number of homes that have already been built that cannot be sold because of the high interest rates.

This bill seeks to get at two things: first, availability of credit at rates that people can afford to pay on sustained basis. It seeks to get us at a cruising speed of housing construction. And, temporarily, it seeks to give us some emergency lift where the potential buyer of a home has an option of an interest subsidy for a short period of time for a middle income family, or, as the Senator from Wisconsin said, some up-front money for a downpayment.

The home buyer may make his choice. He may be willing to pay a little higher interest rate if he can get that $1,000 up-front money, or he may want to take that 6 percent option.

Of course, the Senator from Wisconsin knows that I happen to feel that we ought to go further than this. I suppose that does not surprise some people. But I want to tell you something, Mr. President: No country will ever go bankrupt building homes. Let that thought sink in. This country will not go down the financial drain because it invests in homes. That is what we need to invest in. We do not need as many race tracks as we have. We can even get along with a few less country clubs. And we can get along with a few less office buildings.

We are going to have Senators around here wanting to amend every piece of currency we have "under God," you know, and we get all the religion, and we talk about all the family, how wonderful the family is—with all of which I agree. I am for it.

But I will tell you how much I am for it. I believe you ought to go to church and put something in the plate. That is No. 1, if you are going to talk about God. Do a little praying, and not just before you are ready to die.

Another thing I believe is if you believe in the family, let them have a home in which to live.

We are very strong on this pious stuff. When you get to be a Senator, you get super pious. You then can talk about religion, and you talk about the prayer meetings we have; you can talk about the family. The answer to the family is a decent place in which to live. That helps keep a family. You do not have much of a family if you live in filth, in degradation, in tenements, in slums, and if you cannot afford to buy a home and you have a wife and two little kids and you are being ripped off with high interest rates, with high rents. What are you doing for the family then?

We ought to have a national housing policy. I am for taking the Export-Import Bank and making it the housing program. I want to say what others have said: If we can loan those Russians money at 7 percent, and if we can loan those Afghans some money at 6 percent if they want to buy a computer or if they want to buy an airplane, then why can we not loan Joe Smith or Sam Swanson in Minnesota money to buy a house at 6 and 7 percent? Why not? When did these other characters get to be better credit risks than the people I represent?

I can take you to Kandiyohi County, Minn., where we have a lot of Scandinavians who work their hearts out. They are good people. They are better credit risks than anybody you will find in the Soviet Union. Yet the Government of the United States is dishing it out. "Just buy an airplane from us."

By the way, I voted for Export-Import because I believe it is good for our economy. I am simply saying that when something that works so well for foreigners, why not try something like that for the people back home? Why is it that this Congress insists on punishing its own people?

I think there are some questions to be answered here, and I am ready to take them all on.

I want to know what it is that makes this Congress want to back up a program like I get out here and fight for for foreign aid. I got my friend from Texas to back me on foreign aid. We got developmental loans in foreign aid. We have housing programs for people in Latin America in foreign aid. They can buy a home much cheaper than any American can.

The Senator gets right up with the Senator from Minnesota and says, "That is good." It is good. I am not criticizing him for it. I praise him for his vision. He seeks to build a better world in Latin America. I want him to build a better world—and in Texas. I know he wants to build one in Texas. But help me in Minnesota, too.

Mr. TOWER. Will the Senator yield for a question? Does he come to praise me or bury me?

[Laughter.]

Mr. HUMPHREY. I have not gotten to the second part of the scene yet. That will be tomorrow.

[Laughter.]

One of the joys of the Senate is to have an opportunity to exchange any comment with the able and distinguished Senator from Texas whom we respect and admire, and whose intellect is second to none. That is true.

His politics are a little off key, but every man is entitled to a weakness. For this we do pray.

My friend from Wisconsin has come forth with a reasonably good piece of legislation. Not only that, but may I say it represents hard work. I know the Senator from Wisconsin has talked about this and worked on it, not only as chairman of the Banking, Housing and Urban Affairs Committee, but he, too, has been chairman of the Joint Economic Committee, and has spent months on legislation relating to housing, and on the economics of housing.

I am simply stating once again the Nation needs a national housing policy that will assure the American people of a decent home in a safe neighborhood. That is what this country needs. That is part of the national security of this country.

Robert Taft, Sr., stood here in this Senate in 1949 in support of housing legislation. In that act of 1949 there is a commitment by the Government of the United States that every American family shall have a decent home in a safe neighborhood.

That is in the law. It is one of those laws we do not seek to do much about, but there it is. So here comes the Senator from Wisconsin who says, "I take it seriously. I would like to provide the mechanism to make that possible."

Here is S. 1483. It is a sincere attempt to get at a problem, a problem that besets this whole country. There is no way, Mr. President, but no way, that we are going to get out of this recession as long as the housing industry is in a depression. Everybody knows that housing is the bellwether industry of this country. When construction workers are unemployed, when the timber industry is in trouble, when building materials industries are in trouble, we are in trouble. The whole country is in trouble. So, economically, whatever we do will be investments well made.

Sure. it will cost some money. But I want to ask something: What costs more money than to have a nation which should be building over 2 million housing units a year building less than 1 million? That is what costs money.

I will tell what costs this country money: Having your plant capacity operating at three-fourths when it ought to be operating not at 70 and 75 percent but 90 and 95 percent. I will tell you what costs money: Having 8.5 to 9 million workers unemployed. That costs you money in terms of unemployment compensation plus the loss of income.

This bill is designed to put people to work. This bill is designed to release the money that is in the savings and loans for mortgages. This bill is designed to

get homes under construction at a rate that people can afford to pay.

I predict to you that if we can pass this legislation today and the other body can pass it tomorrow, and we could effectuate it within the next 30 days, there would be an immediate positive impact in this country in terms of the economy. This is the kind of thing we need to do.

I have never been so hot on all these public service jobs even though I know that they are needed as a palliative. I know it is much better to provide people work than just to provide them unemployment compensation. But we need to build something. We need to build communities. We need to build homes. We need homeownership.

I am proud to come from a State that has 78-percent homeownership—78 percent of the people of my State owning their own home. That is a good record. I would like to have you come and visit Minneapolis and St. Paul. Take a look and see how they take care of their neighborhoods. We have all kinds of people—black and white, brown and red, fat and skinny, tall and short. We have them all. But they own their own homes, most of them.

There are places in our community where there is a rundown neighborhood where it is owned by somebody else. When we have homeownership, we have decent neighborhoods; we have good communities.

I am proud to represent, in part, a State that has a high percentage of homeownership. I will take you to Duluth, to St. Cloud, to Mankato, to St. Paul, to Minneapolis, to its suburbs, to all those places where there is homeownership, and you have a clean, modern, up-to-date community. I will take you into areas where there are tenements, old houses that cannot be rebuilt because of high interest or shortage of capital or credit, and you have a bunch of junk.

People get the same way their environment is. If you have a dirty, rotten environment, you are going to have trouble with people. If you have a clean environment, you have a better chance to have better people.

I look upon a housing program as not just economic investment but social policy. I am going to back a bill such as this. In fact, I may even try to figure out another amendment or two to make it a better bill.

I compliment the chairman. I know the work he has put into it.

All the talk I hear about how much it is going to cost does not phase me one bit, because I know what it is costing us not to build. I know that not to build homes is more costly than to build them. I know that the savings and loan industry in this country is ready to go to work if they can get the borrowing rate down.

Building programs will work, but if you have somebody in charge of them who does not want to make them work, they will not. I hope that the new housing secretary, a distinguished woman, will make the present program work.

All the witnesses who have testified before the committees in Congress on this matter have said that there is a need for this kind of legislation. Am I correct, I ask the Senator from Wisconsin?

Mr. PROXMIRE. The Senator from Minnesota certainly is correct. Absolutely.

Mr. HUMPHREY. So that we have had a volume of testimony, we have had all the evidence one could possibly think of; and the only argument we now have is what should be the role of the Federal Government in housing. I will state an answer. I do not spell out its details, but the answer is to get it going. That should be its role. Whatever it takes, that is what it needs to be. If it takes interest subsidy, it should be interest subsidy. If it takes mortgage purchases, then it should be mortgage purchases. Whatever the formula is, do it; because in doing it, you are going to get some progress in this country.

That will put people to work, and the revenues will come in. Revenues come in when people have revenue, and people have revenue when they have jobs. Many people have jobs when there is credit, and people have credit when they can afford to pay for it. One need not go to a school of economics to understand that simple economic formula. All one need do is to sell one hamburger to know that much.

Mr. TOWER. It is my experience that the housing problem and the housing aspect of our economy is too serious to be treated as a partisan issue, and I have never done so. I might say, if there are those who are not aware of it, that this is the first major housing bill to come out of the Committee on Banking, Housing and Urban Affairs in 14 years that I have not endorsed and fought for. Many are the days I have stood on the floor of the Senate with JOHN SPARKMAN when he was chairman of the Committee on Banking, Housing and Urban Affairs, and managed housing legislation, and prevented gutting amendments from being adopted to it.

So far as low-income housing is concerned, I was one of the original authors of a program to provide homeownership for lower-income families. I regret that so much of our housing legislation recently has been aimed at benefiting middle-income families and not benefiting the lower-income families. All too much of it does not benefit the lower-income families and they are the ones who need the most assistance.

I agree that there is a role for Government in housing. That is evidenced by my past support for housing legislation. I have supported all the measures that have been referred to which have been enacted over the past year. But I do not believe that the Federal Government can always and inevitably solve all the problems in our society. I think that is a dangerous mentality that moves us to an overconcentration of power in the central Government.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I will yield in a moment.

We have had many, many housing programs, and I do not see that, all of a sudden, the one we have before us today comes up as a new, magic formula that is going to cure everything. I agree that we have to try to balance out the fluctuations in the mortgage market. I am not certain that this bill will do that. I do not believe it will, or perhaps I would be more inclined to support it.

Let me say one more thing, and I will be through for today, and I will be prepared to make more arguments tomorrow. I think the most important thing is consumer confidence; because no matter how many incentives we have, if people do not have consumer confidence, potential purchasers are not going to obligate themselves by buying houses. Confidence is tremendously important.

I submit that if we are stuck, as a result of Federal action, with more inflation and inflationary expectations, we can ultimately precipitate a worse recession than the one we are in. In the final analysis, confidence is going to be the important factor that gets home building started again.

Mr. PROXMIRE. Mr. President, I realize that the hour is late, and I will take a minute or two more before we recess for the night.

I point out to my good friend, the Senator from Texas, that this bill was not reported by a bare partisan majority. It is a bipartisan bill. The Senator knows that it passed by a vote of 10 to 3. Some of his Republican colleagues on the committee supported the bill.

Mr. TOWER. I am well aware of that. I was merely rebutting the distinguished Senator from Minnesota, who suggested that this was simply a partisan view that I was taking on this measure.

Mr. HUMPHREY. If any of my remarks were so interpreted, the interpretation is wrong, because I do not believe that at all. I say to the Senator from Texas that I know he has supported much of the housing legislation. I regret that he does not support this measure—although I think he may come around to it as the debate unfolds—because I think his support will do a great deal to achieve its prompt passage.

Mr. TOWER. I say to the Senator from Minnesota that I thank him for likening me unto a French king. Usually, it is Attila the Hun. So I appreciate being promoted.

Mr. PROXMIRE. I say to the Senator from Texas that when he says he is concerned about this bill because the Government is becoming involved too heavily, this bill is designed expressly to prevent that kind of thing. Many would feel that we go too far in keeping the Government out under most circumstances; but this phases the Government into the emergency program only when housing starts are below an extraordinarily low level of 1.4 million a year. We are phased out completely when housing starts are above 1.6 million.

So the Government is not involved under all circumstances. The Government is in it only when the economy is in such bad shape or housing is in such bad shape that we have to come into it.

Furthermore, if there is any kind of program which should restore confidence, this is exactly it. This is an assurance to the American public that we are not going to have the kind of recession that is led by housing and fed by depressed

housing. We can have confidence that the Government is going to take action to prevent the kind of deep housing depression we have today; because whenever housing starts get below 1.6 million, part of this measure goes into effect. There is a permanent program. If it gets below 1.45 million, the other part goes into effect. On both scores, it seems to me that this bill has every reason to be appealing to Members of the Senate, whether they are Republican or Democratic.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. 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. TOWER. Mr. President, I ask unanimous consent to have a statement by the distinguished Senator from Massachusetts (Mr. BROOKE) printed at this point in the RECORD.

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

STATEMENT BY MR. BROOKE

The bill which we take up today—S. 1483—has a number of objectives:

(1) First, in order to prevent future mortgage credit shortages of the kind that we experienced last year, Title I of the bill makes permanent the emergency authority to purchase mortgages which was given to the Government National Mortgage Association under the Emergency Home Purchase Assistance Act of 1974, the so-called "Brooke-Cranston" bill. This authority is extended to cover conventionally financed condominiums, cooperatives, and multifamily rental properties, and a cap of 8% is placed on the interest rate on mortgages purchased under the program.

This program is to be automatically activated whenever housing starts, exclusive of mobile homes, fall below a four-month, moving average annual rate of 1.6 million units for four consecutive months, unless the Secretary of HUD finds that such decline in construction activity is not caused by a shortage of mortgage credit, in which case the Secretary need not activate the program. Either House of Congress may, under this provision, vote to override the Secretary's determination and activate the program so long as starts remain below the levels prescribed in the bill.

Title I also gives GNMA the authority to guarantee securities backed by qualified mortgages and issued by qualified mortgagees and provides for the Federal Financing Bank to purchase such securities.

(2) Title II of the bill seeks to deal with the current economic recession and its effect upon the market for newly constructed homes. The program established under Title II unlike that created by Title I, is a temporary, economic recovery measure designed primarily to generate economic activity and jobs in the construction industry.

It does so by offering buyers substantial incentives to buy new homes within the next few months rather than waiting to buy later. Having carefully studied different ways of promoting economic recovery, the Committee has concluded that a program to stimulate housing production is among the least expensive and most effective ways of creating jobs.

Under Title II, middle-income families are offered two options to assist them in purchasing homes. First, they may elect an interest subsidy which temporarily reduces the interest rate on their mortgage to 6%. The interest rate on these mortgages will rise to the full market rate over time. Alternately, families may choose to receive a one-time, $1,000 payment at the time they purchase their new homes, which could be used to cover downpayment or settlement costs.

I proposed a $1,000 home purchase incentive payment in S. 947, which I introduced on March 4, 1975. I believe this up-front, one-time payment would be the most effective and least expensive way to promote new construction activity.

The Finance Committee included a home purchase tax credit program in the Tax Reduction Act of 1975, which, while similar to my proposal, lacks certain essential features. I tried to amend the tax bill on the Floor to make it more effective and less expensive, but in the pell-mell push to pass the tax bill before recess, Senator Long successfully moved to table my amendment.

The home purchase incentive program set forth in S. 1483 would not duplicate the tax credit program. The $1,000 payment authorized by S. 1483, unlike the tax credit, would be available to purchasers of homes started after March 26, 1975, thus providing an incentive for new construction during the 1975 building season. More importantly, the $1,000 payment will be available to the buyer at the time he purchases a new home. Under the Tax Reduction Act, the buyer would have to wait up to a year before receiving any assistance. Finally, anyone taking advantage of the tax credit program would be barred from participating in the programs authorized by Title II of S. 1483.

Section 208 of the bill provides for the recapture of interest reduction payments made under Section 204. However, it was not felt necessary to provide for recapture of home purchase incentive payments, which are limited to $1,000.

(3) Title III of the bill directs the Secretary of HUD to establish energy conservation standards for new residential and commercial buildings. This provision essentially incorporates the provisions of Title X of S. 594, the Energy Independence Act of 1975, which the President sent up earlier this year.

(4) Title IV of the bill contains a number of provisions revising and extending existing laws.

Section 401 extends the Section 312 rehabilitation loan program until September 30, 1978 and modifies the program to permit HUD to charge an interest rate higher than the present 3%, but not higher than Treasury borrowing costs plus an allowance for administration costs, to applicants whose incomes exceed the median for that area. The financing mechanism for the 312 program is modified so that appropriations would only be required to cover the actual costs of the program, and a limit of $7.5 million is placed on the amount which could be appropriated in any fiscal year.

Section 402 incorporates the text of S. 947, which I introduced on March 4, 1975. This section would increase from $150 million to $450 million the amount of public housing contract authority to be used to build housing to be owned by local housing authorities. Half of this additional $300 million in contract authority must be spent to finance conventional public housing.

Section 403 extends the Section 235 program through 1977.

Section 404 directs the Secretary to process all applications received, including those from public housing agencies, during distinct time periods not exceeding 75 days.

I believe that S. 1483 provides much needed relief to our Nation's housing industry. There is no need to recount all the horrible statistics here. The one which stands out most strikingly is the 18% rate of unemployment in the construction trades—and it should be noted that the rate is much higher in many areas of the country, including my own Commonwealth of Massachusetts. We must act now to put these men back to work and to get our economy moving again. I shall vote for the bill, and I urge my colleagues to do so.

Mr. TOWER. I wish to note that the distinguished Senator from Massachusetts is the ranking member of the Subcommittee on Housing and Urban Affairs. He has done a masterful job on housing legislation in the past and specifically on this legislation. He was unavoidably detained this evening and cannot be here. I should be remiss if I did not say that I stand here only as his surrogate manager, that he has really done the lion's share of the work on this and other housing legislation that we have had before us in the last few days.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. tomorrow, following a recess. Mr. TAFT and Mr. STAFFORD will each be recognized for not to exceed 15 minutes. Upon the completion of these orders, the Senate will resume consideration of S. 1483, a bill to provide for greater homeownership opportunities and to stimulate housing construction and employment in the housing industry. Rollcall votes are expected to occur on amendments to the bill and on final passage—which, hopefully, will come tomorrow. The debate on Senate Concurrent Resolution 32, relating to the congressional budget for the U.S. Government, will not occur tomorrow, as had been previously programed, but will occur next week, probably on Tuesday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:10 p.m., the Senate recessed until Thursday, April 24, 1975, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 23, 1975:

DEPARTMENT OF JUSTICE

Ramon M. Child, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)